



KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

22 July 2024

Order Paper for the meeting to be held in the
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,
on:

Friday 26 July 2024 commencing at 10:00 am

Membership

Mayor C Barry (Chair)	Hutt City Council
Cr R Connelly (Deputy Chair)	Greater Wellington Regional Council
Mayor W Guppy	Upper Hutt City Council
Mayor A Baker	Porirua City Council
H Modlik	Te Rūnanga O Toa Rangatira
Deputy Mayor M Sadler-Futter	South Wairarapa District Council
L Rauhina-August	Taranaki Whānui ki Te Upoko o Te Ika
A Rutene	Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua Treaty Settlement Trust
Mayor T Whanau	Wellington City Council
Cr T Brown	Wellington City Council (Alternate)
R Faulkner	Te Rūnanga O Toa Rangatira (Alternate)
Cr C Kirk-Burnnand	Greater Wellington Regional Council (Alternate)
Cr R Leggett	Porirua City Council (Alternate)
Cr A Ellims	South Wairarapa District Council (Alternate)
Deputy Mayor H Swales	Upper Hutt City Council (Alternate)
K Tamanui	Taranaki Whānui ki Te Upoko o Te Ika (Alternate)
Cr G Tupou	Hutt City Council (Alternate)

For the dates and times of Hutt City Council Meetings please visit

www.huttcity.govt.nz

Wellington Water Committee

Terms of Reference

Purpose

The Wellington Water Committee ("the Committee") is established to:

- Provide governance and leadership across issues which are related to the planning, delivery and management of water services to communities serviced by Wellington Water Limited;
- Provide governance oversight of Wellington Water Limited, including by exhibiting good governance practice;
- Provide a forum for the representatives of Wellington Water Limited's shareholders and mana whenua to meet, discuss and co-ordinate on relevant issues and, through their representatives, to exercise their powers; and
- Strive for consistency across all client councils so all customers receive a similar level of service.

Status

The Committee is, for the purposes of the Local Government Act 2002, a joint committee of the Lower Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council, South Wairarapa District Council and the Wellington Regional Council.

Specific responsibilities

The Committee's responsibilities are:

Governance oversight responsibilities

Shareholder and mana whenua governance oversight of Wellington Water Limited and of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the geographical areas of Wellington Water Limited's operations, including by:

- Receiving and considering the half-yearly and annual reports of Wellington Water Limited;
- Receiving and considering such other information from Wellington Water Limited as the Committee may request on behalf of the parties to the Shareholders and Partnership Agreement and/or receive from time to time;
- Undertaking performance and other monitoring of Wellington Water Limited;
- Considering and providing recommendations to the parties to the Shareholders and Partnership Agreement on proposals from Wellington Water Limited;
- Providing co-ordinated feedback, and recommendations as needed, on any matters requested by Wellington Water Limited or any of the parties to the Shareholders and Partnership Agreement;
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding regional studies which the Shareholders need to be cognisant of;
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding water conservation;
- Agreeing the annual Letter of Expectation to Wellington Water Limited;
- Receiving, considering and providing agreed feedback and recommendations to Wellington Water Limited on its draft statement of intent;
- Receiving, considering and providing recommendations to the parties to the Shareholders and Partnership Agreement regarding Wellington Water Limited's final statement of intent.
- Agreeing when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required, without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution and;

- Seeking and interviewing candidates for Wellington Water Limited's Board as needed and recommending to the holders of Class A Shares appointments and/or removals of directors of Wellington Water Limited;
- Recommending the remuneration of directors of Wellington Water Limited;
- Monitoring the performance of the Board of Wellington Water Limited; and
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding changes to these terms of reference, the Shareholders and Partnership Agreement and the constitution of Wellington Water Limited.

Membership

The membership of the Committee will be as specified in the Shareholders and Partnership Agreement. With the exception of the Committee Members nominated by the Mana Whenua Partners Entities, each appointee must be an elected member of the appointing Shareholder.

Chairperson

The Chairperson and Deputy Chairperson will be elected by the Committee once all Committee members have been appointed.

Quorum

Subject to the below for Committee meetings to appoint directors of Wellington Water Limited, for a meeting of the Committee to have a quorum, a majority of Committee Members, or their appointed Alternates, must be present, and the number making up the majority must include at least an equal number of Shareholder appointed Committee Members as MWPE nominated Committee Members.

Where the Committee is providing a forum for the Shareholders to meet and exercise their powers in relation to Wellington Water Limited, the requirements of Wellington Water Limited's constitution will prevail.

Clause 11.3 of the company's constitution provides that Directors shall be appointed and removed by the unanimous resolution of the Shareholders holding Class A Shares. For this matter the quorum for the Committee meeting is therefore attendance by all Committee Members (or their Alternates) for the holders of the Class A Shares.

Alternates

Each Committee Member appointed to the Committee must have an Alternate.

Other Shareholder attendee

Each Shareholder-appointed elected member Committee member will be entitled to invite an officer attendee to Committee meetings, provided however that the additional attendee will not have any voting rights on the Committee.

Decision-making

The Committee will strive to make all decisions by consensus.

In the event that a consensus on a particular matter before the Committee is not able to be reached, each Committee Member has a deliberative vote. In the situation where there is an equality of votes cast on a matter, the Chairperson does not have a casting vote and therefore the matter subject to the vote is defeated and the status quo is preserved.

Other than for those matters for which the Committee has effective decision-making capacity through these Terms of Reference, each Shareholder retains its powers to make its own decisions on matters referred to it by the Committee and on matters specified in Part 1 of Schedule 2 to the Shareholders and Partnership Agreement (for clarity, this means that only Shareholders have voting rights in relation to the matters specified in Part 1 of Schedule 2).

Secretariat services

Unless otherwise agreed from time to time by all of the elected member Committee Members, the Council for which the Chairperson is an elected member will provide secretariat services to the Committee. The Chairperson will be responsible for managing the agenda at Committee meetings.

Standing Orders

The Standing Orders of the Council providing secretariat services to the Committee will apply to Committee meetings, subject to the provisions for meeting quorum and decision making as set out in these terms of reference taking precedence.

Remuneration

Each Shareholder will be responsible for remunerating the elected member Committee Member appointed by it to the Committee, and their Alternate, for any costs associated with those persons' membership on the Committee.

The Shareholders will also be responsible for remunerating (in equal shares) the Committee Members nominated by Mana Whenua Partner Entities, and their Alternates, and appointed to the Committee by the Shareholders, for any costs associated with those persons' membership on the Committee.

Administration

Reports to be considered by the Committee may be submitted by any of the Shareholders, any of the Mana Whenua Partner Entities, or Wellington Water Limited.

Duration of the Committee

In accordance with clause 30(7) of Schedule 7 to the Local Government Act 2002, the Committee is not deemed to be discharged following each triennial election.

Appendix

Common delegations by Shareholders

Governance oversight responsibilities

- Each Shareholder will delegate to the Committee the responsibilities and powers necessary to participate in and carry out the Committee's governance oversight responsibilities.

Shareholders' responsibilities

- Each Shareholder will delegate to its appointed elected member Committee Member and, in accordance with these terms of reference, that person's Alternate, all responsibilities and powers in relation to the agreement of:
 - when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required (without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution); and
 - the appointment, removal and remuneration of Wellington Water Limited's directors.

KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt on
Friday 26 July 2024 commencing at 10:00 am.

ORDER PAPER

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

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

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

2. APOLOGIES

L Ruahina-August and A Rutene

3. PUBLIC COMMENT

Generally, up to 30 minutes are set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions about the matters they raise.

4. CONFLICT OF INTEREST DECLARATIONS

Members are reminded of the need to be vigilant and stand aside from decision-making when a conflict arises between their role as members and any private or other external interests they might have.

5. MINUTES

Meeting minutes Komiti Ngā Wai Hangarua | Wellington Water Committee
24 May 2024 8

**6. LOCAL WATER DONE WELL - LEGISLATION AND WATER SERVICE
DELIVERY PLAN UPDATE**

A verbal update by the Programme Director, Water Reform – Wellington Water Councils.

7. COMPANY AND GOVERNANCE UPDATE 26 JULY 2024

Report No. WWC2024/3/73 by Wellington Water Limited

8. **INDEPENDENT REVIEW OF ESTIMATION ERROR**

Report to be circulated separately

9. **STATEMENT OF INTENT 2024-27**

Report No. WWC2024/3/74 by Wellington Water Limited 81

10. **ACUTE WATER SHORTAGE RISK**

Report No. WWC2024/3/75 by Wellington Water Limited 131

11. **ANNUAL GENERAL MEETING**

Report No. WWC2024/3/76 by Wellington Water Limited 135

12. **INFORMATION ITEM**

Wellington Water Committee Forward Programme 2024

Memorandum dated 10 July 2024 by the Democracy Advisor, Hutt City Council 139

13. **QUESTIONS**

With reference to section 32 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

14. **EXCLUSION OF THE PUBLIC**

CHAIR'S RECOMMENDATION:

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

15. **MINUTES**

24 May 2024

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

(A)	(B)	(C)
General subject of the matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground under section 48(1) for the passing of this resolution.
Minutes of the Komiti Ngā Wai Hangarua Wellington Water Committee Komiti Ngā Wai Hangarua held on 24 May 2024 Appointment of Directors to Wellington Water Limited	The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above.”

Jack Kilty
Democracy Advisor
Hutt City Council

KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Minutes of a meeting held in the Council Chambers, 2nd Floor, 30 Laings Road,
Lower Hutt on

Friday 24 May 2024 commencing at 10:00 am

PRESENT:

Mayor C Barry (HCC) (Chair)
Mayor A Baker (PCC)
Cr R Connelly (GWRC) (Deputy Chair)
Deputy Mayor M Sadler-Futter (SWDC) (via audio-visual link)
Mayor W Guppy (UHCC)
Mayor T Whanau (WCC)
L Rauhina-August (Taranaki Whānui ki Te Upoko o Te Ika)
A Rutene (Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua
Treaty Settlement Trust) (via audio-visual link)
R Faulkner (Te Rūnanga O Toa Rangatira)

APOLOGIES:

Helmut Modlik, Te Rūnanga O Toa Rangatira

IN ATTENDANCE:

Deputy Mayor H Swales (UHCC) (Alternate) (via audio-visual link)
Cr T Brown (WCC) (Alternate)
W Walker, Chief Executive (PCC)
J Miller, Chief Executive (HCC)
B McKerrow, Chief Executive (WCC)
G Swainson, Chief Executive (UHCC)
S Corbett, Acting Chief Executive (SWDC)
T Haskell, Chief Executive (Wellington Water Ltd)
C Barker, Director Regulatory Services (Wellington Water Ltd)
P Dougherty, Board Member (Wellington Water Ltd)
A Hare, Board Member (Wellington Water Ltd)
B Hodgins, Strategic Advisor (HCC)
K Stannard, Head of Democratic Services (HCC)
J Kilty, Democracy Advisor (HCC)

PUBLIC BUSINESS**1. OPENING FORMALITIES - KARAKIA TIMATANGA**

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

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

2. **APOLOGIES**

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 24201

That the apology received from H Modlik (Te Rūnanga O Toa Rangatira) be accepted and leave of absence be granted."

3. **PUBLIC COMMENT**

There was no public comment.

4. **CONFLICT OF INTEREST DECLARATIONS**

There were no conflict of interest declarations.

5. **CHAIR'S STATEMENT**

Two weeks ago, mayors from across Greater Wellington, Wairarapa and Horowhenua signed a Memorandum of Understanding to work together on what a delivery model for drinking water, wastewater and stormwater would look like.

Councils wanted to ultimately get the best outcome for ratepayers. There was a clear sense of urgency across all councils to come up with a new model.

Kerry Prendergast had been appointed as independent chair of the group.

6. **MINUTES**

RESOLVED: (Mayor Barry/Mayor Guppy)

Minute No. WWC 24202

"That the minutes of the meeting of the Komiti Ngā Wai Hangarua | Wellington Water Committee held on 15 March 2024 be confirmed as a true and accurate record."

7. **LOCAL WATER DONE WELL - LEGISLATION AND WATER SERVICE DELIVERY PLAN UPDATE**

The Programme Director, Water Reform – Wellington Water Councils delivered a presentation attached as page 8-12 to the minutes.

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 24203

"The Committee receives and notes the update."

8. COMPANY AND GOVERNANCE UPDATE

Report No. WWC2024/2/59 by Wellington Water Limited (WWL)

Pat Dougherty, board member of WWL, delivered apologies for the Wellington Water Board (the Board) Chair, and Acting Chair. The Chair was returning from Europe, and the Acting Chair was in Board meetings in the Wairarapa, and felt that the board should be represented in person at the meeting. Pat Dougherty was standing in for them, and another Director, Alexandra Hare, was in the public gallery.

Pat Dougherty apologised for errors in the CAPEX budgeting and their impact on councils. Pat Dougherty noted the terrible pressure on operating budgets by councils and acknowledged that this was the worst time in 20 years to make a mistake like that, and the worst moment to find out about it. He emphasised the need for an independent review to be conducted.

The Chief Executive of WWL reiterated the Board's apology and stated that WWL had disappointed itself. She emphasised that WWL aimed to be trusted advisors but had failed to earn councils' trust in this case.

The Chair thanked Pat Dougherty and the Chief Executive of WWL for appearing before the Committee to address the error. He said that the error undermined public confidence in WWL. He said the error struck the heart of councils, residents, and ratepayers' confidence in undertaking the work. He mentioned that officers would continue investigating the implications of underestimating CAPEX requirements for Hutt City Council.

Cr Connolly reiterated the Chair's statement about appearing before the Committee to address the error. She questioned whether the news should have been communicated earlier. She asked if there were any reflections on communications and timing.

Pat Dougherty stated that the error had been found earlier than communicated but had not been considered as serious as it was.

Mayor Baker expressed anger and disappointment at the errors of WWL and questioned the timing of communications.

The Chief Executive of WWL acknowledged that WWL was aware of the error's impact on Friday and was communicated on Monday.

Mayor Whanau requested that Key Performance Indicators (KPIs) be reconsidered and put back on the table.

Mayor Whanau thanked WWL for appearing before the Committee to address the error. She expressed disappointment on behalf of Wellington City Council (WCC) and believed that the independent review of what happened was a good idea. She asked that the Committee feed into the terms of reference for the independent review because members wanted to ensure accountability.

Mayor Guppy said he was not surprised by WWL's error and highlighted the organisation's history of crises. He advocated for WCC's independent report into WWL's performance to be considered over an independent review handled by WWL.

Pat Dougherty affirmed that the review would be independent and that WWL was willing to share all information regarding the review with the Committee members.

The Chair expressed his willingness to collaborate with other members and contribute to the terms of reference for the independent review.

Pat Dougherty and the Chief Executive of WWL elaborated on the report.

In response to questions from members, the Chief Executive of WWL mentioned that an increased workforce led to more serious health and safety issues being reported. She also acknowledged that low staff morale was having an impact.

In response to further questions from members, the Chief Executive of WWL noted that statistics were already available for the amount of megalitres saved through leak repairs.

The meeting adjourned at 10.48am and reconvened at 10.56am.

RESOLVED: (Mayor Barry/Mayor Whanau)

Minute No. WWC 24204

"That the Committee:

- (1) receives and notes the report;*
- (2) agrees that the terms of reference for the review of the CAPEX budget understatement will be developed by the Wellington Water Limited Board (the Board); and*
- (3) agrees that the Board will then share these terms with the Wellington Water Committee for input, noting that the Board will sign off on the final terms of reference."*

9. ACUTE WATER SHORTAGE UPDATE 24 MAY 2024

Report No. WWC2024/2/60 by Wellington Water Limited (WWL)

The Director of Regulatory Services, WWL, elaborated on the report.

In response to questions from members, the Director of Regulatory Services emphasised that Taumata Arowai would not accept WWL's approach to address water shortage. He said this was because water delivery during the acute shortage period was uncertain, and reports on water loss reduction efforts were also required. He highlighted that Taumata Arowai recognised the importance of the Dissolved Air Flotation in addressing these issues.

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 24205

"That the Committee receives and notes the report."

10. REPORTING OF ANNUAL MEASURES TO TAUMATGA AROWAI

Report No. WWC2024/2/61 by Wellington Water Limited (WWL)

The Director of Regulatory Services, WWL, elaborated on the report.

In response to questions from members, the Director of Regulatory Services clarified that the new monitoring rules focused on procedure standards. He emphasised that these assurance rules were new, and WWL was developing plans for them. He pointed out that the assurance rules were not related to the water quality but focused on system-based rules.

In response to further questions from members, the Director of Regulatory Services stated that he could provide more information about plans to ensure compliance.

Cr Connelly asked for the distribution of the proposed improvements to ensure compliance.

Lee Rauhina-August inquired about the delivery of the CAPEX works programme and asked for information on how to stay informed about events, as she did not have the opportunity to see it. She emphasised the importance of being included in communication of future events.

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 24206

"That the Committee receives and notes the report."

11. MEETING SCHEDULE FOR 2024/25

Memorandum dated 17 May 2024 by the Democracy Advisor

In response to a question from a member, the Head of Democratic Services, HCC, stated that she would look to distribute the Wellington Water Committee's agendas more than two clear working days prior to meetings in consultation with staff at Wellington Water Limited.

In response to a member's question, the Chief Executive of PCC agreed to follow up on the progress of the KPI work.

RESOLVED: (Mayor Barry/Mayor Whanau)

Minute No. WWC 24207

"That the Committee:

(1) *agrees to the meeting schedule from November 2024 until December 2025 as follows:*

- (a) *Friday, 13 December 2024 commencing at 10 am;*
- (b) *Friday, 14 March 2025, commencing at 10 am;*
- (c) *Friday, 23 May 2025, commencing at 10 am;*
- (d) *Friday 25 July 2025 commencing at 10 am; and*
- (e) *Friday, 26 September 2025 commencing at 10 am;*

(2) *confirms the venue for its meeting will be the Council Chambers, Hutt City Council, 30 Laings Road, Lower Hutt;*

(3) *delegates authority to the Chair in consultation with the Chief Executive of Porirua City Council to alter the date, time, or venue of a meeting, or cancel a meeting, should circumstances require this; and*

(7) *notes that the meeting times will be publicly notified by Hutt City Council's Democratic Services business unit."*

12. INFORMATION ITEM

Wellington Water Committee Forward Programme 2024

Memorandum dated 7 May 2024 by the Democracy Advisor

Members asked to add the terms of reference for reviewing the CAPEX budget from the Wellington Water Board to the forward programme.

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 24208

"That the Committee receives and notes the draft Forward Programme and future workshop topics for the Wellington Water Committee for 2024 attached as Appendix 1 to the memorandum."

13. QUESTIONS

There were no questions.

14. EXCLUSION OF THE PUBLIC

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 24209

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

15. *Appointment of Directors to Wellington Water Limited*

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

(A)	(B)	(C)
<i>General subject of the matter to be considered.</i>	<i>Reason for passing this resolution in relation to each matter.</i>	<i>Ground under section 48(1) for the passing of this resolution.</i>
<i>Appointment of Directors to Wellington Water Limited.</i>	<i>The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).</i>	<i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.</i>

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

There being no further business, the Chair declared the public part of the meeting closed at 11:10 am. The public excluded part of the meeting closed at 11:29am.

Mayor Barry
CHAIR

CONFIRMED as a true and correct record
Dated this 26th day of July 2024

Wellington Water Committee

**Item 7: Local water
done well**

**Legislation and water
service delivery plan
update**

22 May 2024

Dougal List, Programme Director



Key updates – policy and legislation

Legislative change

Bill 1 - passed

Bill 2 – expected in May

- Framework for councils to develop a future water service delivery plan within 12 months of enactment
- Simplified process for engagement on CCO models

Bill 3 - late 2024 to early 2025

- Policy development underway
- Long-term requirements for financial sustainability
- provide for a complete economic regulation regime
- structural and financing tools, including a new type of financially independent council-controlled organisation

1

REPEAL LEGISLATION: LAY FOUNDATION FOR NEW SYSTEM
INTRODUCED AND ENACTED FEB 2024

- Restore continued council ownership and control of water services, and responsibility for service delivery.
- Provide support options to help councils complete and include water services in their 2024-24 long-term plans.

2

ESTABLISH FRAMEWORK AND TRANSITIONAL ARRANGEMENTS
INTRODUCED AND ENACTED MID-2024

- Provide a framework for councils to self-determine future service delivery arrangements via a water services delivery plan (to be submitted within 12 months).
- Establish foundational information disclosure requirements (as first step towards economic regulation).
- Streamline requirements for establishing council-controlled organisations under the Local Government Act to enable councils to start shifting the delivery of water services into more financially sustainable configurations, should they wish to do so.
- Provide technical and advisory support to Auckland Council to determine how they wish to create a financially sustainable model for Watercare.

3

ESTABLISH ENDURING SETTINGS AND BEGIN TRANSITION
INTRODUCED DECEMBER 2024
AND ENACTED MID-2025

- Set long-term requirements for financial sustainability.
- Provide for a range of structural and financing tools, including a new class of financially independent council controlled organisations.
- Consider the water regulator's empowering legislation to ensure the regulatory regime is efficient, effective, and fit-for-purpose, and standards are proportionate for different types of drinking water suppliers.
- Provide for a complete economic regulation regime.
- Establish regulatory backed powers, to be used when required to ensure effective delivery of financially sustainable on-site water services.
- Refine water service delivery system settings to support the new system, such as consistent industry standards.



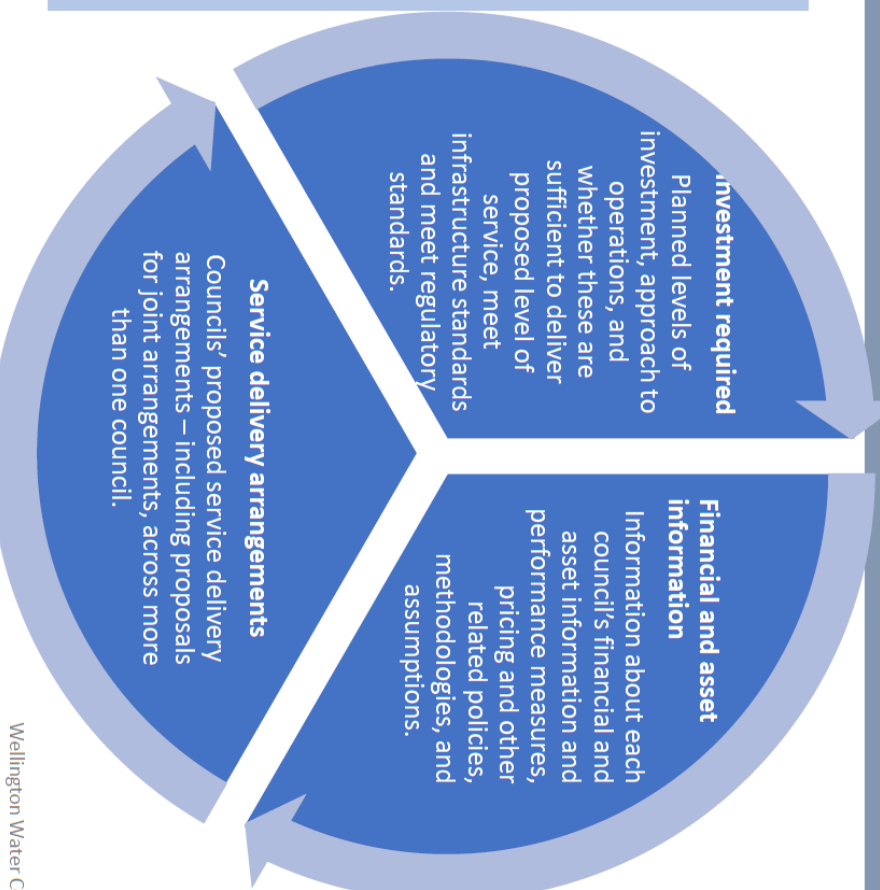
Passed

What is a water services delivery plan – Bill 2 to confirm

Nb. Purpose and requirements will be confirmed by Bill 2

Purpose

The overarching purpose of the Plans is for councils – individually or jointly – to publicly demonstrate their intention and commitment to deliver water services in ways that are financially sustainable, meet regulatory quality standards for water network infrastructure and water quality, and unlock housing growth.



Key information

- Plans are one-off, transitional documents, to set a pathway forward to sustainability.
- Plans can be developed by individual councils, or jointly where groups of councils are planning to jointly establish a water organisation.
- Plans must include drinking water, wastewater and stormwater – but councils have flexibility about transferring stormwater in proposed new service delivery arrangements.
- It will be up to councils to determine how best to engage with their communities as part of the Plan development process.
- Plans have no regulatory function – LTPs continue to be councils' primary planning and accountability document.
- Plans cover a 10-year timeframe, with detailed information provided on the first three years.

Agreed approach for the Wellington region and Horowhenua

Joint Water Service Delivery for the Wellington Region

Private and confidential

Councils in the Wellington region are committed to jointly developing a water service delivery plan and future delivery model.

Investment in resilient and affordable water infrastructure is critical for the economic and social future of the Wellington region, including housing growth. Our approach is underpinned by a joint governance group and process.

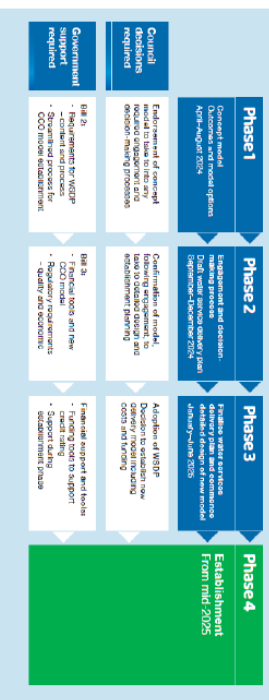
To be successful, the water service delivery plan and delivery model must be:

- Supported by all councils and key/other partners
 - Supported by legislative change
 - Based on a sustainable funding model that is workable, equitable and meets the needs of communities and the environment
- The plan will enable commitment from councils and the Government to establish a new model for delivery.

Government support

- Enabling legislation**
 - Streamlined requirements for water services delivery plans
 - Enable period in meeting regulatory requirements
 - Tools to enable older headroom and financial separation from councils
- Financial support and tools**
 - Use of current transition grant funding during planning phase
 - Funding tools for the new delivery model to enable financial separation
 - Support during the establishment phase to set up the new model and to ensure affordable transition for communities

Phases of delivery



The Councils

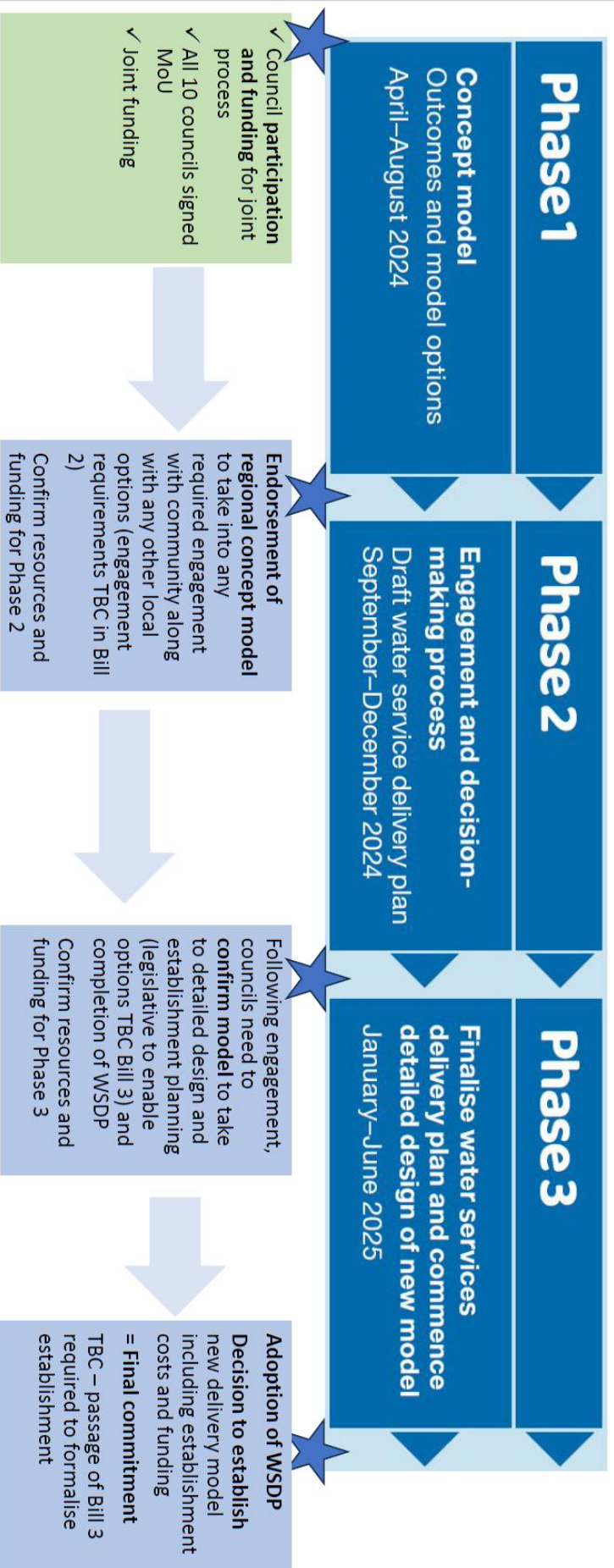
Nine territorial authorities and Greater Wellington Regional Council



Key progress to date

- ✓ Joint approach agreed across 10 councils
- ✓ Councils signed MoU
- ✓ Joint funding and resources
- ✓ Councils retina decision rights and clear off-ramps
- ✓ AOG Chair confirmed and first meeting held on 10 August
- ✓ Analysis of network economics, governance and legal requirements underway
- ✓ Agreement to focus on COC or COO type models
- ✓ Engagement with Minister and DIA

Key Phases and decision points



Komiti Ngā Wai Hangarua | Wellington Water Committee

10 July 2024

Report no: WWC2024/3/73

Company and Governance Update 26 July 2024

Appendices

No.	Title	Page
1↓	Company and Governance Update 26 July 2024	21
2↓	Draft SOI Portfolio reporting dashboard template	30
3↓	Wellington Water Quarterly Overview	32
4↓	Water and Wastewater Treatment Plant Dashboards 24 June 2024	47
5↓	Recommended and adopted Capital Expenditure and Operational Expenditure by Council by Water Type	60
6↓	Council Operations Reports June 24	61
7↓	Summary of Papers	79

Author: External Author (Wellington Water Ltd)



Wellington Water Committee | Komiti Ngā Wai Hangarua

26 July 2024

File: ()

Report no:

Company and Governance Update

Purpose of Report

1. To provide an overview of the Three Waters activities across the metropolitan area of Wellington and the South Wairarapa District Council.

Recommendations

That the Committee receives and notes the report.

How to read this report

2. There are three parts, as follows:
 - i. Governance Update,
 - ii. Water Committee Priorities, and
 - iii. Operational Achievements and Issues.

Governance Update

3. The Board has led an independent review of the cost estimation error, with input from the Committee on scope of the review. The reviewers will be at the meeting to present their findings.
4. Alexandra Hare has completed her term as independent director on the Board. Alex has brought her energy and experience across energy, water, engineering leadership and environmental performance to Wellington Water, always with people and health and safety in the centre.

5. The key Governance conversations held and actions taken by the Board of Wellington Water (Board) since the last meeting of the Wellington Water Committee (Committee) include:
 - i. Approved the Statement of Intent 2024-27, which is presented to this meeting.
 - ii. Reviewed the Instrument of Delegations and made appropriate changes to ensure clarity on roles and responsibilities within the context and environment we are operating in that provides for a more active and involved Board.

Statement of Intent for 2024-27

6. There is a separate paper to present the SOI to the Water Committee.
7. We are developing a reporting dashboard to provide visibility to councils on progress with the new areas of work underway to deliver on the Statement of Intent. A template for this is provided as Appendix 1.

Summary of Quarter 4 Performance

8. The Quarter 4 Overview is included as Appendix 2.
9. Management Services Agreements with each council have been extended to June 2025.
10. There have been no serious health and safety incidents in Q4.
11. Our staff engagement score is down this quarter at 55% compared with 58% last quarter. Retention and recruitment rates are steady.
12. Key operational focuses for the organisation this quarter have included work to reduce the backlog of leaks and setting ourselves up to best respond to the water use reduction target agreed with councils and Taumata Arowai for next summer. It is encouraging to see a downward trend in water use across the region over the quarter.
13. From a corporate perspective we have worked through the draft Statement of Intent and completed the business plan to support delivery.
14. We have worked closely with councils to provide investment advice and to work through audits for their Long-Term Plans. We acknowledge the recent error around the inclusion of corporate costs in our LTP advice and the impact this has had on councils in the late stage of their LTP process. We again apologise for this. The Wellington Water Board has conducted an independent review to understand what happened and to provide recommendations for improvements. We stand ready to implement any recommended improvements.
15. We have renewed 6.6km of pipe in Q4, and a total of 24.5km in the year – above our target of 20km.
16. We recently made engineering changes at Martinborough, Memorial Park and Waiohine drinking water treatment plants that bring them into compliance with the new bacterial and protozoal rules.
17. New, more suitable fluoride equipment has been installed at the Gear Island and Te Mārua Water Treatment Plants this quarter. We continue to see improvements in the reliability of the fluoridation equipment as we focus on meeting the MoH targets for fluoridation. Refer dashboards at Appendix 3 for more details on water treatment plant performance.
18. Three of the four metropolitan wastewater treatment plants remained non-compliant due to ongoing issues with treatment processes and mechanical problems. We are progressing a review of the performance of the Regional Wastewater Treatment Plant Contract and will report back on findings once available.

The Water Committee Priorities

Ensuring a smooth transition through water reform to the new entity in 2024

19. We continue to support the regional planning for water service delivery as required.

Three Waters Investment Planning for 2024-34

20. Councils have now adopted their LTPs for 2024-34.
21. We have included as Appendix 4 updated tables on recommended and agreed expenditure by council and by water type.
22. We are completing final operational and capital programmes, Level of Service Projections and Active Risk Registers for each council.
23. We are also producing a Council 'Investment Snapshot' summary document, which gives a view of the LTP decisions taken and the outcomes expected.

Sustainable water supply and reducing consumption

24. As at July we are seeing a slight downward trend in water use across the region.



25. The separate paper on the Acute Water Supply and Demand Risk provides a full update to the Committee.
26. The residential metering programme is a core activity to achieve a sustainable water supply for the region. It supports and enables water loss reduction and customer water use efficiency.
27. The programme is now in the establishment phase. We have appointed Ian McSherry to lead, and we are currently recruiting a core team and have had a strong response from the market.
28. We have agreed and are establishing a joint working model with council officers and mana whenua to enable an integrated regional approach to the programme.
29. The current focus is on getting the foundations in place so we can enter the implementation phase when we have resources in place.

Regulatory performance

30. Taumata Arowai has released the Drinking Water Regulation Report for 2023 and commented on the close work between Wellington Water and the regulator to

mitigate the risk of a water shortage in the Wellington metropolitan area, and that this work continues.

31. Managing water loss (or leakage) from drinking water networks is an area of increased regulatory scrutiny and Taumata Arowai expects suppliers to actively manage quantity risk to their supply and proactively notify when there is a problem.
32. A significant milestone in further compliance with the assurance rules was the finalisation of the Hygiene Code of Practice. This Code of Practice outlines the expected standard of care and good work practices for all personnel working on the drinking water supply network to prevent contamination of drinking water and ensure the delivery of safe and healthy drinking water to customers.
33. We continue our focus on bringing our networks into full compliance, exploring the rules to find areas that simple cost-effective adaptations can improve the level of compliance.
34. We continue to see improvements in the reliability of the fluoridation equipment as we focus on meeting the MoH targets for fluoridation. A long-term solution to upgrade the entire fluoridation system has funding from the Greater Wellington Regional Council in years 4 and 5 of their long-term plan to ensure we can reliably meet the MoH targets and for fluoridation in all circumstances (including Petone and Korokoro). Refer dashboards at Appendix 3 for more details on water treatment plant performance.

Operational Achievements and Issues

People

35. Four lost time injuries occurred in Q4, all involved low potential incidents resulting in “minor” injuries (e.g., sprains and strain, slip/trip/falls) and did not involve critical risk incidents. In all instances the workers were supported and have returned to work.
36. Our unplanned turnover is currently sitting at 11.4% and continues to track steadily (12 month rolling average).
37. The staff engagement capital score for Q4 is slightly down, at 55% compared with 58% last quarter. One driver for this dip is the uncertainty around the future of the organisation. Our highest engagement outcomes are safety, culture, and values.
38. Kevin Locke has returned to our Alliance partner, Fulton Hogan after five years with Wellington Water both as Alliance Director and GM Customer Operations. The maintenance and operations activity at Wellington Water is now double the size it used to be. We have taken the opportunity to split the role into a Wellington Water General Manager and an Alliance Director role filled by Fulton Hogan. Charles Barker is currently covering the GM role, and Andrew Harvey has been appointed into the Director role. With an engineering career spanning 30 years and numerous civil engineering projects, Andrew has most recently been Fulton Hogan’s East Coast Regional Manager overseeing all activities across the Gisborne and Hawkes Bay regions which included the three waters.

Wellington Water corporate budget

39. Wellington Water has made significant cost management efforts throughout the year primarily through slowing recruitment and reducing contractor spend. This resulted in a year-end surplus of \$5.6m. The surplus will be transferred to retained earnings for the organisation and utilised to supplement the budget across the next two years. This allows us to continue to deliver similar service levels while limiting the funding required from councils. This also allows us to maintain our reserves, at the end of the two-year period, at the same level as at 30 June 2023.

Opex Delivery

40. At the end of the 2023/24 year we spent \$135m. The additional funding provided from some councils has enabled us to find and fix additional water leaks, and address acute issues across other activities.
41. In the 2023/24 financial year we fixed 10157 leaks and surveyed 2485.31km of the network for leaks around the region. At the end of June, we had 1816 open leaks for repair, down 181 from 1997 in May. These are interim results due to the potential removal of duplicates. The final figures will be consolidated and confirmed a month after the FY end.
42. Operational reports are provided as Appendix 5.

Capex Delivery

43. For the full year to 30 June 2024, spend on the capital delivery programme was \$329m at a regional programme level.

Council	Total capital spend for 2023/24
Greater Wellington Regional Council	\$101.1m
Hutt City	\$70.5m
Porirua City	\$69.9m
South Wairarapa District	\$5.6m
Upper Hutt City	\$15.7m
Wellington City	\$66.6m
Total	\$329.3m

44. Here is the data on metres of pipe constructed on a quarterly basis, split by council.

	Q1 Total	Q2 Total	Q3 Total	Q4 Total	Year End Total
HCC	2994	3905	3449	4983	15280
WCC	1,629	976	696	418	3718
PCC	1,024	657	877	1035	3593
UHCC	864	203	0	0	1067
SWDC	98	80	0	0	178
GWRC	212	228	105	100	685
Total	6,771	6,048	5,127	6,576	24,521

45. For the 2024/25 year, we are forecasting a total of 9.1 km.

	Metres planned 2024/25
HCC	4,971
WCC	427
PCC	200
UHCC	2,838
SWDC	472
GWRC	180
Total	9,088

46. Across the region, capex budgets for years 1 to 3 of LTPs are dominated by existing and committed Major Projects, with a focus on treatment plant assets to drive consenting and compliance related outcomes; and projects that improve levels of service. To accommodate this, investment in network renewals decreases over the current triennium.
47. From Year 4 onwards, network renewal investments bounce back to FY23-24 investment levels on average.
48. The capital delivery teams achieved the following milestones in Q4:
- The new Taranaki Street Pumping Station: achieved practical completion.
 - Taranaki Street wastewater rising main: expected to be practically complete four months ahead of schedule in January 2025.
 - Te Mārua WTP Capacity Optimisation: The project site works is progressing. The team is working between 6 and 10 work fronts, which will be increasing over the coming months. The delivery of additional water into service in 2024 has several key risks around weather and commissioning programme, temporary discharge consent, and 3rd party risks.
 - Kaitoke Pipe Bridge: Work has progressed well, with a two-week shutdown completed successfully, bringing forward the completion date. All shutdowns are now complete, the bridge and pipework is complete, with water into supply. Bridge access works will be completed in July and the project should achieve practical completion in August, seven months ahead of programme and on budget.
 - Kaitoke Water Main and Whakawhirinaki Bridge & Shared Path: This four stage bulk water pipeline project is approximately 85% through construction, two months ahead of schedule and on budget. Stages 1, 2 and 4 are almost complete and the 200m long Whakawhirinaki Arch Bridge over the Hutt River was installed on 12 July.

Wastewater Treatment Plants

49. The Martinborough, Moa Point, Western and Seaview Wastewater Treatment Plants were all non-compliant at the end of June due to either capacity, mechanical or environmental factors. The Moa Point Clarifier renewal is going well, and the clarifier is expected to be back in operation by late July 2024. Repair work to the main Western WWTP outfall pipe is expected to be completed in July.

50. Details of the status of wastewater plant non-compliance are provided in the latest monthly Wastewater Treatment Plant and Water Treatment Plant dashboard reports, attached as Appendix 3.

Growth update

51. We gave a presentation to the Committee in May on the current issues around growth and capacity planning. In this presentation we highlighted that in localised areas, connections will not be possible due to lack of capacity.
52. Last month we provided advice to the South Wairarapa District Council that there was not enough capacity at the Greytown wastewater treatment plant to allow development of a proposed 200 lot subdivision or sufficient capacity for new connections to the wastewater network in Greytown.
53. We are working with Council officers at Porirua City Council, Upper Hutt City Council and Hutt City Council through a number of planned workshops to understand the current and future state in relation to growth, as well as identifying the specific risks and mitigations required.
54. At an operational level we processed and supported two Covid fast track consent applications that will potentially enable 1200 new dwellings in Wellington and Porirua.
55. We are working closely with Porirua City Council and Kainga Ora on the design and construction of a new nine megalitre reservoir in Porirua that will increase resiliency and allow growth to continue in Eastern Porirua and Whitby.
56. Advice was provided to Porirua and Hutt City Councils to enable them to formulate development contribution policies that will provide funding for their three waters growth projects.

Environmental Water Quality update

57. Wellington Water is committed to improving the health of the region's waterways and harbours. We have concerns regarding the ability of the region to meet Greater Wellington Regional Council's new standards for stormwater and wastewater overflows from the networks, particularly given the level of investment confirmed in councils' LTPs.
58. We are proceeding with preparation for the Plan Change 1 hearings working with the metropolitan councils. We continue to work with Greater Wellington Regional Council but remain concerned that relying solely on the Plan Change Hearings will not be sufficient to fully mitigate the ongoing risk of non-compliance in the long term.
59. We are preparing a 'portfolio' of activities that contribute to environmental water quality improvements. This would be a set of funded projects that would be able to demonstrate the region's commitment to water quality improvement.
60. The Wellington Water Drainage Investigations team has made good progress over the year. The team is working in catchments across the region to keep within global stormwater consent compliance levels, through proactively monitoring and resolving network issues to reduce impact on the environment and to human health. There has been a decrease in Sanitary Survey responses from the previous year regarding elevated levels of E-coli entering waterways from public and private leaking wastewater pipes in dry weather (noting this is still a challenge in wet weather).

Net Zero Carbon update

61. We continue working with Wellington Water staff as well as our consultancy and contractor panel to provide guidance to monitor embodied carbon in our capital carbon programme. The next step will be reporting the data.
62. We have completed an initial assessment to identify alternative pathways for managing the biosolids (sludge) produced in the region's wastewater treatment plants instead of the existing disposal to landfill. A variety of opportunities exist but will require a dedicated focus to properly understand end-customer requirements and the commercial and technology pathway to meet them. Mana whenua have endorsed the principles behind our approach, that include a focus on waste reduction and circular economy considerations, and we will continue to engage with them as work progresses. The extent of activities in the year ahead will be dependent on the funding made available through councils' LTPs.

Technology Systems

63. As noted previously, the current state of the Wellington Water technology environment is not fit for purpose, with significant gaps in core systems, scale issues, and some critical platforms nearing end of life. Investment is required in new technology to support ongoing water services delivery.
64. In accordance with the Letter of Expectations, we are working on developing System Investment Options and will be bringing them to the Committee in October.

Connecting the Water Committee to Individual Councils

65. The Committee has a major role in providing leadership to the six councils who own Wellington Water. At the Committee meeting you are receiving and discussing material that all councils will receive via Wellington Water's ongoing advice on operations.
66. We have provided a summary report (Appendix 6) to assist with individual councils understanding of the material the Committee is working on.

Climate Change Impact and Considerations

67. There are no direct climate change impacts or considerations from the matters addressed in this report.

Appendices

There are six appendices for this report.

1.	Draft SOI Portfolio reporting dashboard template
2.	Quarter 4 Overview
3.	Water Treatment Plant and Wastewater Treatment Plant dashboard reports
4.	Recommended and adopted Capital Expenditure and Operational Expenditure by Council by Water Type
5.	Regional and Council Operations Reports
6.	Summary for Councillors of papers to the WWC meeting

Author: Tonia Haskell

External Author (Wellington Water Ltd)



APPENDIX 1: Draft SOI Portfolio reporting dashboard template

July 2024

Current progress status for the SOI initiatives:

SOI Portfolio Initiatives	GREEN On track to deliver	AMBER Delivering but requires monitoring to deliver	RED At risk of not delivering
Partnering Agreements			In Progress
Te Mana o Te Wai Strategy			In Progress
Regional Performance Framework			In Progress
Supply Chain Revisit			In Progress
Water Metering			In Progress
Systems Investment Options			In Progress
Road Corridor Access (RCA)			In Progress
Efficiency and Effectiveness			In Progress
Sludge Management Facility (SMF)			In Progress

Monthly Performance Report: Workstream | Author: _____ | Date: _____

Wellington Water

Progress Status **ON TRACK** **AT RISK** **OFF TRACK**

Choose one of the above and then remove the shape fill of the others

Outcome

Add the outcome from your project brief here.

Monthly overview

*What's gone well?
What's challenged you?*

Focus for next month

*What are the key outputs for next month?
What are you keeping an eye on?*

Issues (up to 3)	Trend	Comment
	↑→ ↓	How does it impact on WWL objectives? How is it being managed?
	↑→ ↓	
	↑→ ↓	

Issues are things you are dealing with that are having an impact on achieving SOI objectives

Risks (up to 3)	RAG	Trend	Comment
		↑→ ↓	How does it impact on WWL objectives? How is it being managed?
		↑→ ↓	
		↑→ ↓	

Risks are things that might happen, that could have an impact on achieving SOI objectives. RAG status is based on a mix of likelihood and impact. There is guidance available: <https://woogle.wellingtonwater.co.nz/site/risk/sitePages/Home.aspx>



Wellington Water Quarterly Overview

An overview of the work Wellington Water has delivered for its council owners in the region.

Our water, our future.

Quarter 4, 2023-24: April – June 2024



About this document

Wellington Water prepares several regular reports for our council owners, regulators and other key stakeholders.

Most of these are for special purposes – financial, risk, specific projects – and go directly to the relevant council officers.







This document is intended for a wider audience. It provides an overview of our working environment, activity and performance, from a regional perspective.

It is prepared alongside and sometimes in advance of other reporting, so there can be slight differences in the data used in this versus detailed technical reports.

This report will be made publicly available and published on our website. Where possible, we aim to publish most of our information and advisory papers on our website: wellingtonwater.co.nz

As a regional water services provider, Wellington Water is focused on restoring balance among the needs of water, people and the environment.

We do this through applying our council owners' investment in six strategic areas:

-  Look after existing infrastructure
-  Support growth
-  Ensure sustainable drinking water supply for the future
-  Improve water quality of our rivers, streams and harbours
-  Reduce our carbon emissions and adapt to the impacts of climate change
-  Increase resilience to natural hazards

These strategic investment areas underpin our ability to deliver customer outcomes: safe drinking water, water that is safe to enter the environment, protection from the impacts of flooding, and resilience to major natural events.



Our water, our future.

Quarter 4, 2023-24: April – June 2024

Regional strategy and delivery

Wellington Water's direction is towards Te Ika Rō Wai, where the needs of water, the environment and people are in balance. Te Ika Rō Wai can be understood as the fish in the water. For fish to thrive, the water they swim in needs to be pure. If we carry out our role well, and care for water at every stage as it passes back to the environment, this will restore and support manaakitanga, the ability of mana whenua to provide for people and to care for the environment.

The region faces big challenges in achieving this balance. These include the amount of water consumed by people and lost through leaks; and the quality of water that leaves networks and returns to the environment, in both planned and unplanned discharges.

Our role is to provide investment advice to councils to maintain and develop their assets. We also operate their networks and develop and deliver programmes of work to renew and replace the aging assets in the region. We create value for our shareholding councils by aligning this work with regional priorities, and through procurement and delivery models that individual councils could not achieve independently.

This year we are preparing advice for councils for their long-term plans. The process has been complicated by the Government's policy changes around water reforms.

Core delivery focus areas

We are focused on delivering our core services. Keeping to the core for us means:

1. Sufficient water supply for our communities
2. Safe drinking water
3. Removing and treating wastewater before returning it to the environment
4. Stormwater risks and impact are managed

In a time where all our council owners are facing inflationary pressures and financial constraints, we are acutely aware of every dollar we are provided by councils and ratepayers. Therefore, we prioritise our work carefully to ensure that we are applying resources and people on the right things (e.g., our core services) and to the areas needed most.

Underpinning these core areas of delivery is our ongoing programme of planned maintenance and reactive responses to network outages, and our capital delivery programme which aims to replace and renew as many of the aging assets in our region as possible before they reach the end of their operational lives.








Our ability to deliver hinges on our people. We continue to take care of our people during a time of change and sector reform. This means we are committed to ensuring our people, and the people in our supplier whanau are engaged, informed and supported.



Our water, our future.

Quarter 4, 2023-24: April – June 2024

Delivery highlights for this Quarter

- 
15,642.1 million litres safe drinking water delivered to Wellington metropolitan region.
- 
397.4 million litres safe drinking water delivered to South Wairarapa.
- 
11,469 million litres of wastewater was treated at the Wellington metropolitan treatment plants.
- 
141 million litres of wastewater was treated at the South Wairarapa treatment plants.
- 
9,454 customer calls were received and dealt with by our Customer Experience team.
- 
60 significant network outages across the region were responded to by crews.
- 
0 habitable floors flooded. Habitable floors flooded is a measurement required by the Department of Internal Affairs. We can only report the incidents we know of – not every incidence is reported to us or councils.



Quarter 4, 2023-24: April – June 2024

Our water, our future.

Supporting long-term planning for 2024-34

As the region's water services provider, we provide our council owners with investment advice on their water assets in the region. We do this through the annual planning process and the long-term planning process. Through this, councils then make decisions on what to fund.

We provide councils with investment advice based on best practice and achieving the best water outcomes for communities and the environment. Our advice is based on the strategic priorities set by the Wellington Water Committee for the region. We then work through a process with each of our councils based on their priorities and what they can afford. This includes advice on the risks and consequences of not investing. This quarter there has been a lot of activity for the 2024-2034 Long-Term Planning and this process is underway for all our councils.

Our 2024-2034 Long-Term Planning advice

We provided councils with **three levels of capital investment advice** for the region:

- 1 **\$30 billion over 30 years** - the total capital investment **needed** to deliver the region's strategic priorities.
- 2 **\$7.6 billion over 10 years** - this is our **recommended level** of capital investment based on the maximum that can be delivered (a 30% uplift of work year on year that plateaus at \$1b per year).
- 3 **\$2.8 billion baseline programme** – based on funding assumptions from councils' 21-31 LTPs. This is the basic level of capital investment to keep the lights on but won't improve the region's water assets to a sustainable and manageable level.

Councils have been clear that the recommended level of investment is unaffordable and across the region councils are consulting on funding levels that are closer to the baseline programme. The likely levels of funding will exacerbate the region's critical risks and create new ones.

Of particular concern is the ability to supply water to communities in the coming summers and the longer-term costs of deferring this investment now. Based on councils' proposed level of funding, there will be limited work to support population growth, renew infrastructure at a sustainable rate, improve water quality and resilience and reduce carbon emissions.



Quarter 4, 2023-24: April – June 2024

Our water, our future.

Long-Term Plan advice – current status

Councils have finished consultation on their 2024-2034 Long-Term Plans (LTP) and have finalised funding decisions. SWDC decided to take the option to undertake an enhanced Annual Plan and defer the completion of their Long-Term Plan until next year.

We acknowledge the additional effort from councils to increase their investment in water. Earlier contributions have already reaped benefits, for example with leaks showing a sustained dip over the last six months.

We have recently provided further advice to councils, including revised operational and capital investment programmes, level of service projections and active risk registers for each council. In Q1 2024/25 we are also producing a council 'Investment Snapshot' summary document, which gives a view of the LTP decisions taken and the outcomes expected. These will be placed on our website.

The total capital expenditure in the region for the next 10 years (except SWDC) is indicatively \$3.6 billion, with final figures being confirmed.

Our advice to councils can be found on the Wellington Water [Long-term Planning](#) [web page](#).

Providing a sufficient supply of drinking water

Our, and our councils', ability to provide a sustainable supply of drinking water remains at risk. The network is old with increasing leaks (around 4.4% water loss on average for the metropolitan councils), people are using a lot of water and population growth is adding to the issue.

Water use reduction achieved during the 2023/24 summer

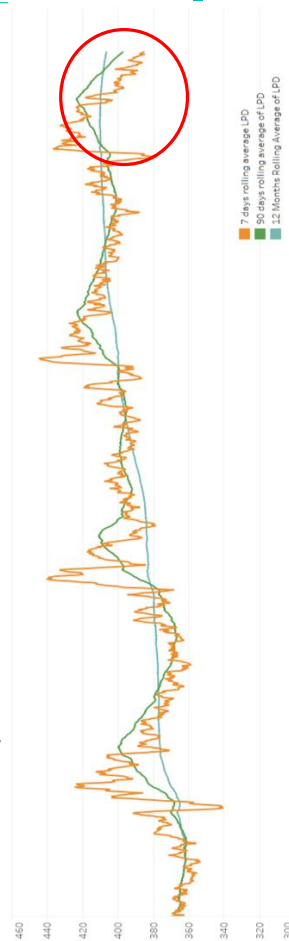
At the beginning of summer, Wellington Water warned the region that there was a risk that tighter water restrictions would be needed to prevent an acute water shortage. The combined efforts of residents and councils saved over 400 million litres of water over summer.

Their combined efforts prevented a shift to tighter restriction levels and the increase in demand between winter and summer was the lowest on record. With longer, drier summers anticipated in the future, conserving water will continue to be an integral part of water management. For sustainable reductions, investment in renewals is needed.

Metering programme establishment

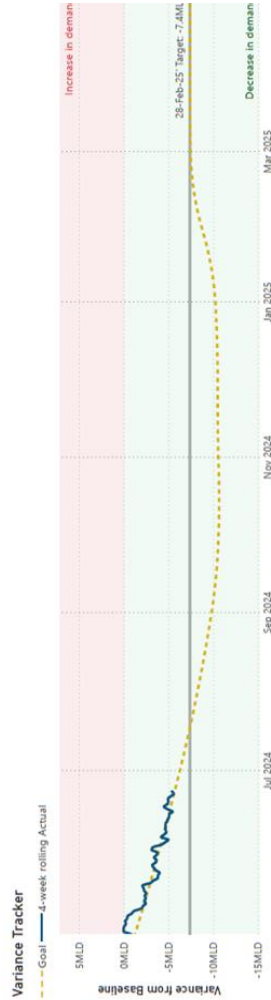
The residential metering programme is a core activity to achieve a sustainable water supply for the region. It supports and enables water loss reduction and customer water use efficiency. The programme is now in the establishment phase. We are currently recruiting a core team and have had a strong response from the market to this.

We have agreed and are establishing a joint working model with council officers to enable an integrated regional approach to implementation. The current focus is on getting the foundations in place so we can enter the implementation phase when we have resources in place.



Water use reduction target for the 2024/25 summer

Taumata Arowai set a target of 7.4 million litres per day (MLD) water demand reduction for Wellington Water to reduce the risk of an acute water shortage/water restriction Level 4 for the Wellington Metropolitan Region. Wellington Water and our councils are working to reduce this demand, with councils having increased their funding to find and fix more leaks. Operational measures, such as pressure management, are also underway. This graph shows short-term fluctuations in actual demand, with the overall trend aligned with the goal.



Te Mārua Water Treatment Plant Capacity Upgrade

There has been steady progress with ongoing work on the DAF wall structure and other areas across the Water Treatment Plant. Progress has continued with detailed commissioning planning workshops and the pump and plant room fit-out as well as filter refurbishment and centrifuges and mixing tanks coming on stream. August will see commissioning of both the sludge dewatering and CO2 upgrade packages completed. Groups of elected members visited the site in recent months. All were impressed by the scale and effort underway. The upgrade will ensure reliable and healthy drinking water for the residents of the Greater Wellington Region.

Our water, our future.

Quarter 4, 2023-24: April – June 2024

Providing safe drinking water

Drinking water compliance

We have continued to provide the region with safe drinking water this quarter.

However, the water leaving the Waterloo Water Treatment Plant remains non-compliant with the new chlorine rules that were introduced by Taumata Arowai late last year. This impacts up to 800 Lower Hutt households.

We are making good progress with the significant upgrades to the network that will allow us to meet the new rules and ensure the water from Waterloo is compliant.

Some homes located near the Treatment Plant receive water that has not travelled through the network for a long enough period to have the right amount of contact with chlorine in order to meet the new rules. We are working to address this.

Work done to date includes looking at rezoning some properties to be supplied from other areas of the network by constructing new assets including pipes, valves and pump stations. Construction work is due to start soon. This work is ongoing and we estimate that it could take up to two years before we can achieve full compliance, although this timing is yet to be confirmed.

In the meantime, the water being supplied from the Waterloo Water Treatment Plant complies with the previous drinking water standard and has always been safe to drink.

All other metropolitan water treatment plants have been compliant this quarter.

The Pirinoa Water Treatment Plant in South Wairarapa continues to be compliant, while the rest of the water treatment plants remain non-compliant. Investment is needed to bring these plants into compliance.

Waterloo treatment plant



Quarter 4, 2023-24: April – June 2024

Our water, our future.

Providing fluoridated drinking water

Fluoridating the drinking water

New, more suitable fluoride equipment has been installed at the Gear Island and Te Mārua Water Treatment Plants this quarter.

The majority of the plants met the Ministry of Health (MoH) fluoride targets this quarter with the exception of Te Mārua in May and Gear Island in June. In both instances, the fluoride facilities did not meet the MoH's target of fluoridating the drinking water 95% of the time. This was due to maintenance work and project work that required us to turn the facility off to allow the work to take place.

We continue with our programme of ongoing planned maintenance to ensure that the equipment at the fluoride facilities are running as they should. This means that we will have to turn off the fluoride facilities from time to time. If a facility is off for more than a few days in a month, this quickly impacts our ability to meet the MoH target for fluoride.

A long-term solution to upgrade the entire fluoridation system at all the metropolitan Water Treatment Plants would be needed to reliably meet the MoH target levels for fluoride.

We are currently doing some planning on what the best long-term solution would look like. Greater Wellington Regional Council has indicated funding for this work in years 4 and 5 of their Long-term Plan.

Throughout the quarter we continued to notify the public via our website and our social media channels every time there was a fluoride outage. We also continued to provide our Board, councils, and the Wellington Water Committee with monthly updates on our fluoride performance and any non-compliances. [We also publish this information on our website.](#)

Fluoride compliance at the Wellington metropolitan water treatment plants – Q4

Water Treatment Plant	Apr	May	Jun
Waterloo	●	●	●
Wainuiomata	●	●	●
Te Mārua	●	●	●
Gear Island	●	●	●

● Compliant

● Compliant but with noted issues

● Not compliant

For the months that we are not compliant, we have fluoridated the drinking water at the right levels but did not meet MoH's target of fluoridating 95% of the time.



Quarter 4, 2023-24: April – June 2024

Our water, our future.

Removing and treating wastewater

The Moa Point, Western, and Seaview Wastewater Treatment Plants were non-compliant this quarter. This is due to capacity, mechanical, and environmental factors.

Moa Point Wastewater Treatment Plant

Moa Point continues to be non-compliant for wastewater quality. We are working on changes to the treatment process to address this. However, ongoing equipment issues at the plant is preventing us from bringing it back into compliance. There were two discharges this quarter. Work on the clarifier renewal is going well and coming close to completion. The clarifier is expected to be back in operation by late July 2024. The plant received 22 complaints.

Western Wastewater Treatment Plant

The Western Wastewater Treatment Plant continues to be non-compliant for wastewater quality. Additional analysis and process adjustments are being undertaken to resolve this issue, and daily effluent quality trends have improved over the quarter. There was one discharge this quarter.

Seaview Wastewater Treatment Plant

The Seaview Plant was non-compliant this quarter due to a higher level of bacteria in the wastewater. This is due to issues with the biological treatment process and mechanical issues in the UV systems. We're working on improvements to these areas. There were four discharges from the plant. The plant received 53 complaints about odour this quarter. We continued to proactively send notifications to the community and public for work that may cause increased odour at the plant.

Porirua Wastewater Treatment Plant

The Porirua Plant was compliant for wastewater quality but had some noted issues. There were five wet weather discharges of biologically treated but undisinfectant effluent from the plant that caused some temporary discoloration in the coastal area at Rukutane Point. These events are being investigated.

South Wairarapa Wastewater Treatment Plants

All South Wairarapa wastewater treatment plants continue to deal with ongoing performance issues. They all require significant investment to return to full compliance or to avoid further instances of non-compliance.

Compliance status for the region's wastewater treatment plants – Q4

Wastewater Plant	Apr	May	Jun
Moa Pt	●	●	●
Porirua	●	●	●
Seaview	●	●	●
Western	●	●	●
Featherston	●	●	●
Greytown	●	●	●
Lake Ferry	●	●	●
Martinborough	●	●	●



Increasing transparency around network overflows

As part of our commitment to transparency, we have started publishing information about [wastewater overflows from the network on our website](#). This will be updated monthly and reflects network overflows recorded at selected, monitored sites across the metropolitan region. It is not representative of all network overflows, but we are working on providing the public with a more accurate picture of this.



Quarter 4, 2023-24: April – June 2024

Our water, our future.

Delivery of the region's capital works programme

We continued to make good progress in our Capital Works Programme this quarter.

In Q4 our total spend on the capital delivery programme was \$99.4M at a regional programme level. Bringing our year end total spend to \$329.3M. This is an increase of 25% from the last financial year.

We have made a commitment to the Wellington Water Committee to track and report on the kilometres of pipe we have laid on a quarterly basis. For Q4 we have laid 6.6 kilometres of pipe across the region against a quarterly target of 5 kilometres, making it our second-best quarter this year. At the beginning of the year, we set a target of 20 kilometres of pipe laid based on funding by councils. This year we have exceeded our target with a total of 24.5 kilometres of pipe laid.

KMs of pipe for this financial year

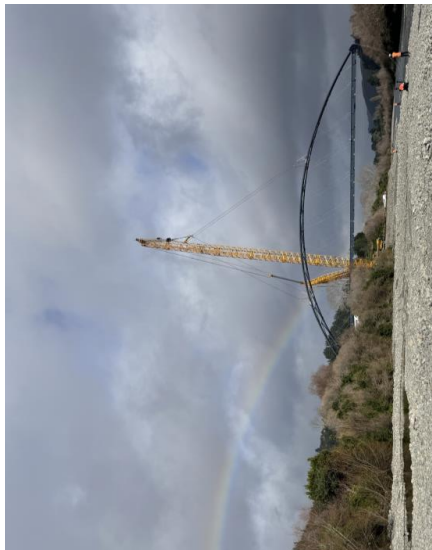
Councils	Water	Wastewater	Stormwater	Q1 Total	Q2 Total	Q3 Total	Q4 Total	Year End		
								Total Pipe Renewed	Mains Total	Laterals Total
HCC	9.0	6.0	0.3	2.9	3.9	3.4	5.0	15.3	12.5	2.7
MCC	2.1	1.3	0.3	1.6	1.0	0.7	0.4	3.7	3.1	0.6
IHCC	0	1.1	0	0.9	0.2	0	0	1.1	0.5	0.6
PCC	3.6	0	0	1.0	0.7	0.9	1.0	3.6	3.3	0.3
WRC	0.7	0	0	0.2	0.2	0.1	0.1	0.7	0.7	0
WDC	0	0.2	0	0.1	0.1	0	0	0.2	0.2	0
total	15.3	8.6	0.6	6.8	6.0	5.1	6.6	24.5	20.3	4.2

Figures are in Kilometres

Delivery across the Capital Works Programme for the quarter has included:

- Taranaki Street rising mains project ahead of schedule by 3-5 months, with the community and businesses returning to their usual spaces. This has been a great project showcasing the use of trenchless technology with less impact on residents and the city.
- Construction of Whakawhirinaki: The Silverstream Water Bridge and Shared Path, carrying bulk water supplies across Te Awa Kairangi/Hutt River commenced early 2023 and is on track to be completed mid-2025. On 12 July the 100 metre long, 20 metre tall, 150 tonne centre arch was successfully lifted into place, bringing it closer to completion.

Whakawhirinaki bridge



The drilling machine in use, approx. 5m underground on Taranaki Street.



Quarter 4, 2023-24: April – June 2024

Our water, our future.

Komiti Ngā Wai Hangarua | Wellington Water Committee

10 July 2024

Report no: WWC2024/3/74

Statement of Intent 2024-27

Appendices

No.	Title	Page
1↓	Cover Report Statement of Intent 2024-27	82
2↓	Statement of Intent 2024-27	85

Author: External Author (Wellington Water Ltd)

Komiti Ngā Wai Hangarua | Wellington Water Committee

10 July 2024

Report no: WWC2024/3/75

Acute Water Shortage Risk

Appendices

No.	Title	Page
1↓	Acute Water Shortage Update 24 July 2024	132

Author: External Author (Wellington Water Ltd)

Komiti Ngā Wai Hangarua | Wellington Water Committee

10 July 2024

Report no: WWC2024/3/76

Annual General Meeting

Appendices

No.	Title	Page
1↓	WWL Annual General Meeting	136
2↓	Shareholders' resolution in lieu of AGM	138

Author: External Author (Wellington Water Ltd)

TO: Chair and Members



Komiti Ngā Wai Hangarua | Wellington Water Committee

FROM: Jack Kilty, Democracy Advisor, Hutt City Council

DATE: 10 July 2024

SUBJECT: WELLINGTON WATER COMMITTEE FORWARD PROGRAMME 2024

Purpose of Memorandum

1. To provide the Wellington Water Committee (the Committee) with a Forward Programme of work and workshops planned for the committee for 2024.

Recommendation

That the Committee receives and notes the draft Forward Programme and future workshop topics for the Wellington Water Committee for 2024 attached as Appendix 1 to the memorandum.

Background

2. The Terms of Reference for the committee require the committee to provide governance and leadership across issues relating to the planning, delivery and management of water services to communities serviced by Wellington Water Limited (WWL).
3. The Forward Programme provides a planning tool for members, officers and WWL staff to coordinate programmes of work.
4. The draft Forward Programme for 2024 is attached as Appendix 1 to the memorandum.

Forward Programme

5. The Forward Programme is a working document and is subject to change regularly. Any changes to the Forward Programme made by officers and WWL staff will be made in consultation with the Chair.

Appendices

No.	Title	Page
1	Forward Programme to 13 December 2024	140

Author: Jack Kilty
Democracy Advisor

Approved By: Kathryn Stannard
Head of Democratic Services

