

- A moratorium had been placed in Hamilton around water provision for any additional wet industry.
- Next steps were to complete the strategic business case, input into the spatial planning projects and to complete Phase Two, subject to funding.

Resolved: (Mr Dibley/Mr Wright)

THAT the report from the Chief Executive be received.

CARRIED on the voices

WGBI908/03

The meeting adjourned at 9.53am and resumed at 11.37am.

Mobilisation Plan
Agenda Item 5.2

The report was taken as read by the General Manager Service Delivery who highlighted, and responded to questions on, the following issues:

- The risk of determining staff numbers retained in this area.
- Future Board meetings would focus on a structured agenda to ensure appropriate provision for proper governance oversight over transition periods.
- In addition, reports are also expected on managing affordability on water charging for vulnerable people in the community and on giving effect to the roles and responsibilities of the Board.

Resolved: (Mr Wright/Mr Dibley)

THAT the report from the General Manager Service Delivery be received.

CARRIED on the voices

WGBI908/04

EXCLUSION OF THE PUBLIC

Agenda Item 6

Resolved: (Ms Schaafhausen/Mr Wright)

THAT the report from the Chief Executive be received;

AND THAT the public be excluded from the meeting to enable the Waters Governance Board to deliberate and make decisions on the following items of business:

Confirmation of Minutes dated Wednesday 24 July 2019

REPORTS

a. Watercare Contract Approval Confirmation

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under:

Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(i)
Section 7(2)(j)

Section 48(1)(a)

b. Te Kauwhata Water Association Water Supply Network

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under:

Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(b)(i) and (ii)
Section 7(2)(i)

Section 48(1)(a)

CARRIED on the voices

WGB1908/05

Resolutions WGB1908/06 – WGB1908/09 are contained in the public excluded section of these minutes.

Having resumed the Open Meeting the following item was discussed.

Scheduling for Future Meetings

Add.Item

Discussion was held on scheduling a meeting date in December and it was agreed that it be held on Monday 16 December 2019 at 12.30pm.

ACTION: Agenda item for the next meeting: Scheduling of Meeting Dates for 2020.

There being no further business the meeting was declared closed at 12.52pm.

Minutes approved and confirmed this

day of September 2019.

Rukumoana Schaafhausen
CHAIRPERSON

Open Meeting

To	Waters Governance Board
From	Ian Cathcart General Manager Service Delivery
Date	18 September 2019
Chief Executive Approved	Y
Reference #	WGB2019
Report Title	Risk Register Update

1. EXECUTIVE SUMMARY

This report is to give the Board an update on the risk register following contract signing. The report reflects a significant reduction in the number of risks but vigilance will be maintained up to and past the 1 October start date.

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received.

3. DISCUSSION

The paper covers the update of the shared risk register following the signing of the contract and the mobilisation activities undertaken to 6 September 2019. There are 31 risks that have been closed. 46 risks remain open of which four are rated at a 5 and six are rated at a 4. These are shown in the tables attached. These will be raised with stream leads and reviewed at the weekly meeting with Watercare.

The development of Operations Mandates will also serve to reduce risk as processes and procedures are put in place to formally manage the risk. A further update is underway to capture all risks identified during the negotiation and transition to date. A meeting is planned with the Watercare Risk Manager to ensure the risks are being discussed and managed. A Risk Management Plan is to be presented by Watercare to WDC as part of the Transition Conditions. This joint risk register will form part of that initial plan which is to be presented on a quarterly basis to the WGB.

4. CONCLUSION

Significant progress has been made to close off risks associated with uncertainty surrounding signing of the contract and the movement of staff to Watercare. With these now closed the team can move to manage pressing operational risks as outlined in the tables.

5. ATTACHMENTS

- Risk Tables

WAIKATO WATER RISKS REGISTER

#	Date Logged	Status	Stream	Owner	Event	Effect	Mitigation	Likelihood (1 Very Low to 5 Very High)	Consequence (1 Very Low to 5 Very High)	Risk Rating	Date Complete
R11	19/02/2019	Open	Procurement	WSL	Procurement savings in business case over estimated and contract investigation shows savings will not be met	Planned price path not achieved leading to stakeholder dissatisfaction	Get clarity on true costs as soon as possible Review savings modelling for accuracy	3	5		
R45		Open	Assets	WDC	Development Agreements are not put in place in a timely manner	This can result in delays with growth in the district through unavailable infrastructure and disgruntled developers. If consent has been issued for property development but infrastructure is not in place, progress will stall and may cause financial hardship to property owners and reputational risk to Council. Worst case, it can entirely derail the developers' project causing financial loss for both the developer and any prospective property owner who may have paid a deposit. Potential for rework or Council funded works where not adequately covered in a Development Agreement.	Recent restructuring of council has put focus resource to creating and closing off development agreement discussions and continuing active dialogue with developers. Ensuring resource consent is not granted prior to adequate capacity being available. Watercare are currently being briefed on outstanding Development Agreements to be involved in the process early, provide further expertise and assist with.	5	4		
R70	4/10/2018	Open	Finance	WDC	Housing Infrastructure Fund (HIF). Loose access to the interest free element of HIF.	Financial loss and ability to afford capital works compromised	Need a dedicated person to manage. Wider education to staff across the business URGENT REVIEW NEEDED	5	4		
R78	25/02/2019	Open	Finance	Joint	Costs blow out and are different significantly from LTP (inter related with Risk 11)	Revenue not sufficient and price of water increases out of control	Ensuring that the WGB controls price and WSL control costs. Open book basis and fair and reasonable return principle will control this risk. The LOS priced in the LTP must be adhered to rather than an inflated LOS which is not concomitantly funded by the LTP	3	5		



WAIKATO WATER RISKS REGISTER



#	Date Logged	Status	Stream	Owner	Event	Effect	Mitigation	Likelihood (1 Very Low to 5 Very High)	Consequence (1 Very Low to 5 Very High)	Risk Rating	Date Complete
R25	19/02/2019	Open	Assets	Joint	Asset condition not agreed	Contract delay Service price kills the deal	Shared development of asset condition score Shared development of asset condition methodology. Schedule 10 covers asset condition scoring. This is to be covered in transition period and agreed ahead of building a new AMP.	2	5	4	
R29	25/06/2018	Open	Assets	Joint	Disjoint between WDC Consents Planners/District Planners and WSL Planning	Increased timeframes to respond, financial consequence that WSL cannot meet pricepath, infrastructure may not be provided at the right times	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.	4	4	4	
R39	25/06/2018	Open	Assets		Delivery of Smart Water compromised		Consider in the transition plan.	4	3	4	
R80	25/02/2019	Open	Assets		Drinking water quality gets worse	Public Health risk. Non - Compliance risk with DWS	Retention of trained staff members. Continue with renewal schedules as planned. Asset remediation plan is to be confirmed ahead of transition period. WDC has made funds available to enable immediate focus on critical risk items (safety, abatement notices at WWTP and drinking water quality improvements) The risk management approach is embedded in Clause 28. A risk management plan has to be provided to WDC by 1 October 2019.	2	5	4	
R90	23/05/19	Open	Commercial	WSL	WSL consultation with Auckland	Consultation required by WSL specific to s137 LGA mean that there is uncertainty of the outcome. Depending on outcome, it could result in WSL being unable to proceed to the Operational Phase of the contract and/or result in termination at the end of the Transition Period which would leave WDC in a compromised position.	Early consultation to determine impact and structure contract to allow for this. No need to consult as the contract is not material to AC. Some consultation expected as per 18.2(b) on WSL contracting direct to customers. AND 8.2 (a) and(b) requires consultation by both parties to move to the Operational Period.	2	5	4	
R91	8/09/2019	Open	Project Gov	WDC	Dedicated time inadequate to actively pursue all necessary project management responsibilities due to Project Manager being pulled into BAU tasks	Readiness for 1 October go live compromised	General admin support for Project Mgr discussed, Finance and Reporting Team Leader to look for available support. Stream Leads (or Stream Lead backup where Stream Lead unavailable) to take full responsibility for their areas	4	3	4	

		Consequence				
		1	2	3	4	5
Likelihood	5	2	3	4	5	5
	4	2	3	4	4	5
	3	2	2	3	3	5
	2	1	2	3	3	4
	1	1	2	2	3	4
Likelihood	5	Very High	Almost Certain			
	4	High	Likely			
	3	Neutral	Possible			
	2	Low	Unlikely			
	1	Very Low	Rare			
Consequence	5	Very High	Catastrophic			
	4	High	Major			
	3	Neutral	Moderate			
	2	Low	Minor			
	1	Very Low	Insignificant			

Open Meeting

To	Waters Governance Board
From	Ian Cathcart General Manager Service Delivery
Date	18 September 2019
Chief Executive Approved	Y
Reference #	WGB2019
Report Title	Communications and Relationship Matrix

1. EXECUTIVE SUMMARY

This report is to give the Board an update on the process for how Watercare and Waikato District Council will work together and develop the business relationship going forward. There are multi levels of interaction and these are being developed as the team move towards the Transition Period.

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received.

3. DISCUSSION

The paper covers several items:

1. Multi level relationships
2. Operations Mandates
3. Joint Charter
4. WDC Transition team

Multi level relationships:

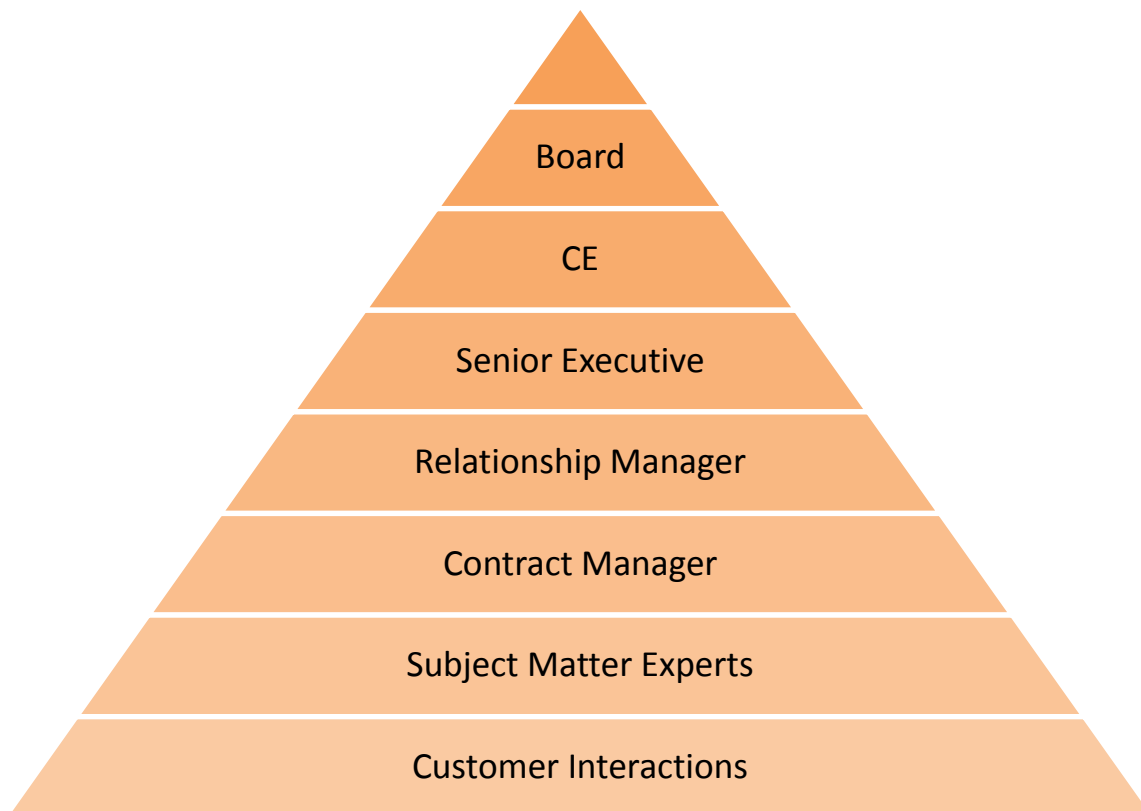
Clause 23 of the contract details Relationship Management and the key points are:

- Relationship Managers will be responsible for the delivery of performance objectives under this agreement and be the initial point of contact for issues arising out of or in relation to this agreement.
- Relationship Managers will meet no less than quarterly.
- Growth forum will meet to discuss timely provision of services (quarterly).

The escalation level indicates the structure for more formal dispute resolution but this is a useful insight into levels of discussion that need to occur more regularly to ensure the partnership works.

Escalation Level	WDC	Watercare
1	Relationship Manager	Relationship Manager
2	Chief Executive Officer	Chief Executive Officer
3	Chairperson (WGB)	Chairperson

This can be complimented as follows:



At each of the levels the below indicates interactions:

Board Level:

Annual governance meetings are required under Clause 25.1.

Annual Governance Meetings: Unless agreed otherwise, the parties will hold joint annual governance meetings on the first, second, and third anniversaries of the Transition Start Date (**Governance Meetings**)....

It is planned that these are to be between the boards to ensure common alignment and delivery against the objectives of both parties in the early years of the contract.

CE:

The Chief Executives will interact as required.

Senior Executive:

This is the exchange between WDC Executive Leadership Team and Watercare Executive team pertaining to such strategic areas as progress and delivery of the contract, the growth forum and development of the Long Term Plan. Ian Cathcart GM Service Delivery will interact with Watercare's Chief Operating Officer Shane Morgan.

Relationship Manager:

The WDC Relationship Manager will be responsible for the delivery of performance objectives under the agreement and, be the initial point of contact for issues arising out of or in relation to the agreement.

Contract Manager:

Watercare have appointed a Waters Business Manager Waikato District to lead their local Waikato business. This role may fulfil the Relationship Manager role for Watercare but this remains to be determined.

Subject Matter Experts (SMEs):

The SMEs will be in the fields of Land Development, Finance, Reporting, Communications, Asset Management and Zero Harm. Focus on Iwi liaison would logically fit here too with engagement around, and delivery of, the Social Action Plan as a prime objective.

Customer Interactions:

The Lead Customer Care Representative at Watercare will link with the WDC customer call centre.

Operations Mandates:

To support the way the parties engage there are several Operations Mandates that will be written jointly and will articulate how things are done. On critical or complex interactions there needs to be common understanding of who does what so the experience to our customers is of the highest quality. The Operations Mandates that define those rules are as below:

Communications
Managing Growth
Management of Strategic Resource Consents
Managing Developments and Subdivisions
Contact centre and billing protocols
Development Contributions and enabling growth infrastructure
Vesting and decommissioning assets
Recharges between the parties

These are currently under development and will be in draft form by 1 October and go through improvement in the early months of the Transition Period.

The Joint Charter:

The parties have agreed some guiding principles and a charter, developed by staff, is as below:

We will...

- Be responsive to all customers, keep our customers at the heart of what we do, provide value for our customers, do what we say we'll do, offer best solutions, be proactive not reactive, do things for the greater good
- Go home safe, recognise our people are our greatest asset, treat each other as equals, challenge positively, focus on what's right not who's right, follow the charter
- Have a problem solving focus, be open to innovation, have a future-proof mind set, work collaboratively, get shit done (make it happen), champion environmental stewardship, provide industry leadership
- Be transparent, be accountable, act with integrity, be open and forthcoming, be mindful and considerate, do it right, meet our commitments, do things for the greater good.

Purpose:

- Offer employment opportunities, provide a safe community, be connected with the community, deliver safe water, have reliable assets
- Work in partnership, drive innovation, be world class, improve the environment, be an industry role model
- Keep our staff safe, transparent between parties, have common goals, are engaged, are energetic, leverage Watercare skills and expertise
- Be transparent to customers, give quality service, fair and equitable, provide efficiency, deliver a seamless experience, we do it right
- Growing our community and ourselves: Improve the economy, manage growth

The charter will require further enhancement and endorsement as we enter the transition period. A copy of what has been developed so far is included in Appendix I.

WDC Transition Team:

Up until 1 October the project team are in regular contact with the Watercare Contract Manager and team. The contract manager and project manager are in the same office for significant parts of the week. The stream leads continue to work in tandem with Watercare to ensure a smooth move across to Watercare.

The Project Manager will remain full time on the project until 31 October then continue 50% ceasing at the end of November. The Project Business Owner will remain offline from his General Manager role until the end of November and is flexible to steadily transition earlier as the Relationship Manager role is developed.

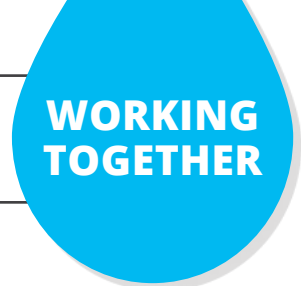
4. CONCLUSION

The relationships are developing and the structure is forming. The focus has been on staff, assets and systems for the 1 October start date. Communications are regular and focused on the mobilisation.

5. ATTACHMENTS

- Appendix I - Partnering Charter Declaration for Waikato District Council and Watercare

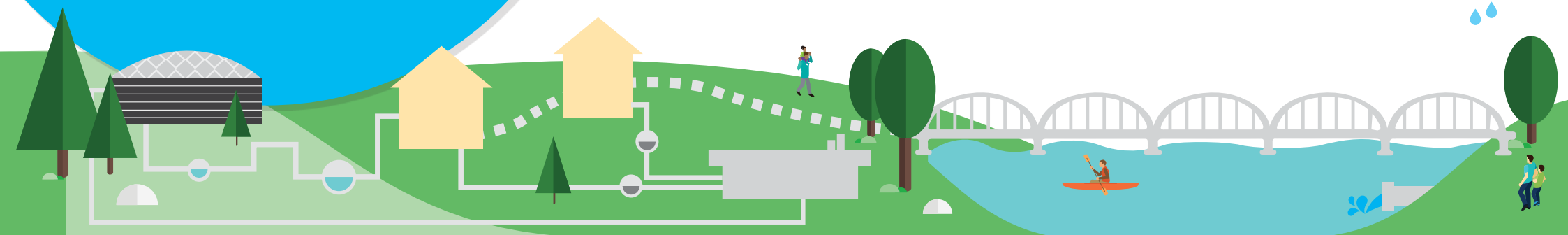
PARTNERING CHARTER DECLARATION FOR WAIKATO DISTRICT COUNCIL & WATERCARE



KEEPING OUR PEOPLE AND CUSTOMERS AT THE HEART OF WHAT WE DO

What we value

- Doing it right
- Acting with integrity
- Being transparent
- Having open and authentic communication
- Using common sense



Customers

- We'll:
- do what we say we'll do
 - provide value and quality service
 - be proactive, not reactive
 - deliver a seamless experience



Our People

- We'll:
- get stuff done
 - make sure our people go home safe
 - recognise people are our greatest asset
 - focus on what's right not who's right
 - make sure we're all engaged and have common goals
 - leverage Watercare skills



Community

- We'll:
- connect with the community
 - improve the economy
 - offer local employment
 - keep the community informed



Innovation

- We'll:
- drive community-focused innovation
 - manage growth
 - proactively deliver sustainable solutions



Partnership

- We'll:
- work collaboratively across both organisations
 - involve the community where possible
 - become an industry role model



Assets

- We'll:
- deliver safe water
 - dispose wastewater safely
 - operate reliable assets

Watercare



Open Meeting

To	Waters Governance Board
From	Ian Cathcart General Manager Service Delivery
Date	9 September 2019
Prepared by	Carole Nutt Project Manager – Watercare Transition
Chief Executive Approved	Y
Reference #	WGB
Report Title	2020 Schedule of Meetings

I. EXECUTIVE SUMMARY

The purpose of this report is to seek the Board's approval to a proposed schedule of Board meetings for 2020.

It is suggested that the Board meets towards the end of each month to ensure that the requisite reporting can be completed and presented to the Board as contemplated in the Watercare Contract.

It is proposed to meet monthly from 9.30am to 12.30pm on the following dates:

- No meeting in January
- 27 February
- 26 March
- 23 April
- 21 May
- 25 June
- 23 July
- 27 August
- 24 September
- 22 October
- 26 November
- 17 December

Once approved, Council staff will arrange for meeting invitations to be circulated to Board members and other stakeholders.

2. RECOMMENDATION

THAT the report from the **General Manager Service Deliver** be received;

AND THAT the **Waters Governance Board** approves the schedule of **Board** meetings for **2020**, as set out in the staff report.

3. ATTACHMENTS

Nil.

Open Meeting

To	Water Governance Board
From	Gavin Ion Chief Executive
Date	9 September 2019
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference	GOV1301
Report Title	Exclusion of the Public

I. EXECUTIVE SUMMARY

To exclude the public from the whole or part of the proceedings of the meeting to enable the Board to deliberate and make decisions in private on public excluded items.

2. RECOMMENDATION

THAT the report of the Chief Executive be received;

AND THAT the public be excluded from the meeting to enable the Board to deliberate and make decisions on the following items of business:

Confirmation of Minutes dated 29 August 2019

REPORTS

a. Te Kauwhata Water Supply Network – Verbal Report

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: **Ground(s) under section 48(1) for the passing of this resolution is:**

**Section 7(2)(b)(i),(ii)
Section 7(2)(i)**

Section 48(1)(a)

3. ATTACHMENTS

Nil