

Open Meeting

To	Waters Governance Board
From	Gavin J Ion Chief Executive
Date	6 April 2020
Prepared by	Vishal Ramduny Strategic Projects Manager
Chief Executive Approved	Y
DWS Document Set #	GOV1318 / 2604620
Report Title	Hamilton Waikato Metropolitan Area Wastewater Project

I. EXECUTIVE SUMMARY

The purpose of this report is to:

- a. Update the Waters Governance Board on progress with regards to the Hamilton-Waikato Metropolitan Area Wastewater Investigations and
- b. Recommend to the Waters Governance Board actions necessary to deliver detailed business cases for Hamilton-Waikato Metropolitan Area Wastewater Treatment solutions with local government, iwi and mana whenua partners.

Technical investigations completed as part of the Waikato Sub-Regional Three Waters project and the Cambridge Wastewater Project have identified centralised wastewater treatment facilities as viable options to meet the needs of existing and future settlements within the Hamilton-Waikato Metropolitan Area (“Metropolitan Area”).

Delivering detailed business cases (DBC) using the New Zealand Treasury Better Business Case Model is recommended to identify the preferred Hamilton metropolitan area wastewater servicing solutions for implementation.

The estimated cost to deliver the DBCs for both the northern and southern metropolitan areas (assuming they are completed in close succession) is \$2,100,000 (excluding GST). The estimated cost to deliver a DBC for the southern metropolitan area only is \$1,300,000 (excluding GST).

Cost sharing with project partners (i.e. Hamilton City Council and Waipa District Council) is proposed to fund the DBCs.

Staff are presently engaged in discussions on the most appropriate cost-share contributions but it is expected that Hamilton City Council and Waipa District Council will fund the bulk of the southern metropolitan wastewater DBC. Hamilton City Council will be considering a 50% funding contribution (approximately \$660,000) to support the southern metropolitan area DBC subject the remaining 50% being funded by partners. Waipa District Council has confirmed a financial commitment of up to 50% of the cost of the southern metropolitan area DBC or 25% of the cost of the overall metropolitan area DBC (approximately \$660,000).

Discussions are continuing with Waikato District Council as to how and when it can be a funding partner for these projects.

The Waters Governance Board is being asked to consider giving delegated authority to the Chief Executive of the Waikato District Council to determine the timing of the detailed business case for the northern metropolitan wastewater solution and a funding plan for that work.

A dedicated governance and delivery structure is required to oversee the project. The proposed structure and associated Term of Reference (ToR) for the project have been developed collaboratively with partners (Attachment I).

The ToR sets out the context (including rationale for stand-alone governance), scope, objectives, responsibilities, and membership of each group within the structure and the reporting lines and linkages back to the respective organisations and Future Proof.

Key principles used to develop the structure and terms of reference include:

- Replicating the Future Proof structure and levels where appropriate i.e. elected member / director level governance; executive level advisory; project delivery layers.
- Including the relevant sub-set of Future Proof members and where possible, maintaining common membership between Future Proof Committees and the project committees.
- Providing for equal local government/iwi-mana whenua representation at each level.

Following discussions with the Chair of the Waters Governance Board, Board Member Garth Dibley has been recommended as the Waikato District Council representative on the Hamilton-Waikato Metropolitan Area WasteWater Project Governance Group.

Due to the size of the Board, it is difficult to suggest an alternate bearing in mind workloads and commitments. As a result, the Deputy Mayor, Aksel Bech has been recommended as the Alternate.

The Chief Executive is also on the staff steering group.

The main project deliverables are a northern metropolitan area DBC and a southern metropolitan area DBC for strategic wastewater treatment facilities for the Hamilton-Waikato Metropolitan Area. However, the structure and terms of reference could be adapted to oversee implementation of the preferred wastewater servicing solutions in the future.

2. RECOMMENDATION

THAT the report from the Chief Executive be received;

AND THAT the Waters Governance Board delegate authority to the Chief Executive to work out cost-share funding commitments with Hamilton City Council and Waipa District Council to deliver the detailed business cases for the northern metropolitan area wastewater solution and the southern metropolitan area wastewater solution and report back to the Board;

AND FURTHER THAT the Waters Governance Board note that the detailed business case for the southern metropolitan wastewater solution would commence first due to the urgency associated with the Cambridge Wastewater Treatment Plant short term consenting project;

AND FURTHER THAT the Waters Governance Board delegate authority to the Council Chief Executive to determine the timing of the detailed business case for the northern metropolitan wastewater solution and a funding plan for that work and report back to the Board;

AND FURTHER THAT the Waters Governance Board endorses the governance structure and roles and responsibilities described in the Draft Hamilton-Waikato Metropolitan Wastewater Project Terms of Reference (as attached to the staff report);

AND FURTHER THAT the Waters Governance Board confirms Board Member, Garth Dibley, as the Waikato District Council representative on the Hamilton-Waikato Metropolitan Area Wastewater Project Governance Group;

AND FURTHER THAT the Waters Governance Board delegate authority to Mr Dibley to approve the Terms of Reference upon establishment of the governance group and including amendments resulting from feedback from other partners;

3. BACKGROUND

Waikato Sub-Regional Three Waters Project

Waikato District Council's Elected Members have been briefed and updated on the Waikato Sub-Regional Three Waters project (Sub-Regional 3-Waters Project) regularly since early 2019 as this is one of the key projects of the Hamilton to Auckland Corridor Initiative. The Sub-Regional 3-Waters Project is a collaborative project being delivered through the Future Proof Partnership. The project is being delivered in 3 phases:

- i. Phase 1: Strategic Business Case, agreed vision and objectives, technical investigations, agreed evaluative methodology, master planning design sprint.
- ii. Phase 2: Programme Business Case including full technical study, community engagement and alignment with 2021 – 2031 Long Term Plans.

- iii. Phase 3: Implementation of candidate projects and delivery of priority projects funded through LTPs and other funding mechanisms (e.g. new government funding tools).

Phase 1 of the Sub-Regional 3-Waters Project is largely complete, and Phase 2 has commenced. The key deliverable for Phase 2 will be a programme business case (PBC) that identifies key 3-waters projects and activities necessary to achieve the agreed programme objectives, including delivering ‘best for river’ outcomes. The PBC will build on the strategic case delivered in Phase 1.

The strategic case provides the foundation for development of 3-waters infrastructure solutions for the Waikato Sub-region founded on its overarching vision, which is:

Tooku awa koiora me oona pikonga he kura tangihia o te maataamuri - “The river of life, each curve more beautiful than the last” - a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come.

Hamilton-Waikato Metropolitan Area Wastewater Assessment

Considerable effort has been put into completing a high-level assessment of wastewater servicing options for the Hamilton metropolitan area as part of the Sub-Regional 3-Waters Project Phase 2 activities.

Consideration of wastewater solutions for the metropolitan area has been accelerated ahead of other technical work required for the Sub-Regional 3-Waters Project to inform the Cambridge wastewater short-term consenting project and to support Waipa District Council to progress a long-term solution for the Cambridge wastewater management with urgency.

This high-level wastewater assessment was a necessary pre-cursor to determine whether the concept of centralised wastewater treatment facilities warranted further detailed consideration at a project level.

The assessment is complete and concluded that centralised wastewater treatment facilities involving two metropolitan wastewater facilities (i.e. a northern (existing Pukete site) and southern (new site) centralised facilities) is the preferred servicing concept for the Hamilton metropolitan area and should be considered further.

This conclusion has been endorsed by the Future Proof Water Policy Group (6 April 2020 meeting) along with the recommendation that this option should be taken forward to detailed business case (DBC) stage. These recommendations were also noted by the Future Proof Implementation Committee (21 April 2020 meeting).

Cambridge Wastewater Project Indicative Business Case

The investment decisions associated with the Cambridge Wastewater Treatment Plant are directly linked to the Sub-Regional 3-Waters Project and the Hamilton metropolitan area wastewater assessment.

Waipa District Council has identified a southern metro centralised wastewater facility as one of the three short-listed options that it will consider as part of the long-term consenting process for Cambridge¹.

Waipa District Council has directed its staff to undertake a detailed business case process to determine the most feasible option for Cambridge to be implemented, long term. Identification of the preferred solution and a clear implementation plan for that solution must be completed by December 2020.

This target date aligns with Waipa District Council short-term consent application for Cambridge wastewater discharge and seeks to support a long-term solution for Cambridge being delivered within an acceptable timeframe.

Serious consideration of a centralised facility requires partnership between local authorities, not only to fund investigations but ultimately to invest in building, operating and maintaining facility. Waipa District Council could not feasibly pursue or implement this option alone and is seeking a partnership approach and co-funding to investigate a southern centralised wastewater solution due to the possible benefits for a catchment area that includes southern Hamilton and southern Waikato district.

Hamilton-Waikato Metropolitan Area Wastewater Detailed Business Case (DBC) Project

Project Governance, Terms of Reference and Representation

Both the Metropolitan Area High Level Wastewater Assessment and the Cambridge Wastewater Indicative Business Case identify centralised treatment facilities as solutions for the Hamilton metropolitan area that should be considered further. Both assessments recommend DBC processes to determine the preferred wastewater solutions to take forward for implementation.

Delivering shared centralised wastewater solutions will require new infrastructure delivery, funding and governance arrangements. As such, it is essential that appropriate levels of oversight, accountability and transparency are embedded into this project from the outset and maintained throughout.

To progress the Metropolitan Area Wastewater DBC Project Waikato District Council staff have worked collaboratively with Hamilton City Council, Waipa District Council and Waikato-Tainui to develop a project governance structure and associated Term of Reference (ToR). The ToR is included as Attachment I.

At a high level the ToR sets out:

- The scope of the project.
- Relevant context and background.

¹ The shortlisted options confirmed and endorsed by Waipa DC in December 2019 were:

1. Do Minimum option: Upgrade of Cambridge WWTP and offsetting
2. Option 1: New Cambridge WWTP (Biological Nutrient Removal (BNR) or Membrane Bioreactor (MBR) technology)
3. Option 2: Sub-regional (centralised) WWTP (Cambridge site or new site)

- The overall governance structure (including governance group and control group) objectives, roles and responsibilities, membership, meeting frequency and the reporting lines and linkages back to the respective organisations and Future Proof.
- The administrative arrangements to support the structure.
- Project director and project manager roles and responsibilities.

The proposed governance structure has adopted principles to support true partnership and alignment and cohesion with other Future Proof initiatives:

- Replicate the Future Proof structure and levels where appropriate i.e. elected member / director level governance; executive level advisory; project delivery layers.
- Include relevant sub-set of Future Proof members and where possible, common membership between Future Proof Committees and Project level committees (e.g. the Metropolitan area wastewater project) should be maintained.
- Regular reporting to the Future Proof Implementation Committee (FPIC) to ensure integration and alignment with other Future Proof initiatives.
- Provide for equal Local Government / Iwi – Mana Whenua representation at each level.
- Include non-municipal water or wastewater treatment plant owners where possible
- Co-opt membership or commission specialist advisors where there is a clear benefit.

The proposed Governance Group is made up of one member and one alternate from each respective organisation. The Governance Group will comprise of elected members/directors and mana whenua representatives.

At the time of writing Waipa District Council and Waikato Regional Council had confirmed their respective governance group members. Waikato District Council's representatives have been recommended in principle subject to approval by the Waters Governance Board:

- Waipa District Council – Jim Mylchreest (Mayor); Liz Stolwyk (Deputy Mayor).
- Waikato RC (observing members) - Russ Rimmington (Chair) and Kataraina Hodge (Deputy Chair).
- Waikato District Council (Recommended representatives subject to approval by the Waters Governance Board): Garth Dibley (Water Governance Board Member); Aksel Bech (Deputy Mayor).
- Hamilton City Council will be considering its representatives at its meeting at the end of May but staff will be recommending that the current Future Proof representatives for the Council are confirmed as the Governance Group member and alternate to provide consistency and alignment between other Future Proof Initiatives and this project.

The rationale for establishing the project governance structure is to enable the relevant local council partners, Iwi and Mana Whenua to drive delivery of the DBCs and take

ownership of the preferred wastewater solutions, in particular the investment needed to implement the preferred solution.

Project Scope, programme, costs and deliverables

The main project deliverables are DBCs for strategic wastewater treatment facilities for the Metropolitan Area. The DBCs will use the NZ Treasury Better Business Case Model to recommend and identify the preferred solutions for implementation.

A specialist team of consultants led by Price Waterhouse Cooper² (PWC) with technical (engineering, science, cost estimating and planning) support from GHD/BECA³ is proposed to deliver the southern metropolitan area DBC. PWC and BECA/GHD have provided proposals and indicative cost estimates through the Professional Services Panel procurement process to deliver DBCs for the both the northern and southern metropolitan areas.

Dedicated project management, stakeholder engagement and mana whenua input is also required to deliver the project.

The estimated cost to DBC(s) for both the northern and southern metropolitan areas (assuming they are completed in close succession) is \$2,100,000 (excluding GST). The estimated cost to deliver a DBC for the southern metropolitan area only is \$1,300,000 (excluding GST).

Hamilton City Council will be considering a 50% funding contribution (approximately \$660,000) to support the southern metropolitan area DBC subject to the remaining 50% being funded by partners. Waipa District Council has confirmed a financial commitment of up to 50% of the cost of the southern metropolitan area DBC or 25% of the cost of the overall Hamilton metropolitan area DBC (approximately \$660,000).

A clear pathway on the long-term servicing solution for Cambridge is required by December 2020. As such there is considerable urgency on completing a DBC for the southern metropolitan area. It is important to note that the southern metropolitan area DBC must take the overall Hamilton metropolitan area (including the north) into consideration in order to fully assess the servicing options and benefits of centralisation.

Ideally, a single DBC would be delivered for the overall Hamilton metropolitan area. However, there is less urgency on a northern metropolitan area DBC and some risk associated with un-necessarily accelerating that work.

A Northern Metropolitan Area DBC will leverage off the Southern Metropolitan Area DBC with many common design assumptions and inputs.

² The proposed PWC team has considerable experience in writing detailed business cases and providing commercial, financial, governance and strategic advice to central and local government on sensitive and complex infrastructure projects. They are engaged by the Department of Internal Affairs (DIA) to develop a range of innovative funding, financing and delivery structures for planned infrastructure projects in the Hamilton to Auckland (H2A) and are commercial and financial advisors to DIA and Treasury in relation to the Infrastructure Funding and Financing Tools and Legislation.

³ The GHD/BECA team are the incumbent consultants providing technical advice to Waipa DC in relation to the Cambridge WW consenting and upgrade projects as well as the Sub-Regional Three Waters Project. In addition, members of the proposed team are currently involved or leading several projects within the Hamilton metropolitan area including Pukete WWTP optimisation study and Pukete WWTP discharge consenting strategy.

Staff recommend that the northern metropolitan DBC is undertaken in close succession to the Southern DBC. An indicative target of December 2020 is proposed for completion of Southern Metropolitan Area DBC and June 2021 is proposed for completion of Northern Metropolitan Area DBC (subject to funding).

To support delivering the northern metropolitan area DBC in close succession to the southern metropolitan DBC, staff recommend an acceptable programme and funding plan being developed and reported back to the Waters Governance Board. The funding plan would include confirmation of financial contributions from partners including Waikato District Council.

Discussion

The Hamilton metropolitan area DBC project will build on the ground work set in the Sub-Regional Three Waters Strategic Case and make progress toward transformative three waters services in the Waikato. Ultimately the objective of the project is to improve water quality, environmental performance, resilience, capability and capacity of critical three-waters infrastructure across the Waikato sub-region.

The project will quantify the key benefits of centralised wastewater solutions vs decentralised solutions which include, but are not limited to:

- The potential to unlock both residential, commercial and industrial growth (including wet industry) in the Hamilton metropolitan area.
- Investing in new infrastructure to allow for easy capacity upgrades and provide higher quality discharges.
- The opportunity for resource recovery and re-use and more integrated approaches to water, energy and carbon management.
- Mitigating affordability challenges through scale, alternative funding and financing tools and larger rating base.
- Greater consistency across consenting requirements and ability to provide an integrated approach to delivering best for river outcomes.
- Adopting common technology across the sub-region to improve operating resilience.
- Ability to attract, grow and retain skilled work force.

Completing DBCs for the Hamilton metropolitan area will support and inform renewal of the wastewater discharge consent for the Pukete Wastewater Treatment Plant which expires in 2027.

Risk and Options

If funding to deliver the project is not committed benefits associated with a centralised wastewater treatment facility will be lost. This includes a significant opportunity to deliver transformative wastewater infrastructure to support the health and wellbeing of the Waikato River and our communities. It will mean that each Council will continue operating stand-alone wastewater treatment plants leading to ongoing inefficiencies.

Waipa District Council will pursue a stand-alone treatment solution and consent for Cambridge. Servicing needs to smaller communities in the metropolitan area and overall performance and affordability challenges will remain. Future development potential will be impeded by wastewater treatment capacity.

Options

There are three reasonable and viable options for the Waters Governance Board to consider. The options are set out below:

- Option 1: Do not progress the project at this time.
- Option 2: Deliver the southern and northern area DBCs in close succession.
- Option 3: Deliver a southern area DBC only and accept that the northern area DBC will be delivered at some point in the future.

The pros and cons of each option are outlined in Attachment 2. Indicative costs of each option are outlined in the table below:

DBC	Total project estimate (incl. 10% contingency)	Cost share (Indicative)
Option 1: Business as Usual	\$0	\$0
Option 2: Northern & southern metropolitan DBC in close succession but with staged financial commitment subject to appropriate funding plan.	\$2,100,000	HCC (50%) ~\$1,050,000 overall with \$660,000 committed, and remainder subject to appropriate funding plan. WDC/WDC (25%) ~\$526,000 each
Option 3: Southern metropolitan DBC only	\$1,320,000	HCC (50%) ~ \$660,000 WDC/WDC (50%) ~\$660,000

Waipa District Council has confirmed that a 50% funding commitment (up to \$660,000) to deliver the southern metropolitan DBC. This commitment provides certainty that the southern metropolitan DBC can be delivered. Waikato District Council is being asked to commit funding to the southern and northern metropolitan area DBCs as the Council will benefit from the work and its commitment will be needed to implement a centralised solution (if they are the preferred solutions identified through the project).

At the time of writing Waikato District Council had confirmed participation in the overall project governance and delivery and acknowledged that it needs to be a funding partner. However staff are still working through details of the timing and quantum of any contribution.

Option 2 is recommended because it:

- Provides a more integrated approach to addressing the overall wastewater servicing issues facing the Hamilton metropolitan area.

- Overall it will be more cost and time efficient than delivering separate DBCs for the north and south (particularly from a stakeholder engagement, technical services and delivery of final DBC product).
- Provides evidence to demonstrate partner commitment to pursuing centralised cross-boundary wastewater solutions needed to support Waipa District Council processes.
- Provides enough certainty to start the work immediately while seeking an acceptable funding plan for the additional costs to complete the northern DBC.
- Retains the ability to bring the two areas together into a single DBC depending on timing of confirmed funding plan for the north.
- Provides flexibility to revert to Option 3 – completing DBC for the southern metropolitan area only if an acceptable funding plan cannot be determined.

5. CONSIDERATIONS

5.1. Financial Considerations

The estimated cost to deliver the DBCs for both the northern and southern metropolitan areas (assuming they are completed in close succession) is \$2,100,000 (excluding GST). The estimated cost to deliver a DBC for the southern metropolitan area only is \$1,300,000 (excluding GST).

Cost sharing with project partners (i.e. Hamilton City Council, Waipa District Council and Waikato District Council) is proposed to fund the DBCs.

Staff from the respective Councils are presently engaged in discussions on the most appropriate cost-share contributions for the project. It is expected that Hamilton City Council and Waipa District Council will fund the bulk of the southern metropolitan wastewater DBC. Hamilton City Council will be considering a 50% funding contribution (approximately \$660,000) to support the southern metropolitan area DBC subject the remaining 50% being funded by partners.

Waipa District Council has confirmed a financial commitment of up to 50% of the cost of the southern metropolitan area DBC or 25% of the cost of the overall Hamilton metropolitan area DBC (approximately \$660,000).

Discussions are continuing with Waikato District Council as to how and when it can be a funding partner for these projects.

Delivering the northern metropolitan area DBC requires a funding plan and programme to be developed. Delivering the full project will require financial commitment from Hamilton City Council, Waipa District Council and Waikato District Council. At the time of writing, Waikato District Council had acknowledged in principle the need to make a financial contribution but needs to work through the details of when and how much it can commit.

5.2. Legal and Policy Considerations

The recommendations comply with the Council's legal and policy requirements.

5.3. Strategy and Policy Considerations

The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 well-beings').

The Hamilton metropolitan area wastewater detailed business case(s) will adopt the Treasury Better Business Case Programme Business Case model. The 4 wellbeing's will be core considerations in delivering the business case in addition to Te Ture Whaimana o te Awa Waikato – The Vision and Strategy for the Waikato River and relevant Iwi Management Plans.

6. SIGNIFICANCE & ENGAGEMENT

Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance. Given the low level of significance determined, the engagement level is low. No engagement is required for the recommendations being considered.

7. ATTACHMENTS

Attachment 1: Hamilton-Waikato Metropolitan Area Wastewater Project Governance Terms of Reference

Attachment 2: Hamilton-Waikato Metropolitan Area Wastewater Project Options Pros and Cons.

Hamilton – Waikato Metro Area Wastewater Detailed Business Case Project

Project Governance Terms of Reference

1 Document Control

1.1 Version Control

Version	Author	Description of Change	Date
1.0	Jackie Colliar	Draft Terms of Reference co-developed by HCC, Waikato DC, Waipa DC, Future Proof and Waikato-Tainui	29/4/2020
1.1	Jackie Colliar	Minor amendments: include provision for virtual meetings, add provision for alternate members	4/5/2020

1.2 Document Approval

1.2.1 Governance Group

Organisation Designation	Signatory (Name)	Signature	Date

1.2.2 Programme Control Group

Signatory	Signature	Date

2 Purpose

This Terms of Reference describes the overall governance structure to support delivery of cross jurisdictional strategic 3-waters projects within the Hamilton-Waikato Metro Spatial Area¹².

At the time of writing, the projects are:

- Delivery of a detailed business case (DBC) for wastewater treatment and management for the Southern Metro Area.
- Delivery of a detailed business case (DBC) for wastewater treatment and management for the Northern Metro Area.

These are collectively referred to as the Metro Area WW DBC Project throughout the remainder of this document.

The rationale for establishing a standalone governance structure for the Metro Area WW DBC Project is to:

- enable the relevant local council partners of Future Proof (i.e. the investors), Iwi and Mana Whenua to drive delivery of the detailed business cases and take ownership of the preferred wastewater solutions, in particular the investment needed to implement the preferred solution.
- Establish a structure that can be adapted to implement the preferred wastewater servicing solutions.

This document sets out the context, objectives, responsibilities, and membership of each group within the structure and the reporting lines and linkages back to the respective organisations and Future Proof. The administrative arrangements to support the structure are also defined.

2.1 Scope

The main objective that the governance and project teams are tasked with is delivering detailed business cases for strategic wastewater treatment facilities for the Hamilton-Waikato Metro Area ("Metro Area") using the NZ Treasury Better Business Case Model. (Refer to Appendix A for the geographic extent of the Hamilton-Waikato Metropolitan Area).

The project must provide a clear pathway on the long-term servicing solution for Cambridge by December 2020. A detailed business case for the Northern Metro Facility will leverage off the Southern Metro Facility DBC with many common design assumptions and inputs, but with less urgency. An indicative target of December 2020 is proposed for completion of Southern Metro Facility DBC and June 2021 is proposed for completion of Northern Metro Facility DBC. Water or other resource recovery will be considerations in the business case.

Awareness of, alignment with and interaction with the Sub-Regional Three Waters Project and other multi-jurisdiction Waters Projects in the Metro Area is important to ensure strategic alignment and cohesion between this project, other relevant projects and the sub-regional direction.

¹ Relevant projects would involve asset and non-asset-based activities that would service/benefit areas located in multiple jurisdictions (i.e. Waikato, Waipa and Hamilton City Council Districts) and as such requires a fit for purpose structure with appropriate cross agency representation.

² The Hamilton Waikato Metro Area extends from Taupiri in the North, Whatawhata in the west; Te Awamutu/Cambridge/Karapiro in the South; and Tauwhare Pa in the east. A plan showing the geographic extent of the area is included in Appendix A.

2.2 Alignment with Future Proof

The governance structure for the Metro Area WW DBC Project is separate from Future Proof and the governance structure overseeing the Waikato Sub-Regional Three Waters Project. While the governance structures are separate, the projects are intimately linked, involving many of the same organisations, common personnel, and overlapping study areas. Furthermore, the Metro Area WW DBC Project seeks to give effect to the overall vision and objectives established through the Sub-Regional Three Waters Project and the Cambridge Wastewater Indicative Business Case Project.

Ensuring alignment, cohesion and strong linkages between Future Proof, in particular the Sub-Regional Three Waters Project and the Metro Area WW DBC Project is critical to the success of both projects. The Metro Area WW DBC Project governance structure has adopted the following principles to support alignment and cohesion between these two projects and other Future Proof initiatives:

- Replicate the Future Proof structure and levels where appropriate i.e. elected member / director level governance; executive level advisory; project delivery layers.
- Include relevant sub-set of Future Proof members and where possible, common membership between Future Proof Committees and Project level committees (e.g. the Metro area WW project) should be maintained.
- Regular reporting to the Future Proof Implementation Committee (FPIC) to ensure integration and alignment with other Future Proof initiatives.
- Provide for equal Local Government / Iwi – Mana Whenua representation at each level.
- Include non-municipal water or wastewater treatment plant owners where possible
- Co-opt membership or commission specialist advisors where there is a clear benefit.

For clarity, the linkages between the Future Proof, the Sub-Regional Three Waters Project, and the Metro Area Wastewater Projects are shown in Figure 2 below.

The Metro Area WW DBC Project Director and Project managers will work and collaborate with the Chair of the Future Proof Water Policy Group and the Sub-Regional Three Waters Project Manager to ensure effective reporting and communication with Future Proof committees and partner organisations occur throughout the project. This close collaboration is also important to ensure alignment between Metro Area Wastewater Projects, the Metro Spatial Plan and the Sub-Regional Three Waters project.

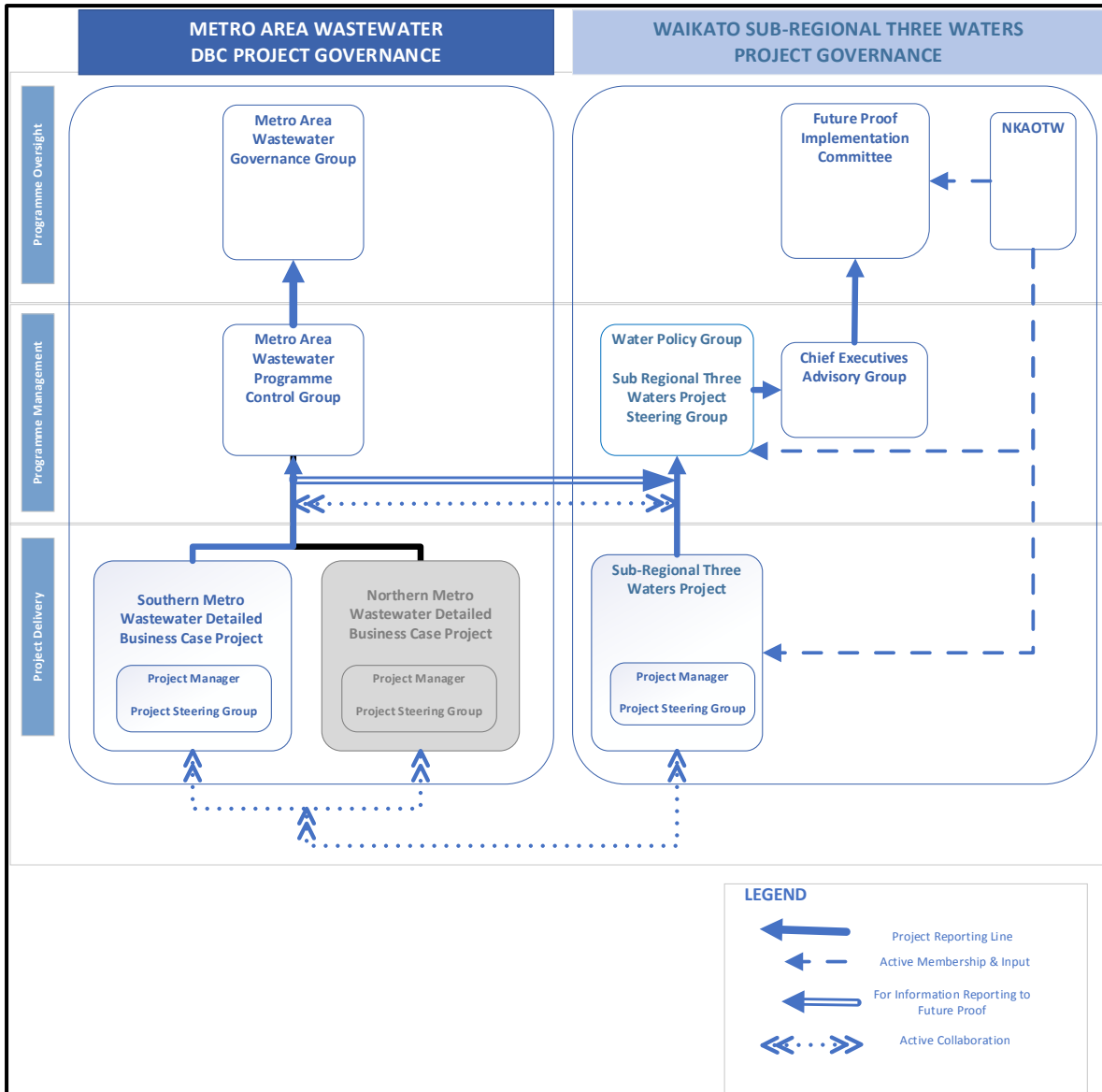


Figure 2: Linkages between Metro Wastewater and Sub-Regional Three Waters Projects

3 Background

Delivering strategic three waters infrastructure across council jurisdictions; in partnership with Iwi and Mana Whenua; and across the public and private sectors requires new and innovative approaches. If done right, we can transform 3-Waters Management to protect and enhance the health and wellbeing of the Waikato River and our environment while meeting the current and future needs of our communities. The opportunities are enormous, and it is essential that appropriate levels of oversight, accountability and transparency are embedded into the governance structure from the outset and maintained throughout.

3.1 Waikato Sub-Regional Three Waters Study

The Sub-regional three waters project is being delivered through Future Proof and will produce a programme business case that identifies key 3-waters projects and activities necessary to achieve the agreed programme objectives, including delivering ‘best for river’ outcomes. The strategic case has already been delivered and will be built upon to deliver the programme business case. The strategic case provides the foundation for development of 3-waters infrastructure solutions for the Waikato Sub-region founded on its overarching vision, which is:

Tooku awa koiora me oona pikonga he kura tangihia o te maataamuri - “The river of life, each curve more beautiful than the last” - a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come.

While the programme business case is still under development, several priority projects requiring project level consideration are already emerging. Ideally, the programme business case will be complete prior to embarking on project level business cases for specific facilities/wastewater servicing solutions.

Consideration of wastewater solutions for the Metro Area has been accelerated ahead of other technical work required to support the Sub-Regional Three Waters Programme Business Case, in order to support Waipa District Council progress a long-term solution for the Cambridge Wastewater Management with urgency. This involved the completion of Hamilton-Waikato Metro Spatial Plan Area Wastewater Servicing Feasibility Assessment (April 2020).

This assessment took a holistic view of wastewater servicing across the Metro Area. The assessment focused on the identification of a preferred option for Wastewater Servicing of the area through a structured and consultative process, aligned with, but not a part of, the requirements of Treasury’s Better Business Case Model (BBC).

The assessment process consisted of three key steps:

1. Option and Criteria Development
2. Technical Inputs
3. Options Assessment.

A number of workshops involving project partners, including Iwi and mana whenua, and technical experts, identified wastewater servicing options and criteria to be used in the assessment. An initial list of potential servicing options (i.e. 13 concepts and 120 variations)

ranging from fully centralised facilities and combinations were identified. The initial list of concept options was consolidated to six concepts included in the final assessment:

- **Option A:** BAU - Retain existing servicing arrangements for all communities, i.e. standalone treatment facilities, current levels of service retained, no additional/new services provided for currently un-serviced areas.
- **Option B:** A single centralized facility at Pukete and retention of the Te Awamutu Plant.
- **Option C:** Two metro wastewater facilities (i.e. northern (existing Pukete Site) and southern (new site) centralised facilities) and retention of the Te Awamutu Plant
- **Option D:** Two metro wastewater facilities (i.e. northern (existing Pukete Site) and southern (Cambridge WWTP Site) centralised facilities) and retention of the Te Awamutu Plant
- **Option E:** Five wastewater facilities to cater for the whole metro spatial area, i.e. Ngaruawahia WWTP, Pukete WWTP, Southern Hamilton/Airport Plant, Cambridge WWTP and Te Awamutu WWTP.
- **Option F:** Upgrades of BAU including new facilities at Whatawhata, the airport and Ohaupo

The final assessment identified Option C involving **two metro wastewater facilities (i.e. a northern (existing Pukete site) and southern (new site) centralised facilities) and retention of the Te Awamutu plant as the preferred wastewater servicing concept for the existing and future settlements within the Metro Spatial Plan Area.**

This conclusion has been endorsed by the Future Proof Water Policy Group (6 April 2020 meeting) along with the recommendation that this option should be taken forward to detailed business case stage. These recommendations were also noted by the Future Proof Implementation Committee (21 April 2020 meeting).

3.2 Cambridge Wastewater Consenting Projects

The purpose of the Cambridge Wastewater Indicative Business Case (IBC) was to consider and shortlist wastewater treatment initiatives that provide an optimal ‘best for river’ investment for Council and that address performance issues of the existing Cambridge WWTP.

To do this Waipa District Council developed an IBC in accordance with the NZ Treasury ‘Better Business Cases’ model. An IBC aims to provide decision-makers (in this case Waipa DC) with an early indication of the preferred way forward for high value and/or high-risk investment proposals.

The IBC process produced a recommended short list of possible options for Cambridge wastewater servicing and suggested these be taken forward into a DBC process. The shortlisted options were:

1. Do Minimum option: Upgrade of Cambridge WWTP and offsetting
2. Option 1: New Cambridge WWTP (Biological Nutrient Removal (BNR) or Membrane Bioreactor (MBR) technology)
3. Option 2: Sub-regional (centralised) WWTP (Cambridge site or new site)

Waipa DC endorsed these options in December 2019 and directed staff to undertake a DBC process to determine the most feasible option to be implemented, long term. Identification of the preferred solution and a clear implementation plan for that solution must be completed by December 2020. This target date supports a long-term solution for Cambridge being confirmed and implemented within an acceptable timeframe to align with the short-term consent application submitted for Cambridge WW discharge.

3.3 Other Metro Area Water Projects

Other projects particularly relevant to identifying the preferred Metro Area Wastewater Solutions include, but are not limited to:

- Hamilton-Waikato Metro Spatial Plan – Currently underway
- Pukete Wastewater Treatment Plant Discharge Consent Renewal– The existing wastewater discharge consent expires in 2027.
- Ngaruawahia Wastewater Treatment Plant Discharge Consent Renewal– The existing wastewater discharge consent expires in 2027.
- Peacocke Wastewater Transfer Project – Construction of strategic infrastructure to convey wastewater from the Peacocke development area through to Pukete WWTP.
- Airport wastewater servicing options investigations.
- Non-municipal wastewater treatment projects.

4 Overall Structure

The overall governance structure for delivering Detailed Business Cases for the Metro Area Wastewater Facilities is shown in Figure 1 below:

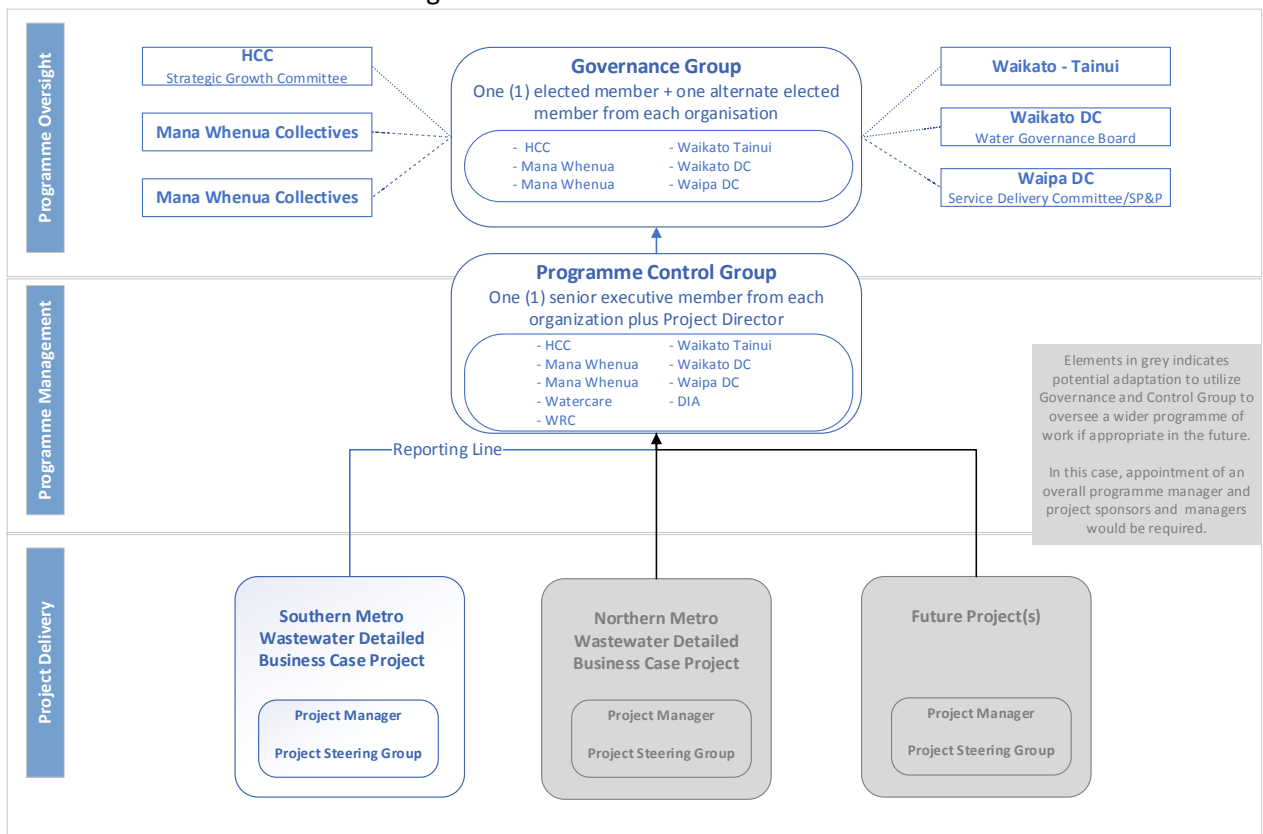


Figure 1: Metro Wastewater Programme Governance Structure

The terms of reference for the Governance Group and Programme Control Group, along with key project roles are described in the remainder of this document.

5 Governance Group

5.1 Objectives

The role of the Governance Group is to collectively direct and support the projects by fulfilling the following objectives:

- Making effective decisions that will maximise strategic outcomes for their organisations and the sub-region as a whole.
- Ensuring strategic cohesion and integration across related initiatives and projects, including Future Proof and the Hamilton to Auckland Corridor initiatives, and in particular the Sub-Regional Three Waters Project.
- Ensuring appropriate governance practices are in place.
- Making collective recommendations to the parent organisations and being advocates for the project.
- Identifying decisions to be escalated to elected members or directors of the member organisations.
- Identifying and addressing the risks and issues that could affect the delivery of the agreed work programmes.
- Ensuring effective communication with key stakeholders.
- Ensuring the projects are successfully delivered according to objectives, scope, time, quality and cost, with expected benefits on track for realisation.

5.2 Governance Group role and responsibilities

1. Endorse the governance structure and recommend its establishment back to participating organizations for approval.
2. Endorse the project scope, project budget and funding plan back to participating organizations for approval where required.
3. Appoint the Project Director.
4. Make collective recommendations to their respective organizations regarding decisions related to water and wastewater servicing within the HWMSPA, including recommendations relating to LTPs and local consenting processes.
5. Oversee delivery of the Detailed Business Case for wastewater treatment facilities in the HWMSPA.
6. Represent the views of their respective organisations and actively contribute to the group discussions, deliberations and decision making in good faith.
7. Identifying any conflicts of interest in a timely manner.
8. Endorse the Detailed Business Case(s) for wastewater treatment facilities in the HWMSPA.
9. Recommend Detailed Business Case to individual partner organisations for approval, adoption and implementation.
10. Ensure strategic alignment between this project and the Waikato Sub-Regional Three Waters Programme (and associated key projects activities) and other relevant Hamilton to Auckland Corridor Initiatives.
11. Ensure a robust risk reporting framework is in place and key project risks are being satisfactorily managed.
12. Provide direction to the Project Director and Programme Control Group.
13. Make collective recommendations to the respective Councils when escalation is required.

14. Approve media and stakeholder communication protocols.
15. Attend meetings, briefings and workshops as needed.

5.3 Governance Group Membership

The Group will consist of one (1) member from each partner organisation.

Each partner organisation may appoint one (1) person to attend meetings as an alternate in the absence of their appointed member.

All members and alternates will be appointed by their respective organisations governors.

Mana Whenua Representatives will be appointed by the collective marae and hapuu within the Metro Area through processes defined by Mana Whenua.

The Governance Group is made up of the following members:

(TO BE UPDATED UPON APPOINTMENT)

	Member	Alternate
Hamilton City Council		
Mana Whenua		
Mana Whenua		
Waikato District Council	Garth Dibley	Aksel Bech (Deputy Mayor)
Waikato-Tainui		
Waipa District Council	Jim Mylchrest	Liz Stolwok
Waikato Regional Council (Optional)		
Department of Internal Affairs (Optional)		

All decisions are expected to be made by consensus. However, if voting is needed, All member organisations will have one vote each.

An alternate attending a meeting in the absence of their respective organisation's member will have the same powers and rights in relation to that meeting as a member.

Waikato Regional Council and Department of Internal Affairs will be invited to join the Governance Group as non-voting members.

The Governance Group may elect to invite industry representatives, specialist advisors and stakeholders to join the group from time to time, in which case each such representative will be a non-voting member.

5.4 Chair

The Governance Group will be co-chaired by one Iwi/Mana Whenua Representative and one local government representative.

The Governance Group will appoint their own Co-Chairs.

5.5 Meetings

The Project Governance Group is envisioned to meet once every two months. Due to the tight delivery timeline for this project the Chair can call an extraordinary meeting where required.

Agenda papers will be distributed at least five (5) days in advance of every meeting. The Project Director and Chair(s) will confirm the meeting agenda. The Project Director will oversee preparation of the agenda papers for the Chairs approval prior to distribution.

Meetings will be held in person and/or virtually. In person meeting locations will alternate between Hamilton City Council, Waikato-Tainui Office – Bryce St, Waipa District Council – Te Awamutu and Waikato District - Ngaruawahia. Virtual meetings will be held online using appropriate meeting software such as Zoom, Skype or MS Teams.

A quorum shall consist of four (4) members or half the members plus one.

Meetings will be led by the Chair and will consider the following;

- Minutes and actions of the previous meeting;
- Consolidated project information – status information, risks, issues, communication requirements;
- Documents for approval;
- Other business as appropriate to support the programme.

Minutes will be circulated for comment within five working days of the meeting and, subject to any matters of dispute, signed off as a true and correct record of the meeting by the members of the Governance Group.

5.6 Administrative Support

Administrative support for the group will be provided by Future Proof. The support will include compilation and distribution of meeting packages, minutes and meeting logistics.

5.7 Resourcing

The members of the Governance Group will each bear their own costs of participation. Mana Whenua representatives will be appropriately remunerated as part of the overall project delivery.

5.8 Programme

Key Meeting dates for the Project Governance Working Group are outlined below:

Date	Tentative Agenda Items
May 2020	Appoint Co-Chairs Appoint Project Director Review proposed Project Programme, Scope and Budget Gateway Review Process
June 2020	Approach to Cambridge WW Consenting Process
August 2020	Preferred option identified
October 2020	TBC
November 2020	Draft Southern Area Detailed Business Case
December 2020	Endorsement of Southern Area Detailed Business Case

5.9 Membership Expectations

That each Governance Group member:

- Has read and understood the Terms of Reference
- Is aware of their responsibilities as set out in the Terms of Reference
- Is able to provide constructive input and advice to the programme
- Is able to actively assist with issue resolution
- Is committed to the programme and understand the importance of their contribution to the programme's success
- Is committed to prepare for and attend Governance Group meetings
- Has formally accepted this Terms of Reference by signing in the Document Approval section
- If unable to attend a Governance group meeting, ensures that the organisations Alternate Member is appropriate briefed and able to attend and represent the respective organisation at the meeting.

6 Programme Control Group

6.1 Objectives

The role of the Programme Control Group collectively is to provide advice and support to the Project Director and support the programme by fulfilling the following objectives:

- Providing oversight to ensure that the goals of the project are aligned to the organisations strategic vision, operational capabilities, and resource capacity.
- Ensuring appropriate management practices are in place.
- Identifying decisions to be escalated to the Governance Group and/or respective member organisations.
- Ensuring effective communication with key stakeholders, including within their respective organisations.
- Ensuring industrial activity wastewater servicing needs and industry partnering opportunities are appropriately captured in the detailed business case.
- Ensuring the project is successfully delivered according to objectives, scope, time, quality, cost, and risk.
- Escalating delivery matters to the Governance Group.
- As appropriate reporting via Sub-Regional Three Waters Project Governance through to the FP Implementation Committee to ensure that 3 waters initiatives are well linked with wider FP initiatives

The delivery matters that will be escalated to the Governance Group will have to meet one of the following criteria:

- Issues that cannot be decided and solved by the Project Director and Programme Control Group.
- Matters that require political sign-off and oversight such as proposed changes to the level of service.
- Issues that can jeopardize the completion date.
- Any changes to scope, delays and unforeseen events that may result in an increase in forecast costs.

- Cost Scope Adjustment recommendations that need to be submitted to individual councils for approval.

6.2 Programme Control Group role and responsibilities

1. Drive the project forward to deliver the outcomes and benefits.
2. Promote collaborative working across organisations and teams.
3. Recommend project scope, budget and funding plan to Governance Group.
4. Approve project management plan and programme.
5. Approve the professional services procurement process, within approved delegation.
6. Approve the financial management system to be adopted for the project, including confirming an appropriate host organisation that external consultant commissions will be with.
7. Provide guidance and direction to the Project Manager.
8. Resolve strategic and directional issues.
9. Manage high and critical risks for the project.
10. Ensure the project delivers within its agreed boundaries, including time, cost, and quality.
11. Approve change requests for the project outside of the approved budget, scope, and timeframes.
12. Review deliverables as appropriate.
13. Recommend preferred solutions to Governance Group for endorsement.
14. Recommend Detailed Business Case to Governance Group for endorsement.
16. Recommend via the Governance Group Detailed Business Cases to individual partner organisations for approval.
15. Provide support for project communications, including reporting back to respective organisations.
16. Champion the project and related projects.
17. Ensure alignment with the strategic direction of the Waikato Sub-Regional Three Waters Study, Future Proof, Hamilton to Auckland Corridor and related initiatives.
18. Approve the commitment of the resources required to successfully deliver programme outcomes and confirm that those resources are fully competent.
19. Ensure performance related matters are dealt with to ensure no disruptions to the delivery of work programmes.
20. Meet monthly.

6.3 Programme Control Group Membership

The Group will consist of one (1) member from each partner organization and the Project Director. Each partner organisation may appoint one (1) person to attend meetings as an alternate in the absence of their appointed member.

The Director will be appointed by the Governance Group. Other members and alternates will be appointed by the respective chief executive and are anticipated to be Executive level or relevant business unit representatives from their respective organizations.

Mana Whenua Representatives will be appointed by the collective marae and hapuu within the Metro Area through processes defined by Mana Whenua.

The Programme Control Group is made up of the following members:

	Member	Alternate
Project Director		
Hamilton City Council		
Mana Whenua		
Mana Whenua		
Waikato District Council		
Waikato Regional Council		
Waikato-Tainui		
Waipa District Council		
Watercare		
Department of Internal Affairs		

All decisions are expected to be made by consensus. However, if voting is needed, Watercare and DIA representatives will be non-voting members. All other member organizations will have one vote each.

An alternate attending a meeting in the absence of their respective organisation's member will have the same powers and rights in relation to that meeting as a member.

The Programme Control Group may elect to invite industry representatives and stakeholders to join the group in an advisory capacity.

6.4 Chairperson

The Project Director will chair the Programme Control Group. The Chair may delegate to another Programme Control Group member, as required.

6.5 Meetings

The Programme Control Group will meet monthly. Due to the tight delivery timeline for this project the Chair can call an extraordinary meeting where required.

Agenda papers will be distributed at least three (3) days in advance of every meeting. The Project Manager and Project Director will confirm the meeting agenda. The Project Manager will oversee preparation of the agenda papers for the Project Director approval prior to distribution.

Meetings will be held in person and/or virtually. In person meeting locations will alternate between Hamilton City Council, Waikato-Tainui Office – Bryce St, Waipa District Council – Te Awamutu and Waikato District - Ngaruawahia. Virtual meetings will be held online using appropriate meeting software such as Zoom, Skype or MS Teams.

A quorum shall consist of half the members plus one.

Meetings will be led by the Chair and will consider the following:

- Minutes and actions of the previous meeting.

- Consolidated project information – status information, risks, issues, communication requirements.
- Documents for approval – change requests, project management plans, decision documents.
- Other business as appropriate to support the programme.

Minutes will be circulated for comment within five working days of the meeting and, subject to any matters of dispute, signed off as a true and correct record of the meeting by the members of the Programme Control Group.

6.6 Administrative Support

Administrative support for the group will be provided by the Project Manager and Future Proof. The support will include preparation and distribution of meeting packages, minutes and meeting logistics.

6.7 Resourcing

The members of the Programme Control Group will each bear their own costs of participation. Mana Whenua representative participation will be appropriately remunerated as part of the overall project delivery.

6.8 Membership Expectations

That each Programme Control Group member:

- Has read and understood the Terms of Reference.
- Is aware of their responsibilities as set out in the Terms of Reference.
- Is able to provide constructive input and advice to the project.
- Is able to actively assist with issue resolution.
- Is committed to the programme and understand the importance of their contribution to the programme's success.
- Is committed to prepare for and attend Programme Control Group meetings.
- Has formally accepted this Programme Control Group Terms of Reference by signing in the Document Approval section.

7 Key Project Delivery Roles

7.1 Project Director

7.1.1 Role & Responsibilities

The Project Director is accountable for the Project ensuring it meets its objectives and realises the expected benefits. The Project Director is the key leadership figure in driving the project forward.

The responsibilities of the Project Director include:

- Providing clear leadership & direction across the life of the project.
- Ensuring agreement amongst stakeholders as to what the objectives and benefits are.

- Ensuring alignment and cohesion with the strategic direction of the Waikato Sub-Regional Three Waters Study, Future Proof, Hamilton to Auckland Corridor and related initiatives.
- Obtaining commitment from stakeholders to the delivery of the benefits.
- Securing investment required to set up and deliver the project.
- Ensuring the project achieves strategic outcomes and benefits.
- Ensuring that appropriate project management systems and controls are in place.
- Monitoring and controlling project progress at a strategic level (at an operational level this is the responsibility of the project manager who are responsible for providing regular reports to the Project Director on progress).
- Monitoring delivery of objectives and benefits, taking appropriate action where necessary to ensure their successful delivery.
- Monitoring key strategic risks.
- Dealing with issues as they arise requiring the Directors advice, decision-making and communication with senior stakeholders.
- Chairing and setting priorities for the Programme Control Group.
- Setting Governance Group Agendas with the Group Chairs.
- Ensuring the project is subject to review at appropriate stages, including, if appropriate, Gateway review at key decision points.
- Making certain that any recommendations or concerns from Gateway reviews are met or addressed before progressing to the next stage.
- Formally closing the project on completion, ensuring that lessons learned are documented as part of project evaluation report and distributed to relevant parties.

7.2 Project Manager (Client Side)

7.2.1 Role & Responsibilities

The Project Manager is responsible for leading and managing the project set up, delivery and closure, including:

- Day to day management of the project including supervision, control and closing the programme.
- Being the day to day agent on behalf of the Director and ensuring successful delivery of the new capability.
- Planning and designing the project and proactively monitoring its overall progress.
- Resolving issues and initiating corrective action as appropriate.
- Managing and resolving any risks and opportunities that may arise.
- Managing the project budget and monitoring the costs and expenses as the project progresses.
- Facilitating the appointment of individuals to the project delivery team, including the establishment of cross organisation project steering or advisory groups deemed necessary to achieve the project objectives.
- Ensuring the delivery of outputs or services from the project meet requirements and is to the appropriate quality is on time and within budget.
- Facilitating the development of the detailed business case in accordance with the NZ Treasury Better Business Case Model.

- Managing the performance of the project team.
- Managing internal and external suppliers to the project.
- Managing communications with stakeholders.
- Managing interfaces and dependencies with relevant projects, including Waikato Sub-Regional Three Waters Study, Metro Spatial Plan and other relevant Waters Project.
- Reporting progress of the project at regular intervals to the Director, steering group and governance group.

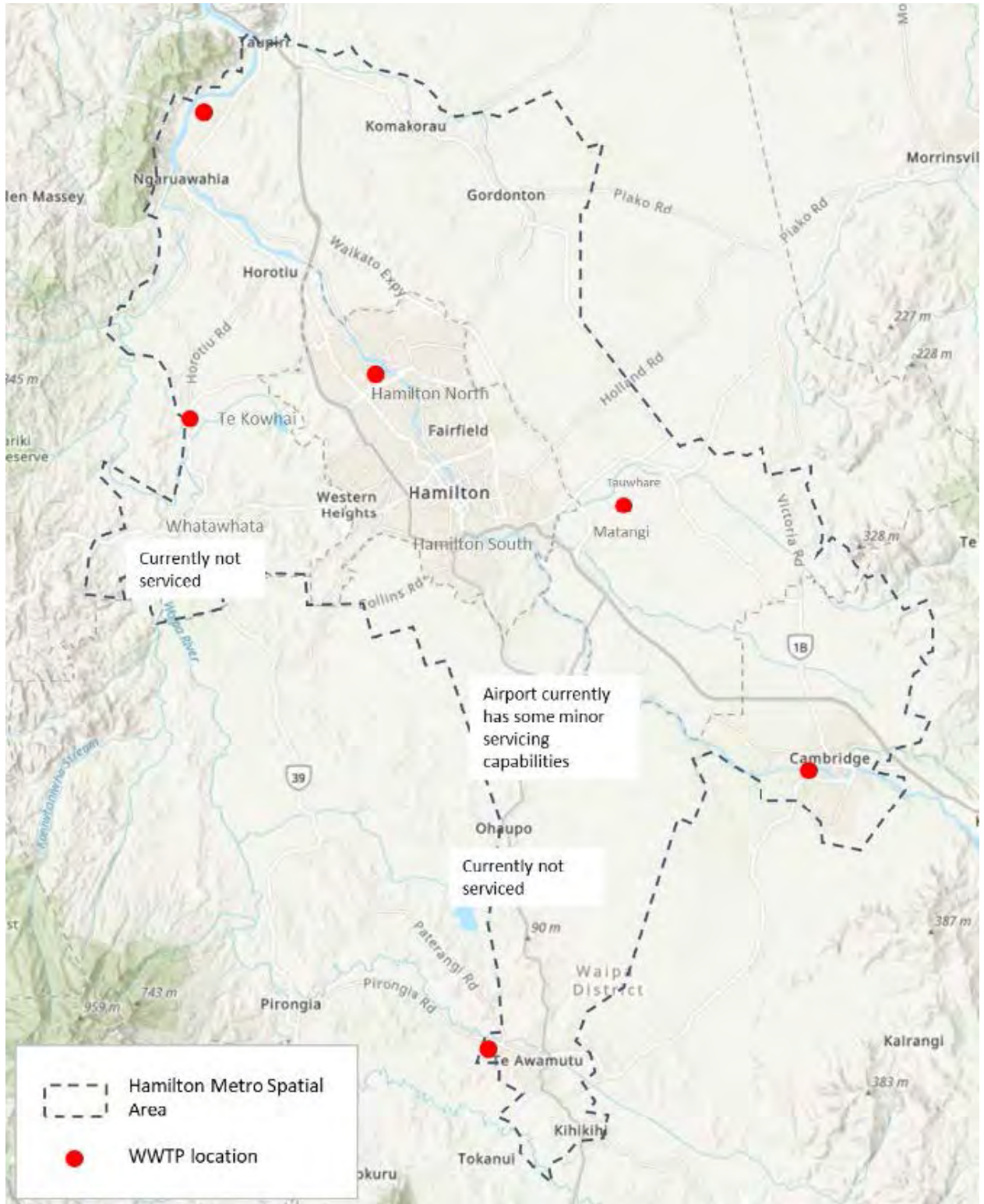
8 Project Steering Group

A template Terms of Reference for Project Steering Groups established to support project delivery is included as Appendix B.

9 Terms of Reference Review

The terms of reference will be reviewed as required and at a minimum, every 12 months.

APPENDIX A – Geographic Extent of the Metro Area



APPENDIX B – PROJECT STEERING GROUP TERMS OF REFERENCE TEMPLATE

Project Steering Group

Role & Responsibilities

The role of the Steering Group collectively is to provide support, guidance and act as a sounding board for Project Manager to ensure successful delivery of the project. This includes

1. Provide technical guidance to Project Managers
2. Provide Quality Control and review deliverables prior to recommending endorsement to the Programme Control Group.
3. Look for and communicate opportunities for efficiencies and consistencies across multiple projects
4. Ensure that their organizations respective technical experts and influencers are sufficiently involved in the development of the project and delivery of the Programme Business Case.
5. Contribute to the development of project documentation including Project Management Plan, Assurance Plan, Communication and Engagement plans.
6. Review and endorse project documentation including Project Management Plan, Assurance Plan, Communication and Engagement plans
7. Review and endorse project deliverables.
8. Review status reports from project manager.
9. Ensure reporting to partner organizations and Future Proof committees is combined with reporting on related projects to ensure cohesive and consistent messaging.

Chairperson

The Steering Group will be Chaired by the Project Manager. The Chair may delegate to another Steering Group member, as required.

Steering Group Membership

The Steering Group is made up of up to two representatives from each of the partner organisations, the project manager and any specialist advisors as deemed appropriate. Members will Subject Matter Experts can be accessed when required.

Options Pros and Cons

Option	Pros	Cons
<p>Option 1 - Do not progress project at this time.</p>	<ul style="list-style-type: none"> ▪ No financial commitment required to support DBC. 	<ul style="list-style-type: none"> ▪ Does not provide evidence of partner commitment to centralised cross-boundary wastewater solution. ▪ Would result in Waipa DC having to pursue a standalone WW solution for Cambridge. ▪ Lost opportunity for transformative leadership in 3 waters services in the Waikato and to deliver optimal wastewater solutions that are 'best for river' and best serve our communities.
<p>Option 2 – Northern & Southern Metro DBC in close succession but with staged financial commitment subject to appropriate funding plan.</p> <p>Southern DBC commencing immediately, and Northern DBC in close succession subject to confirmed funding plan and programme being approved.</p>	<ul style="list-style-type: none"> ▪ Provides a more integrated approach to addressing the overall WW servicing issues facing the Metro Area. ▪ Overall will be more cost and time efficient than delivering separate DBCs for North and South (particularly from a stakeholder engagement, technical services and delivery of final DBC product). ▪ Provides evidence to demonstrate partner commitment to pursuing centralised cross-boundary wastewater solutions needed to support Waipa DC processes. ▪ Provides enough certainty to start the work immediately while seeking an acceptable funding plan for the additional costs to complete the Northern DBC. ▪ Retains the ability to bring the two areas together into a single DBC depending on timing of confirmed funding plan for the North. ▪ Provides flexibility to revert to Option 3 – completing DBC for Southern Metro Area only if an acceptable funding plan cannot be determined. 	<ul style="list-style-type: none"> ▪ Requires considerable funding commitment from all three partners to deliver project. ▪ Cambridge/Southern WW options are more advanced than Northern WW options. Bringing the North up to a comparable level to the ground work completed for the Southern area will take time which may impact overall project timing.

Options Pros and Cons

	<ul style="list-style-type: none"> ▪ Better aligned with "regional" solution approach. ▪ Retains the ability to bring the two areas together into a single DBC depending on timing of confirmed funding plan for the North. 	
<p>Option 3 – Southern Area DBC only and accept that the Northern Area DBC will be delivered at some point in the future.</p>	<ul style="list-style-type: none"> ▪ Would provide evidence to demonstrate partner commitment to pursuing centralised cross-boundary wastewater solutions needed to support Waipa DC processes. ▪ Smaller initial financial commitment required by HCC to commence work compared to Option 2. ▪ Waipa DC have committed funding to commence this work immediately and are able to fund up to 50% (to \$650,000) for the Southern DBC. ▪ Funding the Southern DBC is not reliant on Waikato DC, although the expectation would be that Waikato DC do contribute, either to the cost to deliver both the North and South DBCs, or fund 50% of the cost to deliver the North DBC. ▪ Some common investigations are required to inform the DBCs for both the north and south. These can't be done in isolation, so will be required in order to identify the preferred solutions and to complete a DBC for the south. ▪ Provides reasonable time to undertake Northern WW investigations into the identified short-listed options and confirm the preferred option. 	<ul style="list-style-type: none"> ▪ Not as efficient as Option 2, as overall programme to deliver the project likely to be extended, two DBC documents needing to be prepared. ▪ Provides lower level of certainty for the overall Metro Area the preferred solution for the northern area would still not be confirmed which could impact the viability of the preferred solution selected for the southern area.