

Agenda for a meeting of the Waters Governance Board to be held in the Committee Rooms 1 & 2, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY, 7 FEBRUARY 2023** commencing at **10.00am**.

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA

3. DISCLOSURES OF INTEREST

The register of interests is no longer included on agendas, however members still have a duty to disclose any interests under this item.

4. CONFIRMATION OF MINUTES

Meeting held on Tuesday, 22 November 2022. 7

5. ACTIONS REGISTER

6. REPORTS

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7. EXCLUSION OF THE PUBLIC

GJ Ion
CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

Reports to:	The Council
Chairperson:	Ms Rukumoana Schaafhausen
Membership:	Mr Garth Dibley Mr David Wright Mr Gavin Ion (Chief Executive) Ms Jackie Colliar (Board Intern)
Meeting frequency:	Monthly
Quorum:	A majority of members (excluding the Board Intern)

The Waters Governance Board is a subordinate decision-making body of the Waikato District Council established under Schedule 7 of the Local Government Act 2002.

Purpose and Terms of Reference:

1. To provide governance and oversight of the development and implementation of the Council contract with Watercare Services Limited ('Watercare').
2. To ensure the activity goals are clearly established, and strategies are in place for achieving them.
3. To establish policies for strengthening the performance of the water activity including ensuring management and the contractor are proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital.
4. To monitor the performance of management through the Chief Executive.
5. To ensure high standards of health & safety are maintained by management and Watercare and undertaking appropriate due diligence.
6. To decide on whatever steps are necessary to protect the Council's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken.
7. To ensure the water activity's financial statements are true and fair and otherwise conform to law.
8. To ensure the water activity adheres to high standards of ethics and corporate behavior.
9. To ensure the water activity has appropriate risk management/regulatory compliance policies in place.
10. To look to improve environmental outcomes from this activity.
11. To consider kaitiakitanga as part of decision-making.
12. To monitor and ensure Watercare are meeting their obligations.
13. To report to Council twice yearly on progress with Waters' Management.

14. To provide innovation and ideas that could improve profitability, service levels or environmental outcomes.
15. To hold Watercare to account over the delivery of the operational and capital programmes.
16. To work with Council to agree the overall funding requirements of the business.
17. To undertake any other matters considered relevant by the Board or referred to the Board by the Council.

The Board is delegated the following powers to act:

- Agree the form of the transactional arrangement with Watercare.
- Negotiate with Watercare and recommend to Council the final, or any amended, contract value for waters management.
- Conclude the contract (after Council approval of contract value) and terms and conditions, including any amendments, with Watercare.
- Ensure that transitional contract requirements are met by Watercare and Council.
- Hold Watercare to account for their performance at all levels.
- Monitor and oversee the performance of staff and Watercare in terms of the water activity.
- Consider and ensure improvements or innovation are implemented by Watercare or through the Chief Executive as appropriate.
- Approve changes to the operation of the contract with Watercare.
- Develop strategies to improve contractual performance or to improve business practices.
- Recommend to Council infrastructure strategy and Asset Management Plans for adoption.
- Develop an annual works programme (operating and capital) and submit to council for final approval.
- Approve alterations and transfers within the programme of capital and operational works as prepared for the Long Term Plan and Annual Plan, subject to the overall scope of the programme remaining unchanged and the programme remaining within overall budget.
- Set and ensure Watercare's adherence to health and safety requirements, and wellbeing practices.
- Set and maintain standards of ethics and corporate behavior.
- Consider development opportunities for the Waters' business.
- Define and set levels of service for Waters' management now and in the future.
- Responsible for the financial performance of the contract and operation.
- Approve and/or amend existing or new contracts relating to the delivery of three waters' services and operation unless additional funding by the Council is required or the approval or amendment is inconsistent with Council Policy.

- Recommend to Council any new or additional funding requirements over and above that contained within the Long Term Plan.
- Develop plans to improve the overall resilience of the Waters' networks and allow for growth.
- Consider the impact of growth on the Waters' infrastructure.
- Implement and monitor the risk management framework for the waters' management and activity.
- Approve the annual and half yearly financial statements for the Waters' operation and provide any relevant commentary to the Council.
- Annually review the Board composition, structure and succession and make recommendations to council on these matters.
- Ensure the Waters' business delivered by Watercare provides value for the community in terms of the four wellbeings.
- Determine the approach for resource consent applications for the Waters' business, and monitor progress of those applications on behalf of the Council.
- Review and monitor existing strategic resource consents.
- Ensure that Kaitiakitanga and environmental outcomes are key decision making considerations for the Board.
- Uphold the vision and strategy of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.

To	Waters Governance Board
Report title	Confirmation of Minutes
Date:	Thursday, 19 January 2023
Report Author:	Elizabeth Saunders, Democracy Advisor
Authorised by:	Gaylene Kanawa, Democracy Manager

1. Purpose of the report

Te Take moo te puurongo

To confirm the minutes for a meeting of the Waters Governance Board (WGB) held on Tuesday, 22 November 2022.

2. Staff recommendations

Tuutohu-aa-kaimahi

THAT the minutes for a meeting of the Waters Governance Board held on Tuesday, 22 November 2022 be confirmed as a true and correct record.

3. Attachments

Nгаа тааpirihanga

Attachment 1 – WGB Minutes – Tuesday, 22 November 2022.



MINUTES for a meeting of the Waters Governance Board Meeting of the Waikato District Council held in Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY, 22 NOVEMBER 2022** commencing at **10.08AM**.

Present:

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

Attending:

Mr M Telfer (Watercare)
 Mr R Pullar (Watercare – from 11.17am)
 Mr S Howard (Watercare – from 11.17am)
 Mr P Crabb (Watercare – from 11.17am)
 Mr J Turner (Watercare – from 11.17am)

Ms C Nutt (Waters Contract Relationship Manager)
 Mr K Martin (Waters Manager)
 Ms E Saunders (Democracy Advisor)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Mr Wright/Ms Schaafhausen)

THAT an apology be received from Mr G Dibley for non-attendance.

CARRIED

WGB2211/01

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 Tuesday, 22 November 2022 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 which shall be discussed with the public excluded;

CARRIED

WGB2211/02

DISCLOSURES OF INTEREST

It is noted that Ms Schaafhausen was no longer in her role on the National Transition Unit.

ACTION: Democracy Team to update the Disclosure of Interest Registrar before the next meeting.

CONFIRMATION OF MINUTES

Resolved: (Mr Ion/Mr Wright)

THAT the minutes for a meeting of the Waters Governance Board Meeting held on Tuesday, 11 October 2022 be confirmed as a true and correct record of that meeting.

CARRIED

WGB2211/03

REPORTS

Actions Register
Agenda Item 5

The Waters Contract Relationship Manager spoke to the report and further discussion was held.

Te Kauwhata Wastewater Discharge:

- Staff will provide a progress update to Nga Muka in February 2023 with the Waters Manager confirming he has started those conversations now to confirm the date and time of that update. The basis of the meeting will be to present a short-list of the preferred options moving forward and it was confirmed that the options that had not been short-listed will still be mentioned along with the reasons why they were no longer an option.
- A question was asked about whether the whaanau at Nga Mukua had any input into the short-list of options moving forward and also if staff were aware of a Lake Waikare

Commented [MH1]: Need to remember to use titles, not names

Commented [MH2]: And past tense

hui that is being scheduled for Friday 25 November? Staff were not aware of this hui and advised they would investigate possible attendance if required.

- A question was asked about who was representing Matahuru Marae/Nga Muka? Was the marae aware who had put their name forward to be the representative and who was providing their views to staff? It was advised that it would be good to start those conversations now so there were no surprises or missed views when they are met with in February 2023.
- A further question was asked around whether a facilitator for these conversations was required? It was advised that staff should have a conversation with the Marae to see if they would like a Facilitator and who would they recommend to be one. It was noted that these conversations with the Marae/Nga Muka should capture all these questions so all views are being represented.

WEL Safety Incident:

- Debrief circulated to the board prior to the meeting which was accepted and received without further discussion.

Resolved: (Mr Wright/Mr Ion)

THAT the Waters Governance Board receives the Actions Register to November 2022.

CARRIED

WGB2211/04

Three Waters Governance Report

Agenda Item 6.1

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

- Ms Schaafhausen asked if there was any work being done within Watercare to combat climate change and to ensure there was resilience in the system so we learn from the past? Mr Telfer confirmed that Watercare was working towards this with Ngaruawahia being the focus at this time. It was acknowledged that this is an ongoing issue which they need to ensure they are looking ahead at and staying on top of.
- Activity Management Plan (AMP) had been submitted – from a funding perspective we had made allowances for these things.
- There was significant costs with the Traffic Management Plan Training which had been noted
- Discussion around how often Council was being updated on significant events and how best to manage this going forward. A brief summary of Water Governance Board meetings will be provided to Council and the Mayor going forward.
- KPIs for the year to date was on track – one (1) month was missed for the 60 minute response timeframes but the year overall is on track.

Wastewater Treatment Plant (WWTP) Shutdowns:

- A question was asked regarding lessons learned from the WWTP shutdowns (4 log to 3 log). Mr Telfer confirmed that three (3) log was the minimum level to operate a WWTP however once UV has been connected to the Ngaruawahia WWTP (scheduled for next week) then it will be operating at a 6 Log like Huntly WWTP was.
- Is there confidence that after the UV installation shut downs to three (3) log won't happen again? It was confirmed that there can be confidence that WWTP will be operating at four (4) log on a far more regular basis than three (3) log.

Huntly & Ngaruawahia WWTP Resource Consents:

- Discussion around whether having both Ngaruawahia & Huntly tied together in a resource consent was best practice. It was confirmed that further information will be brought back to the board.

ACTION: An update on the Huntly WWTP strategy and the impact on Ngaruawahia to be brought back to the board for updating.

Resolved: (Mr Wright/Ms Schaafhausen)

THAT the Waters Governance Board receives the report.

CARRIED

WGB2211/05

Three Waters Reform Project Update

Agenda Item 6.2

The Waters Manager spoke to the report which was taken as read. Some key updates were highlighted:

- Te Rapunga – The Staff Room
- Asset Management Plans (AMP)
- Transition Plan
- Better off Funding

Activity Management Plan (AMP) had been submitted with key highlights spoken to by The Waters Contract Relationship Manager. Mr Wright noted the huge effort to produce the AMP and thanked staff for their hard work.

Brief discussion around retention of council staff with key water knowledge and what was being done to keep or attract these staff.

Resolved: (Ms Schaafhausen /Mr Ion)

That the Waters Governance Board:

1) receives the report,

2) notes that the project management for three waters reform is ongoing.

CARRIED

WGB2211/06

Schedule of Meetings 2023

Agenda Item 6.3

The report was received by the board and a brief discussion was held around dates the dates for March, June & October respectively.

ACTION: Democracy Team to put out perspective dates to the board for March, June & October 2023 and confirm prior to February 2023 meeting.

Resolved: (Mr Ion/Mr Wright)

THAT the Waters Governance Board:

- 1) approves the schedule of Board meetings for 2023 October as follows:
 - Tuesday, 7 February,
 - Tuesday, 2 May,
 - Tuesday, 25 July,
 - Tuesday, 5 September, and
 - Tuesday, 28 November, and;
- 2) noting that each meeting will be scheduled to commence at 10.00am and;
- 3) tHAT the dates for the March, June & October meetings will be confirmed prior to the February 2023 meeting.

CARRIED

WGB2211/07

Small Waters Scheme Proposal

Agenda Item 6.4

Mr Telfer spoke to the report which was taken as read with the following options highlighted:

- Construction of a new Water Treatment Plant at Te Akau, including a new bore and telemetry
- No change required for Port Waikato & Onewhero as they currently meet the new standards as set out by Taumata Arowai

A few key assumptions had been made for the Te Akau Option:

- The new bore will yield enough water and consistently high-quality raw water (including low turbidity and high UVT) can be obtained with the re-establishment of the bore.
- The upgraded WTP can fit within the existing shed and an extension or replacement was not required (even for continuity of supply during construction).
- No generator was required, but a portable generator plug was allowed. Requirement for a permanent generator should be reviewed in the future.
- Some of the existing equipment may be reused where appropriate.

The Waters Manager spoke to an update on the budget for the proposed plant for Te Akau. The Waters Manager held a meeting with Mr Wilson. Mr Wilson discussed the old bores history, his desire to keep costs down by reusing equipment where possible and options for testing raw water when the new replacement bore was drilled.

A question was raised around confidence that the resource we were tapping into was indeed a good resource and were the assumptions being made able to be validated? Mr Telfer confirmed that as much validation that can be done prior to tapping the bore will be done in advance however true validation will be confirmed once the bore was tapped into. It was also confirmed that extensive testing will be undertaken once the bore is tapped to ensure it meets the standards and requirements.

Resolved: (Ms Schaafhausen/Mr Ion)

THAT the Water Governance Board:

- 1) **Supports the recommendation for the budget to be made available to construct a new water treatment plant at the Te Akau.**
- 2) **Recommends to Council that:**
 - a. **A budget of \$706,000 be approved for the new water treatment plant at Te Akau through repurposing the small water schemes decommissioning opex budget within the Long Term Plan.**

CARRIED

WGB2211/08

Service Delivery & Resourcing for the Three Waters Contract
Agenda Item 6.5

Mr M Telfer spoke to the report which was taken as read and a lengthy discussion followed.

Mr Ion acknowledged what had been put forward and also acknowledged the Health & Safety aspect of the report in particular. Mr Ion raised that he would like further detail that will show how these additional roles will indeed make things better. Questions raised by the Board included:

- How were the additional roles going to make it better?
- How much improvement will be had with this investment?
- How much faster will the results be achieved?
- What was the reforecast CAPEX for the year ending June 2023 if this investment was indeed approved?

Mr Ion noted that if this goes to Council further detail may be required including when the reforecast for CAPEX for year ending June 2023 can indeed be provided.

Mr Telfer confirmed that more detail can be given to the board by the next scheduled board meeting in February 2023.

The Waters Contract Relationship Manager confirmed that approval does not need to be sought by Council as per a discussion that was had with the Finance Manager – this is for both the first 6 months of 2023 and the 2023/2024 financial year. It was confirmed that from July 2024 further funding can be considered in the Asset Management Plan.

It was confirmed that even though Council approval was not required; the Board agreed that this report needs to go in front of Council for information purposes so they are aware.

Resolved: (Mr Ion/ Ms Schaafhausen)

THAT the Waters Governance Board:

- 1) Supports the recruitment of the four additional resources.**
 - (i) Recruitment of three full-time water/wastewater treatment plant roles,**
 - 1. Operations Controller,**
 - 2. Plant Operator,**
 - 3. Graduate/cadet.**
 - (ii) Recruitment of a full-time Three waters technician to support the transfer of additional functions from Waikato District Council.**
- 2) Approves funding of additional resources at an estimated cost of \$300k per annum from the following sources:**
 - (i) Utilisation of \$200k (incl. overheads e.g. vehicles) of the operating surplus for the remaining 6 months of FY23**
 - (ii) Repurpose of Council Watercare establishment budget to cover the amount in excess of the available operating surplus**
- 3) notes that the additional contracting services to support the capital delivery**
 - (i) A programme manager (fixed term 3 – 6 months) for the delivery of small/high volume capex projects and project managers as required (Capex funded)**
 - (ii) Complete the strategic Consenting and Development mandates to define service level agreements and accountabilities between WSL and WDC.**
 - (iii) Improved project progress reporting supported by the WSL infrastructure team.**
- 4) That the report be shared and forwarded to Council for their information.**

CARRIED

WGB2211/09

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (Mr Wright/ 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
Item PEX 1 Confirmation of Minutes Item number PEX 2 Action Register	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item PEX 3.1 Waters Financial Results to 31 October 2022		
Item PEX 3.2 Ngaruawahia Wastewater Network Renewal		
Item PEX 3.3 Raglan Wastewater Treatment Plant Upgrade		

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 Item number PEX 2 Action Register	Refer to the previous Public Excluded reason in the agenda for this meeting.	
Item PEX 3.1 Waters Financial Results to 31 October 2022	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.

Item PEX 3.2 Ngaruawahia Wastewater Network Renewal	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.
Item PEX 3.3 Raglan Wastewater Treatment Plant Upgrade	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.
	48(1)(d)	To enable deliberations in private on a decision or recommendation in any applicable proceeding

CARRIED**WGB2211/10**

The meeting adjourned at 12.22pm for lunch and resumed at 12.50pm.

Resolutions WGB2211/11 - WGB2211/16 are contained in the public excluded section of these minutes.

Having resumed open meeting and there being no further business the meeting was declared closed at 1.52pm.

Minutes approved and confirmed this day of 2022.

Mr David Wright
CHAIRPERSON

To	Waters Governance Board
Report title	Actions Register
Date:	Thursday, 19 January 2023
Report Author:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To update/inform the Waters Governance Board on actions following the Waters Governance Board meeting held on Tuesday, 22 November 2022.

2. Staff recommendations

Tuutohu-aa-kaimahi

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

3. Attachments

Ngaa taapirihanga

Attachment 1 – Action Register

Waters Governance Board¹⁸ Actions Register

OPEN MEETING

Meeting Date	Action	To Action	When	Status
7/06/2022	<u>Port Waikato, Te Akau and Onewhero Options Assessment Report</u> A report to come to the Board with more accurate costings for the assessment options for the three small water supplies.	M Telfer, Watercare Keith Martin	November 2022	Report included in the November Agenda.
30/08/2022	<u>Te Kauwhata Wastewater Discharge</u> Watercare engineers to conduct further investigations into the options and provide detailed funding and analysis on the above options with final recommendation as to the best solution by February 2023.	M Telfer Watercare	February 2023	Wide ranging investigations to establish feasibility of present favoured discharge options are needed; specialist engagement is underway to establish this. Engagement commenced with Iwi and Hapu on how Maatauranga Maori world view can be considered and encapsulated alongside the Western science. Progress update will be available by February which will contribute to establishing a best practical option. Note the necessary RMA steps to prepare an application will extend beyond this timeline.
11/10/2022	<u>Three Waters Governance Report – September 2022</u> Mr M Telfer to come back to the Board urgently with clarification of notification of incident to Worksafe and if permissions were granted by WEL – better actions going forward.	M Telfer	October 2022	Summary of investigation and actions was circulated to the Waters Governance Board via email in October.
22/11/2022	<u>Disclosure of Interest</u> Democracy Team to update the Disclosure of Interest Registrar before the next meeting.	Democracy	February 2023	Disclosure of Interest has been updated.
22/11/2022	<u>Huntly & Ngaruawahia WWTP Resource Consents</u>	Mathew Telfer	February 2023	Separate reports to the February meeting.

Waters Governance Board¹⁰ Actions Register

Meeting Date	Action	To Action	When	Status
	An update on the Huntly WWTP strategy and the impact on Ngaruawahia to be brought back to the Board for updating.			
22/11/2022	<u>Schedule of Meetings 2023</u> Democracy Team to put out perspective dates to the board for March, June & October 2023 and confirm prior to February 2023 meeting.	Democracy	February 2023	Completed.

To	Waters Governance Board
Report title	Three Waters Governance Report – December 2022
Date:	23 January 2023
Report Author:	Keith Martin, Waters Manager
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To update the Waters Governance Board of the current workstreams, key matters and metrics under the three waters operational and maintenance agreement with Watercare Serviced Ltd.

2. Executive summary

Whakaraapopototanga matua

Please refer to the Highlights and Lowlights summary section in the attached report prepared by Watercare Services Ltd.

3. Staff recommendations

Tuutohu-aa-kaimahi

That the Waters Governance Board receives the report.

4. Attachments

Ngaa taapirihanga

Attachment 1 – Waikato DC Three Waters Governance Report – December 2022.

WAIKATO DC

THREE WATERS GOVERNANCE REPORT

FEBRUARY 2023



Mathew Telfer
Operation Manager
Watercare Waikato
February 2022

1. Highlights and lowlights

- There were no recordable injuries or lost time in November or December.
- Two performance measures were not achieved in December, but the year-to-date results are achieved in all areas.
- The construction of the permanent filling stations has progressed well, and the new permanent filling stations were live on 1 January 2023. The new Huntly filling station will be in place (the mobile unit from Pokeno) by the end of January.
- The containerised UV treatment unit at Ngaruawahia was connected and commissioned in December.
- Backflow testing was completed on 23 December, recovering from the earlier staffing issue.
- The additional staff was approved in November, and recruitment will progress in December/January.
- On 18 January 2023, the Waikato Regional Council issued an abatement notice to the Waikato District Council due to non-compliance at the Raglan wastewater treatment plant. The notice requires the resolution of these non-compliances by 30 June 2024.

2. Health and Safety

2.1. What we've seen this month

- There was no Lost Time Injury (LTI) and 0 Restricted Duties Injury (RDI) involving Watercare employees in December
- There were zero recordable injuries involving contractors in December.
- The focus for the month was staying safe over the holiday period. This focus covers the Dec – January period

2.2. Critical risks

Watercare is assessing one of our critical risks (Appendix 1) each month (excludes Nov and Dec) as per the schedule below.

2.3. December metrics

- There were no significant events in December



3. Operations

3.1. Production

- The raw water quality has continued to be a significant problem during December. Ngaruawahia and Huntly Water Treatment plants are the worst affected. Huntly WTP receives the worst raw water as it receives a mixed flow of the Waikato River, Waipa Stream, and Mangawara Stream. Staff have worked extremely hard in monitoring changes and making appropriate process changes to maintain production and treated water quality.
- 14th of December, the new UV pipework tie into the existing clear water tank was completed. Both UV units were switched on and will continue to operate in manual mode until the full commissioning of software can be completed in the new year.
- WEL networks investigated the height of the 11Kv power line at the Huntly wastewater treatment plant and identified the line was at 4.8m rather than the required 6m. WEL will be visiting the site and installing a new pole on 13/14 Feb to increase the height of the line.
- 27th of December, the toilet block suffered an arson attack in the early hours of the morning (est 0400hrs). This building contained the main electrical switchboard, including VSD units and the PAC dosing system. A 'Please conserve' message was sent to the community during the event. Taumata Arowai later questioned why they had not been notified of the message. A review of the new standard by Watercare and Taumata Arowai confirmed the 'please conserve' message is not a notifiable event.



3.2. Networks

- Nivec Civil continues to progress with the renewal of water meters >15 years, focussing on the Tuakau area. 125 replacements were carried out in November, leaving 814 meters throughout the district to be replaced.
- Backflow testing – 4046 backflow devices have been tested up to 01 Jan. 78 of these required remedial work due to no backflow being present or through failure when tested.
- RTU Upgrade Project – Planning works continue for a February roll-out. Neo is in the process of finalising the drawings for McKay to follow during the installation. Kingfisher equipment was provided to Northern Electrical for an upgrade of a pump station (Waikaha PS SPS909) to upgrade an as-yet-to-be-commissioned PS from Datran to Kingfisher to bring it in alignment with the remaining sites.
- WW CCTV Surveying Project – the Matangi and Te Kowhai WW networks had CCTV inspection and cleaning in early December. The results indicated that the networks are in good condition with no significant faults. The Raglan sewer network of Lorenzen Bay, Wallis St commenced in December, with 8.3km of WW pipelines completed. A pause was put on surveying the week before Christmas as the influx of holidaymakers to the area makes CCTV work a challenge. The CCTV works are scheduled to recommence in mid-January 2023.
- Extensive jetting of key WW lines was carried out throughout December to ensure optimal network operations before the Christmas break. This process will be repeated in late May before the onset of winter.
- The nature of the problem ongoing water quality issues in Huntly is due to the build-up of iron and manganese deposits over several years. The ultimate solution is to replace the AC pipes, which has high cost and disruption implications for the community. The team believes the No-Des flushing will remove the deposits and significantly reduce the events until the renewals occur. This means the No-des flushing (once confirmed as successful as we hope) will become a scheduled activity (frequency to be confirmed) within the Huntly area.
- SW drain clearing was carried out in Port Waikato in December. Thick vegetation had grown in the drains, impeding storm flow drainage. The drain clearance will be reassessed in 12 months to ensure that the Port Waikato catchment operates optimally.



SW Drains before clearance work



SW Drains post clearance work

3.3. Stormwater

- An investigation into flooding at a property in Te Kauwhata was undertaken, and possible solutions were assessed. A culvert was flushed in the interim to ensure no blockages were in place. Watercare is communicating with the affected customers.
- Current Raglan abatement notice work is still ongoing. WRC has approved the latest proposed option (a combination of pipe and open channel) for Cambrae Road, the final outstanding item on the abatement notice.
 - WRC has approved the Resource consent for the Cambre road construction.
 - The work will progress to construction with the consent in place.
 - A business case will be presented to the WGB in February 2023.

4. Planning and project delivery

4.1. Infrastructure Planning

There are several work packages underway, including.

- The update of the Southern Districts and Tuakau Water Network Models was completed. The next phase is to monitor the network during Feb/March and recalibrate the model.
- The Raglan WW model - has been finalised with WDC population data and system performance analysis completed. We have installed a new Magflow meter at Wallace St PS with Nero Pumpstation still to install before progressing with option development.
- Huntly Wastewater network model - Consultants have assessed the asset data, and Magflow meter installation at two key pump stations is planned.
- The options developed in the modelling study for Raglan to optimise storage locations and prioritise network upgrades have been reviewed.
- Investigations and a site visit to a Tamahere Reservoir site were completed.
- Developed and submitted the LTP (OPEX) for DIA

4.2. Development and growth

- Watercare is supporting WDC discussions about servicing options for Ohinewai.
- We discussed the Industrial rezoning of 73 Horotiu Rd with consultants.

- Discussions with the developer at La Valla, Dominion Rd Tuakau, also relate to the Booster pump station site.
- Continued discussion with Lovell and VanDam block developers in Taupiri on future servicing.
- Discussions with WDC land Development engineers on multiple development sites.

4.3. Asset Management

- This month, a total of 420 three-waters assets were added to the database covering a combined length of 3.86kms of main lines and a combined value of \$1.75 m.
- Jacob is supporting the loading of assets in the short term to clear the current backlog of assets to load.

4.4. Project Delivery

Site audits were completed to confirm that all active sites were safely closed before the summer break.

Water Network Upgrades

- Mid-Waikato water main renewal on **Hall Road, Te Kauwhata**, is now complete, with the 3km+ pipeline commissioned and operational ahead of summer 2022. Decommissioning and capitalisation tasks are expected to be completed in January 2023.
- Mid-Waikato water main renewal site **Te Kauwhata Boosted Zone** is complete, with final pipeline connections anticipated for January 2023. Minor reinstatement and Capitalisation tasks are expected to be complete by February 2023
- Mid-Waikato water main renewal sites **Rangiriri** and **Meremere** pipelines have been defined through the zonal modeling. A funding shortfall is recognised, and a recommendation is provided for approval to be sought at the February 7th Waikato Governance Board meeting.
- Watermain replacements are underway in Tuakau under the network renewals programme.
 - A new water supply main is now operational on **River Road, Tuakau**, mitigating the frequent failures on this section of the pipeline (72 in the five years).
 - A watermain replacement and upsize is underway on **Ryders Road, Tuakau**. The team overcame several challenges to successfully install the full length of upsized pipeline ahead of the Christmas break. Complex commissioning activities are set to commence in January 2023.



*Photo: Ryders Road, Tuakau –
Open-cut trenching through tough ground conditions (basalt rock)*



*Photo: TK Boosted Zone, Te Kauwhata –
Wayside Road tee and valve installation*

- The Te Hutewai Road (**Raglan**) bulk water supply pipelines are now in service. Asbuilding and capitalisation tasks are underway.
Surplus funding will support the Raglan WS Reticulation Extensions project as directed by the LTP. Planning is underway for these critical network renewal replacements, upsizing, and extensions to support Raglan East's water supply. Works are planned to avoid the holiday seasonal peak period.
- **Tuakau** Water Supply Upgrades and Extensions, the first stage, is complete. The updated Zonal Model Plan has defined the remaining scope, including local network upgrades providing missing connectivity, enabling network resilience, and extensions to urban supply zones. A water booster pumpstation is also planned. The works are predominantly funded in the 23/24 financial year.
- **Southern Districts** – The project scope for a complex watermain replacement on SH26 has been defined through zonal modelling and operational assessment. The scope is being priced, with delivery planned for mid-2023.
- **Taupiri** – To support water supply and firefighting capacity for Taupiri and its eastern growth zone, a new water booster pump station and replacement polyethylene transmission main are planned. Procurement and engagement of the physical works contractor is underway. Delivery is anticipated for May.
- **Huntly** – to support firefighting shortfalls in the west, a pipeline replacement and upsize is proposed for Riverview Road, Huntly. A business case is submitted for review in the upcoming Waikato Governance Board meeting on February 7th.
- Zonal flow meter installations are slowly progressing, with magnetic flow meters strategically installed at two wastewater pump stations in Huntly and Raglan. Planning is underway to install flow meters at three additional sites across Huntly and Raglan.

Reservoir Upgrades

Te Kauwhata Reservoir 1 preload is now complete. The bulk material is being relocated to preload the second reservoir site. Once complete, the foundation work for Reservoir 1 can commence.



Te Kauwhata – Reservoir 2 sub-base inspection ahead of the granular base installation

Wastewater Network Upgrades

- Ngāruawāhia Pipeline – The installation of the overland bypass has commenced, and the shaft construction for the new pump station is planned for a January start.
- The POAL WWPS – The odour treatment system is complete, and the control building is being installed. The remainder of the gravity sewer awaits the new road, a project led by Waikato District Council.
- Tuakau Interceptor Pump Station Upgrade: The priced return for the reduced scope is being benchmarked by a quantity surveyor.
- Tuakau to Pokeno pipeline: The detailed design is complete. Meetings with landowners continue to secure access agreements to enable the land survey and Geotech works.
- Whangamarino WTP 4.5MLD Upgrade – The tie-in of filter four will be scheduled in the new year. This will complete the work under this project.

Treatment Plant Upgrades

- Te Kauwhata WWTP Upgrade – The detailed mechanical and pipework design is well underway. The blower room walls are near completion, and the piling for the tank slab extension is complete. Slab construction will follow, along with completing the blower room construction. Chemical deliveries are being arranged ahead of the installation of the temporary UF plant.



Te Kauwhata WWTP – Blower room wall construction and piling works

- Huntly WWTP Upgrade – The investigation work is complete, and the concept design is underway and will be completed in February 2023.
- Ngaruawahia WTP Upgrade – The UV tie-in was completed under an overnight treatment plant shut-down and brought into service. The run-to-waste directional drilling and deep drainage works are complete, and pipework installation and connection to the local sewer are to follow.



Early morning the treatment plant returned to service operating with the new UV reactors.



The run to waste storage tanks were secured in position ready for the pipework to commence.

- Matangi WWTP upgrade – Minor process improvements and upgrades are planned to support the discharge consent renewal process.

5. Compliance

- All December drinking water quality assurance rule monthly reports demonstrated compliance. The Ops team is investigating technical non-compliances noted in the Huntly and Ngaruawahia reports.
- All December monitoring reports for Wastewater are due to be submitted to Waikato Regional Council during the second week of January 2023 with relevant notes, updates, and other resource consent reporting requirements as scheduled.
- On 18 January 2023, the Waikato Regional Council issued an abatement notice to the Waikato District Council due to non-compliance at the Raglan wastewater treatment plant. The notice requires the resolution of these non-compliances by 30 June 2024. The non-compliances are,

Authorisation	Condition	Action Required
AUTH971390.01.01	9	Undertake calibration of the wastewater flow meter to demonstrate accuracy within +/- 2% by 31 March 2023.*
AUTH971390.01.01	14	Ensure that the upgraded plant is capable of achieving compliance with the suspended solids limits,
AUTH971390.01.01	16	Ensure that any upgraded plant has a treatment system that reduces faecal coliform discharges to compliant limits.

*The calibration data was provided in November, so this aspect of the notice has been addressed.

In December 2022, budget approval was obtained for the replacement of the legacy plant. The Regional Council has been provided a response detailing the action to replace the plant and an estimated timeframe. The new plant will fully comply with the existing (expired) consent.

- Low FAC notifications received from the lab for Tuakau and Huntly zones were investigated, requested the lab to do a longer flush before collecting the DWS samples. They also identified issues with the sample tap connection at Tuakau Harrisville Boosted North which the Network team is further investigating.
- Meremere WWTP 2021-22 audit report received from WRC, Low-Risk Non-compliance achieved for the plant; audit response letter forwarded to WDC for submission to WRC.
- Water Outlook report review and updates are in progress for the reporting to Taumata Arowai for the DWQAR in February 2023.

6. Customer

6.1. Service and Billing

New Customer Care Rep role is confirmed to start on 18 January 2023. All billing and meter reading services are up to date.

6.2. Water Filling stations

Tanker/Carrier forum was held on 15 December 2022 at the Te Rapa office to update on the new filling stations and that no standpipe use is acceptable from 1 January 2023. Three permanent filling stations have been completed at Ngaruawahia, Raglan and Tuakau. The current mobile unit is transferring to Huntly in mid-Jan.



6.3. Backflow Preventor Device Testing

Backflow Control Services Limited completed the initial testing of all devices on 23 December 2022; the testing cycle for 2023 begins now. The retesting of devices will be completed in the new year; the number will be finalised in January.

6.4. Complex water meter installations

Contractors completed all installations but two sites below.

- Queen Street, Ngaruawahia – Difficult due to multiple dwellings and working with customers to ensure all comfortable
- Great South Road, Ngaruawahia – Difficult due to network setup and will require water shutdown to work with the Operations team to complete.

6.5. Tradewaste

- A Christmas closure email was sent out to Conditional Customers for any batch discharges for deep cleaning and closure over the Christmas period.
- A trade waste presentation was done for the Tuakau Customer Services team.
- Non-compliance for Yashili from self-monitoring report — 12/11/2022 - TSS was 156mg/L limit is 150mg/L – There was no notable event to report, trending shows TSS was well within spec. Action Plan: TSS is constantly monitored, and no above-limit discharge was measured on our meter or in our Lab. TSS meters are verified internally daily.

7. Strategic resource consents.

Raglan WWTP resource consent application preparation

- Project tasks continue to focus on securing private land as a shortlisted discharge option. A critical task underway that is anticipated to enable advanced environmental effects assessment at the site, suitable for a discharge application, is the completion of a:”
 - WDC/Landowner Memorandum of Understanding (MOU) regarding the ability to secure land for sub-surface drip irrigation (SDI) for the long-term discharge consent from the Waikato Regional Council.
- Such an agreement will strengthen commitment between parties and provide the further ability to work together on any securement method that mutually suits all (i.e. lease or purchase). It is understood that the WDC Legal/Growth and Property Team is advancing matters with the landowner.
- Individual technical work that advanced in November in anticipation of a successful MOU agreement being in place includes:
 - Drone flight (Beca) of proposed conveyance route and irrigation areas to allow accurate conveyance costing and design ability;
 - Ecological Baseline Assessment (Beca), including wetland identification and freshwater quality testing of waterways. Reporting is anticipated in mid-December, and;
 - Completion of GPS plotting of theoretical discharge areas (Landcare and NexGen), where these covered additional potentially suitable SDI areas identified at an October onsite meeting with the landowner.

Te Kauwhata WWTP resource consent application preparation

Procurement Detail

- There is confidence in seeking lead consultancy services from Beca, given their consenting experience, understanding of the project to date, and capability to lead technical investigations in step with river legislation requirements. As part of the October WGB update, it was highlighted that a scope of services from a lead consultancy had been received, covering necessary steps in application preparation for a discharge consent from the upgraded Te Kauwhata WWTP.
- The sole sourcing of a trusted lead consultant for a project of this scale is considered acceptable procurement practice, subject to the sign-off of a business case by the WSL Head of Supply Chain and Chief Operation Officer occurs in early 2023.
- Interim contracts are now in place to provide the immediate ability to start land application feasibility and alternative surface water investigations at locations A, B, and C within the adjacent image. These sites can be described as ‘water hub’ sites, where A and C were identified within 2008 consenting investigations as having characteristics that could theoretically avoid continued Lake discharge of highly treated wastewater.
- A meeting took place with WRC and Watercare to review the new land discharge options for the TK WWTP . The findings will be represented on Friday 27 January site visit with Iwi/Hapu. WRC were able to contribute to the options assessment in a positive way that enables a good understanding of each location and the possibilities.

Third-party impact relevant to discharge application preparation

- Technical investigation of alternative options can progress; however, they remain desktop only unless property permissions and land securement strategies are in place, given that no WDC-controlled land for discharge opportunity exists
- It is understood that Council representatives will lead property activities. Preparation and adherence to a WDC property project plan should allow the coordination of necessary property activities alongside the technical investigation workstream.
- This will be developed together by the Consenting Project Team to ensure a streamlined property securement process is enabled.
- Application preparation steps have specific points that require critical input from others, as shown in the image below. Key steps include
 - Project objective preparation and/or endorsement;
 - Multi-criteria analysis (MCA) input at both the ‘longlist’ refinement stage (all discharge options) and
 - ‘Best Practical Option’ (BPO) refinement stage to a single discharge solution
- Best practice application preparation includes a partnership with groups throughout the application preparation process, where WDC will oversee all engagement activities. Preparation of an engagement project plan by WDC reps is a project need, where this would co-ordinate such activities alongside the technical investigation workstream.
- This will be developed together by the Consenting Project Team to ensure a streamlined engagement process is enabled.

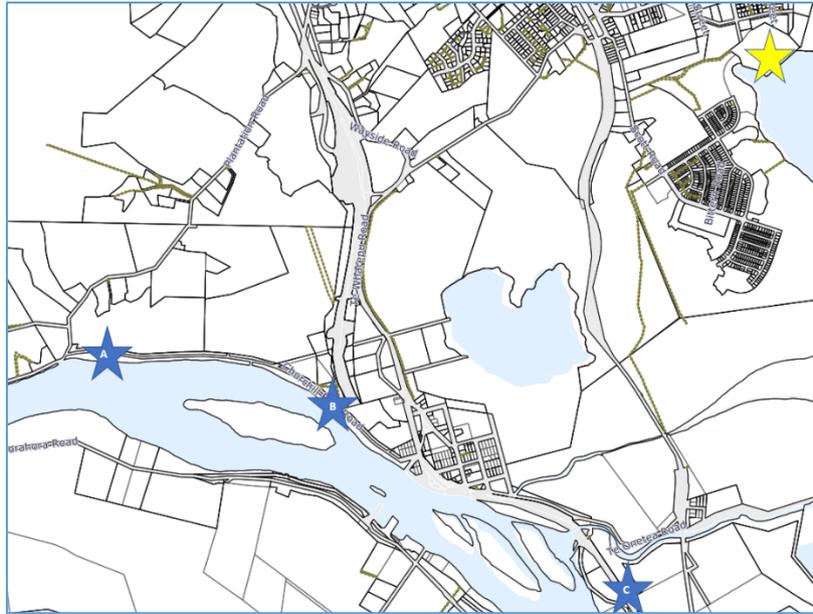


Image: Theoretical Water hub sites (A, B and C) near the Waikato River.

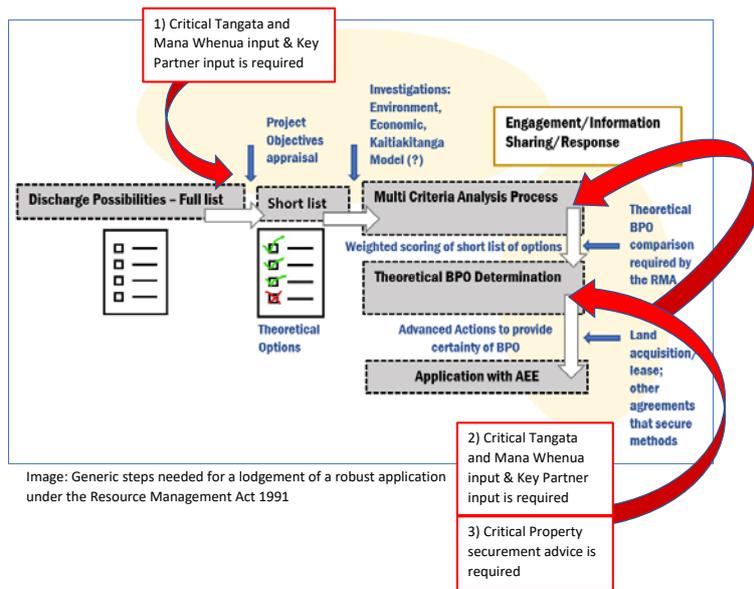


Image: Generic steps needed for a lodgement of a robust application under the Resource Management Act 1991

8. Key performance indicators

<i>KPI – description</i>	Results	Target 2022/2023
	<i>Water</i>	
<i>The extent to which the Council's drinking water supply complies with Part 4 of the drinking water standards (bacteria compliance criteria).</i>	18	18
<i>The extent to which the Council's drinking water supply complies with Part 5 of the drinking water standards (bacteria compliance criteria).</i>	15	15
<i>Attendance for urgent call-outs: from the time that Council receives a notification to the time that service personnel reaches the site.</i>	December - 68 Year to date - 51	≤ 60 mins
<i>Resolution of urgent call-outs: from the time that Council receives a notification to the time that service personnel confirms resolution of the fault or interruption.</i>	December – 183 Year to date - 143	≤ 240 mins
<i>Attendance for non-urgent call-outs: from the time that Council receives a notification to the time that service personnel reaches the site</i>	December – 1 Year to date - 1	≤ 3 days
<i>Resolution of non-urgent call-outs: from the time that Council receives a notification to the time that service personnel confirms resolution of the fault or interruption.</i>	December – 1 Year to date - 1	< 3 days
<i>The total number of complaints related to Water services received by Council (expressed per 1000 connections to the networked reticulation system):</i>	December – 1.84 Year to date Result - 6.42	≤ 22/1000
	<i>Wastewater</i>	
<i>The number of dry weather sewage overflows from Council's system (expressed per 1000 sewage connections to that sewage system.) - Non-sensitive receiving environments</i>	December – 0.16 Year to date Result – 0.71	≤ 2/1000
<i>The number of dry weather sewage overflows from Council's system (expressed per 1000 sewage connections to that sewage system.) - Sensitive receiving environments</i>	December – 0 Year to date Result – 0.17	≤ 2/1000

<i>Attendance time: from the time that Council receives a notification to the time that service personnel reaches the site.</i>	December – 68 Year to date Result – 31	≤ 60 mins
<i>Resolution time: from the time that Council receives a notification to the time that service personnel confirms resolution of the blockage or other fault.</i>	December – 115 Year to date Result – 111	≤ 240 mins
<i>The total number of complaints received by Council about any of the following (expressed per 1000 connections to the sewage system):</i>	December – 0.32 Year to date Result – 2.76	≤ 10/1000
<i>Stormwater</i>		
<i>The number of Stormwater flood/blockage events that affected habitable floors (expressed per 1000 connections):</i>	December – 0 Year to date Result – 0	< 5
<i>The total number of complaints received by Council about the performance of the stormwater system (expressed per 1000 connections):</i>	December – 0 Year to date Result – 0.42	< 1.25
<i>Level of compliance, number of the following, Abatement, infringement notices, enforcement orders or convictions</i>	2020/21 - 0 (1 existing Abatement from 2018/19)	0
<i>Health and Safety</i>		
<i>Safety: Lost time injury frequency rate (LTIFR) per million hours worked</i>	1.78	≤ 5
<i>Safety: Total recordable injury frequency rate (TRIFR) per million hours worked</i>	3.56	≤ 20
<i>Safety: 100% of Notifiable (or serious non-notifiable) Events reported to WDC within 2 hours of the occurrence</i>	75% 4 notifiable events YTD	100%
<i>Safety: 100% of Notifiable Event reports supplied to WDC within 21 business days</i>	100%	100%

	No events YTD	
<i>Safety – the percentage of complaints resolved within ten working days</i>	100%	95%
<i>Safety- Health and safety Audit programme and action plan completed (6 monthly and then annually)</i>	100%	1
<i>Safety - All site emergency plans to be drilled six-monthly as per drill schedule</i>	100%	> 100%
<i>Safety - Monthly Health and safety meeting held with all workers</i>	1	> 90%
<i>Safety-Critical risk audit to be conducted by HSW BP Bi-monthly</i>	100%	1
<i>Safety -Actions required to be closed within one month</i>	100%	> 90%

Appendix 1

Back to Basics

SITE CALENDAR

July 21	Week	Event
	1-4	Distribution and communication of B2B program and tools
Aug 21	Week	Event
 Working in Confined Spaces Watercare	1	Are We Safe to Start? Toolbox activity
	2	Take Care of the Gear Discussion and inspection activity
	3	When Something is Different Team discussion
	4	What Works Well? Site based learning teams Nominations for reward and recognition
Sept 21	Week	Event
 Working with flammables or in explosive atmospheres McCONNELL DOWELL	1	Are We Safe to Start? Toolbox activity
	2	Take Care of the Gear Discussion and inspection activity
	3	When Something is Different Team discussion
	4	What Works Well? Site based learning teams Nominations for reward and recognition
Oct - Nov 21	Week	Event
 Working on or near underground & overhead services Pipeline & Civil	1-2	Are We Safe to Start? Toolbox activity
	3-4	Take Care of the Gear Discussion and inspection activity
	5-6	When Something is Different Team discussion
	7-8	What Works Well? Site based learning teams Nominations for reward and recognition
Dec - Jan 21-22	Week	Event
	Holiday period	Organisations to focus on staying safe up to and over the holiday period.
Feb - March 22	Week	Event
 Suspended loads Fulton Hogan	1-2	Are We Safe to Start? Toolbox activity
	3-4	Take Care of the Gear Discussion and inspection activity
	5-6	When Something is Different Team discussion
	7-8	What Works Well? Site based learning teams Nominations for reward and recognition
April - May 22	Week	Event
 Working with or around mobile plant MARCH CATO	1-2	Are We Safe to Start? Toolbox activity
	3-4	Take Care of the Gear Discussion and inspection activity
	5-6	When Something is Different Team discussion
	7-8	What Works Well? Site based learning teams Nominations for reward and recognition

June - July 22	Week	Event
 Working with live traffic Fletcher	1-2	Are We Safe to Start? Toolbox activity
	3-4	Take Care of the Gear Discussion and inspection activity
	5-6	When Something is Different Team discussion
	7-8	What Works Well? Site based learning teams Nominations for reward and recognition
Aug 22	Week	Event
 Digging and working in excavations HEB construction	1	Are We Safe to Start? Toolbox activity
	2	Take Care of the Gear Discussion and inspection activity
	3	When Something is Different Team discussion
	4	What Works Well? Site based learning teams Nominations for reward and recognition
Sept 22	Week	Event
 Working at height BRIAN PERRY CIVIL	1	Are We Safe to Start? Toolbox activity
	2	Take Care of the Gear Discussion and inspection activity
	3	When Something is Different Team discussion
	4	What Works Well? Site based learning teams Nominations for reward and recognition
Oct 22	Week	Event
Fixed and portable plant and equipment  Ghella ABERDEEN	1	Are We Safe to Start? Toolbox activity
	2	Take Care of the Gear Discussion and inspection activity
	3	When Something is Different Team discussion
	4	What Works Well? Site based learning teams Nominations for reward and recognition
Nov 22	Week	Event
Fatigue  Watercare	1	Are We Safe to Start? Toolbox activity
	2	Take Care of the Gear Discussion and inspection activity
	3	When Something is Different Team discussion
	4	What Works Well? Site based learning teams Nominations for reward and recognition
Dec - Jan 22-23	Week	Event
	Holiday period	Organisations to focus on staying safe up to and over the holiday period.

To	Waters Governance Board
Report title	Three Waters Reform Project Update – February 2023
Date:	07 February 2023
Report Author:	Deron Sharma, Three Waters Reform Project Manager
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To update the Waters Governance Board of current workstreams, activities, and key matters under the Three Waters Reform Project.

2. Executive summary

Whakaraapopotanga matua

Operational Stocktake

Council, with the assistance of Watercare Waikato staff, have undertaken a stocktake of all operations, contractors, and suppliers. This information has been provided to the National Transition Unit's (NTU's) Asset Management, Operations, and Stormwater working group.

Long Term Plan (LTP) and Asset Management Plan (AMP)

Council and Watercare have submitted the capital expenditure spreadsheet to the Department of Internal Affairs (DIA). The focus has now shifted to provision of non-financial information. Another round of submissions will be done in March 2023 to provide the DIA with any changes to the AMPs.

Transition Plan

Staff have developed a 90-day transition plan that provides an overview of the workstreams and activities required within the first quarter of 2023 (**Attachment 1**). This will be extrapolated to an 18-month plan and presented at the next project update.

Better off Funding

Council has signed the funding agreement with the DIA and are currently awaiting release of funds before approved projects can be initiated.

Draft Guidance on DIA's Oversight and Monitoring Process

The Water Services Entities Act 2022 gives the DIA oversight and monitoring powers of decisions made by Council regarding water services provisions.

The DIA have released a draft guidance document which obligates Councils to notify the DIA of any intended decisions and seek approval from the DIA Chief Executive regarding any significant decisions, as defined in the Act.

Draft Transfer Principles

Council is currently working through the guiding documentation with the intention to submit feedback to the NTU on the transfer principles and corresponding implications to Council.

Water Services Legislation Bill and Water Services Economic Efficiency and Consumer Protection Bill

Staff are to understand the requirements of the Bills and the impacts it has for Council's water services provision during the establishment period, as well as wider implications for Council during and beyond the establishment period.

A submission will be made to Parliament from Council, thereto.

Legal Transfer Questionnaire

This request for information (RFI) builds on the information Council provided to the NTU in early 2022. A significant amount of effort will be required to respond to this particular request by 31 March 2023, particularly in light of other activities falling on the same deadline.

3. Staff recommendations Tuutohu-aa-kaimahi

That the Waters Governance Board notes that the project management for Three Waters reform is ongoing.

4. Discussion Matapaki

4.1 Operational Stocktake

Council and Watercare Waikato staff assisted the NTU in conducting a stocktake of all the operations within the water business unit as well as compiling a list of all contractors and suppliers used. This will be used by the NTU to develop a transition plan for each function and operational activity related to three water service provision for day 1 readiness.

In general, this stocktake accounted for:

- three waters related activities undertaken by current three waters teams
- three waters related activities undertaken by others in Council outside the Council's current three waters teams (e.g., development agreements)
- three waters related activities outsourced to third parties
- other activities that occur and utilize, impact, or rely on current three waters infrastructure & assets
- emergency management activities undertaken by current waters teams
- activities that are not three waters related undertaken by waters staff.

4.2 Asset Management Plans

Using an unconstrained approach that aligns with standard AMP practices, Council and Watercare have submitted the capital and operational expenditure spreadsheets to the Department of Internal Affairs. Recommendations from the Water Governance Board were incorporated into the final submission.

4.3 Transition Plan

A 90-day plan has been attached (**Attachment 1**). This plan considers the wider three waters reform activities that Council needs to undertake for the NTU as well as the work breakdown structure of internal activities that need to be undertaken within the first quarter of 2023.

4.4 Better off Funding

With the Enterprise Project Management Office operational, Council's waters team are undertaking the necessary steps to handover this kaupapa and redirect focus to core waters reform transition activities.

A lessons-learned and retrospective probity report to reflect on the learnings from the co-governance-based process undertaken for tranche 1 remains to be the final deliverable preceding handover.

The funding agreement was signed by Council in December 2022. Council is now awaiting the release of the initial instalment to begin funding approved projects.

4.5 Draft Guidance on DIA's Oversight and Monitoring Process

The Water Services Entities Act (WSE Act) gives the DIA an oversight and monitoring role relating to water-related decisions made by Council during the establishment period. To this effect, the DIA have released a draft guidance document (**Attachment 2**).

Councils must now notify the DIA of an 'intended decision' regarding the provision of water services, provided it is not a decision to enter an excluded contract: Excluded contracts (which do not need to be notified) are:

- employment agreements or
 - a contract (other than an employment agreement) that imposes an obligation on Council only before a date determined by the DIA CE.
-

The DIA Chief Executive will decide this date before this guidance is finalised. For contracts other than disposals of assets or land by a local government organization (LGO), the proposed date is 30 June 2024. There is no proposed date for disposals of assets or land by Council.

- a contract (other than an employment agreement) for which consideration is less than an amount set by the DIA Chief Executive.

Currently, this amount is proposed to be \$10 million, however this is subject to confirmation by the DIA Chief Executive.

Moreover, Council must now seek approval from the DIA regarding 'significant decisions.' Significant decisions that have not been confirmed by DIA are void and of no effect until they are confirmed by the DIA Chief Executive. A significant decision is defined to be one that:

- significantly prejudice the water services reform or
- significantly constrain the powers or capacity of the WSEs following the water services reform or
- have a significant negative impact on the assets, liabilities, or other matters that are transferred to the WSEs due to the water services reform.

Council has requested the DIA to provide direction on the potential implications of this process on the Operations and Maintenance contract between Council and Watercare.

4.6 Draft Transfer Principles

Schedule 1 of the Water Services Entities Act 2022 and the proposed amendments in the Water Services Legislation Bill outline the asset transfer provisions to ensure WSEs have the assets, liabilities, and other matters they need to operate water services effectively from the establishment date without adversely impacting service to communities.

The following considerations are precursory to transfer principles (**Attachment 3**):

- where an asset has more than one purpose or use, the asset will only transfer if its primary purpose or predominant use relates to providing water services or where parties otherwise agree.
- land will only transfer where its primary purpose or predominant use relates to providing water services or where parties otherwise agree.
- only contractual arrangements that wholly relate to providing water services will transfer.
- to the extent possible, existing contractual arrangements with third-party service providers will transfer materially unaltered.

The transfer of assets, liabilities, and other matters relating to water services from Council to Entity B will be governed by the following eight principles:

- **Principle One:** To be in scope to transfer, the asset, liability or other matter must be owned or controlled by a LGO and relate wholly or partly to the provision of Water Services.
-

- **Principle Two:** Most assets, liabilities or other matters will transfer to the WSEs by legislation.
- **Principle Three:** Assets will transfer to a WSE based on the location of the LGO owner and not the location of the assets.
- **Principle Four:** Territorial authorities will receive payment for their Water Services infrastructure debt rather than debt transferring to the WSEs.
- **Principle Five:** LGOs remain responsible for the provision of Water Services until the end of the Establishment Period.
- **Principle Six:** Relationship agreements and service level agreements between WSEs and LGOs will be used to help facilitate the transfer of functions.
- **Principle Seven:** LGOs will work with the Establishment WSEs to facilitate the transfer of assets, liabilities, and other matters during the Establishment Period.
- **Principle Eight:** Third-party rights will be protected and unaltered by the transfer of assets, liabilities, and other matters to the extent possible.

Council does own mixed-use assets so negotiations will be required on a case-by-case basis when assets need to be transferred.

4.7 Water Services Legislation Bill and Water Services Economic Efficiency and Consumer Protection Bill

The Water Services Legislation Bill as an omnibus Bill makes amendments to certain sections of the WSE Act. This Bill provides more guidance on the functions, powers, obligations, and oversight arrangements of the WSEs.

The Water Services Economic Efficiency and Consumer Protection Bill makes provisions for the regulation of quality and pricing for water infrastructure services and consumer protection, including a consumer disputes resolution process. The Commerce Commission will be providing economic regulation. The Bill also proposes to establish a Water Services Commissioner.

Both Bills have been referred to the Finance and Expenditure Committee in Parliament after going through first reading on 13 December 2022.

4.8 Legal Transfer Questionnaire

The NTU has sent Council a request for information to help identify the assets, liabilities and interests relevant to providing water services.

The legal transfer questionnaire covers:

- contractual arrangements
 - asset information
 - property information
 - environmental information
 - regulatory information
-

This request for information places particular focus on assets, liabilities and interests which have a mixed use or shared ownership and shared contractual arrangements.

5. Next steps

Ahu whakamua

5.1 Asset Management Plans

Staff are meeting with the NTU working group in early February to finalize these plans. The following points will be covered in this workshop:

- Key risks, objectives, and goals for our communities
- Capex returns and any discrepancies identified to date (initial analytics by the financial consultants has been completed)
- Ensure DIA understands the schemes, issues at district-level and per scheme, including population forecasts and development
- Project prioritization
- Any significant changes since last AMP.

Furthermore, the NTU will be requesting an update on the AMPs by 31 March 2023.

5.2 Transition Plan

The 90-day plan provides an overview of immediate activities. Staff will be utilizing this 90-day plan to develop a transition plan based on inputs from the NTU and subject-matter experts within Council that maps out activities leading up to 1 July 2024.

5.3 Better off Funding

A handover of activities will be undertaken so that the delivery of this project is transferred from the waters business to Council's Enterprise Project Management Office.

5.4 Draft Guidance on DIA's Oversight and Monitoring Process

Staff will be informing the DIA of any intended decision and seeking written confirmation of significant decisions as required.

This will need to be factored for the next long-term plan cycle as DIA will need to confirm the adoption of a new or amended long-term plan.

5.5 Draft Transfer Principles

The DIA are seeking feedback on the draft transfer principles by 31 March 2023, which Council will partake in.

5.6 Water Services Legislation Bill and Water Services Economic Efficiency and Consumer Protection Bill

Council will be looking to make a submission on both bills by 12 February 2023.

5.7 Legal Transfer Questionnaire

Staff are currently working through this exercise. This is due on 31 March 2023.

6. Attachments Ngaa taapirihanga

Attachment 1 – Three Waters Reform 90-Day Plan

Attachment 2 – Draft Guidance on DIA's Oversight and Monitoring Process

Attachment 3 – Draft Transfer Principles

Finance & Commercial Workstream 90-Day Plan December 2022 – March 2023

Note that tasks in:

- Bold Red** require significant work from councils;
- Bold Black** are smaller tasks for optional review, feedback or noting; and
- Blue** do not require any council input and are FYI only.

Workstream	Tasks	Timeline
Financial & Settlement	<p>Review Settlement Accounts Version 1 & Agree Plan</p> <ul style="list-style-type: none"> ▪ Draft Settlement Accounts: The team are using the RFI data to compile (i) Version 1 of each council’s Settlement Accounts, and (ii) a list of the material issues to be resolved in order to reach a fair set of settlement accounts as at 30 June 2024. ▪ Review Meeting: The team is planning to meet councils face-to-face from mid-February to end of March 2023. A member of the team will contact you this side of Christmas to schedule a suitable time. The goal is to review Version 1 of the Settlement Accounts and agree a joint plan for working through and resolving material issues by 30 June 2024. ▪ Approach: Team will send CFO set of Settlement Accounts to be discussed 2-3 weeks prior. On the day, we envisage the process will work along the following lines: <ul style="list-style-type: none"> ○ ~1 hour jointly review Settlement Accounts and Issues. Resolve items where able and agree action plan to close items that cannot be immediately resolved ○ ~ 1 hour break for NTU team to write up plan ○ ~ 1 hour reconvene to review and confirm plan 	Feb/Mar 2023
	<p>Review & Provide Feedback on Draft Settlement Process</p> <ul style="list-style-type: none"> ▪ First version of settlement process to be shared in December. ▪ The process will outline the timeline and tasks for items such as valuation, audit, debt settlement, wash up, etc. with a strong focus on the 1 Jan-30 Sep 2024 timeline – i.e., leading up to, and following, the transition date. 	To be issued by 23 Dec Due end Feb 2023

	<p>Note Recommendations on Accounting Issues</p> <ul style="list-style-type: none"> Recommendations are supported by OAG. Hopefully, these help to remove some uncertainty and provide clarity for all of us. However, happy to discuss any major issues with the recommendations. 	Emailed 15 Dec
Planning, Pricing & Funding	<p>Review Funding & Pricing Plan (FPP)</p> <ul style="list-style-type: none"> The team has a handful of clarifications relating to the Opex numbers provided, e.g., impact of inflation, how Opex changes as new assets come on stream, etc., as it compiles the consolidated FPPs for each Water Service Entity (WSE). The team would value some Teams meetings with CFOs or be referred to finance teams to quickly run through the questions; no background work should be needed from councils. 	End Jan/Feb 2023
	<p>FYI only: Funding & Pricing Plan Template for WSEs</p> <ul style="list-style-type: none"> The team have completed the financial model and have agreed a template for the plans. The next task is to populate a prototype plan for Entity A by 10 Feb. 	Feb 2023
Capital Structure	<p>Identify Transferring Debt – Tranches & SWAPS</p> <ul style="list-style-type: none"> Once we have agreed a debt figure with each council, we will work with councils to determine the specific tranches of debt and swaps which “transfer”. Our starting point is likely to be, if X% of a council’s debt is attributable to 3W, then X% of each debt tranche and swap will be attributed to 3W. However, we recognise that the “devil is in the detail” and will need to work through this with councils. 	Mar/Apr 2023
	<p>FYI only: Debt Settlement Funding Strategy & Options</p> <ul style="list-style-type: none"> The proposed strategy for funding the settlement and the first three years of the WSE’s operations has been approved by the Minister of Finance. The proposed option will be shared with CFOs via email in January. 	Summary to be emailed in Jan 2023
Legal & Insurance	<p>Complete Transfer Questionnaire & Principles</p> <ul style="list-style-type: none"> This questionnaire asks councils for information to populate each WSE’s Allocation Schedule, which will then be shared in draft with councils. A draft of the Transfer Principles will be disseminated with the Transfer Questionnaire, along with a request for comment. 	Emailed 19 Dec DUE Mar 2023
	<p>Note Oversight and Monitoring Process</p> <ul style="list-style-type: none"> The draft guidance has been released for comment. It was reviewed with the Finance Reference Group in November and feedback has been actioned. You can now seek confirmation of significant water-related decisions, and notify other water-related decisions, via the process set out in the draft guidance. 	Emailed 16 Dec

Review Draft Relationship & Master Service Agreement Term Sheets ~ Mar 2023

- The team are working on the drafts for these two agreements. We expect to have the drafts ready for feedback in March.

FYI only: Status of Bills 1 & 2

Dec 2022

- The Water Services Entities Act (previously referred to as Bill 1) passed its third reading on 8 December. It establishes four publicly owned water service entities and sets out their representation, governance and accountability arrangements, some powers for the transition period and arrangements about employment provisions. The Act should receive Royal assent in the week ending 16 December.
- The Water Services Legislation Bill (Bill 2) was introduced on 8 December and builds on the WSE Act. It sets out detailed functions and powers of the new entities, what they are required to do, the tools they need for their work and arrangements for the transition to the new system.
- It establishes relationships between entities and consumers to enable greater transparency around pricing and charging, and sets out protection measures for vulnerable consumers, including an extension of the current rates rebates scheme to cover water charges.
- The Bill has now been referred to the Finance & Expenditure Committee for submissions. More information can be found on the [Parliament website](#).

FYI only: Insurance Strategy

Feb 2023

- Team currently working on the insurance strategy for the WSEs.

Requests from other NTU teams that potentially may arrive on CFO's desk

Asset Management & Ops Team

Jan – Mar 2023

- Operations stocktake – have completed with circa 50% of councils. Covers key operational matters e.g., contracts, suppliers, development agreements.

People Team

Feb/Mar 2023

- Possibly may be requests for payroll “dump” from sample of councils.

Digital Team

Feb/Mar 2023

- Team is working with CIOs/IT managers to identify the best person with whom to have a readiness conversation. This conversation, taking less than 30 minutes, is to understand:
 - whether your teams are ready to start the asset data migration activity,
 - what you would need in place prior to starting,
 - what support you need from the
 - NTU, and
 - an indication of planned start dates.

To: Local Government Organisation Chief Executives and Chief Financial Officers
From: Three Waters National Transition Unit
Date: December 2022

DRAFT GUIDANCE ON DIA'S OVERSIGHT AND MONITORING PROCESS

Background and purpose

We want to share with you our draft guidance for local government organisations (**LGOs**) on our oversight and monitoring powers under the Water Services Entities Act (**WSE Act**) and we are keen to hear what you think.

The WSE Act gives the Department of Internal Affairs (**DIA**) an oversight and monitoring role relating to water-related decisions made by LGOs during the establishment period.

Comment on draft guidance

We recognise that this imposes on your usual decision-making rights and you have our assurance that we intend to exercise these powers carefully, responsibly and in a way that helps provide you with clarity during this time of transition. We emphasise that New Zealanders need water activities to continue during the establishment period and, although LGOs may need to notify us or seek our confirmation of some decisions, they should not stop operating in a business-as-usual manner.

We want to make it as easy as possible for you to comply, so we have provided a simple form that you can complete and email to us. If we can automate this process in the future, we will.

We welcome your comments on our proposed implementation approach overall. What could we do to make the process work well for LGOs? Have we missed anything? What do you think of the form to notify and seek confirmation of decision? Do you have any other comments?

Next steps

After we consider your comments on the draft guidance, we will finalise this guidance and share it with you. If we need to update it, we will come back to you. In the meantime, you can use the form in the appendix to email your notifications and requests to us.

We look forward to hearing from you. Please provide your feedback by completing this short [survey](#) by Tuesday 24 January 2023.



Heather Shotter
Executive Director
Three Waters National Transition Unit

DRAFT as at December 2022

THREE WATERS REFORM PROGRAMME

GUIDANCE TO LOCAL GOVERNMENT ORGANISATIONS ON DIA'S OVERSIGHT AND MONITORING PROCESS DURING ESTABLISHMENT PERIOD

Issued by the Department of Internal Affairs as at [date]

This DRAFT guidance

1. The Three Waters National Transition Unit of the Department of Internal Affairs (**DIA**) provides this guidance to local government organisations (**LGOs**) in draft for comment, now that the [Water Services Entities Act \(WSE Act\)](#) has been enacted. [Note: This draft guidance is written on the basis that Royal Assent will shortly occur and that the Water Services Entities Act will become law and its sections and clauses will be renumbered. References to sections and clauses are to the renumbered version that will appear in the WSE Act when published in its enacted form.]
2. We intend to finalise this guidance in early 2023 and will issue a further version.

Purpose

3. This guidance is intended to help LGOs understand what they need to do in relation to making water services-related decisions. It includes information as to how DIA intends to operate its relevant powers under that Act and what LGOs need to tell DIA.
4. New Zealanders need water activities to continue during the establishment period and, although LGOs may need to notify DIA or seek its confirmation of some decisions, they should not stop operating in a business-as-usual manner.
5. The guidance does not cover DIA's review of employment positions nor the Commerce Commission's functions and powers during the establishment period. This guidance does not override any right or obligation of DIA, a water services entity (**WSE**) or a LGO under the WSE Act.

Summary of oversight and monitoring arrangements

6. The roles of LGOs and DIA under the WSE Act relating to water-related decisions are summarised below. For the full statutory provisions, see clauses 17-20, 30-33 and 37 of schedule 1 of the WSE Act.
7. In this guidance, a '**decision**' is one that relates to, or may affect, the provision of water services and is not an excluded decision (explained below). A '**significant decision**' is one that meets the criteria clause 32(3) of schedule 1 of the WSE Act. A 'local government organisation' is a local authority, council-controlled organisation or subsidiary of a council-controlled organisation (clause 1 of schedule 1 of the WSE Act).
8. During the establishment period, LGOs must:

- (a) Notify DIA with information about an **intended decision**, which is one that relates to, or may affect, the provision of water services or may affect the provision of water services, provided it is not a decision to enter an excluded contract:
- (i) Excluded contracts (which do not need to be notified) are:
- (aa) employment agreements or
- (bb) a contract (other than an employment agreement) that imposes an obligation on an LGO only before a date determined by the DIA CE or
- The DIA CE will decide this date before this guidance is finalised. For contracts other than disposals of assets or land by a local government authority, the proposed date is 30 June 2024. There is no proposed date for disposals of assets or land by a local government organisation.*
- (cc) a contract (other than an employment agreement) for which consideration is less than an amount set by the DIA CE
- The DIA CE will decide this amount before this guidance is finalised. The proposed amount is \$10,000,000 (whole-of-life contract consideration).*
- (ii) The WSE Act lists some examples of intended decisions (provided they relate to, or may affect, the provision of water services and are not excluded decisions):
- (aa) to adopt or amend a long-term plan or adopt an annual plan
- (bb) to adopt a policy required by the Local Government Act 2002 (**LGA02**)
- (cc) that is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy or plan under LGA02
- (dd) to purchase or dispose of assets other than in accordance with its long-term plan
- (ee) to purchase or dispose of an asset
- (ff) to enter into a contract.
- (b) Ensure that, before implementing a **significant decision**, DIA has confirmed it in writing. Significant decisions that have not been confirmed by DIA are **void and of no effect** until they are confirmed by the DIA CE. A significant decision is one made during the establishment period that may, directly or because of its consequences:

- (i) significantly prejudice the water services reform or
 - (ii) significantly constrain the powers or capacity of the WSEs following the water services reform or
 - (iii) have a significant negative impact on the assets, liabilities, or other matters that are transferred to the WSEs as a result of the water services reform.
- 9. In relation to significant decisions for which a LGO seeks confirmation, the DIA CE must, as soon as practicable and in writing:
 - (a) confirm the decision or
 - (b) decline to confirm the decision and give reasons (with reference to the 'significant' test above) or
 - (c) request further information if it considers that it has insufficient information to decide.
- 10. The DIA CE may decline to confirm a decision if they determine that one or more of the following criteria are met:
 - (a) The decision will significantly prejudice the water services reform.
 - (b) The decision will significantly constrain the powers or capacity of a WSE following the water services reform.
 - (c) The decision will have a significant negative impact on the assets, liabilities, or other matters that are transferred to a WSE as a result of the water services reform.
- 11. In exercising powers under the WSE Act, the DIA CE must comply with:
 - (a) section 4 in relation to giving effect to the principles of te Tiriti o Waitangi/the Treaty of Waitangi and, to the extent it applies, Te Mana o te Wai; and
 - (b) clause 37 of schedule 1, in relation to Treaty settlement obligations.
- 12. The DIA CE also has other powers under the WSE Act, including:
 - (a) reviewing decisions made by LGOs (provided DIA has not already confirmed that decision) and, without delay, notifying the LGO if DIA considers, on reasonable grounds, that the decision is a significant decision
 - (b) reasonable requests that employees of LGOs be seconded to a WSE
 - (c) reasonable requests for information held by LGOs
 - (d) issuing notices of non-compliance to LGOs.

13. The DIA CE may delegate these powers.

How do I notify intended and significant decisions to DIA?

14. To seek confirmation of a significant decision, complete the form in the appendix (attaching relevant information) and email to significantdecisions@dia.govt.nz.
15. To notify any other intended (non-significant) decision, complete the form in the appendix and email to intendeddecisions@dia.govt.nz.
16. Please only use these channels so we can ensure we receive your notification or request.
17. If you have any other queries about this guidance, please email NTUfincom@dia.govt.nz.

What information do I need to provide about an intended decision or when seeking confirmation about significant decisions?

18. DIA needs enough information about intended decisions to understand if the decision might be **significant** under the WSE Act. The notification form (see appendix) prompts you to provide this information.
19. The following table provides guidance about the types of decisions DIA considers **may** be significant under the WSE Act and what information it expects to need about those decisions in order to consider if it is significant.
20. Because there is a wide range of decisions covered by the WSE Act, the table below is not an exhaustive list. Decisions that meet the thresholds may or may not be significant.

Type of decision	Threshold <i>DIA will want to look further at decisions that meet this threshold and they may be significant</i>	Information required
Contracts: New contracts or amendments to existing contracts	If: <ul style="list-style-type: none"> • the value of post 1 July 2024 whole of life cost is greater than \$10m and not fully provided for in the current Asset Management Plan (if relevant) or • the contract extends beyond 30 June 2029 (no matter its value) or • the contract is for a term expiring on or before 30 June 2025 <u>and</u> its annual cost is greater than \$1m <u>and</u> it is not provided for in the current Asset Management Plan or • the contract relates to the Infrastructure Funding and Financing Act 2020. 	Copy of draft contract and post-1 July 2024 whole of life cost

Type of decision	Threshold <i>DIA will want to look further at decisions that meet this threshold and they may be significant</i>	Information required
Contracts: A decision not to renew or to terminate a contract	If the contract were to be renewed or not terminated, the value of post 1 July 2024 whole of life cost would be greater than \$10m and the non-renewal or termination is not provided for in the annual plan.	Copy of any draft decision memo
Capital investments	If a proposed capital investment is greater than \$10m and it is: <ul style="list-style-type: none"> • not in the annual plan or • in the annual plan but investment is greater than 20% above that provided for in the annual plan. 	Draft business case
Asset disposals	If market value of asset is greater than \$10m and not fully provided for in the annual plan.	Market value of asset and full description of asset
Land disposals: Any decision to dispose of or terminate an interest in land	If the value of disposal or termination, or the consequences of the disposal or termination to the WSE, is greater than \$10m and not fully provided for in the annual plan.	Details of the disposal or termination of an interest in land
Financing arrangements: Debt (including bond retentions) or swaps, or changes to existing debt or swaps, that are directly attributable to water services assets	If net debt is, in aggregate, greater than \$25m or more above that provided for in the annual plan.	Copy of proposed contract including maturity date and amount
Resource consents: Decisions about a resource consent (in LGO's capacity as a holder of a resource consent)	If the resource consent would make a fundamental change to the whole-of-life management of the subject of the resource consent, in terms of systems and process, resources or financial implications.	Draft decision relating to resource consent (eg draft conditions or draft application)

Type of decision	Threshold <i>DIA will want to look further at decisions that meet this threshold and they may be significant</i>	Information required
Litigation: Any decision relating to disputes, claims or proceedings (including all enforcement action, litigation, prosecution, arbitration, tribunal, alternative dispute resolution, and complaints) that are ongoing, pending, or threatened	If the decision would have an impact on water services of greater than \$10m or make a fundamental change to how water services can be carried out.	Nature of decision, details of litigation and nature of impact on water services
For all decisions:	If the decision is not covered above but <u>may</u> , directly or because of its consequences: <ul style="list-style-type: none"> • significantly prejudice the water services reform or • significantly constrain the powers or capacity of the WSEs following the water services reform or • have a significant negative impact on the assets, liabilities, or other matters that are transferred to the WSEs as a result of the water services reform. 	Copy of relevant material setting out the details of the decision and why it may be significant.

How long will it take DIA to confirm or decline a significant decision?

21. If you seek confirmation of a significant decision under clause 33 of schedule 1 of the WSE Act, DIA will, as soon as practicable, advise whether it confirms, declines or requires further information about that significant decision. It will endeavour to do that within 20 working days of the request.
22. This is an indicative timeframe only, as some decisions will be more complex than others.
23. If you are planning to make a significant decision, please advise us as soon as possible. For example, if you are undertaking public consultation on a proposal, that would be a good time to let us know.
24. If you need to make a decision urgently, let us know when you notify us and we will try to meet your required timeframe.

Will DIA respond to notifications of non-significant intended decisions?

25. DIA will only respond to notifications of intended decisions if it decides to review the decision under clause 31 of schedule 1 of the WSE Act. That clause requires DIA to notify a LGO without delay if it reviews a decision and considers, on reasonable grounds, that the decision is significant (ie clause 32 applies).

My LGO makes lots of regular decisions that come within the definition of ‘decision’. Do you want to know about our intention to make each one?

26. DIA acknowledges that the phrase ‘relates to, or may affect, the provision of water services’ is broad, and has therefore tried to set sensible parameters to exclude low-value and short-term contracts.

Why do you need to know about our engagement with Māori?

27. The notification form in the appendix asks you to describe the relevant decision and its consequences *including any engagement with hapū, iwi, Māori and/or mana whenua*. We are asking for this information to help us comply with our obligations under section 4 of the WSE Act (relating to giving effect to the principles of te Tiriti o Waitangi/the Treaty of Waitangi and, to the extent it applies, Te Mana o te Wai).

What happens if I fail to notify DIA of an intended decision?

28. Under clause 31 of schedule 1 of the WSE Act, the DIA CE may review any LGO decision made during the establishment period, unless it is a significant decision that DIA has already confirmed. DIA must, without delay, notify the LGO if it reviews a decision and considers, on reasonable grounds, that the decision is significant (ie clause 32 applies).

What happens if I make a significant decision without DIA’s confirmation?

29. The decision is void and of no effect until it is confirmed by the DIA CE (clause 32(2) of schedule 1 of the WSE Act). The DIA CE may decline to confirm the decision if 1 or more of the ‘significant’ decision criteria are met.

APPENDIX:

FORM TO NOTIFY DIA OF INTENDED WATER-RELATED DECISIONS OR SEEK CONFIRMATION OF SIGNIFICANT WATER-RELATED DECISIONS		
PART 1: TYPE OF DECISION		
<input type="checkbox"/>	LGO considers this may be a significant decision and seeks DIA's confirmation of it <i>(ie clause 32(3) of schedule 1 of the Water Services Entities Act may apply)</i>	
OR		
<input type="checkbox"/>	LGO considers this is not a significant decision <i>(ie this is a "decision" under clause 30 of schedule 1 of the Water Services Entities Act but clause 32(3) of schedule 1 does not apply)</i>	
PART 2: DETAILS OF DECISION		
For all decisions:	Nature of decision <i>Describe decision and its consequences including any engagement with hapū, iwi, Māori and/or mana whenua</i>	
	Intended timeframe for decision	
For significant decisions only:	Threshold that applies <i>See Guidance para 20</i>	
	Attachments <i>List relevant documents – see Guidance para 20</i>	
PART 3: CONTACT DETAILS		
Name of local government organisation:		
Contact person	Name:	
	Email:	
	Phone:	
PART 4: WHERE TO EMAIL THIS FORM		
For significant decisions, email this form and attachments to:		significantdecisions@dia.govt.nz
For all other decisions, email this form to:		intendeddecisions@dia.govt.nz

To: Local Government Organisation Chief Financial Officers and Legal Contacts
Iwi Māori
Third-party suppliers of water related services

From: Three Waters National Transition Unit

Date: December 2022

DRAFT TRANSFER PRINCIPLES

These draft transfer principles give you more information about the transfer provisions in [schedule 1](#) of the Water Services Entities Act 2022 (**WSE Act**) and the proposed amendments in the [Water Services Legislation Bill](#) (**WS Legislation Bill**).

The WS Legislation Bill is now being considered by the Finance and Expenditure Committee and you can make submissions on it. You can find more information on the [Parliament website](#).

We would like to hear what you think about these draft transfer principles, particularly if there are any unanswered questions, or any assets, liabilities or other matters that are not covered by the principles. Your comments on the WS Legislation Bill are best directed to the select committee that will consider them.

We will update this document to reflect your comments and the WS Legislation Bill after it has been enacted.

We look forward to hearing from you. Please provide your feedback by completing this short [survey](#) by 31 March 2023.

[Insert signature]

Mark Loveard
Head of Finance & Commercial
Three Waters National Transition Unit

THREE WATERS REFORM PROGRAMME

DRAFT TRANSFER PRINCIPLES

As at December 2022

1. Purpose

This document explains and expands on the principles covering the transfer of assets, liabilities, and other matters relating to providing Water Services from Local Government Organisations (**LGOs**) to the four Water Services Entities (**WSEs**), as set out in the Water Services Entities Act 2022 (**WSE Act**) and the Water Services Legislation Bill (**WS Legislation Bill**). This document is to help LGOs, iwi/ Māori, and third-party suppliers of water related services understand the assets, liabilities, and other matters that are in scope to transfer to the WSEs under [schedule 1](#) of the WSE Act.

The proposed transfer process is driven by legislation, so matters in this document may change as this legislation is finalised, including references to provisions and concepts within the WS Legislation Bill. You may make submissions on that Bill to the select committee process. You can find more information on the [Parliament website](#).

This document does not cover the transfer of LGO employees; that process is set in the Staff Transition Guidelines. However, this document does address the transfer of contractual arrangements for independent contractors and service providers.

This document is for guidance only and does not alter or affect the legal requirements set out in the WSE Act or the WS Legislation Bill.

2. Transfer Objective

The primary objective of the transfer process is to ensure WSEs have the assets, liabilities, and other matters they need to operate Water Services effectively from the Establishment Date without adversely impacting service to consumers or the ability of LGOs to provide non-water services to their communities.

Consistent with this objective, the focus of the WS Legislation Bill, and these Transfer Principles, is to transfer only those LGO assets, liabilities, and other matters that relate to providing Water Services. To do this the Establishment WSEs (with the help of the National Transition Unit) will work with LGOs to identify those assets, liabilities, and other matters that either wholly or partially relate to providing Water Services and will be informed by, amongst other considerations, the following:

- Where an asset has more than one purpose or use, the asset will only transfer if its primary purpose or predominant use relates to providing Water Services or where parties otherwise agree.
- Land will only transfer where its primary purpose or predominant use relates to providing Water Services or where parties otherwise agree.
- Only contractual arrangements that wholly relate to providing Water Services will transfer.

- To the extent possible, existing contractual arrangements with third-party service providers will transfer materially unaltered.

This objective is in part reflected in the guiding principle in clause 6 of Schedule 1 of the WSE Act:

The establishment chief executive of a water services entity must, in preparing or updating the entity's allocation schedule, have regard to the principle ... that secondary water services assets or property of a local government organisation should be specified in the should-not-transfer part of the entity's allocation schedule, unless the organisation and the establishment chief executive agree otherwise.

3. Definitions

In this document:

Allocation Schedule means the allocation schedule to be prepared by the establishment chief executive of a WSE as further described in the WSE Act.

CCO means council-controlled organisation.

CCTO means council-controlled trading organisation.

DIA means the Department of Internal Affairs.

Establishment Date means the date the WSEs become fully operational (through the remaining provisions within the WSE Act coming into force which will be no later than 1 July 2024).

Establishment Period means the period starting on the date the transitional provisions within the WSE Act comes into force and ending on the Establishment Date.

Establishment WSEs means the WSEs, acting in accordance with their establishment functions and objectives during the Establishment Period, to make the preparatory arrangements for full operation on and from the Establishment Date.

Local Government Organisation or LGO means any of the following (within the meaning of the Local Government Act 2002) that provides Water Services:

- a local authority (regional council or territorial authority);
- a CCO or CCTO;
- a subsidiary of a CCO or CCTO organisation.

NTU means the DIA's Three Waters National Transition Unit.

Transport stormwater system means the infrastructure owned or operated by, or processes used by, a transport corridor manager to collect, treat, drain, store, reuse, or discharge stormwater affecting a transport corridor; and includes—

- an overland flow path; and
- green Water Services infrastructure that delivers stormwater services.

Urban area means an area identified in a district plan or a proposed district plan as being primarily zoned, or intended to be for residential, industrial, commercial and mixed use, or settlement activities, together with adjoining special-purpose and open-space and recreation zones; but does not include any other area zoned primarily for rural activities.

Water Services means the provision of drinking water, wastewater and/or stormwater services.

Water Services Entity or WSE means the new entities to be established under the WSE Act.

Water Services Reform means the establishment of the WSEs to deliver Water Services in accordance with the WSE Act and the transfer of interests in, and the ownership of, infrastructure assets from LGOs to the WSEs.

WSE Act means the Water Services Entities Act 2022.

WS Legislation Bill means the Water Services Legislation Bill introduced into Parliament in December 2022.

4. Transfer Principles

The transfer of assets, liabilities, and other matters relating to Water Services from LGOs to the four WSEs will be governed by the following eight principles:

- **Principle One:** To be in scope to transfer, the asset, liability or other matter must be owned or controlled by a LGO and relate wholly or partly to the provision of Water Services.
- **Principle Two:** The majority of assets, liabilities or other matters will transfer to the WSEs by legislation.
- **Principle Three:** Assets will transfer to a WSE based on the location of the LGO owner and not the location of the assets.
- **Principle Four:** Territorial authorities will receive payment for their Water Services infrastructure debt rather than debt transferring to the WSEs.
- **Principle Five:** LGOs remain responsible for the provision of Water Services until the end of the Establishment Period.
- **Principle Six:** Relationship agreements and service level agreements between WSEs and LGOs will be used to help facilitate the transfer of functions.
- **Principle Seven:** LGOs will work with the Establishment WSEs to facilitate the transfer of assets, liabilities, and other matters during the Establishment Period.
- **Principle Eight:** Third-party rights will be protected and unaltered by the transfer of assets, liabilities, and other matters to the extent possible.

Principle One: To be in scope to transfer the asset, liability or other matter must be owned or controlled by a Local Government Organisation and relate wholly or partly to the provision of Water Services

What does relate wholly or partly to the provision of Water Services mean?

The policy intention of the Water Services Reform is for only those assets, liabilities, and other matters, that LGOs use to provide Water Services to transfer to the WSEs. Assets, liabilities, and other matters that relate to the provision of non-Water Services will remain with LGOs.

In this context, ‘*water services*’ means services relating to water supply, wastewater, and stormwater. Water supply includes:

- drinking water supply as defined in section 9 of the Water Services Act 2021
- firefighting water supplies as defined in section 6 of the Fire and Emergency New Zealand Act 2017;
- water supplied for agricultural or horticultural purposes (see comments on rural mixed-use drinking water supplies below).

There will be a range of assets that may not wholly relate to the provision of Water Services; that is, they may have more than one purpose or use (eg, a sports field may also have a stormwater drainage function). Assets that only partly relate to the provision of Water Services will only be in scope to transfer under the general transfer provisions if their primary purpose or predominant use is the delivery of Water Services. These types of assets are currently defined in the WS Legislation Bill as a ‘*mixed-use water services asset or property*’ but do not include a transport corridor stormwater system.

Where the primary purpose or predominant use of an asset or property is not the delivery of Water Services, WSEs when preparing their Allocation Schedules must have regard to the guiding principle which is that:

... secondary water services assets or property of a local government organisation should be specified in the should-not-transfer part of the entity’s allocation schedule, unless the organisation and the establishment chief executive agree otherwise (clause 6, schedule 1 of the WSE Act).

Assets owned by LGOs wholly relating to ‘*rural mixed-use drinking water supplies*’ are also in scope to transfer under the general transfer provisions, but irrigation schemes and water races are not in scope. Rural mixed-use drinking water supplies assets are defined as those assets that provide drinking water and agricultural and/or horticultural water. This includes assets relating to ‘*small mixed-use rural water service*’. A small mixed-use rural water service is a water supply that meets both of the following criteria:

- 85% or more of the total volume of water supplied by the service is for agricultural or horticultural purposes, and
- 1,000 or fewer dwellings (not being dwellings on farmland) rely on the service for drinking water supply and other domestic household purposes.

Following the transfer to the WSEs, the WS Legislation Bill provides a process for these small mixed-use rural water service to be transferred to an alternative operator if certain criteria are met.

What are assets, liabilities and other matters?

The WSE Act provides an open-ended definition for assets, liabilities, and other matters, which include things like:

- assets (eg, infrastructure relating to water supply networks, wastewater networks, and stormwater networks, fleet, plant, and equipment
- contracts, engagements, or information

- benefits, entitlements, interests, rights, powers, or privileges (eg, any moneys payable, proceedings, statutory approvals or consents, easements, encumbrances, leases, or licences)
- other property (eg, anything that is capable of being owned, whether it is real or personal property, and whether it is tangible or intangible property)
- eligibility for benefits, entitlements, interests, rights, powers, or privileges
- duties or liabilities (including, without limitation, in relation to any moneys payable, proceedings, or statutory approvals or consents)
- ineligibility for benefits, entitlements, interests, rights, powers, or privileges.

What will happen to assets owned by Local Government Organisations but located on land that will not transfer?

By default, these assets are within scope of the transfer. Any existing registered or documented access and usage rights will transfer to the WSEs. To the extent that the existing rights are not sufficient or documented, or there are no rights currently registered or documented, new rights will need to be created (either through the exercise of statutory powers or by agreement between the parties).

Where the land on which that the asset is located is owned by a LGO, it may be appropriate for that portion of the land to be subdivided and transferred to the WSEs. Where it is not appropriate for that portion of the land to be subdivided, other options like an easement may need to be created to provide the WSEs legal rights to locate, access and maintain the asset on that land.

WSEs will have the same or similar statutory powers as utility operators to enter private land to inspect and maintain assets.

Likely examples include assets located within roading and rail corridors or assets located within land covered by the Reserves Act 1977.

What about assets, liabilities, and other matters that relate to the provision of Water Services not owned or controlled by a Local Government Organisation?

The policy intention of the Water Services Reform is for only those assets, liabilities, and other matters that are currently owned or controlled by LGOs to be within scope of the transfer. This means assets, liabilities, and other matters owned by the Crown or by private parties are not within scope to transfer even if they relate to the provision of Water Services.

However, currently the WS Legislation Bill allows for a limited opt-in by the Crown or by private parties to transfer assets, liabilities and other matters to the WSEs with the agreement of the relevant WSE (see Principle Two).

Water Services assets that are owned by a LGO and privately or communally operated, are by default within scope of the transfer. However, the responsibility for operating these assets is unlikely to transfer to the WSEs unless the parties agree. As the asset owners, WSEs may seek to alter the operating arrangements in the future.

Where a LGO manages or operates but does not control Water Services assets owned by private parties, the underlying assets are outside the scope of the transfer. However, the responsibility for operating these assets will transfer to the WSEs in accordance with any existing management or operations arrangements that are in place immediately prior to the transfer. As with privately owned

assets, there may be limited circumstances where the private owners and the WSEs agree to transfer the underlying assets as well.

To the extent that a LGO has shared ownership arrangements in a Water Services asset with a private party, the LGO's ownership interest or share will transfer to the WSEs.

Where the ownership of a Water Services assets is uncertain or undocumented, these assets will not be transferred by the general transfer provisions. Rather agreement from all the interested parties will be required for the assets to transfer (see Principle Two).

What about assets, liabilities and other matters owned by Council-Controlled Organisations or Council-Controlled Trading Organisations and their subsidiaries?

The WSE Act defines a LGO as including a local authority, a CCO, and a subsidiary of a CCO that provides Water Services. This means any assets, liabilities, and other matters, owned by a CCO or a CCTO that relate wholly or partly to the provision of Water Services are within scope to transfer to the WSEs under the general transfer provisions.

However, where a CCO/CCTO or its subsidiary has a non-LGO shareholder (eg, private party investors), only the shares held by the LGO in the CCO/CCTO transfer to the WSE. The assets, liabilities, and other matters remain with the CCO/CCTO or its subsidiary. Relationship agreements and service level agreements are likely to be entered into with the CCO/CCTO setting out how the parties will work together (see Principle Six).

Will all land that relates to the provision of Water Services transfer?

The policy intention of the Water Services Reform is to only transfer land that is necessary for the WSEs to maintain continuity of Water Services to the community. For this purpose, the focus of the transfer is on land owned by LGOs that has planned or existing Water Services assets on it. Whether a land parcel will transfer will depend on a number of factors, including:

- the primary purpose or use of the land on which the Water Services asset is located or on which a Water Services asset is planned to be located;
- whether the land is held for separate purposes or uses, each occupying different portions of the same land and could be easily subdivided; and
- whether the land is held for a mixed or shared use, with non-Water Services being the primary purpose or predominate use.

Where the use of the land relates wholly to the provision of Water Services, then the land will be in scope to transfer to the WSEs under the general transfer provisions (eg, the land on which a treatment plant sits). Where the land is held for separate purposes or uses, it may be that only the portion of the land that is used for the provision of Water Services is subdivided and transferred to the relevant WSE under an Allocation Schedule (eg, a treatment plant may sit on a large parcel of land, that is also used for other non-Water Services purposes). The WS Legislation Bill provides a process for land to be subdivided as part of the Allocation Schedule process. Where the land is held for a mixed or shared use and the primary purpose does not relate to the provision of Water Services then the land is unlikely to transfer without the agreement of the LGO as per the guiding principle in the WSE Act (eg, a sports field that also has stormwater drainage function). Before any land is listed for transfer, LGOs will be consulted as part of the Allocation Schedule process (see Principle Two).

There will be some situations where it may be inappropriate for certain land to transfer, such as land located within water catchment areas. These areas usually incorporate land that has significant environmental, cultural, and/or recreational value. It will be important for the WSEs to have influence over how these water catchment areas are protected and managed given the WSEs will have responsibility for managing water quality. For this reason, the WSEs will explore alternative mechanisms, such as relying on statutory access powers, and other regulatory instruments provided for in the WS Legislation Bill, such as controlled drinking water catchment management plans.

Similarly, where some land with a recreational purpose does transfer, such as cycleways around stormwater assets, the WSEs will work with LGOs to set up arrangements relating to public access.

The WS Legislation Bill provides that the transfer of any land subject to the Public Works Act 1981 to a WSE will not trigger the section 40 'offer back' requirements. However, those 'offer-back' obligations will continue to apply to any subsequent land transfers after the Establishment Date.

What types of contracts will transfer to the Water Services Entities?

As with assets, the policy intention of the Water Services Reform is to only transfer contracts and agreements that are necessary for the WSEs to maintain continuity of Water Services to the community. To the extent that they relate wholly to the provision of Water Services, they will transfer to the WSEs. The types of contracts and agreements that will be in scope include:

- infrastructure development agreements
- supplier and services agreements (including independent contractor agreements, works contracts, consultancy agreements)
- construction contracts
- stakeholder and utility operator agreements
- leases and licenses
- bulk supply agreements
- trade waste agreements
- joint venture agreements
- asset management and maintenance agreements
- operational services agreements
- operational technology agreements.

Contracts and agreements that relate wholly to the provision of Water Services, will transfer by legislation and so there will be no need to transfer each individual contract or agreement to effect the transfer (see Principle Two). However, there will be a range of 'mixed-use' contracts and agreements that relate to more than just Water Services, eg, bulk power supply contracts that cover a range of activities by LGOs such as supplying power to its waste treatment plant and to its corporate offices or maintenance contracts that cover roading, parks and stormwater.

Given that LGOs will still need some of the services provided under the 'mixed-use' contracts and agreements, it is not appropriate for the entire contract or agreement to transfer to the WSEs. For these contracts the Establishment WSEs will work with LGOs during the Establishment Period to put in place alternative arrangements with the service providers. If parties are unable to put in place alternative arrangements by the end of the Establishment Period, the WS Legislation Bill allows the Minister of Local Government to issue binding directions on the WSEs and the LGOs to enter into alternative arrangements.

If a binding direction is issued, the third-party supplier will have the right to:

- enter into any replacement contract that is offered;
- continue with the existing contract as modified by any direction given; or
- terminate the existing contract

(See Principle Eight for more information on third-party rights).

What legal liability will transfer to the Water Services Entities?

On and after the Establishment Date, a matter or thing that would, but for the transfer, have been completed by a LGO relating to the provision of Water Services must be completed by the WSE. Further, anything done, or omitted to be done, or that is to be done, by a LGO that is wholly related to the provision of Water Services by that LGO will be treated as having been done, or having been omitted to be done, or to be done, by the WSE. This means from the Establishment Date the WSEs are responsible and liable for all past acts or omissions of LGOs wholly related to the provision of Water Services, as if a WSE had carried out the act or omission itself.

The WS Legislation Bill provides that any civil or criminal proceedings (including any enforcement or compliance action) by or against a LGO that are wholly related to the provision of Water Services must be continued or enforced by or against the WSE without amendment to the proceedings, this includes any unsettled employment related proceedings to the extent that the employee has transferred to the WSEs.

However, any existing debts, penalties, charges, fines, fees, wholly related to the provision of Water Services arising from an act or omission by, or in relation to a LGO, that are due and payable before the Establishment Date will remain due and payable by the LGO. For example, if civil proceedings are completed before the Establishment Date and a LGO has been ordered to pay damages, the liability for making that payment will remain with the LGO.

In relation to liability for debts and charges relating to provision of Water Services during the Establishment Period see Principle Four.

What statutory consents and other approvals will transfer?

As with assets and contracts, the policy intention of the Water Services Reform is to transfer all statutory consents and other regulatory approvals granted or issued to a LGO that are necessary for the WSEs to maintain continuity of Water Services to the community. To the extent that they relate wholly to the provision of Water Services, they will transfer to the WSEs. The types of consents and regulatory approvals that will be in scope to transfer under the general transfer provisions include:

- resource consents and building consents
- designations.

On and after the Establishment Date any existing application made by a territorial authority for a resource consent under section 88 of the Resource Management Act 1991, in relation to the provision of Water Services, continues in effect as if it were made by the WSE whose service area includes the district of that territorial authority.

However, we anticipate that some resource consents and other statutory approvals held by LGOs (either solely or jointly with third parties) authorise activities that include, but extend beyond, the provision of Water Services. For these statutory consents and approvals, it is not appropriate for the entire consent or approval to transfer to the WSEs and will not be in scope to transfer under the general transfer provisions. For these consents and approvals, the Establishment WSEs will work with LGOs during the Establishment Period to put in place alternative arrangements.

In relation to stormwater, we know that there are a number of global stormwater network discharge consents held by LGOs that relate to urban, rural and transport stormwater systems. To the extent that these consents cover assets not in scope to transfer, they will not transfer under the general transfer provisions. However, the policy intention is that these consents transfer to the WSEs through the Allocation Schedules with LGOs and the WSEs using the Establishment Period to put in place arrangements relating to the ongoing use of these consents by both parties. Such arrangements may include provisions around working together and allocating responsibility for compliance (which can be recorded in a relationship agreement or service level agreement) or splitting the consent between the local authority, road controlling authority and the WSE to the extent that is possible.

The WS Legislation Bill also provides for the transfer of designations made under the Resource Management Act 1991. On and after the establishment date, designations of LGOs that wholly relate to the provisions of for which a WSE has assumed financial responsibility, will be deemed to have transferred to the WSE.

What about cash reserves?

Some LGOs will have accumulated significant cash reserves that have been earmarked for future water infrastructure investment. LGOs are encouraged to use these reserves (subject to reserve conditions) before the establishment date. Any material reserve balances remaining as at the Establishment Date will transfer to the WSEs with a commensurate commitment to invest those funds in the communities that paid for them, consistent with the conditions under which they were raised.

Further guidance will be developed by the NTU, including the materiality threshold.

What are stormwater assets?

The policy intention of the Water Services Reform is to transfer all urban stormwater assets and processes to the WSEs. Stormwater assets and processes owned or operated by territorial authorities in their capacity as road-controlling authorities and other transport corridor managers, such as KiwiRail and Waka Kotahi, are excluded from the transfer. Similarly, rural stormwater assets and process, which predominately either relate to land drainage, flood management/control, or agricultural water (such as irrigation schemes and water races) are excluded from the transfer. During the Establishment Period LGOs, transport corridor managers and WSEs will work together in relation to any interface issues between the stormwater systems, which will include entering into relationship agreements and service level agreements setting out, among other matters, each party's roles and responsibilities.

The types of stormwater assets that are in scope for transfer under the general transfer provisions include:

- hard assets – engineered structures created for the purpose of conveying and/or managing stormwater, eg, pipes, outlets/inlets, catchpits, stormwater pumpstations
- constructed green assets – artificial structures that provide similar functions to natural equivalent, eg, constructed wetlands, ponds, raingardens, swales areas.

Transfer of the underlying land will not always need to transfer with stormwater assets to the WSE (see comments above on the transfer of property) and where possible the land will remain with the LGO.

Where an asset relates wholly to the provision of stormwater services in the urban area, eg, a stormwater pumpstation, it will transfer under the general transfer provisions. However, a large number of assets used in the operation of the stormwater network will be ‘mixed-use water services assets’ in that they will have more than one use or purpose. Those mixed-use water services assets will only be in scope to transfer under the general transfer provisions if their primary purpose or predominant use is related to the provision of stormwater services in the urban area. If their primary purpose or predominant use is not related to the provision of stormwater services, the WSEs may still want them to transfer if the assets are critical to the function of the urban stormwater network, but these would need to be listed in an Allocation Schedule and agreement sought from the relevant LGO. Similarly, an asset that relates to the provision of stormwater services in a rural area or a transport corridor, may be listed in the Allocation Schedule as transferring to the WSE by agreement.

Where both the LGO and the relevant WSE require ongoing use of the same asset or consent then the WSE will work with the LGO to put in place arrangements through a relationship agreement and/or service level agreement (see Principle Six).

How will the assets, liabilities, and other matters be identified?

During the Establishment Period Establishment WSEs will work with LGOs and the NTU to prepare Allocation Schedules. The purpose of the Allocations Schedules is to identify and list those assets, liabilities, and other matters that will and will not transfer from LGOs to the WSEs. However, the legal transfer itself will occur through legislation (see Principle Two below).

Principle Two: The majority of assets, liabilities, and other matters will transfer to the Water Services Entities by legislation

How will the assets, liabilities, and other matter transfer to the Water Service Entities?

The WS Legislation Bill provides two main methods for transferring assets, liabilities, and other matters that relate to the provision of Water Services:

- falling into one of the categories of assets, liabilities, and other matters listed in the general transfer provisions; or
- through an Order in Council based on the specified assets, liabilities, and other matters that are identified in the Allocation Schedules.

Under the general transfer provisions, the following assets, liabilities, and other matters, that wholly relate to the provision of Water Services will transfer and vest in the WSEs on the Establishment Date (unless excluded by an Allocation Schedule):

- assets owned or controlled by the LGO;
- property owned or controlled by the LGO;
- rights, liabilities, contracts, information, interests, entitlements, and engagements of the LGO;
- statutory approvals or consents granted or issued to the LGO; and
- easements, encumbrances, access licences, or leases granted or issued to the LGO.

Mixed-use Water Services assets owned or controlled by the LGO and assets that are wholly related to the provision of rural mixed-use drinking water supplies by the LGO will also transfer to WSEs under the general transfer provisions.

This means that any asset, liability, or other matter that fall within the general transfer provision will transfer to the relevant WSE on the Establishment Date even if it was not identified at the time, eg, any assets, liabilities, or other matters that are identified after the Establishment Date will be deemed to have transferred to the relevant WSE on the Establishment Date.

For some classes of assets, while legal ownership or title will pass to the WSEs by legislation (either under the general transfer provision or by Order in Council), there will be some administrative tasks to complete after transfer to update certain registers – see land titles below.

As noted under Principle One, the general transfer provisions do not apply to a CCO/CCTO or subsidiary of a CCO/CCTO with one or more non-LGO shareholders. In those situations, only the ownership interest/shares held by the LGO in that CCO/CCTO or subsidiary will transfer to the WSE. The assets, liabilities, and other matters remain with the CCO/CCTO or its subsidiary. For those CCOs/CCTOs and subsidiaries where the general transfer provisions do apply (those that are wholly owned by one or more LGOs), following the transfer of assets, liabilities, and other matters, the legal entity will remain, the legislation will not extinguish the legal entity. LGOs as the owners of the CCOs/CCTOs will be responsible for winding up any redundant legal entities following the transfer. Some LGOs may choose not to wind up the legal entities for accounting or tax reasons.

The general transfer provisions also do not apply to any charges or debts payable to or by a LGO in relation to the provision of Water Services before the establishment date. Those charges or debts remain with the LGOs.

Under the Order in Council, any specified assets, liabilities, and other matters of a LGO that are identified in an Allocation Schedule will vest in the WSE. Assets, liabilities, and other matters that are located outside the service area of the WSE will still vest in the WSE if they are owned by an LGO located within the WSE's service area (see Principle Three). Allocation Schedules can also specify assets, liabilities, and other matters of an LGO that do not vest in the WSE even if they would otherwise be caught by the general transfer provisions.

As noted above, the Order in Council may also subdivide the land to be transferred to a WSE and to create titles for the subdivisions of that land and nothing in section 11 or Part 10 of the Resource Management Act 1991 or section 348 of the Local Government Act 1974 will apply to the transfer of that land or an interest in that land to a WSE. Further, the WS Legislation Bill provides that any land transferred to a WSE that is a reserve under the Reserves Act 1977 will have the reservation

classification revoked on the transfer date and will be treated as being held by a WSE under the Public Works Act 1981 for Water Services purposes.

Depending on the ownership arrangements, some assets, liabilities, and other matters, that are not within scope of the general transfer provisions, may still be able to transfer by Order in Council if all the interested parties agree. This is to cover situations where a Water Services asset may not be owned by a LGO or where the ownership of the asset is unknown.

How will titles to land be updated?

The WS Legislation Bill requires the Registrar-General of Land on written application by a WSE to register the WSE in substitution for the LGO as the proprietor of the estate or the interest of the LGO in any registered land transferred to the WSE under the WSE Amendment Act and generally do all the things as may be necessary to give effect to the transfer.

Some assets, liabilities, and other matters will not be able to transfer by legislation

It is anticipated that the majority of assets, liabilities, and other matters will transfer to the WSEs either by the general transfer provisions or through an Allocation Schedule and Order in Council, this includes mixed-use Water Services assets. However, there are some mixed-use assets, liabilities, and other matters that will not be able to transfer by legislation as both parties will still require elements of them following the establishment date. As noted above, this includes 'mixed-use' contracts, agreements, and consents – for these items, transfer by legislation is not appropriate.

Therefore, it is our expectation that the Establishment WSEs will work with LGOs during the Establishment Period to put in place alternative arrangements. As noted above, for mixed-use contracts, where the parties fail to reach agreement, the Minister of Local Government may make a binding direction on the parties to amend or enter into new arrangements.

Who is responsible for preparing the Allocation Schedule?

Under the WSE Act, the Establishment WSEs are responsible for preparing their respective Allocation Schedules during the Establishment Period. We anticipate as part of this process, the Establishment WSEs will work closely with the NTU and LGOs to obtain the information required to prepare the schedules.

Before finalising an Allocation Schedule, an establishment WSE must provide each LGO in its service area with a draft copy of the schedule and provide the LGOs with a reasonable opportunity to make written submission. The Establishment WSEs must consider any comments received and inform each LGO in writing of the reasons for any amendments made to the draft as a result of any comments received.

Final approval of the Allocation Schedule (including further amendments) rests with the Minister of Local Government. We anticipate the process of preparing the Allocation Schedules is likely to be an iterative process between the establishment WSEs/NTU and LGOs.

Principle Three: Assets will transfer to WSEs based on the location of the local government organisation owner and not the location of the assets

What will happen to LGO assets located outside of a Water Services Entity's service area?

Some LGOs will have assets that are located outside of the proposed service area of their WSE. The policy intention of the Water Services Reform is for the ownership of those assets to remain with the communities that paid for the assets. For this reason, assets will transfer to a WSE from the LGOs within the service area of the WSE regardless of where the assets are located. This means some WSE will own assets outside of their service areas. To the extent that those assets are currently used to provide Water Services to another LGO in a different WSE service area those arrangements can continue. The WS Legislation Bill allows for WSEs to enter into joint arrangements with one another for the purpose of providing Water Services.

What happens if an LGO is in more than one service area?

Where a LGO is located in more than one WSE service area it may not be appropriate or practical to divide and transfer the assets between the WSEs based on the location of assets in each service area. Instead, we expect that the two Establishment WSEs will work with the LGO during the Establishment Period to determine which assets will transfer to the respective WSEs. This can then be recorded in the WSEs' Allocation Schedules.

Principle Four: Territorial authorities will receive payment for Water Services infrastructure debt

Will Local Government Organisations' debts relating to Water Services infrastructure be transferred to the WSEs?

One of the policy intentions of the Water Services Reform is to ensure LGOs' financial sustainability and capacity are not adversely impacted in a material way due to the transfer. For this reason, the WS Legislation Bill requires WSEs to pay LGOs an amount equivalent to an allocation of debt related to the Water Services investments made by each LGOs for the assets that are transferring. Cabinet was concerned that requiring the WSEs to pay any more for these assets, such as market valuation, would mean that communities (future water customers) would pay twice for the same assets.

There may be some specific situations or individual projects where it will be appropriate to transfer specific debt obligations to the WSEs or where the WSEs should step into a project which has existing borrowings, if applicable this would be specified in the Allocation Schedule. DIA is still considering what specific situations or types of projects may be appropriate for debt transfer, however at present, it is our expectation that few specific debt contracts or obligations will need to be (or be able to be efficiently) transferred from a LGO to a WSE. Instead, the majority of debt related to the Water Services infrastructure will be discharged by one or more payments to a LGO by the relevant WSE. All payments by a WSE must be made to a LGO within five years from the establishment date.

We note that the payments to LGOs from the WSEs, being the amount of Water Services related debt, are separate to any payments made under the 'no worse off', 'better off', or 'transitional support' financial packages.

How will the amount of Water Services infrastructure debt be calculated?

Currently, under the WS Legislation Bill, the Chief Executive of DIA will determine the total debt owed by an LGO in respect of any Water Services infrastructure that is transferred to a WSE. Given the complex nature of financing Water Services infrastructure, DIA and the LGO will be required to agree the date and manner of the payment. This could include making a one-off payment, a series of payments, paying specific debts as and when they fall due, or structuring the payments as a loan. This will provide flexibility to LGOs to ensure they are not penalised for amending or breaking their financing arrangements early as a result of the Water Services Reform.

Finally, DIA is not anticipating deducting any amounts from the total debt amount for any other financial liabilities that are transferred to the WSEs as part of the final financial settlement process, such as costs associated with recognising employees' existing annual leave balances (see below for more detail). However, these amounts may be considered as part of the calculations under the 'no worse off' financial package.

What other Water Services related debts or moneys transfer to the Water Services Entities?

As noted under Principle Two, any charges or debts payable to or by a LGO in respect of the provision of Water Services before the Establishment Date will remain with the LGOs and will not transfer to the WSEs. However, on the Establishment Date, an LGO must transfer to the relevant WSE any unpaid or unaccounted for development contribution or financial contribution (or any part of) that was required by the LGO in respect of the development of its Water Services infrastructure. The relevant WSE will be required to use any development contribution or financial contribution transferred for the purposes for which the contribution was required by the LGO.

The WSE Act requires WSEs to recognise transferring employees' employment with their former LGO employers as if it were continuous service with the WSEs. This means, for the purposes of calculating service-related entitlements, such as annual leave, the employees' current balances will be recognised by the WSEs. However, the WSEs will not be seeking compensation from the LGOs to cover these costs as part of the transfer.

Principle Five: Local Government Organisations remain responsible for the provision of Water Services until the end of the Establishment Period

Who has responsibility for maintaining and/or managing the assets, liabilities, and other matters that will transfer to the Water Services entities during the Establishment Period?

The policy intention of the Water Services Reform is for LGOs to remain responsible for the provision of Water Services until the Establishment Date. This means during the Establishment Period LGOs are required to continue to meet their Water Services related obligations under the Local Government Act 2002 and other relevant legislation.

In relation to assets, LGOs will be expected to ensure Water Services assets continue to meet the required standards for maintenance and management and LGOs will continue to be liable for risk of loss or damage to assets during the Establishment Period up to the establishment date.

What should a Local Government Organisation do if a contract or consent is going to expire during the Establishment Period?

A large number of contracts and agreements will expire during the Establishment Period, some will be minor services agreements and others may be major long-term operation and maintenance agreements. These contracts and agreements will need to be renewed and/or replaced during the Establishment Period.

It is our expectation that any new contracts or agreements (including debt and financing arrangements) entered into, or any existing contracts or agreements renewed during the Establishment Period have a term that does not expire before the Establishment Date or extend more than 36 months past the Establishment Date. The reason for this time period is to ensure continuity of service past the Establishment Date and avoid the WSEs having to negotiate a large number of new contracts or agreements in a compressed timeframe. While contracts and agreements will transfer to the WSEs by legislation, LGOs could consider recording this understanding between the parties in any new or renewed contracts and agreements entered into during the Establishment Period.

Similarly, there will be a range of regulatory and environmental authorisations (including resource consents) that may be required or renewed during the Establishment Period. It is our expectation that as part of the duty to co-operate (see Principle Seven) LGOs will apply for and maintain all regulatory and environmental authorisations that are required for the provision of Water Services until the transfer of the Water Services assets to the relevant WSEs has taken place.

During the Establishment Period we recommend that LGOs apply to replace any expiring resource consent at least six months before its expiry where that consent is necessary for the continued operation and the provision of Water Services and apply to replace any other environmental authorisation before it is due to expire. Further, it is our expectation that, during the Establishment Period LGOs ensure that Water Services are carried out in accordance with the conditions of the relevant environmental authorisations already held.

For completeness, during the Establishment Period LGO's must provide the DIA with information about an intended "decision" and DIA can review any "decision" made by a LGO, unless it is an excluded decision or has been previously confirmed by the DIA. LGOs will be required to provide certain information to DIA and seek prior written confirmation of certain significant decisions.

The NTU has issued draft guidance on the oversight and monitoring powers.

What should a Local Government Organisation do if wants to dispose of any redundant land or assets related to the provision of Water Services during the Establishment Period?

It is our expectation that before a LGO disposes of any redundant land or assets related to the provision of Water Services, the LGO first consults with the NTU. Depending on the nature of the proposed disposal, the LGO may be required to obtain prior written confirmation from DIA before proceeding with the disposal (see comments above about DIA's monitoring and oversight powers).

Principle Six: Relationship agreements and service level agreements between Water Services Entities and Local Government Organisations will be used to assist with facilitating the transfer of functions

What are relationship agreements and service level agreements?

The WS Legislation Bill requires WSEs, territorial authority owners, regional councils whose boundaries are inside or overlap with the WSE's service area, and transport corridor managers to enter in one or more relationship agreements to cover certain matters where the parties will have an overlapping relationship in relation to the provision of Water Services following the establishment date. The matters that must be included in a relationship agreement include:

- general provisions including relationship principles and how the parties will handle disputes;
- stormwater-related interfaces;
- strategic planning;
- information sharing;
- setting out service-level agreements in relation to their respective roles;
- the process for engagement in the WSE's assessment of Water Services in the service area;
- any arrangements with iwi or hapu for which both parties have obligations; and
- civil defence and emergency management response.

In relation to regional councils the matters covered by relationship agreements will be limited in scope so as not to limit the independence of regional councils' regulatory roles. However, there will be additional mandatory contents, including working with the WSEs in relation to land use planning processes and building consent processes, including the preparation of standards and policies and exercising functions under the Resource Management Act 1991.

WSEs and other organisations (such as the Department of Conservation, iwi and hapu, and/or some private landowners) may also want to establish relationship agreements. These agreements will not be mandatory, but WSEs will have the flexibility to enter into an agreement with any other relevant and willing organisation or individual.

As the relationship agreements with territorial authorities, regional councils and transport corridor managers will not be binding or legally enforceable these agreements will not be used for the contracting out of services and the funding of those services. Instead, the relationship agreements will be high level, setting out how the parties intend to work together collaboratively and in good faith.

To the extent that matters listed in a relationship agreement need to be operationalised, eg, by providing services, these details can be agreed and recorded in a separate agreement, such as a service level agreement, which will be binding and legally enforceable. Due to the interface between the rural, urban and transport stormwater systems, certain relevant relationship agreements are to identify service level agreements relating to the parties' respective roles in operating stormwater, land drainage or related systems.

How can relationship and service level agreements assist with the transfer of functions?

Relationship and service level agreements will also be key to managing the use of any mixed-use Water Services assets regardless of whether they transfer to a WSE or remain with a LGO so that both parties can continue to use the assets if required, including detailing access rights, maintenance, and costs.

These agreements are also likely to cover the provision of any interim or transitional services that may be required after the Establishment Date.

Principle Seven: Local Government Organisations will work with the water service entities to facilitate the transfer of assets, liabilities, and other matters during the Establishment Period

Do Local Government Organisations have to co-operate with the Water Services Entities?

The policy intention of the Water Services Reform is for LGOs and the WSEs to work closely together to facilitate the transfer of assets, liabilities, and other matters that relate to the provision of Water Services. To support and facilitate the successful delivery of transfer related activities, the WSE Act requires LGOs to co-operate with DIA and the WSEs during the Establishment Period to facilitate the Water Services Reform.

What will Local Government Organisations be required to do during the Establishment Period?

The WSE Act states the duty to co-operate includes complying with any reasonable requests for the secondment of employees and for the collation and provision of information (including disclosing current pricing information or indicative water charges on invoices during the Establishment Period).

In relation to the transfer of assets, liabilities, and other matters, this is likely to include:

- providing information on assets, liabilities, and other matters
- assisting with preparing the Allocation Schedule
- ensuring contracts, agreements, and environmental authorisations relating to the provision of Water Services do not lapse and are renewed when required
- participating in any commercial negotiations with third-party suppliers
- registering and/or updating any legal instruments.

Will Local Government Organisation have to cover the cost of co-operating in transfer activities?

The costs incurred to establish the WSEs, including the transfer of assets, liabilities, and other matters, will initially be met by DIA and then by the WSEs. In relation to costs incurred by LGOs to co-operate and participate in the transfer DIA has made financial assistance available through the 'transitional support' financial package.

Principle Eight: Third-party rights will be protected and unaltered by the transfer of assets, liabilities and other matters to the extent possible

Will third-party rights be amended by the transfer?

For large and small suppliers of goods and services to the water sector, the Water Services Reform means business as usual. The intention of the Water Services Reform is, where possible, to ensure third-party rights are not adversely affected by the transfer.

Under the WS Legislation Bill:

- contracts with LGOs that are wholly related to Water Services will automatically transfer to the WSEs
- contracts with LGOs that partly relate to Water Services and partly to other services will be split or shared between the WSEs and the LGOs (see comments above)
- an Allocation Schedule is able to change the default positions under the WS Legislation Bill
- the transfer of a contract will not put either party in breach of contract or give them any additional rights.

If you are a supplier that is a party to a contract that needs to be split or shared, you can expect to hear from your LGO and/or the NTU about your contract so that we can try to agree how it will be split or shared with the relevant WSE.

If you are a supplier that does not have any existing contractual arrangements in place with a LGO, eg, where services are obtained as and when required through a purchase order, it is our intention that a full list of recent suppliers will be provided to the WSEs.

As noted above, where possible, third-party rights will not be adversely affected by the transfer. One exception to this principle relates to the pricing and charging terms in a contract for the supply of Water Services by a WSE that has transferred from an LGO. The WS Legislation Bill allows the WSE to enter negotiations with parties to the contract to have those terms amended. If parties fail to vary the contract before 1 July 2029, that is, within five years of the contract transferring to the WSE, then the contract will expire.

To	Waters Governance Board
Report title	Risk Register Update
Date:	7 February 2023
Report Author:	Ian Cathcart, Special Infrastructure Project Manager
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To give the Board an update on the risk register.

2. Executive summary

Whakaraapopotanga matua

The report outlines the extreme and high risks in the WDC risk register. There has been significant progress on the reduction of total risk on the register in the past year as the contract matures.

The risks associated with transition to the new water entity will need consideration in the very near future.

3. Staff recommendations

Tuutohu-aa-kaimahi

That the Waters Governance Board notes the update on the risk register.

4. Discussion

Matapaki

The paper covers the update of the WDC risk register. There were 71 risks on the register in September 2021. Of the 71 there were 4 with an Extreme Gross Risk Score (Risks #19/40/47/60) (prior to the Treatment Plan mitigations) and 28 with a High Gross Risk Score.

A risk review workshop was undertaken by the WDC and Watercare team on 30 November 2022. This involved a discussion on the three waters value chain (“Source to Sea”) and then a subsequent discussion on worst case scenarios to identify risks and issues.

The team then reviewed the existing risk register and completed a comprehensive review. Closing and creating risks according to the current waters operating environment. An in-depth detailed water reform transition risk assessment was not undertaken and seen as a separate requirement.

There are now 45 risks on the register reflecting the closing of many transition risks from the early part of the contract. This is seen as a very positive.

Of the 45 there are 4 with Extreme Gross Risk Score (#40,47,60,72) detailed below in the tables) and a further 19 with a High Gross Risk Score.

Each risk has a treatment plan assigned to it and this leaves only 7 High Residual Risks–these are highlighted in the tables below with a red bold text on the Residual Risk Score column. The risks are under active management as updated in the attached tables.

5. Attachments

Ngaa taapirihanga

Attachment 1 – Risk Tables

Risk Tables

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
40	Insufficient funds for Raglan WWTP consent application and plant upgrade in current LTP	5	5	Extreme	Reviewed estimates for both consent processing and plant upgrade in the 2021 LTP. Consent processing budget was increase by WDC late January 2020. The LTP budget was reviewed during 2020 as the best practical option is developed.	2	4	Moderate	Paper went to November 2022 WGB seeking approval to use LTP budget to start work with an expected shortfall of \$14.72m to deliver the overall program.	Waters Manager	Relationship Manager	Quarterly risk reporting
47	Abatement notice at Te Kauwhata WWTP is not complied with in time	4	5	Extreme	Strategy developed with Watercare. Part of the Mid Waikato Servicing Strategy. HIF funding secured. Community engagement has commenced and Project Manager appointed to co-ordinate the engagement. Plan agreed with WRC and exhaustive work being undertaken by Watercare. Plant being leased for a solution whilst WWTP upgrade is being undertaken, expected compliance March 2023.	2	4	Moderate	Revisit the plan and adapt it with community and WRC approval.	Waters Manager	Waters Manager	Monthly Operations report
60	Contract for Hamilton City water supply to WDC has lapsed and is mid negotiation with cost exposure impacting savings anticipated in the LTP Watercare model	5	4	Extreme	Continue negotiations. HCC have not engaged to sign off the contract or CE letter exchange to agree to continue operating in current form and it remains in limbo pending reform. Risk is limited as there is little risk of HCC turning off the water.	2	4	Moderate	Await Entity B to resolve this cross boundary issue	Relationship Manager	Relationship Manager	Quarterly risk reporting

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		likelihood	sequence	Factor		likelihood	sequence	Factor				
72	Letter received confirming Housing Infrastructure Funding (HIF) is all there. Budget at TKWWTP is not enough to deliver the whole upgrade. WDC now need to find funding for plant servicing	5	4	Extreme	Ensure the next LTP has this included and that population projections are complete.	3	4	High	This has been included in DIA submissions for the new WSE AMP.	Waters Manager	Waters Manager	Quarterly risk reporting
5	Volumes of water per customer Volumetric charging could adversely impact on revenue. Revenue not sufficient to cover costs.	3	4	High	Volumetric charging is relatively new to the district so we could see behaviours change. Close tracking of volumes sold will need to be undertaken. Historic data used in 2021 LTP to ensure risk is covered.	2	4	Moderate	Consider impacts in next LTP or annual plan process	Waters Manager	Relationship Manager	Quarterly risk reporting
27	Disjoint between WDC Consents Planners/District Planners and WSL Planning. Increased timeframes to respond, financial consequence that WSL cannot meet price path, infrastructure may not be provided at the right times	4	4	High	WSL to provide input to WDC Infrastructure Strategy; understanding of AMP; stakeholder identification; clear communication process and timeframes between WDC and WSL. Growth Forum outlined in 23.1(e) Operations Mandate in Schedule 15 and Development of Assets and Resource Consents covered in Clause 14.	3	3	Moderate		Relationship Manager	Relationship Manager	Quarterly risk reporting
34	Significant hazards related to third party staff / contractor operations	3	4	High	Implement WSL health and safety management system. Development of appropriate SOP's and permit to work systems	2	4	Moderate	WSL have SOP's, Take 5, JSA's, Permit to Work in place. Safety Framework in contract implemented	Waters Manager	Relationship Manager	Quarterly risk reporting

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/reporting?</i>
		likelihood	sequence	Factor		likelihood	sequence	Factor				
35	Control system failures lead to a failure of water or wastewater treatment process. Non compliance with regulations.	3	4	High	Continue with Control system upgrade project. Implement SOPs for manual operation of plant and equipment	2	4	Moderate	Scada upgrade underway and being rolled out across sites, forecast completion by 2024. Software programming under review and improvements are ongoing. Method Statements/SOP for manual intervention required (to confirm what is already in place vs what needs to be developed for ad hoc situations)	Waters Manager	Waters Manager	Monthly Operations report
36	Failure of critical suppliers and contractors. Inability to meet contract or performance KPIs	3	4	High	Due diligence on contractors and suppliers prior to engagement	1	3	Low	Minimal new engagements from WDC now that with Watercare (and bulk supplies) in place.	Waters Manager	Relationship Manager	Quarterly risk reporting
37	Significant wastewater discharge to the environment	3	4	High	Ensure routine network maintenance and in place and completed. Public education programmes regarding fats etc	2	3	Moderate	Known capacity issues including renewals are upgraded at the right time; and funding available	Waters Manager	Relationship Manager	Quarterly risk reporting
38	Incomplete or insufficient asset planning and investment to service growth (Ohinewai)	4	3	High	Continued liaison between WSL and WDC regulatory planning team to ensure awareness of new developments as early as possible. Growth forum as the way to ensure collaboration is happening	2	2	Low	Creation of Growth and Analytics team helping with early assessment and planning	Growth & Analytics Manager	Waters Manager	Quarterly risk reporting

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		likelihood	sequence	Factor		likelihood	sequence	Factor				
43	Non compliance with discharge consents not in abatement or further abatement notices	4	3	High	Identification of required upgrades early to allow upgrade costs to be included in LTP funding plan. Continued liaison with regulators. Paper submitted to WGB June 2020.	4	3	High	One lifted (Meremere), Raglan SW has one outstanding item scheduled for 22/23 construction season. Huntly and Nga WWTP are next plants to ensure compliances resolved so they do not escalate to Abatement	Waters Manager	Relationship Manager	Quarterly risk reporting
49	Long Term resource consent application for Raglan WWTP is poor or not completed in time. Reputational damage with the local community and Iwi if the process is not expedited quickly and inclusively.	4	4	High	Short term consent gives WDC the time to work with Watercare to achieve the best outcome. Consent lodged 6 November 2019. Community meetings occurring regularly with detailed options analysis being undertaken for treatment and disposal.	3	4	High	Planning underway and looking at land option with land owner, if all land based options exhausted, last resort will be to submit application to continue to discharge to harbour through outfall	Special Infrastructure Project Manager	Relationship Manager	Monthly Operations report

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		likelihood	sequence	Factor		likelihood	sequence	Factor				
62	Risk of prosecution for failure to meet requirements of stormwater consents across the district. A letter of direction was received from WRC for the 2020 Stormwater audit.	5	3	High	Complete the required actions from the letter including an update of the Stormwater Management Plan. The contract requires a review of the approach to stormwater. Stormwater Engineer in place to manage this. A letter of direction for PARTIAL COMPLIANCE was received for the 2019-20 compliance year but included this commentary "I acknowledge all the hard work and effort that has been done during the last year to improve compliance and reporting of WDC's stormwater activities. I know that the existing abatement notice has had most of its required actions implemented and completed. The actions in the table above may include some overlap with the actions required in the existing abatement notice. Once the full set of required actions in the abatement notice has been completed then WDC may apply to Waikato Regional Council to have that abatement notice withdrawn."	1	3	Low	Dedicated Stormwater Engineer in place, all but one item (Cambrae) rectified and compliant under Raglan SW consent. Reputation with WRC has improved through dialog and proof of work.	Waters Manager	Relationship Manager	Quarterly risk reporting

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
14	Climate change and Sea level impacts service. Infrastructure compromised, need for rebuild/relocation	3	4	High	Consider in AMP and business plan	2	4	Moderate	AMP 2024-43 includes contingency amount in each of the three waters to mitigate climate change impacts	Waters Manager	Relationship Manager	Quarterly risk reporting
63	The risk of serious or fatal injury while working alone for Watercare staff is significant.	3	5	High	Watercare have safe systems of work in place but this requires regular re-visit and audit.	3	5	High	The risk remains there so an annual safety audit of the contract is recommended and this must include love	Waters Manager	WDC S&W Manager	Monthly Operations report
68	Pokeno and Tuakau wastewater treatment service is not in place for growth leading to wastewater overflows or inability to grow the town	3	4	High	Regular conversations with key industry in the catchment are aimed at making sure capacity is there when required. Discussions also ongoing with Watercare for wastewater treatment capacity at the Pukekohe WWTP.	2	4	Moderate	Place a moratorium on development or delay connections slowing economic development.	Waters Manager	Waters Manager	Quarterly risk reporting
70	Third party damage costs not being recovered	4	3	High	Watercare to identify situations this occurs and where party who did the damage can be identified and recovery a possibility, Council to charge third party inline with provisions in LGA legislation	2	3	Moderate	Cost of enforcement and collection to be balanced with likelihood of success - where success unlikely, costs to be covered from reactive maintenance budget	Waters Manager	Relationship Manager	Monthly Operations report
71	Supply chain for critical parts impacted by COVID 19	4	4	High	The supply chain is adapting to the COVID 19 impacts.	3	4	High		Waters Manager	Waters Manager	Quarterly risk

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
73	Future funding of \$14.72 for the completion of the Raglan WWTP doesn't materialise in the new WSE AMP.	3	5	High	Ensure this is included in Entity B transition risk assessment	1	3	Low	This has been included in DIA submissions for the new WSE AMP.	Special Infrastructure Project Manager	Waters Manager	Quarterly risk reporting
76	Te Kauwhata Water Association (TKWA) Resource Consent for abstraction from the Waikato River expires in mid 2024. There is a risk that TKWA do not gain the consent in time to be compliant.	3	4	High	The contract with TKWA stipulates they must have a consent.	2	4	Moderate	Provided an application is made then the take can continue. A consultant has been employed by WDC to actively manage this high risk issue.	Waters Manager	Relationship Manager	3 Weekly contact with Council's consultant working with TKWA
77	TKWA Operational performance is not high enough to ensure raw water is provided to WDC in line with the contract.	4	4	High	The contract is in place to ensure supply however there remains a risk that the work simply won't be completed in a timely or safe way and WDC is exposed.	3	4	High		Waters Manager	Waters Manager	Quarterly risk reporting
78	Surplus capacity in non Waters staff after Waters business fully transitioned to new water services	4	4	High	Any surplus capacity to be identified and review undertaken if redeployment/reallocation of tasks	3	4	High		Waters Manager	GMSD/ELT	Quarterly risk

To	Waikato District Council
Report title	Ngaruawahia WWTP Headworks Upgrade
Date:	12 January 2023
Report Author:	Mathew Telfer, Operations Manager, Watercare
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to seek approval from Waters Governance Board for the upgrade of the headworks at Ngaruawahia Wastewater Treatment Plant

AND

To gain approval for funding of \$1,200,000 available within the LTP to deliver the upgrade as part of the ongoing district wide treatment renewals and upgrades programme.

2. Executive summary

Whakaraapopotanga matua

The headworks facility at the Ngaruawahia Wastewater Treatment Plant (WWTP) has reached the end of its working life and needs to be replaced to enable continuous and stable process operation.

In addition, the headworks capacity needs to be increased to accommodate recent and projected future growth in the catchment, and peak flows from new incoming rising mains are projected to increase. In order to protect the treatment process, continued screening operation during peak flows is a preferred option. Upgrading the headworks to optimise solids removal will contribute towards reducing total nitrogen load on the plant.

A budget of \$1,200,000 is sought to upgrade the headworks facility. If approved the upgrade will occur over the 2022/23 and 2023/24 financial years as part of the ongoing district wide treatment upgrades and renewals programme.

3. Staff recommendations Tuutohu-aa-kaimahi

That the Waters Governance Board:

- a. approves the upgrade of the headworks at the Ngaruawahia Wastewater Treatment Plant, and
- b. approves a budget of \$1,200,000 to deliver the upgrade with funding available within the LTP.

4. Background Koorero whaimaarama

The Ngaruawahia Wastewater Treatment Plant (WWTP) located on Old Taupiri Road, Hopuhopu services a growing population. The future of the WWTP is undecided; with options to decommission it and transfer wastewater to Pukete WWTP in Hamilton under discussion. However, it will be several years before this could happen and, in the interim, the WWTP needs to perform to the standards required by its resource consents and assets need to be responsibly managed.

The headworks facility (influent screen) at the Ngaruawahia Wastewater Treatment Plant (WWTP) has reached the end of its working life and needs to be replaced to enable continuous and stable process operation. At the time of replacement, upgrading is also necessary to increase the headworks capacity to:

- accommodate recent and projected future growth in the catchment (including managing flows from upgraded incoming pipelines).
- enable peak flows to be screened, protecting the treatment process.
- function optimally, removing as much solid material as is practicable and reducing the nitrogen burden on the treatment plant.

The location of the headworks in relation to the overall WWTP layout is shown in Figure 1.

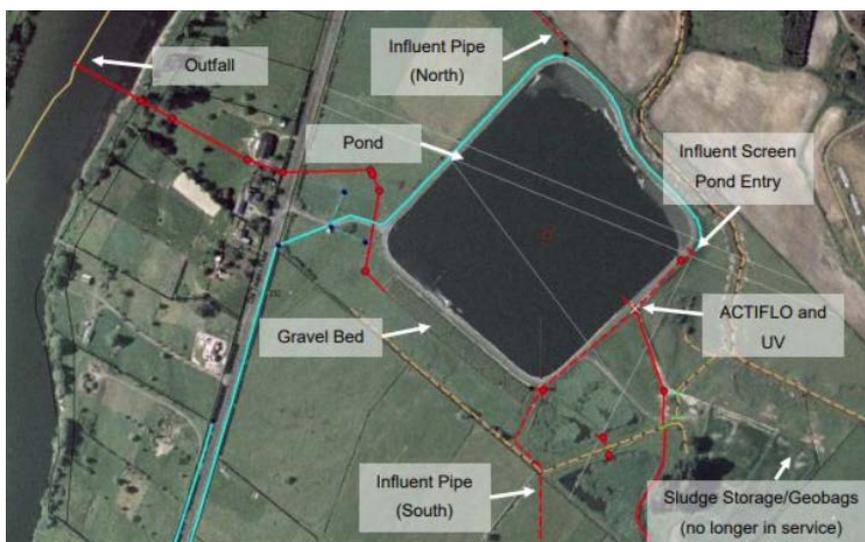


Figure 1 Ngaruawahia WWTP alout, showing headworks (influent screen) location

The existing headworks consists of a single Brick House step screen to remove coarse solids from the pond influent. Extensive deterioration in the civil structures and assets around the facility has occurred and is shown in figure 2.



Figure 2 - Corrosion at the treatment pond inlet (L) and temporary fix of a length of this pipe (R)

The new headworks will be required to reliably screen the influent to remove coarse solids continuously at peak future flowrate. A purpose built new concrete pad will be constructed above high water level, close to the edge of the treatment pond so that no flooding from backflow is possible and piped distance is minimised.

A new pipe between the screens and treatment pond will be installed. The new headworks will be sized to accommodate peak flows from the upgraded incoming rising mains under construction. Redundancy will be provided, so that failure of one screen in the event of blockage or breakdown does not require bypass of the headworks, which allows solids into the treatment pond.

The new headworks facility will be designed to integrate with the new inlet pump station currently being constructed onsite. This will be delivered by utilising a specialist mechanical Contractor to design and install the headworks. The new headworks will be integrated into the site SCADA system. No additional site services (power, water) are required for the new headworks facility.

It is proposed that delivery of the project be awarded sole source to an experienced Contractor with detailed knowledge of the Ngaruawahia WWTP. If the approach is approved by the Watercare procurement team, the next step in the project is to carry out a price check and prepare contract documents so that work can commence onsite, with the expectation it is completed within the 2023 calendar year.

5. Discussion and analysis Taataritanga me ngaa tohutohu

5.1 Options Ngaa koowhiringa

The options forwarded for consideration are:

- 1) Approval to proceed with the headworks upgrade (recommended)

OR

- 2) Defer the upgrade.

5.2 Financial considerations Whaiwhakaaro puutea

The current Long Term Plan (LTP) includes infrastructure investment in network storage and renewals. This is based on asset performance and condition combined with considerations for upgrades, extensions, and specific targeted upgrades.

Wastewater Funding allocated (\$M)	Carry Over 21/22	22/23	23/24	Total
District wide wastewater treatment upgrades OG0001086	0.31	0.30	0.34	0.94
District wide treatment plant renewals OG0001080		0.29	0.92	1.21
Required for Ngaruawahia WWTP headworks upgrade		0.2	1.0	1.2
Balance remaining after works completed (+/-)	0.31	0.37	0.26	0.95

5.3 Legal considerations Whaiwhakaaro-aa-ture

There are no material legal considerations associated with the recommendations of this report.

5.4 Strategy and policy considerations Whaiwhakaaro whakamaaherehere kaupapa here

The headworks upgrade / renewal project is needed to ensure continued functioning of the WWTP. The report and recommendations are consistent with the LTP.

5.5 Maaori and cultural considerations Whaiwhakaaro Maaori me oona tikanga

Improving the operation and performance of WWTPs is generally aligned with the aims of iwi and hapu and achieving te mana o te wai and Te Ture Whaimana.

5.6 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

This project will improve the WWTP resilience and redundancy in the face of adverse weather events that are projected to become more common. The project will also contribute to reducing nitrogen load on the WWTP.

5.7 Risks

Tuuraru

Failing to replace the headworks will result in a number of risks continuing, with the probability of serious failure, resulting in significant treatment difficulties increasing over time and increased risk to the safety of operations staff. The risks include:

- Asset failure.
- Continued flooding of the screen area in wet weather and bypass.
- Continued bypass of the screens during failures due to breakdown or blockage.
- Additional solids discharged into the treatment pond impacting on its performance, placing additional nitrogen burden on the treatment process and potentially damaging pond infrastructure.

6. Significance and engagement assessment

Aromatawai paahekoheko

6.1 Significance

Te Hiranga

The decisions and matters of this report are assessed as of low significance in terms of matters that would activate a trigger in the Council's [Significance and Engagement Policy](#).

6.2 Engagement

Te Whakatuutakitaki

Highest level of engagement	Inform	Consult	Involve	Collaborate	Empower
	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	<i>This project is required to appropriately manage the assets at Ngaruawahia WWTP. It will take place onsite and not impact on any stakeholders. Doesn't require a consent???</i>				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input type="checkbox"/>	✓	Internal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards/Community Committees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui/Local iwi and hapuu
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	<input type="checkbox"/>	✓	Waters Governance Board

7. Next steps Ahu whakamua

An approval enables Watercare to prepare and issue contract documentation for the headworks upgrade

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and the Governance Boards Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed

The report considers the impact on Maori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed 2021-31 LTP
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

9. Attachments

Ngaa taapirihanga

N/A

To	Waters Governance Board
Report title	Inflow and Infiltration Plan 2023
Date:	7 February 2023
Report Author:	Robert Ball, Networks Manager, WaterCare
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To update/inform the Waters Governance Board on progress to date and planned works for Inflow and Infiltration issues in the Raglan, Huntly, Te Kowhai and Matangi areas.

2. Executive Summary

Whakaraapopototanga matua

Inflow and Infiltration work has been ongoing for a number of years in Huntly, Raglan, Te Kowhai and Matangi due to significantly elevated inflow. The extreme rainfall events occurring throughout 2022 from late-May have highlighted several I&I issues throughout the district, particularly in the aforementioned areas, putting increased pressure on the Wastewater Treatment Plants.

The WW pipeline CCTV surveying programme has been in place since 2017 and is now in its second 5-year cycle. This programme of works has proven successful in both I&I minimisation and informing renewal planning.

Low-lying manholes have been a persistent issue, particularly in Raglan and although work has been done to address this previously, the extent of the programme was insufficient. Modelling has shown additional areas requiring sealing to prevent ingress.

This report details the recent work to address I&I issues and the plans in place to continue to remedy the problem.

3. Staff recommendations

Tuutohu-aa-kaimahi

That the Waters Governance Board supports the delivery of the planned Inflow & Infiltration programme in place for 2023.

4. Background

Koorero whaimaarama

The Huntly, Raglan, Te Kowhai and Matangi WWTP's experience significantly elevated inflow during periods of sustained, heavy rainfall, indicating an issue with I&I in these areas.

In January 2017, WDC carried out smoke testing in the north-eastern Raglan area to identify private stormwater connections feeding into the wastewater network. Unfortunately, this yielded fairly negligible results.

In 2018, several manholes upstream from Wallis St PS located in the low-lying reserve were identified as being key areas for I&I due to surface water pooling. A number of manholes were sealed to prevent inflow of storm water.

In the 2017/18 FY, an extensive CCTV survey project of the WW network commenced which focussed on the Wallis St, Lorenzen Bay, Greenslade Rd area of Raglan. This identified a number of faults in the network (root intrusion, cracked/disjointed pipes and broken sewer lines) which were rectified by the reticulation team. The CCTV project continued through to the 21/22 FY, at which time >90% of the wastewater network district-wide had been surveyed.

This FY (22/23), areas identified as having high priority I&I issues (Wallis St/Lorenzen Bay catchment area, portions of Huntly East and the river section at Huntly West and the Te Kowhai and Matangi networks) we targeted with priority. To date, the entirety of the Te Kowhai and Matangi networks have been surveyed, with any major faults identified immediately rectified. The Raglan network is currently in the process of being surveyed and is approximately 1/4 complete (1.1km of 4.21km).

During the heavy rainfall events in August 2022, several pump stations had significantly elevated run times. In particular, Wallis St PS in Raglan and Main St PS in Huntly. Further investigation to the root cause of this identified points of SW inflow into the stations, thus causing excessive pump runs.

An I&I strategy is being developed (currently draft form) with principals to remove/prevent direct Inflow and minimise Infiltration of both the public and private network. This will provide a framework around the approach and a programme to manage I&I both in the existing network, growth areas, and new private connections ensuring industry best practice is met.

5. Next steps

Ahu whakamua

Continuing the planned CCTV surveying of the Raglan and then Huntly networks in areas identified as prone to I&I will allow for significant faults to be immediately rectified and therefore reduce I&I risk prior to winter. A further 3km of Raglan network will be completed and this will be followed by 5.2km of network in Huntly. The results gained from this project will also inform the wastewater renewals programme going forward.

Further sealing of the manholes upstream from Wallis St PS and along that catchment spine will be carried out as the extent of the initial manhole sealing has been identified as insufficient. In periods of high rainfall, Wallis St becomes almost immediately inundated.

Modelling has indicated that there are several manholes which become submerged, which were not addressed in the initial sealing carried out in 2018, and these will be addressed in the coming months.

Main St PS in Huntly is situated in very close proximity to the Waikato river. Investigations revealed that I&I issues are due to poor sealing of the manhole chamber and base. Remedial works are planned for this PS in February. In the interim, a successful measure employed has been altering the pump start/stop levels to accommodate for the river level rises.

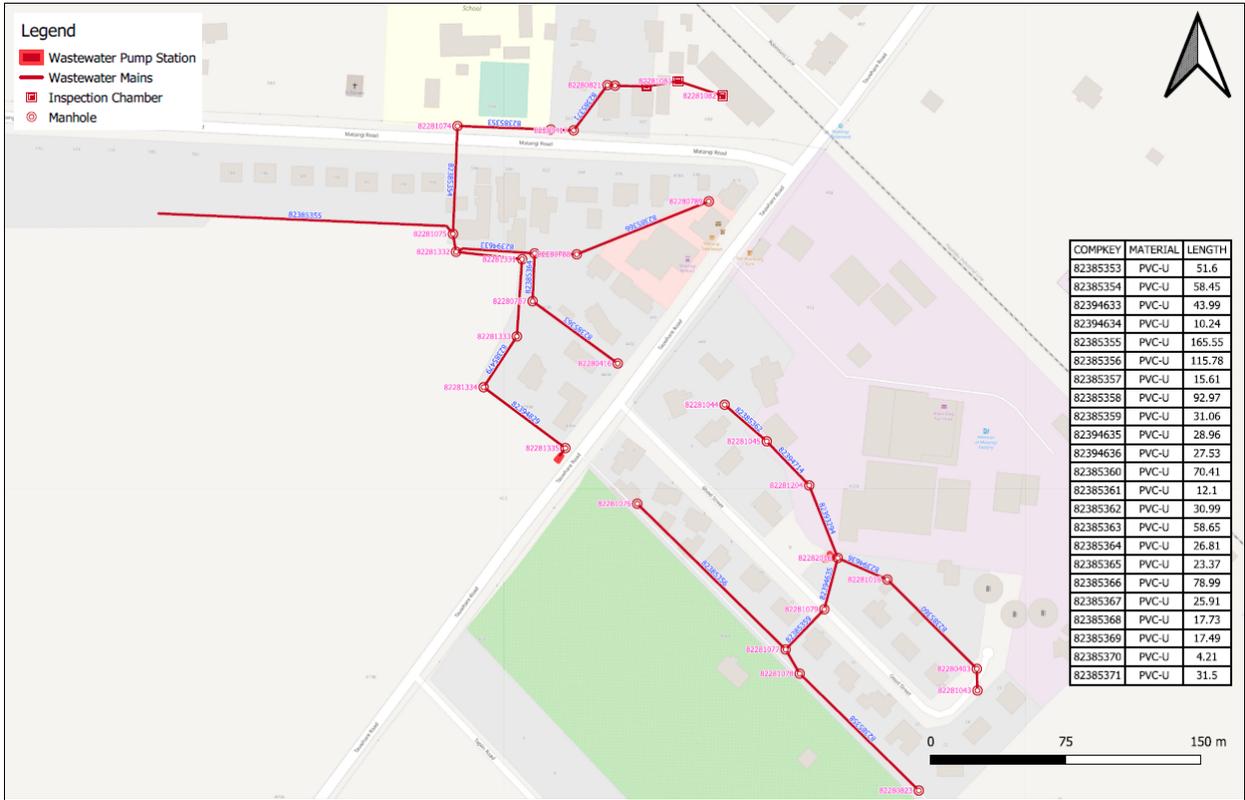
The Matangi and Te Kowhai CCTV surveys indicated that the network in both areas was in very good condition with minimal faults which would result in I&I. As a result, it appears as though domestic water tanks in the area are overflowing into the WW network. Smoke testing has been planned for these areas, and this will identify whether this is the case. If connections from domestic water overflows are determined to be connected to the WW network, this information will be passed on to the WDC Monitoring and Compliance team to action remedial works as they hold the ability to enforce remedial works are undertaken.

Additional to the CCTV programme, an in-depth I&I assessment is currently in the planning/scoping stage by the Watercare Infrastructure Delivery team. This will look to investigate Huntly followed by Raglan utilising methods similar to that undertaken in the township of Te Awamutu, implementing long term flow gauging, mapping of networks overlaying stormwater flood modelling, and prioritising areas for physical investigation. The findings will be utilised to develop a robust renewal programme targeting priority areas and having the most cost-effective outcomes. Data from the I&I assessment will also be utilised in the overall performance modelling within each township to identify areas for upgrade which will be delivered more effectively alongside the renewals programme.

6. Attachments

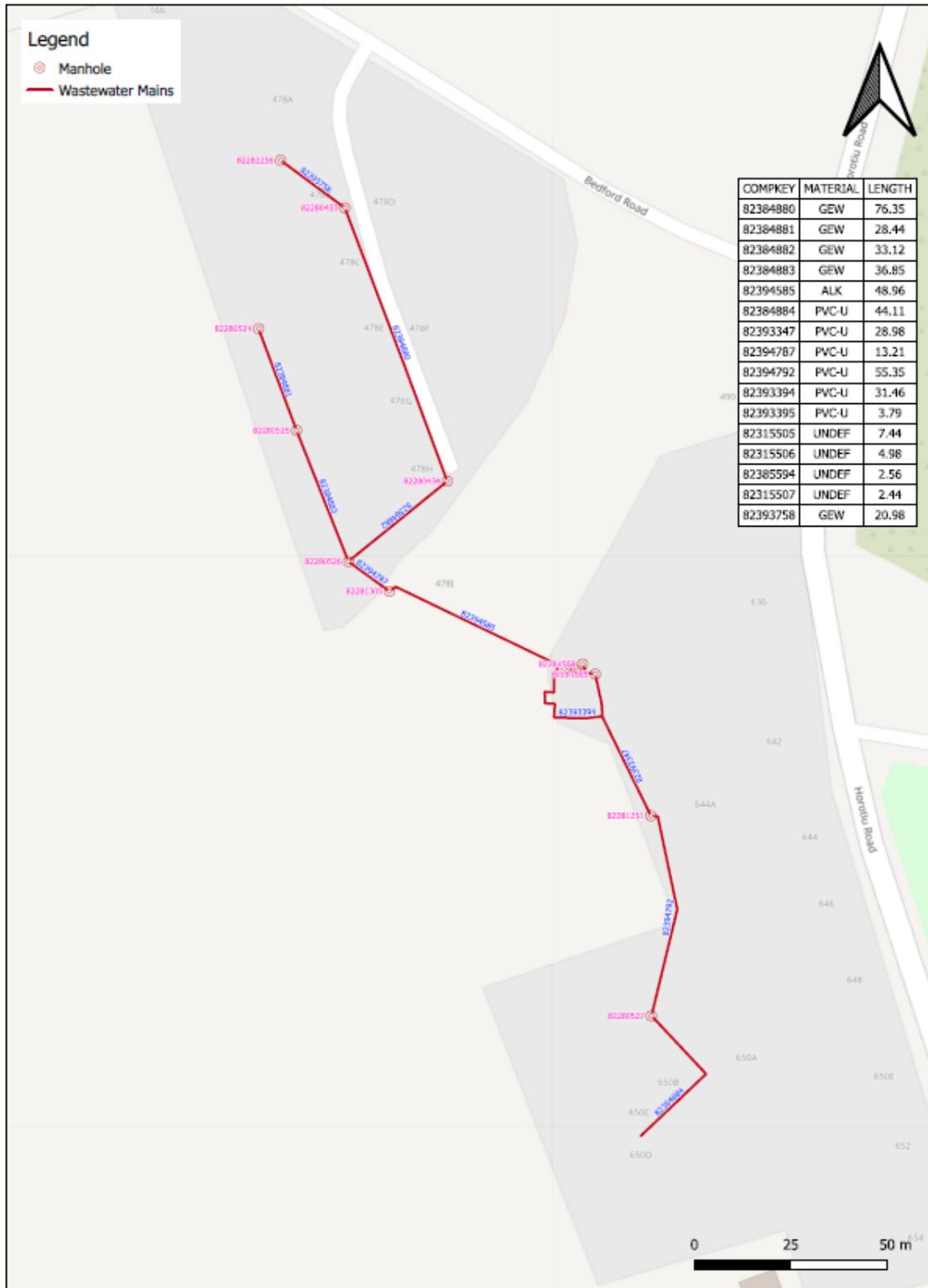
Ngaa taapirihanga

Attachment 1 – Matangi CCTV map

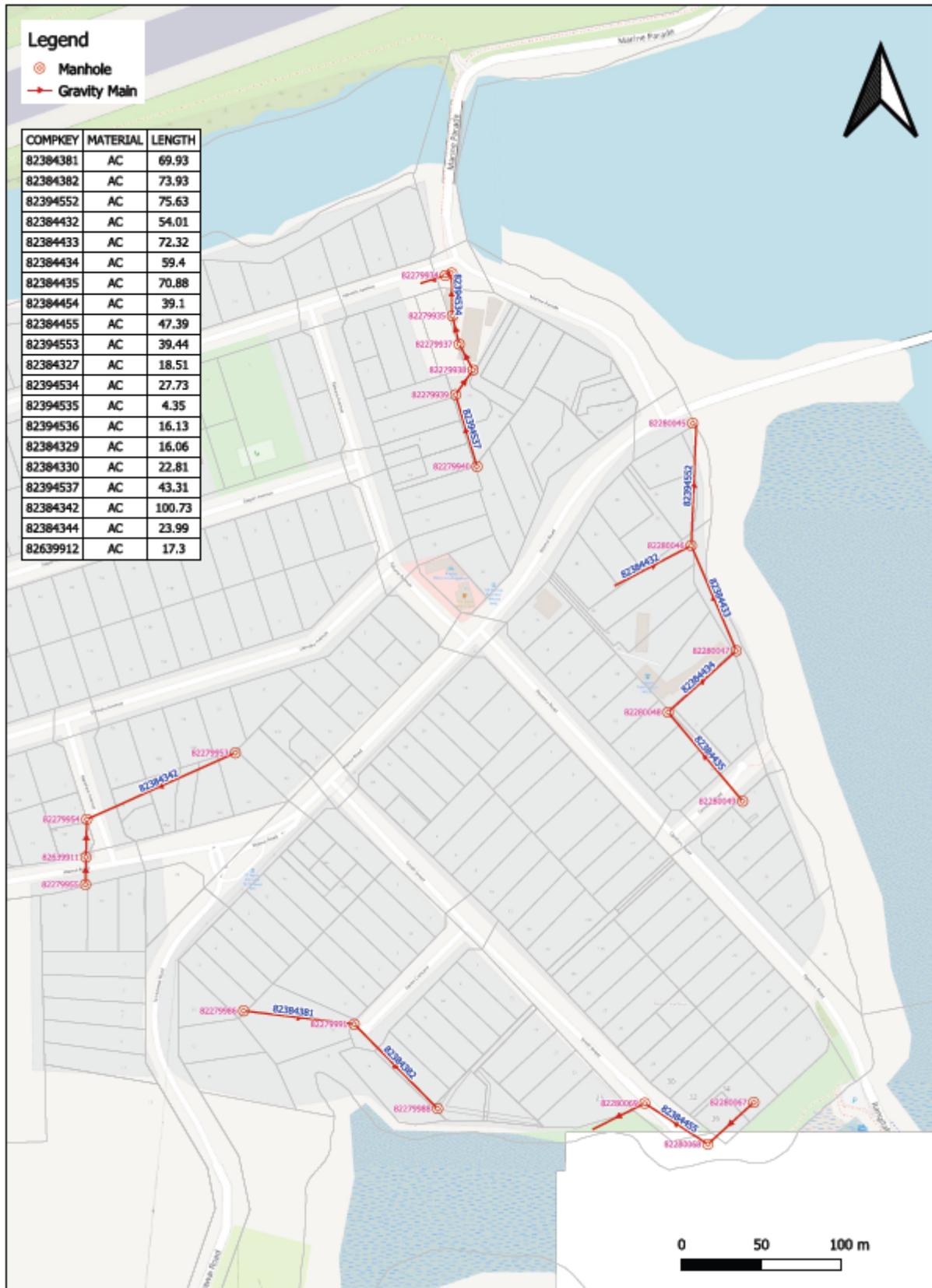


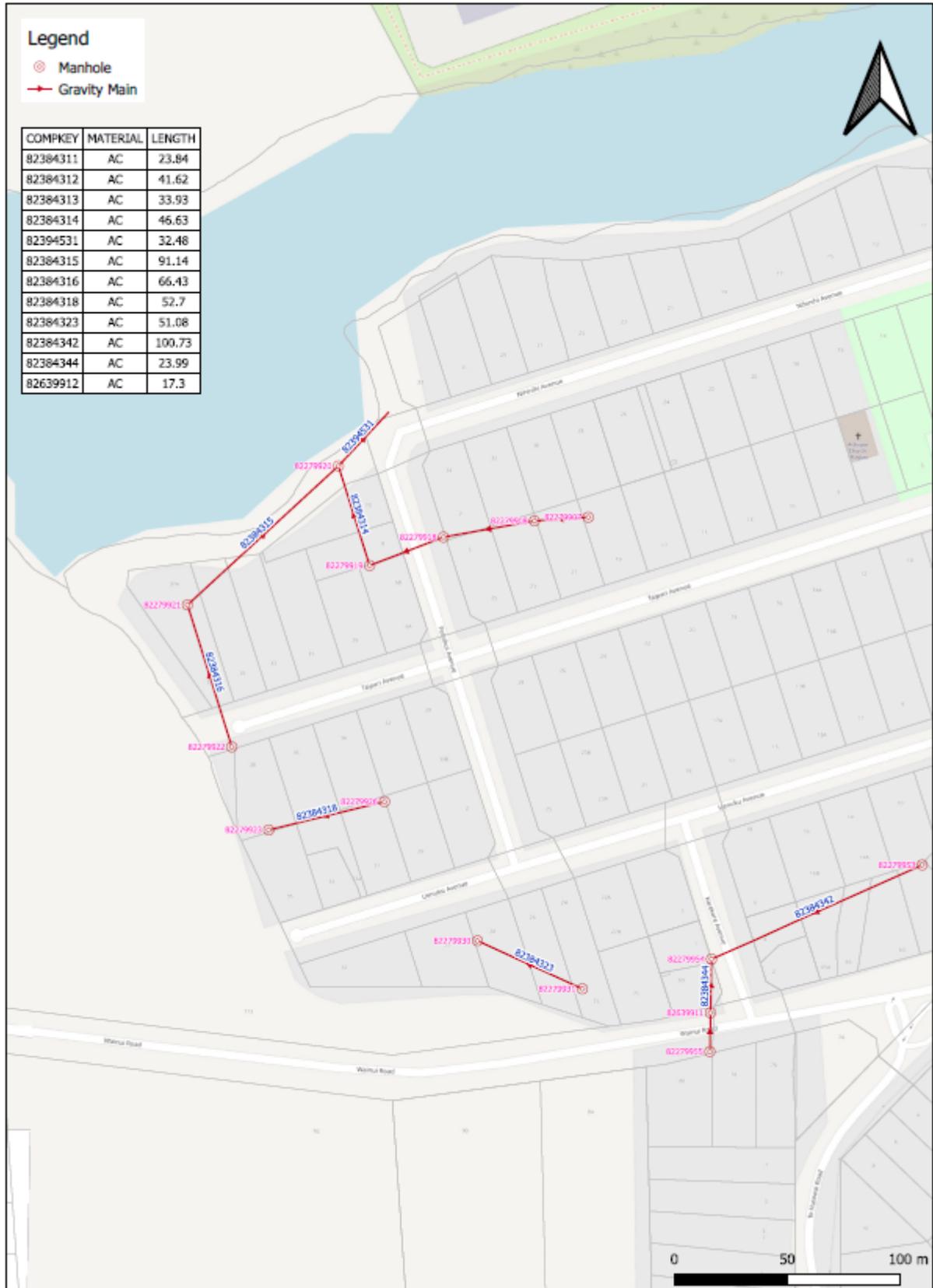
COMPKEY	MATERIAL	LENGTH
82385353	PVC-U	51.6
82385354	PVC-U	58.45
82394633	PVC-U	43.99
82394634	PVC-U	10.24
82385355	PVC-U	165.55
82385356	PVC-U	115.78
82385357	PVC-U	15.61
82385358	PVC-U	92.97
82385359	PVC-U	31.06
82394635	PVC-U	28.96
82394636	PVC-U	27.53
82385360	PVC-U	70.41
82385361	PVC-U	12.1
82385362	PVC-U	30.99
82385363	PVC-U	58.65
82385364	PVC-U	26.81
82385365	PVC-U	23.37
82385366	PVC-U	78.99
82385367	PVC-U	25.91
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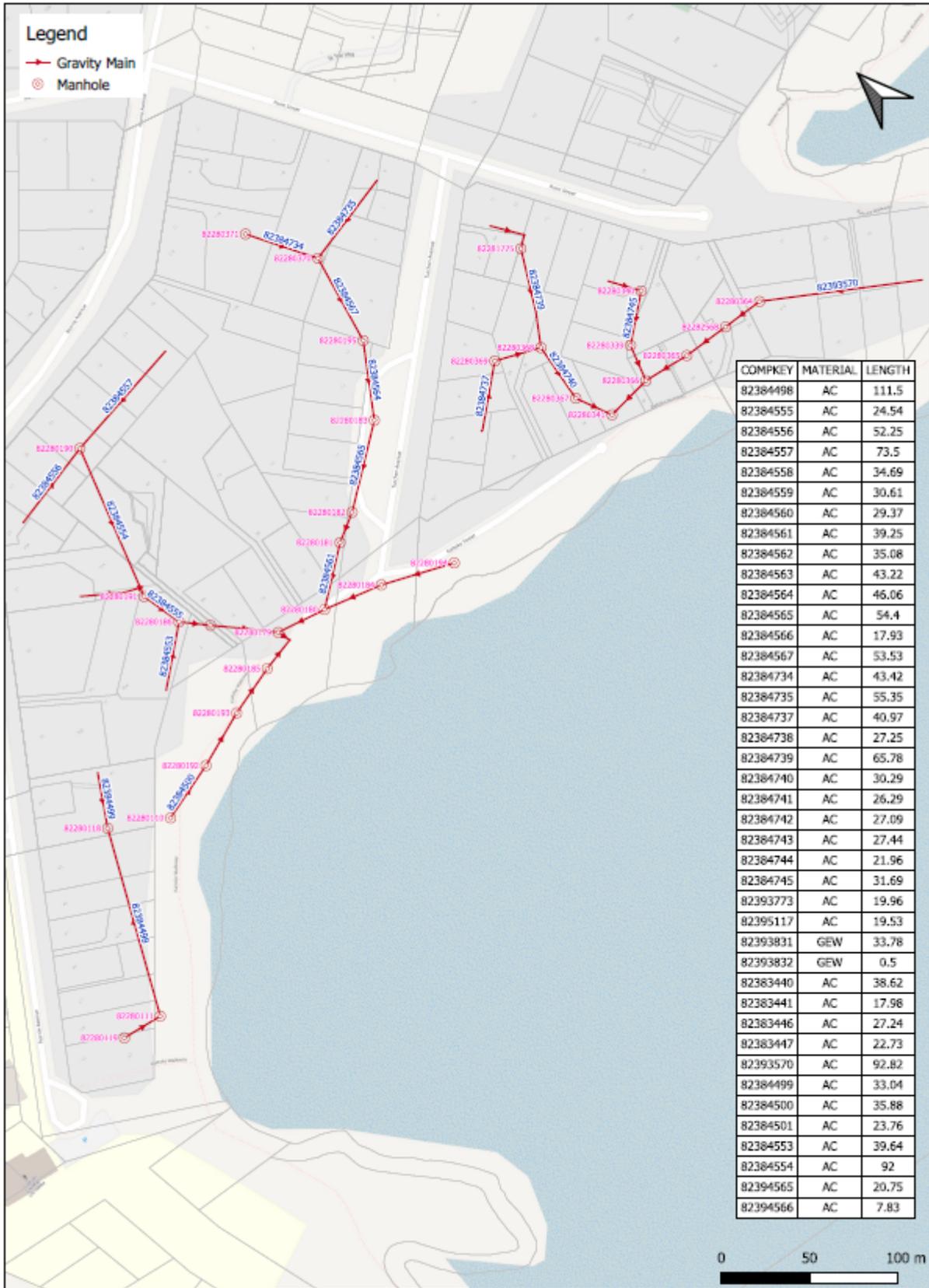
Attachment 2 – Te Kowhai CCTV map

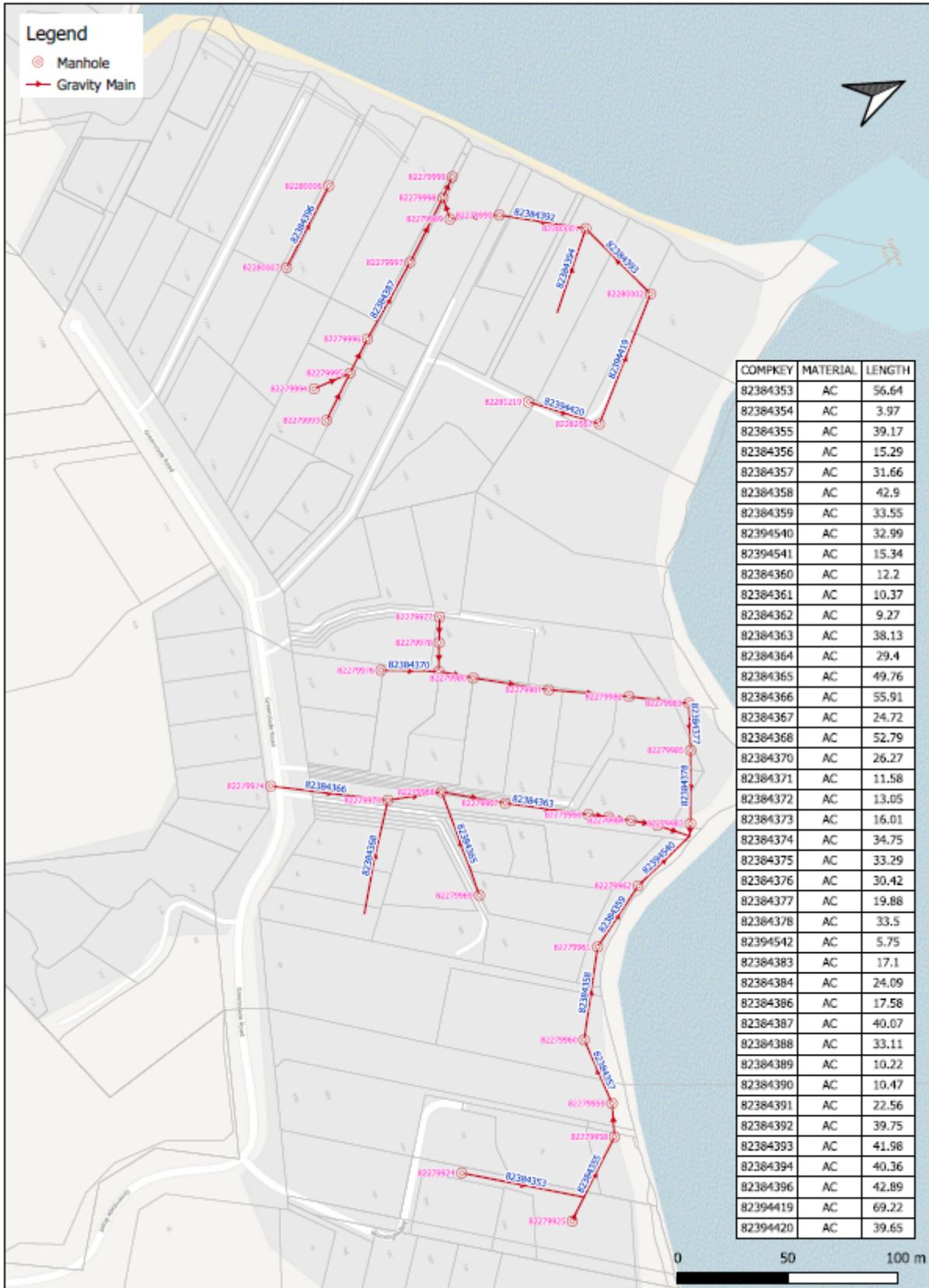


Attachment 3 – Raglan CCTV maps









To	Waters Governance Board
Report title	Maramarua Treated Wastewater Disposal Upgrade
Date:	12 January 2023
Report Author:	Mathew Telfer, Operations Manager, Watercare
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to seek approval from Waters Governance Board for the recommended solution for the upgrade of the Maramarua Wastewater Treatment Plant Effluent Disposal Field.

AND

To gain approval for funding of \$500,000 to deliver the upgrade as part of the district wide wastewater treatment renewals programme within the LTP.

2. Executive summary

Whakaraapopototanga matua

A detailed assessment of the Maramarua Wastewater Treatment Plant (WWTP), disposal field and site has been carried out. The WWTP continues to function well. Treated wastewater is discharged from the WWTP through a land disposal field to ground. The land disposal field has not been upgraded since its installation in 1992 and is now failing, with effluent breakthrough occurring. Treated effluent is not soaking into the ground as intended, it is leaking out of the disposal field and into site drains.

Upgrade works have been planned and during 2022 enabling works were carried out to prepare the site for the installation of a new disposal field. Design for the upgraded disposal field is complete. It is proposed to replace the old Wisconsin mound with raised conventional soakage beds. Upgrading the disposal field in this way has multiple benefits.

A detailed assessment of the Maramarua Wastewater Treatment Plant (WWTP), disposal field and site has been carried out. The WWTP continues to function well. Treated wastewater is discharged from the WWTP through a land disposal field to ground.

The land disposal field has not been upgraded since its installation in 1992 and is now failing, with effluent breakthrough occurring. Treated effluent is not soaking into the ground as intended, it is leaking out of the disposal field and into site drains.

Upgrade works have been planned and during 2022 enabling works were carried out to prepare the site for the installation of a new disposal field. Design for the upgraded disposal field is complete. It is proposed to replace the old Wisconsin mound with raised conventional soakage beds. Upgrading the disposal field in this way has multiple benefits:

- Ensure that the disposal of treated wastewater is directed into the ground so that the risk of effluent breakthrough and subsequent ecological, public health and cultural damage is minimised.
- Enable the disposal field to shed surface water and retain functionality during rainfall events.
- Provide a greater surface area to enable disposal field to cope with higher flows from the WWTP during rainfall events.
- Provide a reliable land disposal asset for the WWTP for the future (the current consent expires in 2039).

The Council has a budget previously approved for district wide wastewater renewals and it is proposed to use this budget to carry out the work. A preferred Contractor has been identified with good existing working knowledge of the site. If approved, a price check will be carried out before Contract preparation and award. Construction will be weather dependent with the expectation that it is completed within the 2023 calendar year.

3. Staff recommendations Tuutohu-aa-kaimahi

That the Waters Governance Board:

- a. **approves the proposed upgrade to the Maramarua Wastewater Treatment Plant Effluent Disposal Field and**
- b. **recommends to Council that approval for a budget of \$500,000 is allocated to this upgrade as part of the District-wide Wastewater Renewals programme.**

4. Discussion and analysis Taataritanga me ngaa tohutohu

The Maramarua WWTP is an important asset for the serviced householders, who have an expectation that it will continue to function acceptably into the future. The existing effluent disposal field has failed. It is proposed to replace the old Wisconsin mound with raised conventional soakage beds. Upgrading the disposal field in this way has multiple benefits:

- Ensure that the disposal of treated wastewater is directed to ground and that the risk of effluent breakthrough and subsequent ecological, public health and cultural damage is minimised.
- Enable the disposal field to shed water during rainfall events and continue to function acceptably
- Provide a greater surface area to enable the disposal field to cope with higher flows from the WWTP during rainfall events
- Provide a reliable land disposal asset for the WWTP for the future

If the upgrade is deferred or does not proceed, effluent breakthrough will continue, with a high risk of contaminating site drains and potentially nearby waterways and environments.

With approval of this business case, the forecast spend on the project will proceed as planned under the current AMP. The Council has a budget previously approved for district wide wastewater renewals and it is proposed to use this budget to carry out the work. A preferred Contractor has been identified with good existing knowledge of the site. If approved, the upgrade is expected to occur within the 2022/23 construction season, although Construction will be weather dependent, which may push the site works into the 2023/24 season.

4.1 Options

Ngaa koowhiringa

The options forwarded for consideration are:

- 1) Approval to proceed with the Maramarua WWTP effluent disposal bed upgrade (recommended).

OR

- 2) Defer the upgrade.

4.2 Financial considerations

Whaiwhakaaro puutea

The current Long Term Plan (LTP) includes infrastructure investment in wastewater treatment plant asset renewals across the district. There is sufficient budget to carry out the disposal field upgrade. The current LTP funding lines and commitments required are detailed in the table below. It is proposed to use the carry over from 21/22 to augment the 22/23 budget and progress the project.

Wastewater Funding allocated (\$M)	Carry Over 21/22	22/23	23/24	Total
District Wide wastewater treatment renewals AMP Code: 1 WW11500, OG0001080	0.7	0.63	0.6	1.93
Required for Maramarua Effluent Disposal Field Upgrade	-	0.4	0.1	0.5
Balance available (+/-)		0.23	0.2	1.43

4.3 Legal considerations

Whaiwhakaaro-aa-ture

Although the 2014 discharge consent was granted on the basis of 'no further changes', this would not preclude renewal and upgrade in the event of eventual asset aging and failure. Upgrading the disposal field is considered to be part a normal part of the asset life cycle and improving the asset type is in alignment with the consent and regional plan objectives.

Conditions of the Resource Consent for the WWTP refer to the effluent disposal field as a 'Wisconsin Mound'. Conventional raised soakage beds are the recommended technical solution. An application to Waikato Regional Council will be made to alter the wording of the relevant conditions to refer to a soakage bed rather than Wisconsin Mound. This is expected to be straightforward; as noted above it is unclear whether the current disposal field is a Wisconsin Mound.

There are no other material legal considerations associated with the recommendations of this report.

4.4 Strategy and policy considerations

Whaiwhakaaro whakamaaherehere kaupapa here

The Maramarua WWTP provides a safe, reliable, and robust wastewater system that will continue to service connected householders. The recommendation to upgrade the disposal field is consistent with planned spend in the LTP, along with the Mid Waikato Servicing Strategy and 2070 Growth Strategy.

4.5 Maaori and cultural considerations

Whaiwhakaaro Maaori me oona tikanga

Renewing and upgrading the Maramarua WWTP disposal field will ensure robust, reliable operation. As a result, the risk of effluent breakthrough will be significantly reduced. Providing a healthier natural environment and reducing the risk of treated effluent being discharged into waterways aligns with iwi and hapu groups in their role as mana whenua.

4.6 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

Installing a new, raised and appropriately sized disposal field means that the WWTP system will provide more resilience to adverse weather events that are expected to become more frequent in the future.

4.7 Risks

Tuuraru

Failure to upgrade the disposal field means that it will continue to leak treated effluent into site drains which could reach and potentially cause harm to waterways and natural environments.

Project risks include procurement of a Contractor so that the work can proceed and obtaining the necessary consents from WRC.

5. Significance and engagement assessment Aromatawai paahekoheko

5.1 Significance Te Hiranga

The decisions and matters of this report are assessed as of low significance in terms of matters that would activate a trigger in the Council's [Significance and Engagement Policy](#).

5.2 Engagement Te Whakatuutakitaki

Highest level of engagement	Inform ✓	Consult <input type="checkbox"/>	Involve <input type="checkbox"/>	Collaborate <input type="checkbox"/>	Empower <input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	<p><i>This project is part of the District Wide Wastewater Treatment Renewals included in the AMP. It is a standard asset renewal that will be carried out within the WWTP boundaries. The connected householders will be informed of work.</i></p> <p><i>The upgrade to the disposal field has been signalled in previous reports to Council.</i></p>				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input type="checkbox"/>	✓	Internal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards/Community Committees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui/Local iwi and hapuu
✓	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
✓	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	<input type="checkbox"/>	✓	Waters Governance Board

6. Next steps Ahu whakamua

An approval enables Watercare to prepare and issue the construction contract for the Maramarua WWTP disposal field upgrade.

7. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and the Governance Boards Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed
The report considers the impact on Maori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed 2021-31 LTP
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

8. Attachments Ngaa taapirihanga

Attachment 1 – Proposed Layout of new effluent disposal beds



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State Highway 2

New Wastewater Disposal System (Refer to Report)

- Discharge volume = Average: 5,000 litres/day
- 90%ile : 8,000 litres/day
- Total basal area = 672m² comprising 4 raised beds each 42m long by 4 m wide, by 300mm deep with min 1m spacing between beds.
- Basal loading rate 12.0 litres/m²/day at 90%ile and 7.5 litres/m²/day on average
- Distribution over bed base by LPED, each bed in equal zones.
- Area to have any stumps, distribution pipes, and fill removed and replaced with clean site sands/silt or clean new sand, then area to be raised by 250mm of clean sand, then beds formed above.
- Intensive planting along the southern edge of the beds.
- See Dwg 5135-2 for bed construction detail

Existing Wastewater Treatment Plant (Refer to Report)

- Inflow Technologies recirculating sand filter system. The wastewater treatment system comprises the following components:
- Two x 3,500 litre tanks acting as pre-treatment (with outlet filter) and pump station
 - 1 x 22,500 litre septic tank as the second pre-treatment tank, fitted with outlet filter
 - 1 x 9,000 litre recirculation tank with 2 x Amiad filters on the outlet to the sand filter
 - 1 x 30m² (6m x 5m) recirculating sand filter
 - 1 x 9,000 litre treated effluent tank with 2 x Amiad filters on the outlet
 - 1 x flow meter.

Approximate Location of Existing Raised Bed/Mound

Available Reserve Wastewater Disposal Area (100%)

LEGEND

- EF 1 Approximate Location of Effluent Borehole
- Primary Land Disposal Area
- Reserve Land Disposal Area

50m

Scale 1:500

25m

0m

Site Cutoff Drain Soil Bund Could Be Installed Between Raised Bed and Drain

Extent of batter slope around raised bed

Open Drain

NOTE: Plan based on Waikato District Council GIS. ALL LOCATIONS AND DIMENSIONS APPROXIMATE ONLY



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CONSULTANTS IN GEOTECHNICAL ENGINEERING, GEOLOGY & ENGINEERING GEOLOGY

Level 2, 90 Symonds Street, Crutwick, Auckland City
P.O. Box 117, Auckland
Ph: (09) 302 2193 Fax: (09) 302 2197 Email: mail@ormiston.co.nz

CLIENT: Watcare Services Ltd / S3 Ltd.
LOCATION: 906 Coalfield Road, Maramarua
TITLE: Wastewater Site Plan

SCALE: 1:500 @ A3
DRAWN: TLS
DATE: October 2022
CHECKED: AWO

DRAWING NO

5135-1

SHEET 1 OF 2

To	Waters Governance Board
Report title	Hakanoa Stream Erosion Protection
Date:	12 January 2023
Report Author:	Mathew Telfer, Operations Manager, Watercare
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to seek approval from Waters Governance Board for the proposed erosion remediation and protection work in the Hakanoa Stream, between Hakanoa Street and Great South Road, Huntly.

AND

To gain approval for funding of \$900,000 to deliver the upgrade.

2. Executive summary

Whakaraapopotanga matua

Lake Hakanoa is a riverine lake located to the east of Huntly township. The Hakanoa Stream is a section of waterway that links Lake Hakanoa with the Waikato River. The Hakanoa Stream is part of the Huntly urban stormwater network and subject to conditions of the Huntly Stormwater Discharge Consent (106544 Huntly Urban Area) which include protection of the waterway and private property from erosion.

The section of the stream between Hakanoa Street and Great South Road is subject to erosion. Over time, several erosion control measures have been installed along this section of the stream, which backs onto private property, but these have begun to fail and additional erosion control is now required. The preferred method of protection is to install gabion baskets along the stream reach between Hakanoa St culvert and the end of the stream.

This work has been allowed for in the AMP, with a budget of \$840,000 allowed for over the 2022/23 and 2023/24 financial years. It is estimated that the work will cost \$900,000 over these years and it is proposed to make up the shortfall using The District Wide SW Reticulation Upgrades (60K) budget, which has a budget of \$136k available.

The next step in the project is to prepare a specimen design and tender documentation. The preferred approach to the project is to develop a design build specification for the works and invite preferred Contractors to tender for the project.

This will balance technical requirements with Contractors' ability to provide innovative placemaking solutions for the stream's protection and restoration. Construction will need to take place during dry weather to minimise impacts on the stream and health and safety risks. If approved, the project is expected to be completed during the 2023 calendar year, weather permitting.

3. Staff recommendations

Tuutohu-aa-kaimahi

That the Waters Governance Board:

- a. approves the proposed project to address erosion in the Hakanoa Stream near Hakanoa Street, Huntly; and**
- b. approves a budget of \$900,000 to deliver the project. comprising**
 - i. \$840k from the Huntly Stormwater Upgrades, District Wide Upgrades and,**
 - ii. the additional \$60k from the District Wide SW Reticulation Upgrades budget, which have a combined budget of \$136k available.**

4. Background

Koorero whaimaarama

Lake Hakanoa is a riverine lake located to the east of Huntly township. The Hakanoa Stream is a section of waterway that links Lake Hakanoa with the Waikato River. The stream is approximately 330 meters long. The stream flows north from the lake, over a weir which maintains the lake level and beneath Taihua Road through a 1200mm diameter culvert.

There is then a short section of open channel, before another 1200mm culvert underneath Hakanoa Street. Another section of open channel between this culvert and the North Island Trunk Railway and Great South Road takes flow to the end of the stream. A culvert and pump station are located at the end of the stream and convey flows to the Waikato River. Under low flow conditions, water can flow from Lake Hakanoa to the Waikato River under gravity through the culvert.

When river flows are high, a flap gate prevents water from the river flowing back through the stream. The pump station was installed to lift high flows from the Lake into the River to prevent flooding of nearby properties. The pump station has two pumps with a capacity of 500L/s each. The pump station is owned and operated by the Waikato Regional Council. The stream and its location are shown in Figure 1.



Figure 1 Hakanoa Stream between Lake Hakanoa and the Waikato River (WSP, 2021)

The section of the stream between Hakanoa Street and Great South Road is subject to erosion. Over time, several erosion control measures have been installed along this section of the stream, but erosion has continued, and additional erosion control measures are now required. Numerous inspections between 2016 and 2021 have confirmed that this is the case.

The most recent inspection and set of technical analyses was carried out by consultants WSP in 2021/2022. Technical studies in 2021 assessed the primary cause of erosion to be rapid drawdown of water in the stream resulting from the flood protection pump station operation. Properties bordering the stream, particularly on the true right bank (right bank when facing downstream) were noted as actively eroding, with a number of the fence lines collapsing into the stream as a result of the stream bank instability.

Figure 2 shows properties where erosion is considered to be continuing and presents a risk to property and the continued hydraulic effectiveness of the stream channel.

The Hakanoa Stream is part of the Huntly urban stormwater network and subject to conditions of the Huntly Stormwater Discharge Consent (106544 Huntly Urban Area) conditions which include:

- The consent holder shall be responsible for the design, maintenance and physical integrity of the municipal stormwater system, and shall operate and maintain the municipal stormwater system to avoid, remedy or mitigate adverse effects on the environment (1).
- The consent holder shall remedy adverse scour and erosion effects to land and the beds of receiving water bodies, where such effects are clearly attributable to the municipal stormwater diversion and discharge activities authorised by this consent (4).

- The consent holder shall be responsible for avoiding, remedying and mitigating any adverse flooding, scour, erosion or sedimentation effects on private land and drainage systems where these effects are clearly attributable to municipal stormwater diversion and discharge activities authorised by this consent (6).

In addition, the Hakanoa Stream is a modified watercourse and considered a stream/river, as defined in the Waikato Regional Plan and therefore s3.24 of the National Policy Statement for Freshwater Management 2020 applies.



Figure 2 Properties in Hakanoa Street, Huntly experiencing erosion as a result of Hakano Stream (WSP, 2021)

Options for remedying the erosion have therefore been identified and evaluated.

- Sheet piling is a method used to stabilise areas where there is limited room or space to create a slope. This is a very expensive method of stabilisation that would require very careful design. This is an option of 'last resort'.
- Timber walls are not recommended as the rapid drawdown conditions created when the pump station is in operation can create high pressure behind the wall from the wet soil behind it. An existing timber structure behind 67 Hakanoa Street has already failed.
- Gabion baskets are a sturdy, cost-effective mechanism for stabilising banks. These wire mesh baskets filled with rock have high permeability and are expected to provide good protection against the rapid drawdown conditions experienced in the stream during high flow and wet weather events because of the pump station operation. The installation of gabion baskets along some or all of the stream length was recommended.

Following this assessment, a geotechnical study and outline design of a gabion basket wall suitable for the soil conditions was completed.

In terms of project delivery, erosion protection works could be undertaken in a piecemeal fashion, prioritising properties with existing failures. This would reduce the immediate capital cost of the project, although the total cost over time may be higher because of the 'stop-start' approach.

In addition, this approach could result in adverse impacts on neighbouring properties as high drawdown flows pass along the areas with gabions and "hit" adjacent unprotected areas. Annual and event-based inspections and timely installation of additional gabion baskets would be needed. This would necessitate multiple works periods, disruption to the stream and for the community.

It would need careful management to ensure that protection and restoration of the waterway along its length was planned well, designed coherently, and implemented consistently over multiple construction seasons.

Alternatively, a design for the entire stream reach along Great South Rd could be developed and implemented. This approach is preferred as it will:

- Minimise the erosion risk along the stream length to comply with the Huntly SW discharge consent, protecting the waterway and private property.
- Improve water quality through stabilising the banks and vegetation planting
- Enhance the aesthetic value of the waterway by enabling coherent consideration of planting and other ecological restorations
- Ensure health and safety risks to the public are minimised
- Facilitate alignment of a design and planning assessment with the NES/NPS freshwater guidelines, as this will be what shapes the design and construction methodology.

Much of the work needed to obtain resource consent for the works has been completed. That which remains includes a full description of the works, construction management plan, freshwater fish management plan and ecological mitigation and restoration plan. These are ideally placed to be undertaken by a Contractor with the appropriate experience and expertise.

The recommended next step in the project is to prepare a Design Build specification for erosion protection works along the Great South Road reach of the stream and invite selected Contractors to tender for the project. Undertaking this project as a Design Build exercise will promote innovation in the approach to stream protection and restoration.

5. Discussion and analysis

Taataritanga me ngaa tohutohu

5.1 Options

Ngaa koowhiringa

The options forwarded for consideration are:

- 1) Approval to proceed with the Hakanoa Stream Erosion Protection Project – Design Build Project (recommended)

OR

- 2) Approval to proceed with prioritised erosion protection only

OR

- 3) Defer the project.

5.2 Financial considerations

Whaiwhakaaro puutea

The current Long Term Plan (LTP) includes infrastructure investment in Huntly Stormwater upgrades. There is an estimated shortfall in budget of \$60,000 for the delivery of this project.

Stormwater Funding allocated (\$M)	Carry Over 21/22	22/23	23/24	Total
Huntly stormwater reticulation upgrades, OG0001135	0.02	0.79	0.028	0.84
District Wide SW Reticulation Renewals OG0001096		0.06		0.06
Required for Huntly Stream Erosion Protection		0.79	0.11	0.9
Balance available (+/-)	0.02	0.06	-0.08	0.0

5.3 Legal considerations

Whaiwhakaaro-aa-ture

The project is required to meet the conditions of the Huntly Stormwater Discharge Consent.

There are no other material legal considerations associated with the recommendations of this report.

5.4 Strategy and policy considerations

Whaiwhakaaro whakamaaherehere kaupapa here

The proposed upgrade is consistent with WDC's Huntly stormwater management plan, catchment management plan and proposed spend in the LTP.

5.5 Maaori and cultural considerations

Whaiwhakaaro Maaori me oona tikanga

The erosion protection work will safeguard the natural waterway and enable continued fish passage. Planting and restoration around the works will augment the natural character of the area. This is consistent with the NPS-FM and te mana o te wai policy direction and in alignment with Te Ture Whaimana o te awa o Waikato.

5.6 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

Carrying out this will make this section of the stormwater network in Huntly more resilient and able to cope with significant weather events without causing flooding or damage to property. It will help make local ecosystems more resilient by improving conditions for fish passage and improving the local environment.

5.7 Risks

Tuuraru

Failure to deliver the project means that erosion will continue, resulting in a breach of the resource consents and damage to private property and potentially public safety risks.

6. Significance and engagement assessment

Aromatawai paahekoheko

6.1 Significance

Te Hiranga

The decisions and matters of this report are assessed as of low significance in terms of matters that would activate a trigger in the Council's [Significance and Engagement Policy](#).

6.2 Engagement

Te Whakatuutakitaki

Highest level of engagement	Inform ✓	Consult ✓	Involve <input type="checkbox"/>	Collaborate <input type="checkbox"/>	Empower <input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	<p><i>This project is required to address existing erosion and property owners are aware of it.</i></p> <p><i>Concurrent with the procurement process, Watercare will re-engage with these stakeholders and the wider community around the Works site.</i></p>				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input type="checkbox"/>	✓	Internal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards/Community Committees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui/Local iwi and hapuu
✓	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	<input type="checkbox"/>	✓	Waters Governance Board

7. Next steps Ahu whakamua

An approval enables Watercare to prepare tender documentation for the Hakanoa Stream Erosion Protection project and following the tender process, appoint a Contractor to carry out the work.

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and the Governance Boards Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed
The report considers the impact on Maori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed 2021-31 LTP
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

9. Attachments Ngaa taapirihanga

N/A.

To	Waters Governance Board
Report title	Cambrae Road, Raglan – Flood Remediation
Date:	12 January 2023
Report Author:	Mathew Telfer, Operations Manager, Watercare
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to seek approval from the Waters Governance Board for the recommended solution for the remediation of flooding at 30 and 32a Cambrae Road, Raglan.

AND

To gain approval for funding of \$900,000 to deliver the upgrade which is available within the LTP.

2. Executive summary

Whakaraapopototanga matua

In 2020 Waikato District Council (the Council) received an abatement notice instructing it to resolve historic flooding at 32a and 30 Cambrae Road, Raglan.

To address the abatement notice, remedial works are required. The works are an opportunity to address the Council's Activity Management Plan drivers for continuous improvement in asset management, sustainability, climate change and managing growth. The remedial works have been designed in collaboration with Waikato Regional Council (WRC) and impacted residents to meet these requirements by:

- Reducing flooding risk and future proofing the Cambrae Rd drainage catchment.
 - Enhancing public health and safety.
 - Improvements to asset design and installation to meet the Regional Infrastructure Technical Specifications (RITS).
 - Environmental and ecological improvements to enable fish passage and planting that will help give effect to te mana o te wai.
-

The remedial work involves excavation of existing culvert and pipe assets and replacement with larger ones designed to meet current standards, daylighting a section of stream that is currently piped and full reinstatement and planting of all disturbed areas. In November 2022 Resource Consent for the construction of the works was obtained from Waikato Regional Council (WRC).

The Council has a budget previously approved for Raglan Stormwater upgrades. This budget is insufficient to fund this project and a request is made to use projects budget from the 'District wide Stormwater extensions and renewals' budgets allocated in 2021 and 2022.

If approved, tender documentation will be prepared, and the project will be tendered in the open market. Depending on the weather, timing for procurement of long lead items and availability of suitable contractors, the project may need to be completed over two seasons, with the goal that work would be completed early in the 23/24 season subject to tendering and procurement.

3. Staff recommendations Tuutohu-aa-kaimahi

That the Waters Governance Board:

- a. **approves the proposed remedial works project to address flooding at Cambrae Rd, Raglan**
- b. **recommends to Council that approval for a budget of \$900,000 is allocated to this upgrade, comprising**
 - i. **\$330,000 from the Raglan Stormwater Upgrades, District Wide Upgrades and,**
 - ii. **the additional \$570,000 from the District Wide SW Reticulation Renewals (\$280,000) and District Wide SW Reticulation Upgrades (\$290,000) budgets, which have a combined budget of \$765,600 available.**

4. Background Koorero whaimaarama

In 2020 Waikato District Council received an abatement notice instructing it to resolve historic flooding at 32a and 30 Cambrae Road, Raglan. This flooding has been the source of customer complaints and breaches of the Raglan comprehensive stormwater consent AUTH105646.01.01 and its general conditions 6 and 7, as assessed by the Waikato Regional Council (WRC).

WRC highlighted the requirement for the consent holder to be "responsible for avoiding, remedying and mitigating any adverse flooding, scour, erosion or sedimentation effects on private land and drainage systems where these effects are clearly attributable to municipal stormwater diversion and discharge activities authorised by this consent". Flooding at these properties is shown in Figure 1.



Figure 1 Historic flooding at 30 and 32a Cambrae Road, Raglan, photographs supplied by residents

Flooding of the properties was assessed as being attributable to a combination of factors including undersized pipes, historical design standards, existing outlet conditions in the downstream discharge and increased development in the contributing catchments.

As the consent holder's agent, Watercare Services Limited has been working to develop a solution. There are limited potential options for resolving this issue, and all involve playing tunes with asset size and type along a similar alignment with similar issues.

Options for the remedial works were developed alongside Waikato Regional Council and impacted residents to meet Raglan comprehensive stormwater consent conditions, Waikato Regional Plan drivers and the resident's needs and concerns.

In March 2022 impacted residents confirmed that they found the proposed remedial works design acceptable, subject to appropriate reinstatement of their properties, and an application for resource consent for the remedial works was made. In November 2022, WSL received resource consent for the works.

The remedial work involves excavation of existing culvert and pipe assets and replacement with larger ones designed to meet current standards, daylighting a section of the stream that is currently piped, and full reinstatement and planting of all disturbed areas on private property and surrounding the new structures.

The existing 450 mm diameter culvert will be replaced with a 33 m long circular pipe which is 1050 mm in diameter. The culvert spans across the two properties of 32 and 30B Cambrae Road. The two existing manholes will be removed, and the upstream manhole will be replaced by an inspection chamber with a grated lid. The downstream manhole will be removed as the culvert will be daylighted in the form of an open drain.

Detailed design for the work is complete. The proposed works are shown in Figure 2 (see Attachment 1 for full size drawing). Since the March 2022 resource consent application, an additional dwelling and driveway has been constructed at 30b Cambrae Rd. This will necessitate a review and update of previously completed drawings and documentation but is not expected to materially change any aspect of the design.

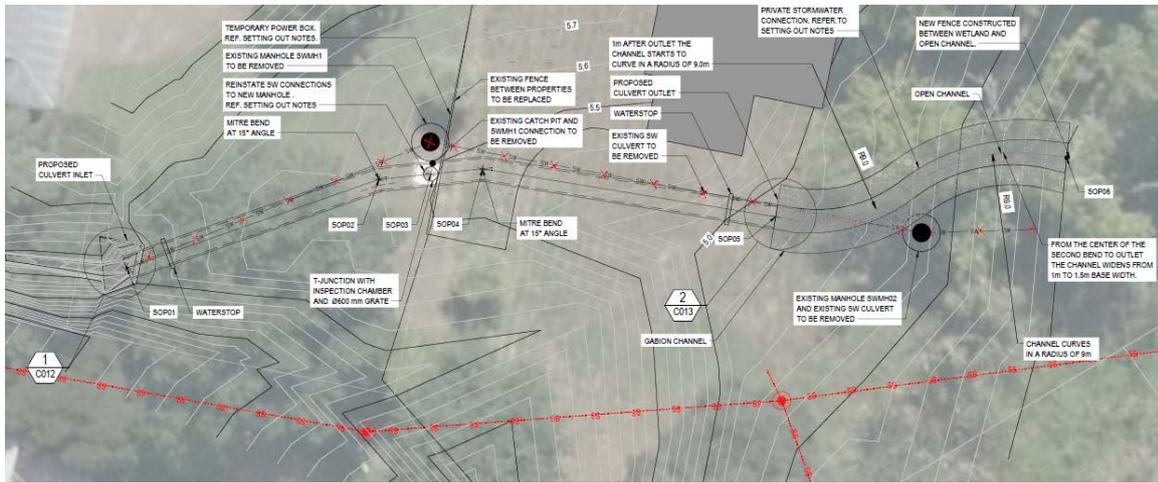


Figure 2 -Proposed flood remediation works at 30 and 32 Cambrae Rd, Raglan

Following this review, scheduled for February, Watercare wishes to proceed with tendering for the works, with the aim of having a Contractor committed this financial year and a long-lead manhole procured so that the Works can be completed this season or early in the 2023/24 construction season and the abatement notice lifted. If the project is approved, tender documentation will be prepared and a tender released in the open market or three preferred suppliers if appropriate.

5. Discussion and analysis

Taataritanga me ngaa tohutohu

5.1 Options

Ngaa koowhiringa

The options forwarded for consideration are:

- 1) Approval to proceed with the Cambrae Rd flood remediation Works (recommended).

OR

- 2) Defer the upgrade.

5.2 Financial considerations

Whaiwhakaaro puutea

The current Long Term Plan (LTP) includes infrastructure investment in Raglan Stormwater upgrades and district wide upgrades. However, this budget is insufficient to fund this project and the request is made for the additional \$570,000 budget from the District Wide SW Reticulation Renewals (\$280,000) and District Wide SW Reticulation Upgrades (\$290,000) budgets which have a combined budget of \$765,600 available.

Stormwater Funding allocated (\$M)	Carry Over 21/22	22/23	23/24	Total
Raglan stormwater reticulation upgrades, OG0001137	0.10	0.11	0.12	0.33
District Wide stormwater extension OG0001221		0.28		0.28
District Wide SW Reticulation Renewals OG0001096		0.29		0.29
Required for Cambrae Rd Flow Remediation		0.19	0.71	0.9
Balance available (+/-)	0.10	0.49	-0.59	0.0

To deliver the project, an additional \$570,000 is required.

5.3 Legal considerations Whaiwhakaaro-aa-ture

To lift the abatement notice issued to WDC under the Raglan comprehensive stormwater consent, this work is necessary. WRC has highlighted the need for WDC/WSL to be responsible for remediating the flooding situation at Cambrae Rd. The Local Government Act (2002) and the Resource Management Act (1991) require WDC to take an active part in managing urban drainage and its impacts on the natural environment. The proposed works are in alignment with these requirements and will result in the abatement notice being lifted.

There are no other material legal considerations associated with the recommendations of this report.

5.4 Strategy and policy considerations Whaiwhakaaro whakamaaherehere kaupapa here

The proposed upgrade is consistent with WDC's Raglan stormwater management plan, catchment management plan and proposed spend in the LTP.

5.5 Maaori and cultural considerations Whaiwhakaaro Maaori me oona tikanga

The remedial works allow for daylighting a portion of the stream and installing a culvert with an appropriate fish passage design. Planting and restoration around the works will augment the natural character of the area. When granting consent for the work, WRC noted that the works have the potential to improve and restore the natural environment from the current condition. Improving the condition of waterways, enabling fish passage and daylighting a section of stream is generally in alignment with the aspirations of iwi and hapu and will help give effect to 'te mana o te wai'.

5.6 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

Carrying out the remedial works will make this section of the stormwater network in Raglan more resilient and able to cope with significant weather events without causing flooding or damage to property. It will help make local ecosystems more resilient by improving conditions for fish passage and improving the local environment.

5.7 Risks

Tuuraru

Failure to deliver the project means that the abatement notice will not be lifted and the flooding risk for impacted properties remains.

6. Significance and engagement assessment

Aromatawai paahekoheko

6.1 Significance

Te Hiranga

The decisions and matters of this report are assessed as of low significance in terms of matters that would activate a trigger in the Council's [Significance and Engagement Policy](#).

6.2 Engagement

Te Whakatuutakitaki

Highest level of engagement	Inform ✓	Consult ✓	Involve <input type="checkbox"/>	Collaborate <input type="checkbox"/>	Empower <input type="checkbox"/>
<p><i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i></p>	<p><i>This project is required to address flooding issues and has been under discussion for some time. Stakeholders with property impacted by the Works have been engaged in the project to date.</i></p> <p><i>Concurrent with the procurement process, Watercare will re-engage with these stakeholders and the wider community around the Works site.</i></p>				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Internal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards/Community Committees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui/Local iwi and hapuu
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Waters Governance Board

7. Next steps Ahu whakamua

An approval enables Watercare to prepare and issue tender documentation for the Cambrae Rd flood remediation project.

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and the Governance Boards Terms of Reference and Delegations. Confirmed

The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (*Section 5.1*). Confirmed

Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (*Section 6.1*). Low

The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (*Section 6.2*). Confirmed

The report considers the impact on Maori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed 2021-31 LTP
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

9. Attachments

Ngaa taapirihanga

Attachment 1 – Full Scale drawing of proposed works

NOTES

GENERAL

1. THE CONTRACTOR SHALL LIAISE WITH THE SERVICE AUTHORITIES FOR LOCATIONS OF THE SERVICES PRIOR TO ANY CONSTRUCTION WORKS
2. ALL CROSS REFERENCE TO STANDARD ENGINEERING DETAILS DRAWINGS AND THE WAIKATO REGIONAL INFRASTRUCTURE TECHNICAL SPECIFICATIONS SHALL BE THE LATEST REVISION.
3. PIPES, CABLES AND OTHER UTILITIES, FOUNDATIONS, LEVELS, REFERENCE MARKS AND OTHER OBSTRUCTIONS INDICATED ON THIS DRAWING ARE BASED ONLY ON READILY AVAILABLE RECORD PLANS AND OTHER INFORMATION. THIS INFORMATION MAY NOT BE COMPLETE, ACCURATE OR UP TO DATE PRIOR TO CARRYING OUT ANY EXCAVATION OR OTHER PHYSICAL WORK. CONTRACTORS SHALL OBTAIN THE LATEST INFORMATION FROM UTILITY PROVIDERS AND CARRY OUT DETAILED EXPLORATORY WORK, TRACING, LOCATING, PROTECTION, ISOLATION AND ALTERATIONS. CONTRACTOR MUST FOLLOW OSH GUIDELINES FOR SAFE LOCATION OF UNDERGROUND SERVICES.
4. ALL TEMPORARY AND PERMANENT SERVICE DIVERSIONS ARE THE RESPONSIBILITY OF THE CONTRACTOR. THE CONTRACTOR SHALL CARRY OUT ALL SERVICE DIVERSIONS USING APPROPRIATE SUBCONTRACTORS THAT ARE NOMINATED BY THE UTILITY/SERVICE PROVIDER.
5. ALL SERVICE DIVERSIONS SHALL BE CARRIED OUT TO THE APPROVAL OF THE UTILITY/SERVICE PROVIDER.
6. ALL LEVELS SHOWN ARE IN TERMS OF MOTURIKI DATUM 1953.
7. COORDINATES ARE IN TERMS OF MT EDEN CIRCUIT 2000.
8. THE CONTRACTOR SHALL REINSTATE THE SUBJECT SITE ON COMPLETION OF THE CONTRACT WORKS.

SETTING OUT

1. THE CONTRACTOR SHALL CHECK ALL DRAWINGS AND VERIFY LEVELS/DIMENSION/SET-OUT PRIOR TO COMMENCEMENT OF WORK AND REPORT ANY DISCREPANCIES, IF ANY, IMMEDIATELY TO THE ENGINEER.
2. THE CONTRACTOR SHALL TAKE ALL STEPS TO INVOLVE THE ENGINEER TO VERIFY THE LEVELS/DIMENSIONS/SET-OUT ON SITE.
3. CONTRACTOR SHALL CONFIRM GRADE AND LEVEL OF ALL PRIVATE CONNECTIONS TO THE CULVERT AND CHANNEL, PRIOR TO CONSTRUCTING THE CULVERT AND CHANNEL, TO CONFIRM LEVELS ARE ABOVE THE ROCK CHANNEL BASE TO ALLOW FREE DRAINAGE.
4. ALL LEVELS/DIMENSION/SET-OUT ARE IN METRES UNLESS STATED OTHERWISE.
5. CONTRACTOR TO INFORM CONTRACTS ENGINEER IMMEDIATELY FOR ADVICE ON HOW TO CONNECT EXISTING STORMWATER CONNECTIONS SHOULD ISSUES ARISE ON SITE.
6. REINSTATE ALL CONNECTIONS TO NEW T-JUNCTION WITH INSPECTION CHAMBER. FOR ANY CONNECTIONS THAT ARE DAMAGED OR NOT ABLE TO CONNECT, INFORM THE CONTRACT ENGINEER IMMEDIATELY.
7. NEW DWELLING SW CONNECTION TO GO INTO SIDE OF OPEN CHANNEL.
8. IF TEMPORARY POWER BOX BY FENCE IS NOT REMOVED, TEMPORARY POWER DIVERSION IS REQUIRED.

CONSTRUCTION

GENERAL

1. ALL WORKS TO BE CARRIED OUT TO THE REQUIREMENTS OF THE HEALTH AND SAFETY AT WORK ACT 2015
2. ALL WORKS TO BE CARRIED OUT TO A TRADESMAN LIKE STANDARD.

MANUFACTURERS SPECIFICATION

1. ALL MATERIAL TO BE USED AND INSTALLED AS PER THE MANUFACTURES SPECIFICATION.

CONCRETE

1. ALL ON-SITE CONCRETE TO BE 20MPA UNLESS OTHERWISE STATED.

CULVERT

1. A T-JUNCTION MANHOLE WILL BE FACTORY MADE BY THE MANUFACTURER (HYNDS/HUMES), WITH A 600MM DIAMETER INSPECTION CHAMBER, AND A GALVANISED FLAT BAR GRATE RECESSED INTO THE TOP OF THE INSPECTION CHAMBER. THE INSPECTION CHAMBER HEIGHT (INCLUDING THE GRATE) IS EXPECTED TO BE 580MM FROM THE TOP OF THE 1050MM CULVERT TO THE GROUND LEVEL. THE T-JUNCTION WILL BE ONE STANDARD PIPE LENGTH.
2. THE MITRED PIPE BENDS ARE TO BE FACTORY MADE BY THE MANUFACTURER (HYNDS/HUMES), WITH BEND FORMED IN THE MIDDLE OF THE PIPE. THE MITRED BENDS ARE DESIGN TO 14° AND 15° ANGLES.
3. WATERSTOPS TO BE INSTALLED AT THE UPSTREAM AND DOWNSTREAM END OF THE CULVERT TO PREVENT INGRESS OF WATER. REFER TO CCC CSS STANDARD DRAWING SD347.
4. FULL LENGTH OF CULVERT TO BE CONSTRUCTED ON 150mm LAYER OF COMPACTED GAP 40 AT 95% MDD.
5. WRAP GAP40 BASE IN BIDIM A29 OR SIMILAR CLASS C GEOTEXTILE.
6. WRAP CIRCULAR CULVERT IN BIDIM A29 OR SIMILAR CLASS C GEOTEXTILE.
7. ALL CUTS WITHIN THE CULVERT SHALL BE WITH A CONCRETE SAW - SLEDGE HAMMERS SHALL NOT BE USED.

WELDING AND FIXINGS

1. ALL STEELWORK TO BE WORKSHOP FABRICATED, NO ON-SITE WELDING WILL BE ACCEPTED
2. ALL STEELWORK TO BE HOT DIP GALVANISED TO AS/NZS4680
3. ALL METAL NUT, BOLTS AND WASHERS TO BE STAINLESS STEEL 316 UNLESS OTHERWISE STATED. A NICKEL ANTI -SEIZE FREE OF COOPER, LEAD, SULPHIDES, CHLORIDES AND CARBONS (GRAPHITE) SHALL BE USED ON BOLTS.
4. ALL GRATES ARE TO BE MADE BY STEEL GRATE MANUFACTURER TO DESIGN PROVIDED BY COOK & GALLOWAY OR SIMILAR, AS APPROVED BY CONTRACT ENGINEER.

NOTES CONTINUED

WORKS REQUIREMENT EPOXY

1. ANY STAINLESS-STEEL FIXINGS THAT ARE EPOXIED IN PLACE ARE TO BE SUPPLIED FROM THE MANUFACTURER "NOT OILED"
2. ALL METAL FIXINGS AND /OR STAINLESS STEEL TO BE EPOXIED WILL USE EPCON C6 EPOXY OR SIMILAR TO ENGINEERS RECOMMENDATIONS.
3. CONCRETE RISER JOINT SEALED WITH EITHER HUMEBOND OR HYBOND EPOXY MORTAR.

GABION BASKETS AND MATTRESS

1. GABION SIZES TO BE CONFIRMED ON SITE ONCE GROUND CONDITIONS ARE UNDERSTOOD AT THE OUTLET.
2. GABION HEIGHT WILL NEED TO BE ADJUSTED TO MATCH GROUND LEVELS RANGING FOR TWO GABIONS STACKED TO 1M ABOVE RENO MATTRESS, TO AROUND 0.5M HIGH GABIONS AT THE OUTLET. THE REINSTATED PLANTING AREAS WILL SMOOTH THE TRANSITION FROM THE GABIONS TO THE SURROUNDING GRASSED AREAS.
3. THE BASE OF THE CHANNEL WILL HAVE A GABION MATTRESS TO MAINTAIN A ROCK BASE IN THE CHANNEL AND CULVERT AND PREVENT LONG-TERM SCOURING.
4. THE GABION MATTRESSES ARE PLACED LENGTHWISE ALONG THE OPEN CHANNEL TWO MATTRESSES WIDE (I.E., 4M WIDTH TOTAL) AND WIRED TOGETHER.
5. GABIONS SHOULD BE PLACED ON TOP OF THE MATTRESSES WITH THE MATTRESSES EXTENDING 0.5M BEYOND THE GABIONS.
6. BOTH GABIONS AND MATTRESSES TO BE STITCHED TOGETHER AT JOINTS TO BE WRAPPED IN APPROPRIATE NON-WOVEN FILTER GEOTEXTILE WHERE IN CONTACT WITH SOIL.
7. ALL MODIFIED GABION BASKETS AND MATTRESSES TO BE REFILLED IN ACCORDANCE WITH MANUFACTURE'S RECOMMENDATIONS.
8. FILL WITH LOOSE GRAVEL AROUND PIPE OUTLET.
9. GROUND VALIDATION TO BE UNDERTAKEN AT MATTRESS LEVEL WITH DCP'S EXTENDED 1 ROD LENGTH BELOW THE FORMATION LEVEL (APPROX 0.9m DEPTH). 5 DCPS UNDERTAKEN AT 5m INTERVALS. SHOULD DCP RESULTS BE AS COMMENTED BELOW THEN THE CONTRACTS ENGINEER SHALL BE INFORMED AND WORK SHALL NOT PROGRESS UNTIL APPROVED;
 - UNDER 2 BLOWS PER 100mm FOR 300mm CONTINUOUS DEPTH
 - 1 BLOW OR LESS PER 100mm

SPECIFICATION FOR GEOTEXTILE

1. GEOTEXTILE TO CONFORM TO 'A GRADE' STRENGTH CLASS C TNZ F/7 (2003)

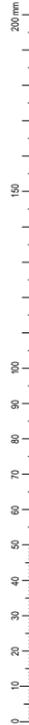
LANDSCAPING

1. A MINIMUM CLEARANCE FROM THE CAR PARK TO THE GABION HEADWALL WILL BE 600MM, FOR PLANTING THAT REQUIRES DEEPER SOIL FOR ROOTS TO ESTABLISH IN. SMALLER PLANTS ARE TO BE PLACED ON TOP OF THE GABION HEADWALL, WITH PLANTING POCKETS PLACED IN THE GABION.
2. CULVERT OUTLET LOCATION CURRENTLY AROUND 2m OFF SET FROM CAR PARKING SPACE, ACCOUNTING FOR A 1m WIDE GABION HEADWALL.
3. PLANTING POCKETS LINED WITH COCONUT FIBRE (OR SIMILAR BIODEGRADABLE MATTING) AND FILLED WITH POTTING MIX ARE TO BE PLACE ON THE TOP EXPOSED SECTIONS OF THE GABIONS BEFORE THE WIRE FRAMES ARE TIED DOWN, SEE EXAMPLE IN DESIGN REPORT. THE POCKETS ARE TO BE AROUND 100-150mm DEEP, TO PROVIDE SPACE FOR SMALL PLANTS TO GROW.
4. EXISTING GROUND LEVELS IN LONG SECTION ARE NOT REFLECTIVE OF THE CURRENT DRIVEWAY PARK. GROUND LEVEL ARE TO BE CONFIRMED ON SITE, WITH SPACE PROVIDED TO SHAPE EXISTING LAND TO THE CHANNEL PROFILE.
5. ALL EXISTING LANDSCAPING WITHIN THE LOCATION OF THE SITE WORKS TO BE REINSTATED TO EXISTING CONDITIONS.
6. PLANTING PLAN AROUND GABION BASKETS AND CHANNEL IN ACCORDANCE TO REGIONAL INFRASTRUCTURE TECHNICAL SPECIFICATIONS (RITS) AND AGREEMENT WITH RESIDENTS.
7. ADD GRAVEL BENCHING WHERE POSSIBLE TO HELP ESTABLISH CHANNEL PLANTS
8. EXISTING FENCE BETWEEN PROPERTIES TO BE REPLACED.

FENCING

1. WOODEN POST AND BATTEN OR WIRE FENCE WILL RUN ACROSS THE CHANNEL OUTLET, WITH THE OUTER POSTS JUST BEYOND THE GABIONS, SO THAT THE FENCE STRUCTURE COVERS THE FULL CHANNEL WIDTH. A WELDED STEEL HINGED FRAME WILL HANG BELOW THE FENCE TO STOP ANIMALS TRAVELLING UNDER THE FENCE AND INTO THE WETLAND, SEE EXAMPLE IN DESIGN REPORT.

DO NOT SCALE - IF IN DOUBT, ASK



ORIGINAL SIZE A1

REV	DESCRIPTION	DT	MB	GO	DATE
C	ISSUED FOR CONSTRUCTION	DT	MB	GO	06.04.22
B	FOR REVIEW - TEXT ADDED	DT	MB	GO	08.03.22
A	FOR CONSULTATION	DT	MB	GO	24.02.22
	REVISIONS	DRN	CHK	APP	DATE

SURVEYED	Cheal Consultants	12.20
DESIGNED	Jordan Gibson	02.22
DRAWN	Dan Terry	02.22
CAD REVIEW	David Hay	06.04.22
DESIGN CHECK	Megan Blackburn	06.04.22
DESIGN REVIEW	Nick Keenan	06.04.22
APPROVED	Glenn Osborne	06.04.22
PROF REGISTRATION:		

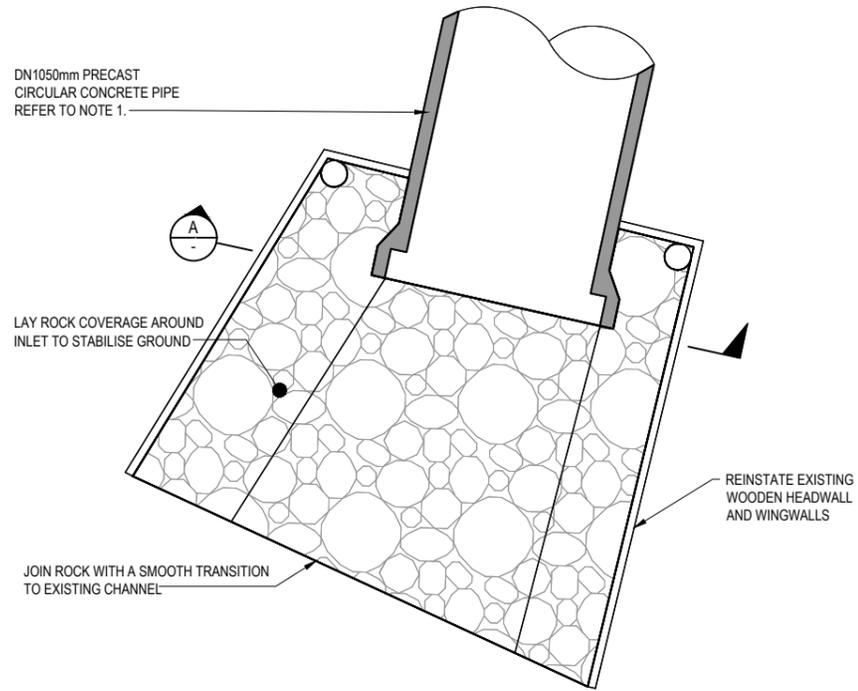
Client: CAMBRAE RD STORMWATER DESIGN RAGLAN

GENERAL NOTES

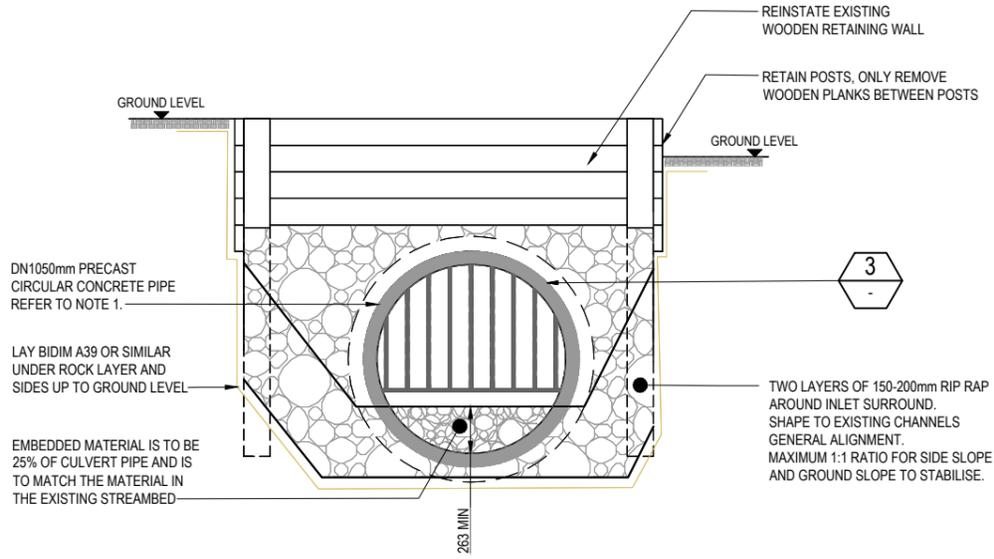
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Date Stamp	06.04.22	
Scales	Not to Scale	
Drawing No.	310103456-01-001-C003	Rev. B

ORIGINAL SIZE A1

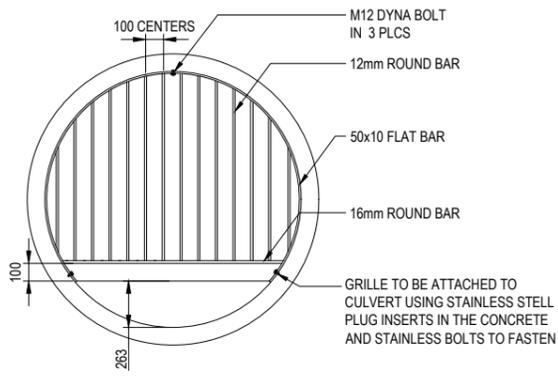
DO NOT SCALE - IF IN DOUBT, ASK



DETAIL 1
SCALE 1 : 20



SECTION A
SCALE 1 : 20



GRILLE DETAIL 3
SCALE 1 : 20

GRILLE DETAILS PROVIDED BY COOK AND GALLOWAY. USE GRILLE AND FRAME OR SIMILAR TO SUIT Ø1050 PIPE



REV	DESCRIPTION	DT	MB	GO	DATE
B	ISSUED FOR CONSTRUCTION	DT	MB	GO	06.04.22
A	FOR CONSULTATION	DT	MB	GO	24.02.22
	REVISIONS	DRN	CHK	APP	DATE

SURVEYED	Cheal Consultants	12.20
DESIGNED	Jordan Gibson	02.22
DRAWN	Dan Terry	02.22
CAD REVIEW	David Hay	06.04.22
DESIGN CHECK	Megan Blackburn	06.04.22
DESIGN REVIEW	Nick Keenan	06.04.22
APPROVED	Glenn Osborne	06.04.22
PROF REGISTRATION:		

Client

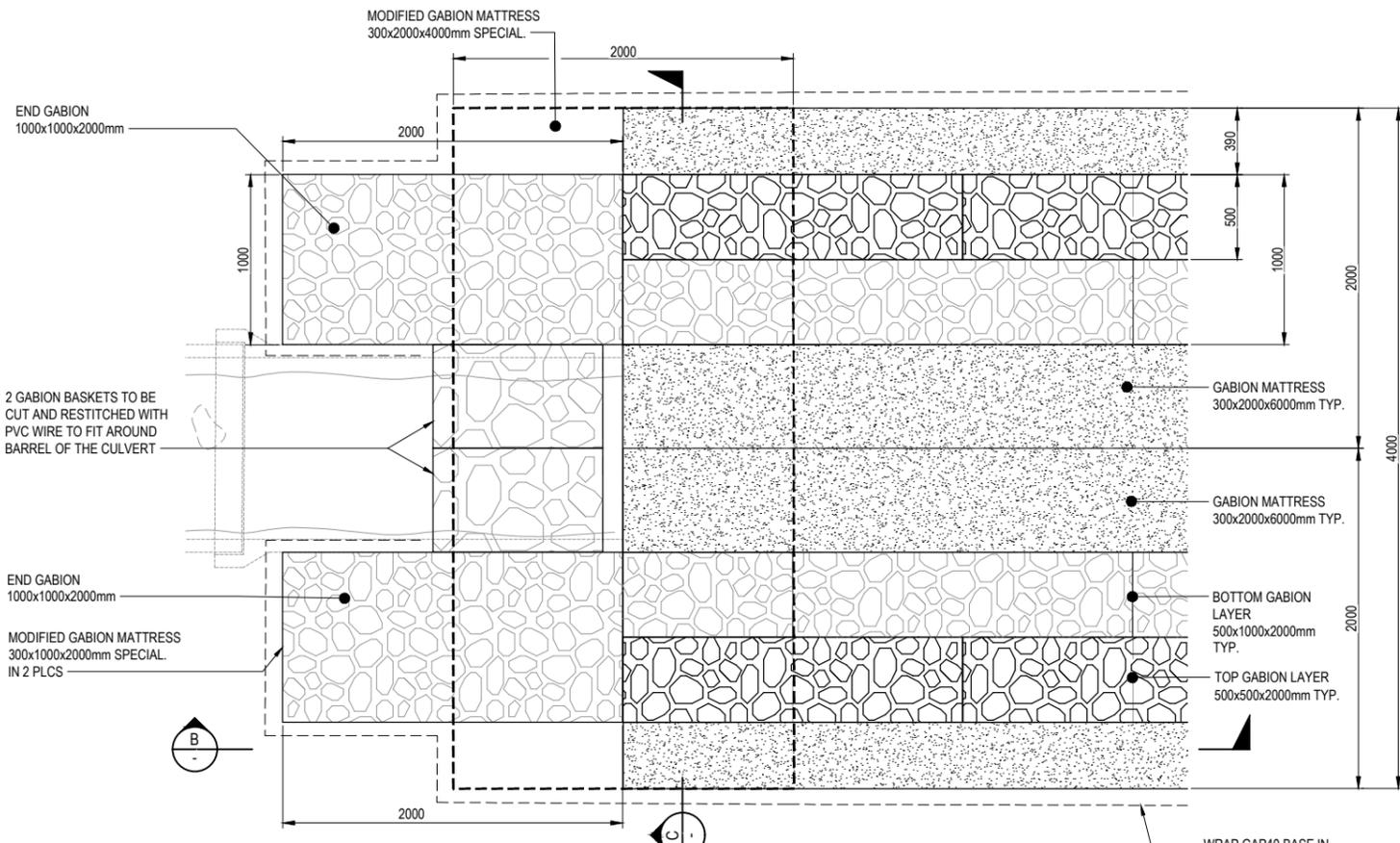
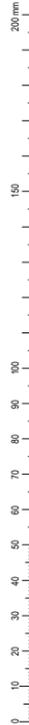
CAMBRAE RD STORMWATER DESIGN
RAGLAN

CULVERT DETAILS 1 - INLET

Status Stamp	FOR CONSTRUCTION
Date Stamp	06.04.22
Scales	1 : 20 A1
Drawing No.	310103456-01-001-C012
Rev.	B

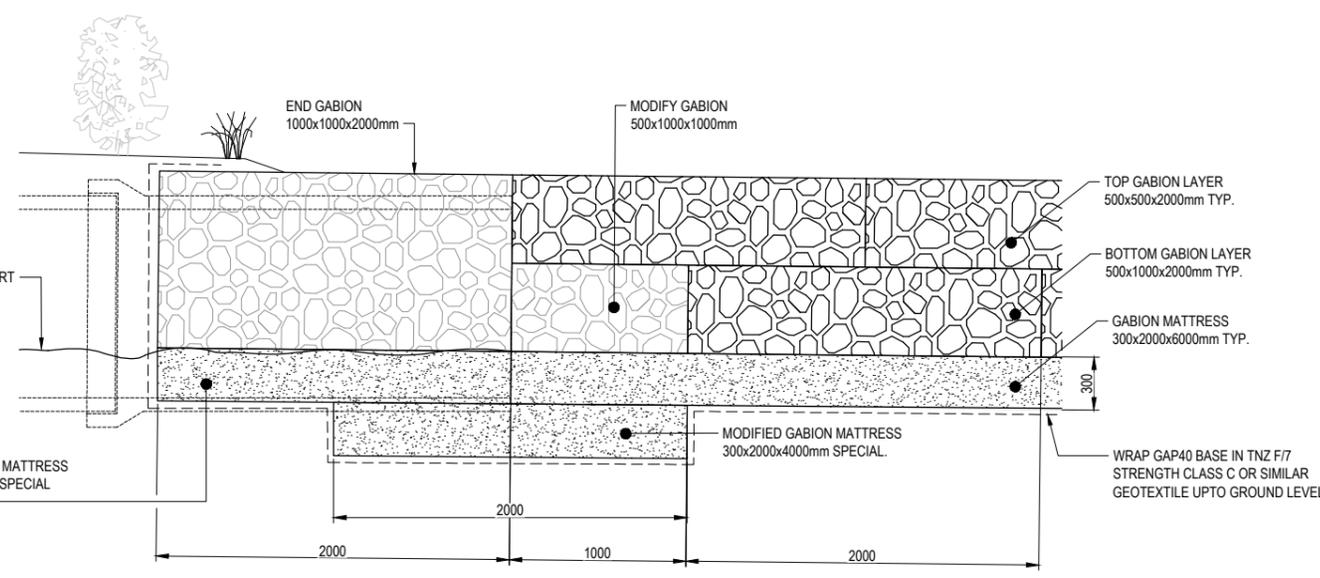
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ORIGINAL SIZE A1

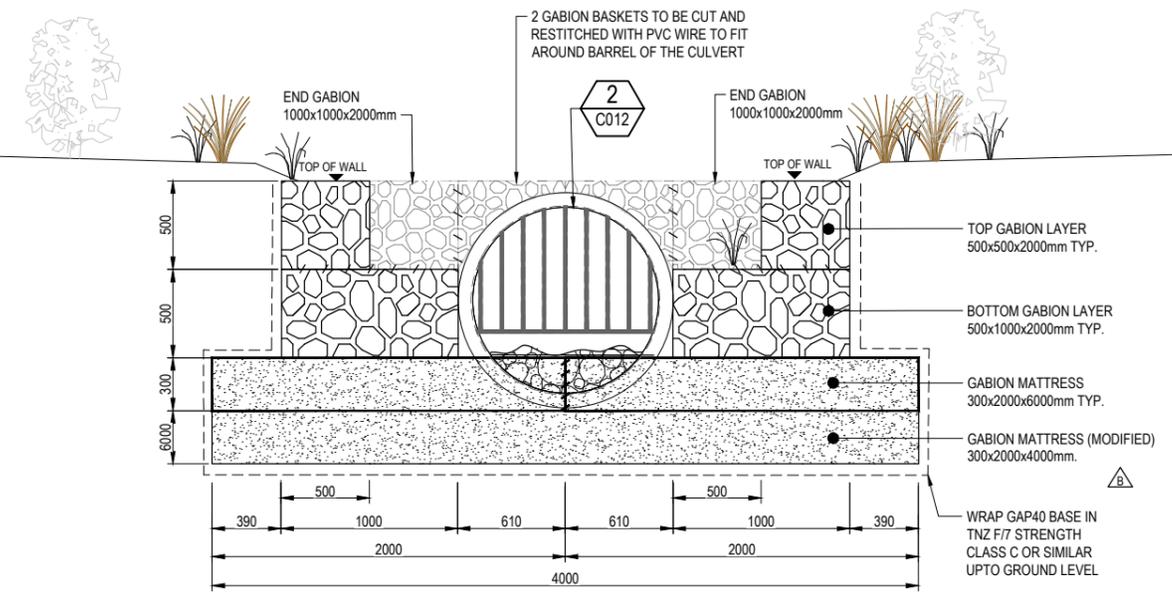


DETAIL 2
SCALE 1 : 20

WRAP GAP40 BASE IN TNZ F/7 STRENGTH CLASS C OR SIMILAR GEOTEXTILE UPTO GROUND LEVEL



SECTION B
SCALE 1 : 20



SECTION C
SCALE 1 : 20



REV	DESCRIPTION	DT	MB	GO	DATE
C	ISSUED FOR CONSTRUCTION	DT	MB	GO	06.04.22
B	MODIFIED GABION MATTRESSES ADDED	DT	DH	GO	10.03.22
A	FOR CONSULTATION	DT	DH	GO	24.02.22
	REVISIONS	DRN	CHK	APP	DATE

SURVEYED	Cheal Consultants	12.20
DESIGNED	Jordan Gibson	02.22
DRAWN	Dan Terry	02.22
CAD REVIEW	David Hay	06.04.22
DESIGN CHECK	Megan Blackburn	06.04.22
DESIGN REVIEW	Nick Keenan	06.04.22
APPROVED	Glenn Osborne	06.04.22

Client

CAMBRAE RD STORMWATER DESIGN
RAGLAN
CULVERT DETAILS 2 - OUTLET

Status Stamp	FOR CONSTRUCTION
Date Stamp	06.04.22
Scales	AS SHOWN
Drawing No.	310103456-01-001-C013
Rev.	C

To	Waters Governance Board
Report title	Te Kauwhata Wastewater Treatment Plant Consent Application Preparation Project: Discharge Optioneering Update
Date:	19 January 2023
Report Author:	Stephen Howard, Senior Strategy & Consents Planner, Watercare
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To update the Waters Governance Board (WGB) and Council (WDC) on the progress of the Te Kauwhata Wastewater Treatment Plant (WWTP) discharge consent application project.

2. Executive summary

Whakaraapopototanga matua

The Te Kauwhata WWTP upgrade is presently underway, where this represents an integrated resilient treatment solution that shall deliver high quality filtered effluent. The existing point source discharge is to Lake Waikare.

While expiry of the existing consent is 2028, as part of the prior consenting process completed in 2012, WDC entered into a Memorandum of understanding (MOU) with the Te Kauwhata Wastewater Consent Consultation Group (TKWCCG). This established that best endeavours would be made to find an alternative to the lake point source discharge by 2023.

There was agreement from all parties (including council) at a hui at Matahuru marae that the options being considered would be based on disposal **other than** into Lake Waikare.

The WWTP upgrade provides a greater opportunity to achieve this. The following paper provides an overview of technical activities planned or being undertaken to determine an alternative discharge option. The intention is then the lodgement of a discharge consent application with the Waikato Regional Council (WRC).

3. Staff recommendations Tuutohu-aa-kaimahi

That the Waters Governance Board support steps outlined within this paper, given that they will progress the discharge optioneering required for consent application preparation, in a manner that will be accepted by WRC.

4. Background Koorero whaimaarama

The Te Kauwhata wastewater catchment includes Te Kauwhata, Rangiriri, and the Springhill Correction Facility. The Te Kauwhata WWTP upgrade underway presently is an integrated resilient treatment solution that shall deliver high quality filtered effluent. The existing point source discharges to Lake Waikare.

Hapū has long-standing kaitiakitanga responsibilities for the mauri of the lake. An overriding objective of the consenting project is to enable Mana Whenua to achieve full guardianship and conservation responsibilities within the catchment, where continuation of the status quo will not allow for this. Hapū and community representatives have expressed the unequivocal need to remove the discharge from Lake Waikare. This was agreed by all parties (including council and the Waters Governance Board) at a hui held at Matahuru Marae prior to the 2022 local authority elections.

5. Discussion Matapaki

Procurement Detail for Appointment of a Lead Advisor/ River Hub Concepts

There is confidence in seeking lead consultancy services from Beca Services Limited, given their consenting experience, understanding of the project to date and capability in leading technical investigations in step with river legislation requirements. The sole sourcing of a trusted lead consultant for a project of this scale is considered acceptable procurement practice, provided that necessary managerial sign-off of a business case by the Watercare (WSL) Head of Supply Chain and Chief Operation Officer occurs.

This requirement will be fulfilled, when the full business case is completed in early 2023, for necessary sign-off. Image 1 provides detail of engagement needs, to be described within the business case (with costs), where interim contracts are now in place to provide for immediate ability to start a technical investigation.

Specific sites of investigation underway can be described as 'River Hub' sites, as shown within Images 2 - 4. The sites were first identified as part of prior consenting investigations, as having characteristics that could avoid continued Lake discharge.

The extent of theoretical discharge options may not be limited to these locations; however they provide a useful starting point for investigation. The areas are within flood plains, that are protected by flood infrastructure controlled by the WRC.

An onsite meeting with appropriate WRC technical representatives occurred in December 2022, in order to understand the compatibility of flood management methods and theoretical discharge options at the sites. This was an extremely valuable technical meeting, allowing further concept development to be shared with wider Council partners, as a critical next step.

5.1 OPTIONS

NGAA KOOWHIRINGA

In respect to discharge options, Images 5 and 6 provide detail on optioneering steps and refinement toward a best practical option.

5.2 FINANCIAL CONSIDERATIONS

WHAIWHAKAARO PUUTEA

The approved Council Long Term Plan includes \$0.676M funding for Te Kauwhata Treatment Plant Planning, which encompasses environmental investigation toward the best practical discharge option selection, discharge consent application lodgement and activities post lodgement (i.e. hearing and appeals).

5.3 LEGAL CONSIDERATIONS

WHAIWHAKAARO-AA-TURE

The Te Kauwhata WWTP discharge consent shall expire in 2028. As highlighted earlier in this report, an MOU between WDC and the TKWCCG was drafted with the best intentions of Council delivering an alternative to Lake discharge prior to expiry.

5.4 STRATEGY AND POLICY CONSIDERATIONS

WHAIWHAKAARO WHAKAMAAHEREHERE KAUPAPA HERE

Te Kauwhata treatment design is based on population growth described within the Mid-Waikato Water and Wastewater Servicing Strategy (Mott MacDonald June 2020).

5.5 MAAORI AND CULTURAL CONSIDERATIONS

WHAIWHAKAARO MAAORI ME OONA TIKANGA

The cultural bottom line expressed from Mana Whenua in respect to the WDC WTP is removal of discharge from the Lake, and its direct catchment. A critical project need from the technical teams perspective is the implementation of a robust, resourced and consistent engagement framework, to ensure clear and respectful project steering.

5.6 CLIMATE RESPONSE AND RESILIENCE CONSIDERATIONS

WHAIWHAKAARO-AA-TAIAO

The WWTP upgrade and discharge design will fully accommodate climate response and resilience matters, as part of engineering best practice. A critical consideration for the 35-year consenting horizon is the increased frequency of weather events and the likelihood of increasingly dry summers. Proposed upgrades will be designed to cater for higher flows, water remains an increasingly precious resource.

5.7 RISKS

TUURARU

Engagement and Communication:

By way of the WSL and WDC contract, work streams which co-ordinate interface with the community and key partners is to be managed by WDC representatives to maintain and enhance this relationship. Best practice for consenting projects would have a engagement and communication strategy in place, with the strategy to then delivered by appropriate staff in their corresponding roles (or outside experts contracted to deliver these outcomes).

Such a strategy yet to be developed where it could be beneficial now to have an internal workshop in the first instance to clarify consenting needs and critical inputs into technical work as shown within Image 5.

6. Next steps

Ahu whakamua

Continued support to the technical progress being made, to secure the best practical discharge solution.

7. CONFIRMATION OF STATUTORY COMPLIANCE

TE WHAKATUUTURUTANGA AA-TURE

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and the Governance Boards Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section Error! Reference source not found.</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 0</i>).	Confirmed
The report considers the impact on Maori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed 2021-31 LTP
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

8. Attachments Ngaa taapirihanga

PART A – First Package of Project Works		
Task	Description	
1	Flow Projection Review	Beca
2	Catchment Analysis	Beca
3	Land application feasibility investigation	Beca/ Specialists
4	Waikato River Water Quality Assessment	Beca
5	Alternative surface water discharge investigation	Beca/ Specialists
6	Policy Briefing	Beca
7	Technical support stakeholder and mana whenua engagement	Beca
8	Project Management – Technical Advice	Beca
9	Long List Optioneering	Beca
10	High level conveyance options short list	Beca
11	Deep bore injection – high level feasibility study	Beca
PART B - Second Package of Project Works		
12	Short List Optioneering & Best Practical Option (BPO) determination	Beca
14	Compete Remainder of AEE (The 'Application')	Beca/ Specialists
15	Legal Review AEE then Lodgement	Specialists
16	Post-lodgement Activities	Beca/Specialists
17	Development of suggested resource consent conditions	Beca
18	Respond to s92 Request for Further Information	Beca/Specialists
18	Preparation for Hearing/ Hearing/ Legal Services	Beca/ Specialists

Image 1: Broad brush description of necessary engagement packages, where full procurement certainty (time/cost/deliverable) needs determination at the onset of a project. Blue lines have contracts in place, as they involve critical initial work which is underway.

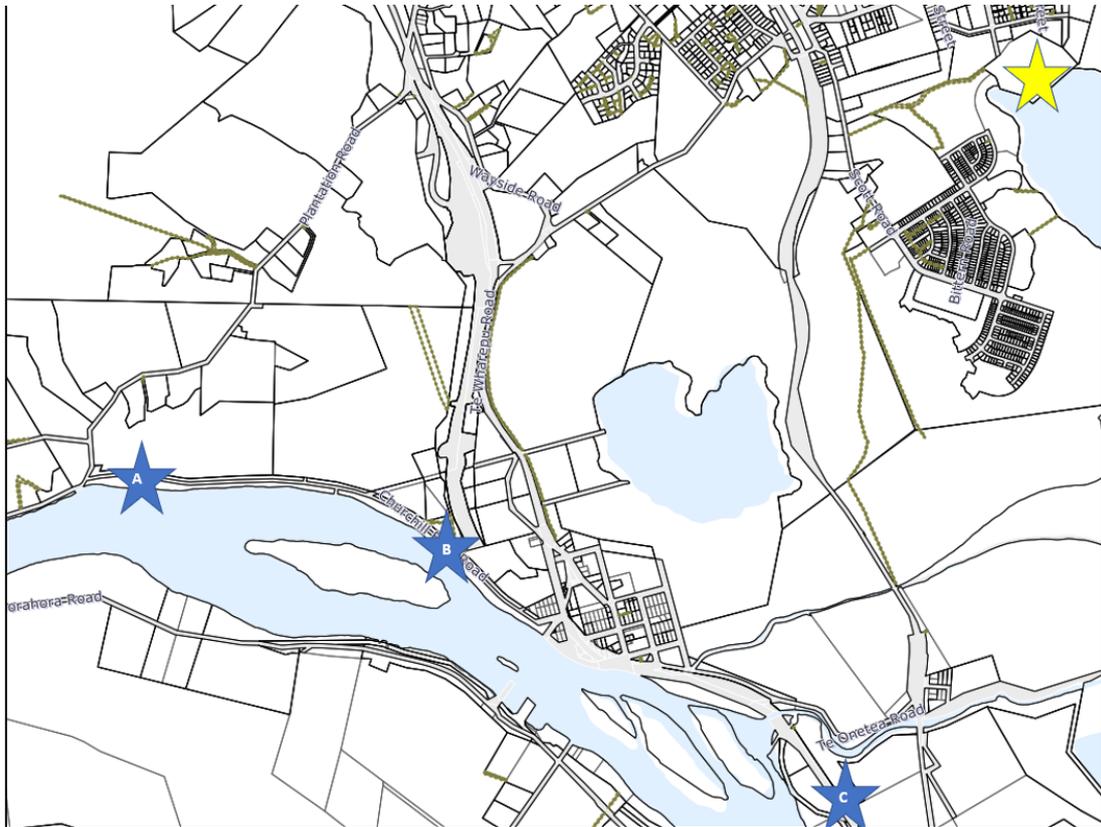


Image 2: River Hub locations that are based on prior consent optioneering. Sites have been identified as primary alternative discharge locations deserving fast tracked investigation.

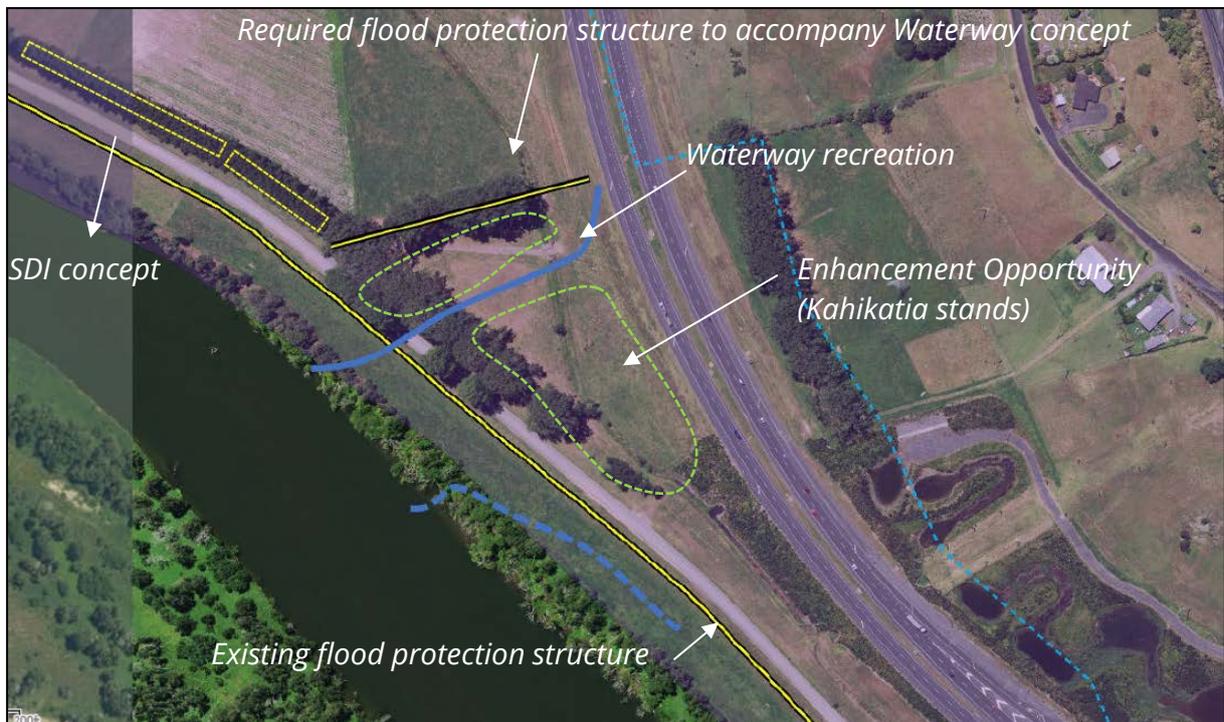


Image 3 Water Hub B: Sites are both WRC and NZTA owned (public lands)

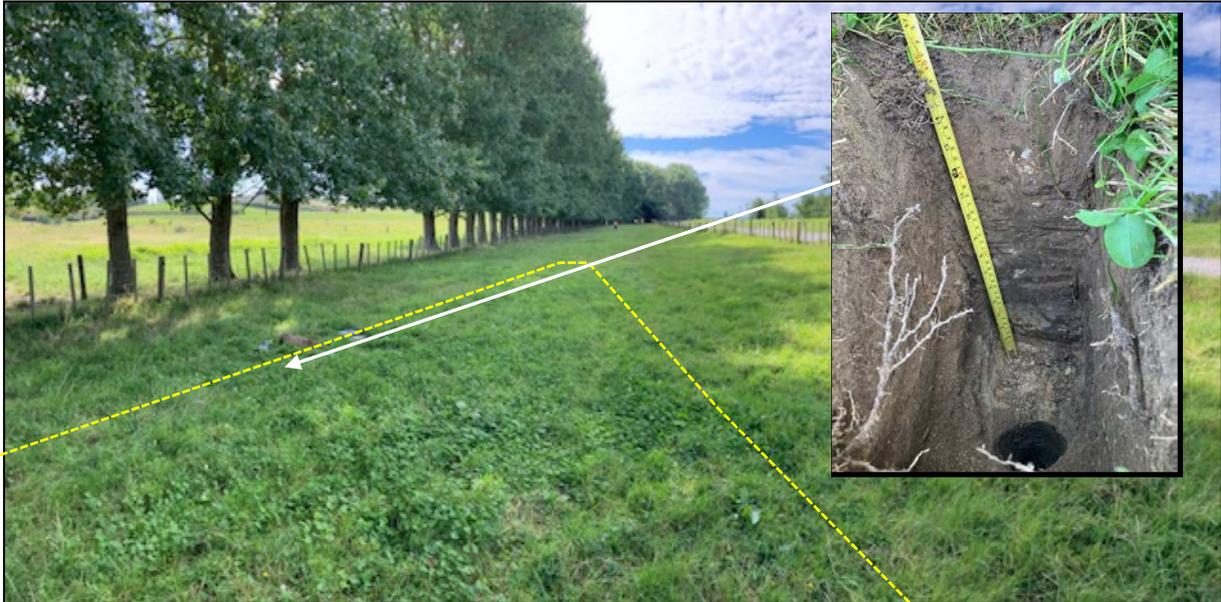


Image 4: Water Hub B: SDI concept within Public Land (WRC) River sands sit 70-80cm from surface, where any design would irrigating to this interface. Ground water direction confirmation would be a necessary next step.

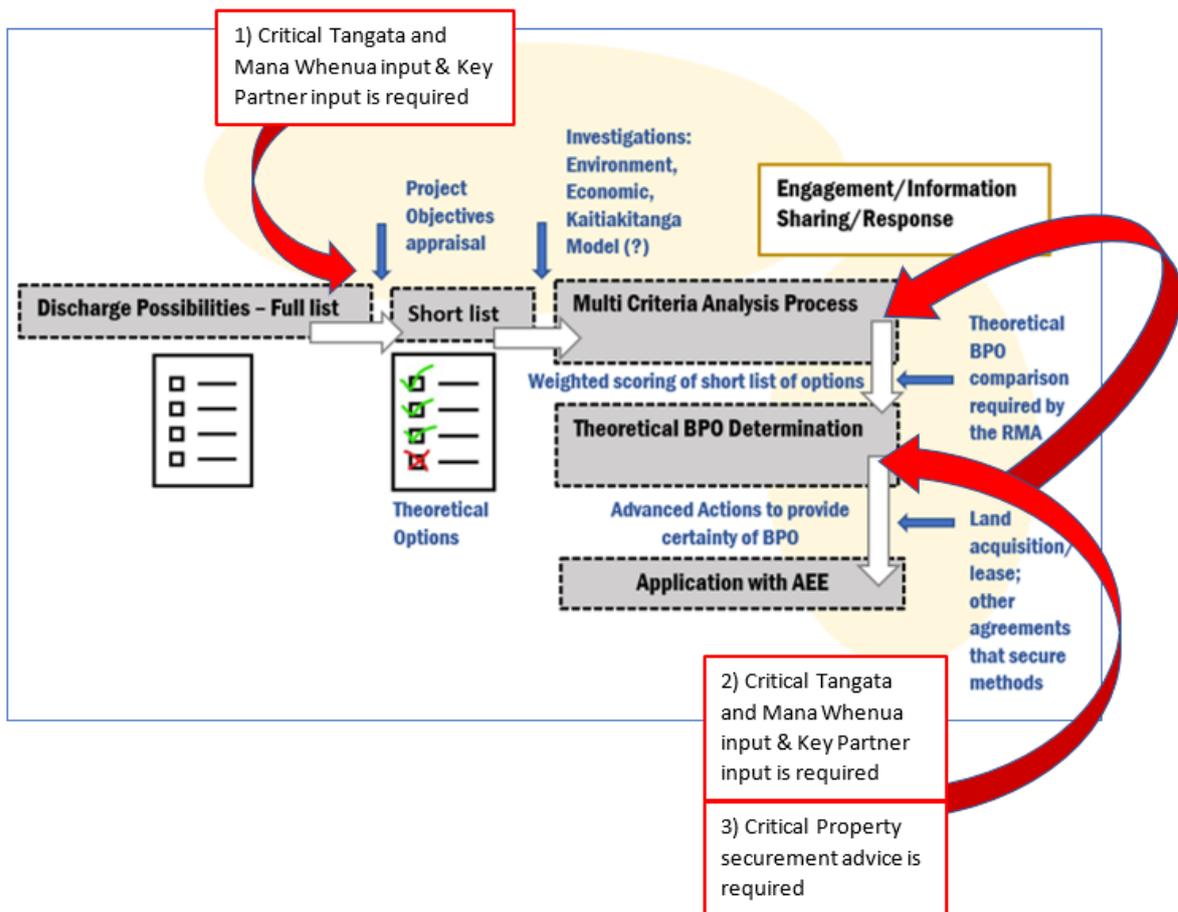


Image 5: Flow diagram of necessary consenting steps with emphasis on partner input and property securement stages.

1: What are the discharge options for the TK wastewater treatment plant? What are the pros and cons of each?

Known options (without any fatal flaw analysis) include:

- *Point Source: Existing discharge, New point source discharge (Lake discharge alternative – including wetland, Awa)*
- *Land-based discharge (Awa catchment, wider catchment avoiding lake periphery) differing options include surface/subsurface/highrate/slowrate)*
- *Discharge to free flowing option within an area of stream recreation*
- *Deep Bore ReInjection*
- *Others . The Project is at the onset of technical investigation where option reporting is still to be completed. Such reporting may identify other discharge scenarios*

The pros and cons of each will be analysed through either the initial long list to short list refinement activity (see Image 5 above which shows application stages), then the Multi Criteria Analysis (MCA) exercise – determined by weighted scoring of short list options. Reports will be prepared that will be suitable for any discharge consent application.

2: What is the estimated capex and opex costs of any discharge option?

This is delivered as part of the MCA exercise of short listed options. It is a criteria that inputs into Best Practical Option (discharge) selection (BPO), where a focused costing report is prepared to inform this.

3. What is the risk to the environment as a result of each discharge option?

Assessment of Environmental Effects (AEE) for the shortlisted options, with focus on the final BPO will be submitted within application, then assessed under s104 RMA. The AEE will at least include baseline evaluation of existing discharge, contaminant modelling for any discharge through to water or land

4. What will be the ease of implementation of any discharge solution?

The MCA exercise encompasses this. MCA criteria include implementation ease. A prime consideration is the ability to secure necessary lands or easements needed for implementation. This certainty is needed for any non-fanciful BPO

5. How will there assurance that any discharge solution will be in alignment with Mātauranga Māori?

Such an understanding can only be achieved through effective engagement. It is clear that undertaking this in any satisfactory manner will be via:

- a. an approach agreed by (i) WDC & (ii) Tangata and Mana Whenua, where this should be achieved through a;*
- b. WDC led process as required by the WSL/WDC contract and emphasised by the WGB A WDC Engagement Plan will be needed as a complimentary strategy to technical investigations to be undertaken*

Image 6: FAQ's intended to increase understanding of necessary consenting steps prescribed by the RMA, and illustrated diagrammatically within I

To	Waters Governance Board
Report title	Exclusion of the Public
Date:	Thursday, 19 January 2023
Report Author:	Elizabeth Saunders, Democracy Advisor
Authorised by:	Gaylene Kanawa, Democracy Manager

1. Staff recommendations

Tuutohu-aa-kaimahi

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
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 31 December 2022		
Item PEX 3.2 Raglan Wastewater Treatment Plant Consent Application Preparation Project		
Item PEX 3.3 Huntly Water Supply Reticulation Upgrades		

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 3.4 Network Renewals Programme 2021 – 2024	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item PEX 3.5 Capital Project Delivery Update		

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 Item number PEX 2 Action Register	Refer to the previous Public Excluded reason in the agenda for this meeting.	
Item PEX 3.1 Waters Financial Results to 31 December 2022	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.
Item PEX 3.2 Raglan Wastewater Treatment Plant Consent Application Preparation Project	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.
	48 (1)(d)	To enable deliberations in private on a decision or recommendation in any applicable proceeding

<p>Item PEX 3.3 Huntly Water Supply Reticulation Upgrades</p>	<p>7(2)(b)(ii)</p> <p>7(2)(h)</p> <p>7(2)(j)</p>	<p>To protect information that would otherwise unreasonably prejudice a person's commercial position.</p> <p>To enable commercial activities to be carried out without prejudice or disadvantage.</p> <p>To prevent use of the information for improper gain or advantage</p>
<p>Item PEX 3.4 Network Renewals Programme 2021 - 2024</p>	<p>7(2)(b)(ii)</p> <p>7(2)(h)</p> <p>7(2)(j)</p>	<p>To protect information that would otherwise unreasonably prejudice a person's commercial position.</p> <p>To enable commercial activities to be carried out without prejudice or disadvantage.</p> <p>To prevent use of the information for improper gain or advantage</p>
<p>Item PEX 3.5 Capital Project Delivery Update</p>	<p>7(2)(b)(ii)</p> <p>7(2)(h)</p> <p>7(2)(j)</p>	<p>To protect information that would otherwise unreasonably prejudice a person's commercial position.</p> <p>To enable commercial activities to be carried out without prejudice or disadvantage.</p> <p>To prevent use of the information for improper gain or advantage</p>

2. Attachments

There are no attachments for this report.
