



KOMITI NGĀ WAI HANGARUA WELLINGTON WATER COMMITTEE

12 March 2024

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

Friday 15 March 2024 commencing at 10:00 am

*The meeting will be live-streamed on Hutt City Council's Facebook page.
Members of the public wishing to speak to items on the agenda are asked to contact
democraticservices@huttcity.govt.nz*

Membership

| | |
|------------------------------|--|
| Mayor A Baker | Porirua City Council |
| Mayor C Barry (Chair) | Hutt City Council |
| Mayor M Connelly | South Wairarapa District Council |
| Cr R Connelly (Deputy Chair) | Greater Wellington Regional Council |
| Mayor W Guppy | Upper Hutt City Council |
| H Modlik | Te Rūnanga O Toa Rangatira |
| 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) |
| Deputy Mayor M Sadler-Futter | 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) |
| N Hooper | Member, Māori Standing Committee, SWDC (Observer) |

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, Hutt City Council, 30 Laings Road,
Lower Hutt on
Friday 15 March 2024 commencing at 10:00 am

ORDER PAPER

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

| | |
|------------------------------|---|
| Whakataka te hau ki te uru | <i>Cease the winds from the west</i> |
| Whakataka te hau ki te tonga | <i>Cease the winds from the south</i> |
| Kia mākinakina ki uta | <i>Let the breeze blow over the land</i> |
| Kia mātaratara ki tai | <i>Let the breeze blow over the ocean</i> |
| E hī ake ana te atakura | <i>Let the red-tipped dawn come with a</i> |
| He tio, he huka, he hau hū | <i>sharpened air.</i> |
| Tihei mauri ora. | <i>A touch of frost, a promise of a glorious day.</i> |

2. APOLOGIES

3. PUBLIC COMMENT

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

4. CONFLICT OF INTEREST DECLARATIONS

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

5. CHAIR'S STATEMENT

A verbal statement by the Chair.

6. MINUTES

Meeting minutes Komiti Ngā Wai Hangarua | Wellington Water Committee,
11 December 2023

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

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

8. **COMPANY AND GOVERNANCE UPDATE**

Report No. WWC2024/1/64 by Wellington Water Limited 20

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the report be endorsed."

9. **IMPACTS OF INDICATIVE REGIONAL THREE WATERS INVESTMENT 2024-34**

Report No. WWC2024/1/65 by Wellington Water Limited 61

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be endorsed."

10. **ACUTE WATER SHORTAGE RISK**

Report No. WWC2024/1/66 by Wellington Water Limited 78

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the report be endorsed."

11. **WELLINGTON WATER LIMITED - DRAFT STATEMENT OF INTENT 2024-27**

Report No. WWC2024/1/67 by Wellington Water Limited 88

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be endorsed."

12. **WELLINGTON WATER LIMITED HALF YEAR REPORT TO 31 DECEMBER 2023**

Report No. WWC2024/1/68 by Wellington Water Limited 90

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the report be endorsed."

13. **LETTER OF EXPECTATION**

Report No. WWC2024/1/63 by the Chief Executive, Porirua City Council 119

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be endorsed."

14. ROLE OF WELLINGTON WATER LIMITED IN AN EMERGENCY

Report No. WWC2024/1/69 by Wellington Water Limited

124

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the report be endorsed."

15. INFORMATION ITEM

Wellington Water Committee Forward Programme 2024

Memorandum dated 1 March 2024 by the Senior Democracy Advisor

127

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the memorandum be endorsed."

16. 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.

17. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

Unuhia!

*Release us from the supreme
sacredness of our tasks*

Unuhia!

To be clear and free

Unuhia i te uru-tapu-nui

in heart, body and soul in our

Kia wātea, kia māmā

continuing journey

Te ngākau, te tinana, te wairua i

Oh Rongo, raise these words up high

te ara takatū

so that we be cleansed and be free,

Koia rā e Rongo whakairihia ake

Yes indeed, we are free!

ki runga

Good and peaceful

Kia wātea, kia wātea!

Ae rā, kua wātea!

Hau, pai mārire.

Kathryn Stannard
Head of Democratic Services
Hutt City Council

KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Minutes of a meeting held in the Hutt City Council Chambers on
Monday 11 December 2023 commencing at 11:00 am

PRESENT:

Mayor C Barry (HCC) (Chair)
 Cr R Connelly (GWRC) (Deputy Chair)
 Cr T Brown (WCC)
 Mayor A Baker (PCC)
 Mayor W Guppy (UHCC)
 H Modlik (Te Rūnanga O Toa Rangatira)
 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)

APOLOGIES:

Mayor M Connelly (SWDC)

IN ATTENDANCE:

R Faulkner (Te Rūnanga O Toa Rangatira) Alternate
 W Walker, Chief Executive, PCC
 D List, Programme Director, Water Reform – Wellington Water
 Councils (part meeting)
 T Haskell, Chief Executive, WWL
 J McKibbin, Group Manager, Network Management Group,
 WWL
 J Alexander, Group Manager, Network Strategy and Planning,
 WWL
 T Harty, Acting Group Manager, Customer Operations, WWL
 F Clark, Head of Strategy, WWL
 P Clarke, Tumuaki Māori, Principle Māori Advisor, WWL
 P Wells, Manager, Service Planning, WWL
 I Dennis, Transition Programme Manager, WWL
 S Watkins, Head of Governance, Planning and Performance, WWL
 C Barker, Director, Regulatory Services, WWL
 C Mathews, Manager Waste, Water and Resilience WCC (via
 audio-visual link)
 N Leggett, Board Chair, WWL
 P Dougherty, Board member, WWL (via audio-visual link)
 M Puketapu, Board member, (via audio-visual link)
 L Southey, Board member, WWL
 S McLean, Group Manager, Corporate Services, GWRC (via
 audio-visual link)
 G Swainson, Chief Executive, UHCC (via audio-visual link)
 J Smith, Chief Executive, SWDC (via audio-visual link)
 C Parish, Head of Mayor's Office, HCC
 B Hodgins, Strategic Advisor, HCC
 V Gilmour, Democracy Advisor, HCC
 H Clegg, Minute Taker, HCC

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

| | |
|------------------------------|---|
| Whakataka te hau ki te uru | <i>Cease the winds from the west</i> |
| Whakataka te hau ki te tonga | <i>Cease the winds from the south</i> |
| Kia mākinakina ki uta | <i>Let the breeze blow over the land</i> |
| Kia mātaratara ki tai | <i>Let the breeze blow over the ocean</i> |
| E hī ake ana te atakura | <i>Let the red-tipped dawn come with a sharpened air.</i> |
| He tio, he huka, he hau hū | <i>A touch of frost, a promise of a glorious day.</i> |
| Tihei mauri ora. | |

2. APOLOGIES

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 23501

"That the apology received from Mayor M Connelly (SWDC) 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

The Chair provided a verbal update attached as pages 10-11 to the minutes.

6. THREE WATERS REFORMS - LEGISLATION AND PROGRAMME UPDATE

The Programme Director, Water Reform – Wellington Water Councils explained that although the water reforms were uncertain, they remained a top priority on central government's agenda. He added that the reforms programme under the Department of Internal Affairs had been paused. However, councils could engage in holistic reforms, provide feedback on the outcomes they wished to achieve, and assist in policy development. He mentioned the challenges of investment, balancing the budget, and affordability. He highlighted the recent advice from Standard & Poor's regarding the financial difficulties councils were facing. Furthermore, he explained that the central government had not yet provided any direction and was not expected to do so before Christmas.

7. MINUTES

RESOLVED: (Mayor Barry/Mayor Guppy)

Minute No. WWC 23502

"That the minutes of the meeting of the Komiti Ngā Wai Hangarua | Wellington Water Committee held on Friday, 6 October 2023, be confirmed as a true and correct record."

8. **COMPANY AFFORDABLE WATER REFORM TRANSITION REPORT**

Report No. WWC2023/5/399 by Wellington Water Limited (WWL)

The Transition Programme Manager, WWL and the Chief Executive, WWL elaborated on the report.

The Transition Programme Manager, WWL advised that the National Transition Unit (NTU) had halted all activities, and WWL had wound up its liaison with the Department of Internal Affairs and refocused the personnel within WWL. He acknowledged concerns regarding staff wellbeing and assured that the staff were well supported. He further advised that WWL would continue to work with the NTU to ensure that any resources or artifacts created were not lost while work on the new regime continued.

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 23503

"That the Committee receives and notes the report."

9. COMPANY AND GOVERNANCE UPDATE

Report No. WWC2023/5/400 by Wellington Water Limited (WWL)

The Chief Executive, WWL and the WWL Board Chair elaborated on the report.

The Board Chair emphasised that the Board believed it was important that the seven risks, along with key issues, were signalled at a governance level. He noted that the Board was aware of councils' significant funding restraints. He informed members that WWL had been very clear about the water shortage risk in the region this summer, ensuring all partners, regulators and emergency service providers were informed. He explained that the best way to mitigate the risk was to ensure all partners worked together to care for vulnerable communities.

The Chief Executive, WWL advised WWL was required to provide safe drinking water to the region while investing in its future through the capex programme. She added that WWL staff continued to be engaged and valued and that two Mana Whenua partner agreements were signed. However, she said that the future of the region's drinking water was in danger due to 45% of all treated water being lost to leaks. She acknowledged each council's Long Term Plan (LTP) processes, understood the financial challenges each council faced, and urged all councils to find a path of solidarity moving forward.

In response to questions from members, the Chief Executive, WWL acknowledged the health and safety incidents and reassured members that they had been thoroughly investigated. She added that WWL had been informed that no exemptions would be granted regarding chlorine levels. However, she said the way forward was uncertain because 100% compliance would require an investment of several tens of millions of dollars.

In response to further questions from members, the Chief Executive, WWL advised that a course correction was undertaken at the end of Quarter 1, with savings in overheads being reallocated to the opex budget. She said the teams were working hard to ensure they remained within budget. She explained that dealing with leakages was more efficient if they worked according to a yearly plan, allocating similar resources each week unless unforeseen issues arose. She added that the resources allocated to the leakages programme depended on the amount of money each council provided. She clarified that no additional money was set aside for unexpected pipe bursts.

The Chief Executive, WWL agreed to provide a report with council area breakdown details on the number of pipes laid over the first third of the year. She noted that the report would acknowledge that Wellington City received 66% of new pipes.

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 23504

"That the Committee receives and notes the report."

10. REGIONAL INVESTMENT 2024-34

Report No. WWC2023/5/401 by Wellington Water Limited (WWL)

The Group Manager, Network Strategy and Planning, WWL elaborated on the report.

In response to questions from members, the Group Manager, Network Strategy and Planning, WWL confirmed WWL would report back once all draft Long Term Plans had been set. She advised that funding would only be available for the first two criteria, which would make it increasingly difficult for the principles of Te Mana o Te Wai to comply with. She confirmed the committee had set the order of the criteria, with Improving Environmental Quality being number four. The Chief Executive, WWL added that while WWL would like to fund all criteria, it could only operate on the funds received from each council and make priority calls based on the directions given by each council.

The Chair clarified that the criteria list was a list of priorities, with each council directing their priorities to WWL, not a ranked list.

Mayor Baker added that each council could not afford to do everything and called for a message to be sent to central government indicating the need for a change in the funding model for water.

Cr Brown mentioned that Wellington City Council prioritised the sludge minimisation facility to achieve zero emissions.

H Modlik expressed concern that a deficit in resourcing caused today's problems. He emphasised that affordability was a major issue and a national dilemma. He urged the committee to adopt a unified regional approach to resolve the water issues in the region, even if it meant going into debt. He mentioned that Ngati Toa would make significant investments in the region.

There was a general discussion on whether each council should endorse the regional statement before a joint response was issued. Members noted that the committee's purpose was to provide regional guidance and leadership. They also suggested that each council could provide its endorsement through Long Term Plans.

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 23505

"That the Committee:

- (1) endorses the position statement (Regional Investment Statement) attached as Appendix 1 to the report, which sets out the agreed Regional Strategic Priorities, the risks of constrained and uncoordinated investment and the recommended shareholder investment to make progress towards achieving the regional outcomes for both operational and capital expenditure;*
- (2) notes that endorsing the Regional Investment Statement fulfils the Committee's regional leadership function whilst respecting that individual councils will make their own decisions in their own context;*

- (3) notes that Councils are signalling that Wellington Water Limited's recommended programme, which totals \$7.6 billion over the next 10 years (the maximum deliverable) for the 2024-34 period, will be unaffordable because of fiscal constraints and concerns about the impact on ratepayers;
- (4) notes that investment below the recommended levels and inconsistent with the Regional Investment Statement will exacerbate the critical risks faced by the region and create new risks at a local and system level; and
- (5) notes the Wellington Water Board received on 9 November 2023 an assessment of the likely impacts and consequences of funding below the recommended programme and closer to the Long Term Plan baseline; and
- (6) notes that Wellington Water Limited has provided an abridged version of the Board report to the Committee."

Mayor Guppy requested that his dissenting vote be recorded against the above matter.

11. ACUTE WATER SHORTAGE RISK

Report No. WWC2023/5/402 by Wellington Water Limited (WWL)

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

RESOLVED: (Mayor Barry/Mr Modlik)

Minute No. WWC 23506

"That the Committee receives and notes the report."

12. BROADER THEMES IDENTIFIED IN FLUORIDATION INQUIRY

Report No. WWC2023/5/403 by Wellington Water Limited (WWL)

J McKibbin, Group Manager, Network Management Group, WWL stated that response times have significantly improved since the report was written. He acknowledged that the Asset Management team was operating under constraints but that funding from the Stimulus Package had provided valuable insights into pipe infrastructure. He also mentioned that funding was now being utilised and limited resources were available.

Cr Connelly emphasised the importance of constantly monitoring the organisational culture, asset management, and assurance. She thanked WWL for the weekly updates and acknowledged that communications from the company had greatly improved. She suggested that WWL's organisational aspects be reviewed after the summer months. The Chief Executive, WWL advised that she would work with the Board Chair.

RESOLVED: (Mayor Barry/Mayor Guppy)

Minute No. WWC 23507

"That the Committee:

- (1) *receives and notes the report; and*
- (2) *accepts it as evidence that Wellington Water Limited has demonstrated that the broader themes from the Inquiry into the Cessation of Water Fluoridation have been adopted and implemented into other areas of the organisation's culture and operations to the degree achievable within funding constraints."*

13. INFORMATION ITEMS

a) Meeting Schedule 2024

Memorandum dated 22 November 2023 by the Head of Democratic Services

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 23508

"That the Committee agrees to the meeting schedule for the Wellington Water Committee for 2023 as follows:

- (a) *Friday, 15 March 2024 commencing at 10.00am followed by a workshop at Hutt City Council Chambers; Hutt City Council, 30 Laings Road, Lower Hutt;*
- (b) *Friday, 24 May 2024 commencing at 10.00am followed by a workshop at Hutt City Council Chambers, Hutt City Council, 30 Laings Road, Lower Hutt;*
- (c) *Friday, 26 July 2024 commencing at 10.00am followed by a workshop at Hutt City Council Chambers, Hutt City Council, 30 Laings Road, Lower Hutt; and*
- (d) *Friday, 27 September 2024 commencing at 10.00am followed by a workshop at Hutt City Council Chambers, Hutt City Council, 30 Laings Road, Lower Hutt."*

b) Wellington Water Committee Forward Programme 2024

Memorandum dated 3 November 2023 by the Democracy Advisor

The Chair asked officers to organise a workshop in February 2024 to allow members to propose suggestions for the Letter of Expectation. He asked all members to consider suggestions before the workshop.

RESOLVED: (Mayor Barry/L Rauhina-August)

Minute No. WWC 23509

"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."

14. QUESTIONS

There were no questions.

15. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

| | |
|--------------------------------------|--|
| Unuhia! | <i>Release us from the supreme sacredness of our tasks</i> |
| Unuhia! | <i>To be clear and free</i> |
| Unuhia i te uru-tapu-nui | <i>in heart, body and soul in our continuing journey</i> |
| Kia wātea, kia māmā | <i>Oh Rongo, raise these words up high</i> |
| Te ngākau, te tinana, te wairua i te | <i>so that we be cleansed and be free,</i> |
| ara takatū | <i>Yes indeed, we are free!</i> |
| Koia rā e Rongo whakairihia ake ki | <i>Good and peaceful</i> |
| runga | |
| Kia wātea, kia wātea! | |
| Ae rā, kua wātea! | |
| Hau, pai mārire. | |

There being no further business, the Chair declared the meeting closed at 12.22pm.

Mayor C Barry
CHAIR

CONFIRMED as a true and correct record
Dated this 15th day of March 2024

Wellington Water Committee statement

Kia ora koutou,

I'll just give a brief update on what's been happening since we last met.

Urgent water reform

Councils are facing the challenge of needing to invest more in water infrastructure, while also dealing with funding pressures. There is a real need for certainty from the government on what water reform looks like, particularly as councils prepare their Long Term Plans. We want to work alongside government to find the best solution to this problem.

Last week LGNZ President Sam Broughton and I met with Local Government Minister Simeon Brown. It was a positive meeting where we talked about his focus on water services. There is a clear willingness to work and partner with local government. The Minister has committed to signalling their general direction towards water reform before Christmas. The Minister is aware of the need for clarity and he's committed to getting wide buy-in from the sector on water reform.

Regional updates***Donald Street Pump Station (SWDC)***

Improving the resilience and capacity of the wastewater network is crucial, so we're pleased that the Donald Street Pump Station in Pae tū Mōkai Featherston is fully operational.

The project was delivered ahead of schedule, and it's expected to significantly reduce wastewater overflows in the eastern part of town.

Tawa Main Road (WCC)

The Tawa Main Road Watermain Project is improving the performance and resilience of Tawa's drinking water network. All 465m of watermain and all water services are now laid, and this project is on track to be completed before Christmas.

Pipe renewals

Seven streets in Lower Hutt and Wellington have been completed, with another three expected to be finished before Christmas. This project has upgraded and replaced approximately 1665m of leaking galvanised iron rider mains across these all these streets, as well as replacing 93 customer connections.

This resulted in significant water leaks being prevented due to the nurture of galvanised pipes.

About 95% of the work has been done using trenchless techniques resulting in less disruption for residents and carbon saving for the work.

Whakawhirinaki/Silverstream Pipe Bridge (GWRC)

We've completed installing the new bulk water pipe along Eastern Hutt Road through the carpark and reserve area, which will be reinstated. The concrete for the third pile crosshead for the bridge was recently poured.

The pipeline in the Manor Park Golf Course just had the first scour pipe installed, which needed to cross both the fourth and seventh fairways.

Water shortage

The risk of tighter water restrictions and water shortages is greater than ever before.

In fact, modelling predicts that this summer we have a 24 percent chance of triggering Level 4 Water Restrictions – that means on top of no outdoor water use (which is brought in at Level 3).

Following the launch of Our Wai Can Run Dry, the risk of a water shortage and tighter water restrictions has received significant media interest.

Messaging has gone out across Wellington, Lower Hutt, Upper Hutt and Porirua (as South Wairarapa has a lower risk of tighter water restrictions this summer), and as of December 3rd had made over 2 million impressions across multiple channels.

Wellington Water, councils and WREMO continue to work closely to identify opportunities for engagement and education on the risk, and encouraging the public to prepare.

It's important to remember that this is a long-term issue. The risk is real in an average summer, not just a hot and dry one. Councils and Wellington Water will continue to work on leaks in the network and improving resilience, and we'll be looking for ways to reduce our water use right along with our residents.

Xmas message

Finally I want to wish everyone a safe, happy and restful holiday season and reflect on a productive 2023. And also thank you to our workers who are performing their roles throughout this holiday period to make sure our services continue to run smoothly.



Komiti Ngā Wai Hangarua Wellington Water Committee

11 March 2024

Report no: WWC2024/1/64

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.

Recommendation

That the Committee receives and notes the report.Council.

Background

How to read this report

2. There are three parts, as follows:
 - a. Governance Update, b. Wellington Water Committee Priorities, and
 - c. Operational Achievements and Issues.

Governance Update

3. 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:
 - a. discussed the performance of the company for the first half of the year;
 - b. discussed with OAG the implications of water loss for council audits;
 - c. briefed in December 2023 and January 2024 on how the summer response plan was addressing the risk of water shortage; and
 - d. reviewed the Treatment Plant Compliance company risk.

Summary of Quarter 2 Performance

4. There have been a small number of serious health and safety incidents in Q2. Still, we are concerned about the safety and wellness impact on staff, particularly on the front line, of abuse from members of the public.

5. Staff engagement capital score is stable, and our retention and recruitment rates remain healthy.
6. The primary focus for the company this quarter has been reducing the risk of water shortages over the summer. Through the combined efforts of councils, the public, businesses, regulators, the media, and ourselves, we have been able to stay at Level 2 through the peak of the summer, but we are not yet out of the woods.
7. We are pleased to see a continued increase in customer satisfaction across this period despite the number of open jobs and the resolution time of these widening.
8. We remain non-compliant with drinking water in the metropolitan region due to the chlorine contact time for 800 customers in Lower Hutt. Taumata Arowai has formally declined to grant an exemption.
9. A number of unexpected operational events, such as treatment plant outages, equipment issues and workplace health and safety improvements, have meant that we have not been able to meet the Ministry of Health fluoride target levels of 0.7 – 1.0ppm, 95% of the time over the last four months. We are working to restore fluoride treatment to the required level.
10. Three wastewater treatment plants remained non-compliant due to capacity, mechanical and environmental factors.
11. Our half-year report on performance is provided within the meeting pack.

The Wellington Water Committee's Priorities

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

12. Legislation enabling the establishment of a regional water services entity was repealed in February.
13. The WWL Transition Programme has been wound up with staff seconded to the NTU redeployed back into the business.
14. Final invoices and close-out reports to councils outlining activities performed by us on their behalf have been issued.
15. We will support councils in their pathway to a new model for the delivery of water services.

Three Waters Investment Planning for 2024-34

16. We have been working with all councils on the preparation of their long term plans for audit and consultation.
17. A separate report on the likely 2024/34 LTP investment levels and implications of those investment levels on the regional outcomes is included in the meeting agenda.

Sustainable water supply and reducing consumption

18. The possibility of an acute water shortage over the summer has been high profile for our councils, regulators and the public. The separate paper on the Acute Water Shortage Risk provides a full update to the Committee on our response to the risk.
19. While the focus has rightly been on the immediate risk, there remains the requirement to ensure ongoing and sustainable investment is made to address water loss and the strategically significant projects, eg residential water meters project, the upgrade of the Te Mārua water treatment project, and initial investigations to support the development of the proposed Pākuratahi Lakes.
20. Taumata Arowai is now focused on reducing the risk of Level 4 restrictions (and the associated risk of having to declare a drinking water emergency). See the Acute Water Shortage Risk paper for more details.
21. There is also interest from the Office of the Auditor General and the Minister for Local Government in the region's water loss management.

Regulatory performance

22. The annual drinking water quality assurance data was successfully submitted to Taumata Arowai at the end of February. Much of the data is technical in nature and collected for the first time. A summary report with insights will be collated and provided to the Committee.
23. Taumata Arowai have formally declined the chlorine contact time exemption for the Waterloo Treatment plant. The plant, therefore, remains non-compliant until work is completed to reach the required standard over the LTP period. These properties continue to receive water, which is chlorinated to the previous Ministry of Health standard.
24. GWRC has issued a significant number of infringements for the recent odour at Seaview WWTP. GWRC will likely issue an abatement notice to ensure committed activities to minimise odour are completed, with a risk that this could be in the form of an enforcement order.
25. The Ministry of Health was kept informed of the issues in providing the community with the correct levels of fluoridation over the last four months. Most recently, all plants have been returned to a compliant level of dosing. There is a risk of similar periods of non-compliance occurring until the fluoridation plants are permanently upgraded, which would include standby units.
26. There are a significant number of dams in the region and WWL has commenced discussion to clarify the status of these with councils in order to ensure all compliance requirements are met.

Operational Achievements and Issues

People

27. There were fewer serious incidents in Q2 than in Q1 FY23/24. These incidents were investigated and reviewed, with lessons learned shared across Wellington Water and our wider whānau.
28. The major health and safety activity in the quarter was the response to the potential fluoride exposure at the Waterloo Treatment Plant. An independent review concluded that there was no evidence that fluoride exposure had been at unacceptable levels. We have implemented health monitoring for all workers potentially exposed to fluoride.
98. The interest from the media and the public on how WWL is managing water loss has had a safety and wellness impact on staff, particularly on the front line. We have support measures in place and are monitoring incidents.
30. Our retention and recruitment rates remain healthy. Our unplanned turnover is currently sitting at 14% (12 month rolling average). The staff engagement capital score for Q2 is stable at 61%.
31. We are running a Serviceperson campaign to attract more frontline staff – this has seen a high number of general application numbers. However, there has been limited success in securing highly skilled frontline personnel.

Fluoride

32. Our new monitoring systems for fluoridation have highlighted that the new fluoridation equipment that was installed under urgency is not fit for purpose and requires too much downtime for maintenance. More suitable equipment has been ordered, and we are expecting to have this equipment installed in quarter 4.
33. This, together with outages for maintenance, repair and workplace health and safety improvements, has meant that we have not been able to consistently meet the Ministry of Health fluoride target levels of 0.7 – 1.0ppm for 95% of the time during the last four months.
34. As per our agreed protocol, we have been keeping the public informed of each outage, reporting this on our website, and when it was clear that we were not meeting our 95% target, we issued a media release.

Wellington Water operational budget (management & advisory services)

35. WWL has made significant cost management efforts over the first half of the year, reallocating \$2.9m in savings to council opex through slowing recruitment and prioritising critical roles. We are forecasting a break-even result at year-end and are continuing to seek further savings to come in under budget.

Opex Delivery

36. At the end of January 2024, we have spent \$71M and, after making the adjustments noted above, are forecasting a \$1M underspend for the year. Where possible we are looking to utilise available funding to continue to address water loss.
37. We have developed a new Operations report for councils, which is provided as part of our regular monthly reporting pack. These are intended to provide greater visibility for councils on key areas of our work, such as the number of faults and incidents, attendance and resolution times, leaks repaired, backlog, and revisit rate. The January reports for the region, HCC, PCC, SWDC, UHCC and WCC are attached for your information as Appendices 1-6.
38. We provide reporting to GWRC on plant performance.
39. So far this financial year, we have fixed over 4000 leaks and swept 54% of the network for leaks around the region.

Capex Delivery

40. Capital delivery is tracking well within the capital range for a full year.
41. At the end of January 2023, spend on the capital delivery programme was \$172.8M at a regional programme level.

| Council | Total spend by the end of January 2024 |
|-------------------------------------|---|
| Greater Wellington Regional Council | 49.6m |
| Hutt City | 37.2m |
| Porirua City | 35.8m |
| South Wairarapa District | 3.8m |
| Upper Hutt City | 9.3m |
| Wellington City | 37.1m |
| Total | 172.8m |

42. The expected capital delivery range for the region is \$233-328M for the year.

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

| | Q1 Total (m) | Q2 Total (m) | YTD Actual Total (m) | YTD Baseline Target (m) | Year End Forecast (m) |
|--------------|--------------|--------------|----------------------|-------------------------|-----------------------|
| HCC | 2,843 | 3353 | 6,196 | 7,723 | 10,881 |
| WCC | 1,629 | 976 | 2,605 | 1,794 | 3,219 |
| PCC | 1,024 | 657 | 1,681 | 2,017 | 4,150 |
| UHCC | 864 | 193 | 1,057 | 1,136 | 1,803 |
| SWDC | 98 | 80 | 178 | 25 | 178 |
| GWRC | 212 | 228 | 440 | 368 | 600 |
| Total | 6,670 | 5,486 | 12,156 | 13,062 | 20,831 |

44. The team achieved the following milestones:
- The Omāroro Reservoir has been completed. We held a formal opening on 12 February 2024 of the area of the town belt closed off for the past three years to celebrate a fully operating reservoir.
 - The new Kaitoke Pipebridge has been installed, the pipeline commissioned and water into supply, and the old flume bridge has been demolished. We expect the bridge to be open to the public ahead of schedule and before the end of 2024, and we are currently looking at ways to bring this forward to September or October.
 - The Taranaki Street wastewater pumping station has been constructed, and mechanical and electrical installation and commissioning have been completed. Work is well underway for the trunk pressure sewer under Taranaki Street. Our contractor is using new laser-guided trenchless technology, and this is already demonstrating great results. We are now well ahead of the programme. This will reduce the disruption period.
 - Porirua WW Storage project - the retaining wall along State Highway 59 is now complete, the pumping station interlocking piled shaft has been constructed, and piled foundations on the weirs and much of the storage tank foundations have been constructed.

Wastewater Treatment Plants

45. The Martinborough, Moa Point, Western and Seaview Wastewater Treatment Plants were all non-compliant at the end of January due to either capacity, mechanical or environmental factors.
46. A number of infringement notices were received in the last quarter for odour and effluent quality. We are focusing on renewals within available resources. Undertaking some of these renewal activities is contributing in the short term to non-compliance, for example, taking a clarifier at Moa Point out of service.
47. This summer, we've discharged 100% of treated wastewater from the Greytown Wastewater Treatment Plant to land. This is an important

milestone and part of our long-term goal to discharge all of the South Wairarapa's wastewater to land (rather than rivers and streams) to improve environmental outcomes.

48. The volume discharged to land will further increase when the next stages of the consent are implemented, which include more irrigation areas and winter storage. We know that discharging wastewater into waterways is a concern to Mana Whenua iwi and others in the community, so this is a promising step in the right direction.
49. Details of the status of wastewater plant non-compliance are provided in the half-year report. The latest monthly Wastewater Treatment Plant and Water Treatment Plant dashboard reports, showing regulatory compliance, are attached as Appendix 7.

Growth update

50. a limited number of growth-only capital projects are being proposed to be delivered over the next 10 years. We do factor growth and capacity into all capital projects.
51. Technical support continues for third-party water infrastructure projects outside of Wellington Water's three waters programme that support growth. For example, HCC is delivering the sewer and stormwater upgrades in the Central Lower Hutt area, and PCC is working with Kainga Ora to deliver improvements to Eastern Porirua.

Environmental Water Quality update

52. We have lodged a submission to GWRC's Plan Change 1 to their Natural Resources Plan. The plan change addresses water quality and sets contaminant reduction targets in Te Whanganui-a-Tara (Wellington Harbour), Te Awarua-o-Porirua (Porirua Harbour) and Moana Raukawa (Cook Strait) catchments. It does not address South Wairarapa.
53. Wellington Water's submission seeks clarifications on timing for improvements and accountabilities, seeking to ensure that the provisions can be adaptive and implementable.
54. The Network Discharge Consents are the mechanism for driving the environmental improvements proposed within Plan Change 1. Consent conditions will make it a legal requirement to work toward the targets to reduce contaminants outlined in the plan.
55. We have prepared a workshop for the Committee on the challenges of consenting the network discharges within the evolving regulatory context.

Net Zero Carbon update

56. We are finalising the scope for an annual operational carbon inventory and audit readiness project. This effort will enhance the efficiency of our operational carbon reporting and assist our councils in their carbon audit programs.

57. We have launched the Capital Carbon Guidance Document and have had workshops with Wellington Water staff and our consultancy and contractor panel to provide guidance to monitor embodied carbon in our capital carbon programme. The next step will be monitoring and reporting the data.
58. In the Silverstream Pipe Bridge project, the embodied carbon associated with construction is reported working alongside suppliers, consultants, and sub-contractors. This is a great collaborative initiative to witness in our capital delivery value chain.
59. We are looking into alternative pathways for managing the biosolids (sludge) produced in the region's wastewater treatment plants (in parallel with the work WCC is doing on sludge minimisation at Moa Point).
60. All this material is currently managed through the single pathway of disposal to landfill. This approach creates a significant and increasing risk to the business, as the region's landfills face challenges with resource consents, odour, capacity, and waste and emissions reduction.
61. Our costs for landfill disposal have been increasing materially as a result. Disposal to landfill also fails to capture the nutrient and energy value inherent in this product, and works against the increasing global movement towards sustainable, circular approaches.

Connecting the Wellington Water Committee to Individual Councils

62. The Committee has a major role in providing leadership to the six councils that own Wellington Water. At the Committee meeting, you are receiving and discussing material that all councils will receive via WWL's ongoing advice on operations.
63. We have provided a summary report (Appendix 8) to assist with individual councils understanding of the material the Committee is working on.

Climate Change Impact and Considerations

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

| No. | Title | Page |
|------------|--|-------------|
| 1 | Regional January 24 Operations Report | 28 |
| 2 | HCC January 24 Operations Report | 30 |
| 3 | PCC January 24 Operations Report | 33 |
| 4 | SWDC January 24 Operations Report | 36 |
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| 6 | WCC January 24 Operations Report | 42 |
| 7 | Wastewater Treatment Plant and Water Treatment Plant dashboard reports | 45 |
| 8 | Summary of Papers | 58 |

Author: Wellington Water Ltd

HEALTH & SAFETY (H & S) LAG INDICATORS

21.2
Rolling SIFR
0.4 ▼
from prev month
Target < 10

4.5
Rolling TRIFR
0.1 ▼
from prev month
Target < 5

1
High/
Extreme
1 ▲
from prev month
5 YTD

2
Near
Misses
2 ▼
from prev month
10 YTD

0
Notifiable
incidents
0 -
from prev month
0 YTD

3
Life saving
rule breaches
2 ▼
from prev month
11 YTD

Workplace Accidents

Injury Frequency Rate (TFIFR)

Please note that January H & S figures are still being collated. In December, the total recordable injury frequency rate and severity rating continued its downward trend decreasing by small margins. The number of injuries notably decreased compared to the previous month. Three of these were minor incidents. There were three lifesaving rule breaches.

H & S LEAD INDICATORS

0
Safety Improvements
1 ▼
from prev month
19 YTD

19
CAM cases raised
18 ▼
from prev month
187 YTD

LSAs completed per month

Target: 156

Jan 2023 Jul 2023

COG LEADERSHIP TEAM

Please note that January H & S figures are still being collated. In December, LSAs declined falling to 107 marking the second consecutive month of decline in the percentage of staff meeting their KPIs.

Please refer to the H & S report [here](#) for more information.

VALUE ADDED ACTIVITIES

Revisit rate (per quarter)

Target < 10

Planned vs Reactive (\$ spent in %)

The revisit rates are reported by revisits to the same address due to limitations with data. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or subcontractors. An analysis conducted on jobs completed across the region for a six month period this year found that 2.8% of those jobs were identified as actual rework. This equates to 0.4% of all jobs which is well below the industry average of 1.5 - 2%.

The planned to reactive ratio has exhibited a steady accent - 22% in FY 20/21, 26% in FY 21/22, and 30% in FY 22/23. This is projected to continue to grow and is a deliberate move towards prioritising planned activities works over time to reduce the impact of unplanned works. However, the concurrent rise in the number of reactive activities per year poses a persistent challenge into the future.

CUSTOMER SATISFACTION

CSR Attendance within SLAs

Target

Customer Satisfaction - Kantar Public Survey

Target >: 65%

CSR Resolution within SLAs

Target

Median First customer response (mins)

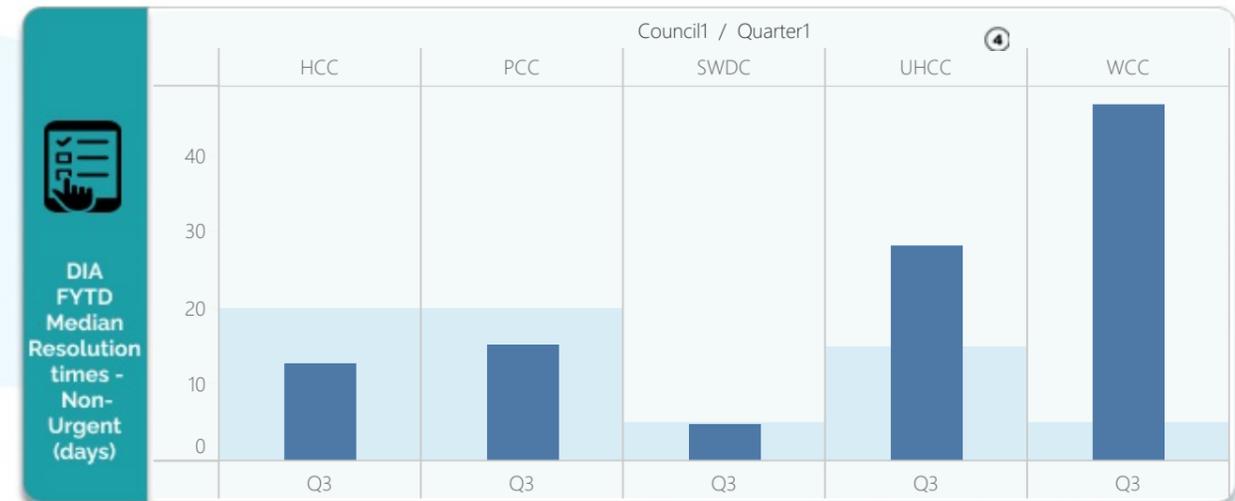
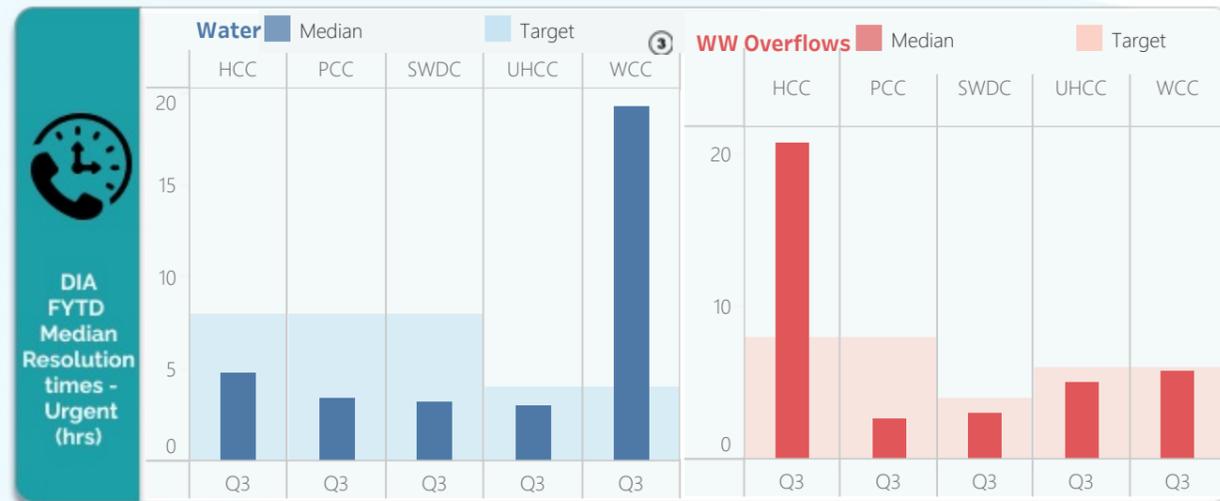
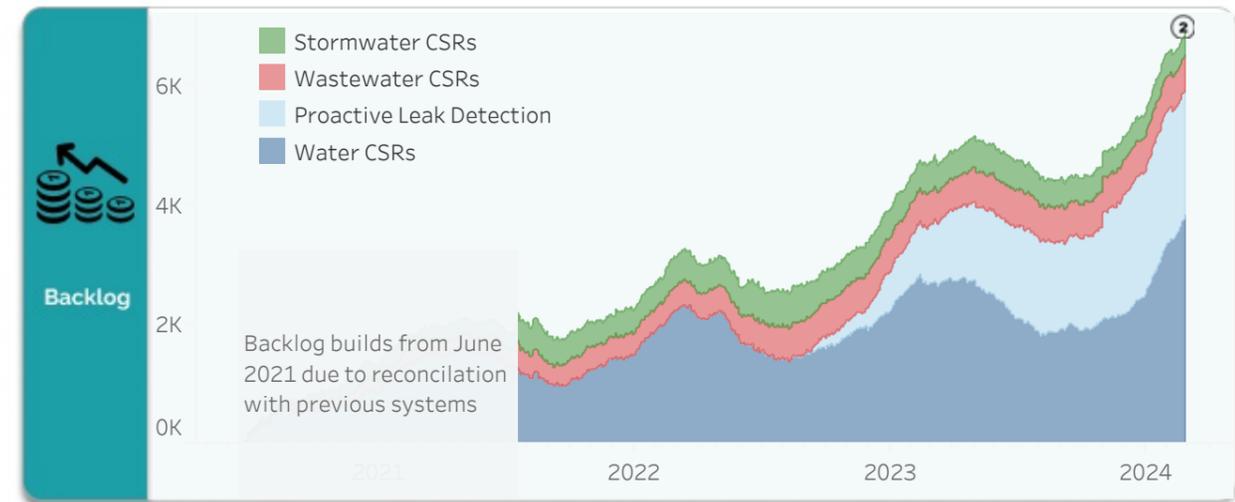
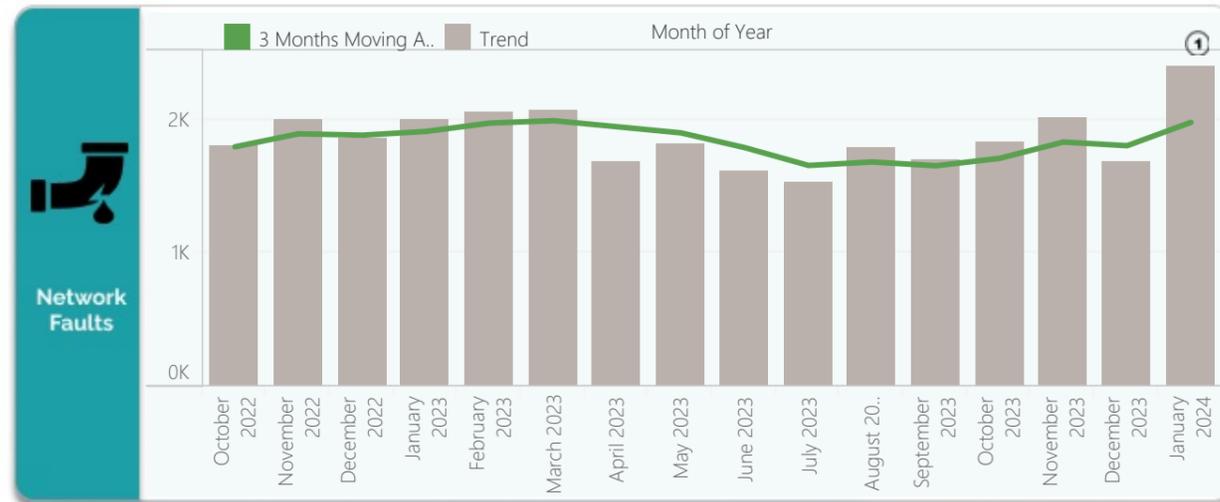
Target >: 70%

In Q2 FY23/24 the prompt response to urgent complaints, contacting customers within 15 minutes continued its upwards trend remaining well above target.

The customer satisfaction ratings continued its upward trend in December with 74%. This is a 12 % increase from one year ago. This has been attributed to improved completion timeframes as highlighted by our valued customers.



ALT Report* - January 2024
CUSTOMER OPERATIONS GROUP



Insights

- In Q2 of FY 23/24 we witnessed a surge of Network Faults primarily comprising drinking water jobs, notably leaks due to dry weather conditions. This surge underscores the challenges posed by our ageing networks, which are susceptible to failure and frequent repairs. Seasonal trends indicate that peak CSR occurrences typically coincide with drier months when the customers are more likely to notice and report the leaks. This trend is expected to persist in the summer months.
- The current backlog of open jobs stands at slightly below 7000 - marking a 47% increase from the previous year. These jobs fall under the water demand category (priority 3 leaks), with the notable increase in numbers attributed to proactive leak detection efforts. Furthermore, Incident Management continues to play a significant role this year across COG, which has a real impact on resources and our ability to manage BAU while we continue to stretch the rubber band even further.
- Despite these challenges, it is important to recognize our strength in resolving urgent CSRs. Our high attendance and resolution rate showcases our unwavering dedication to ensuring customer safety and swiftly addressing high-priority issues. We have identified process issues affecting resolution times in HCC & WCC, and ongoing improvements are evident as corrective measures are implemented. We remain committed to working with the service delivery teams at HCC & WCC to address these challenges.
- However, for non-urgent jobs, the growing backlog combined with the preferred level of funding in the council budget, is expected to prolong resolution times as seen in UHCC and WCC. This is concerning as unattended non-urgent leaks pose the risk of escalating into urgent issues. WWL strategically prioritizes major leaks to optimize water saving measures.

*Note that Report provides a snapshot in time

HEALTH & SAFETY (H & S) LAG INDICATORS *

21.2
Rolling SIFR
0.4 ▼
from prev month
Target < 10

4.5
Rolling TRIFR
0.1 ▼
from prev month
Target < 5

1
High/
Extreme
1 ▲
from prev month
5 YTD

2
Near
Misses
2 ▼
from prev month
10 YTD

0
Notifiable
incidents
0 -
from prev month
0 YTD

3
Life saving
rule breaches
2 ▼
from prev month
11 YTD

Injury Frequency Rate (TFIFR)

Please note that January H & S figures are still being collated. In December, the total recordable injury frequency rate and severity rating continued its downward trend decreasing by small margins. The number of injuries notably decreased compared to the previous month. Three of these were minor incidents. There were three lifesaving rule breaches.

H & S LEAD INDICATORS *

0
Safety
Improvements
1 ▼
from prev month
19 YTD

Please note that January H & S figures are still being collated.

In December, there were no safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.

19
CAMs cases
raised
18 ▼
from prev month
187 YTD

Please note that January H & S figures are still being collated.

In December, 19 CAMs (H & S recording and reporting system) cases were raised, down 108 from the previous month. There was also an increase in the number of overdue CAMs partly due to additional pressures during the run up to the holiday period.

CUSTOMER SATISFACTION

Customer Service Requests

CSR Duplicate rate

Complaints Received

Historical data reveals a recurring seasonal trend with the Customer Service Requests particularly over the summer months. During this time, various types of leaks become more visible and are consequently reported by customers.

There was also a notable spike in the customer complaints starting from November, primarily attributed to maintenance activities at the Seaview wastewater treatment plant (specifically the replacement of the bio filter)

Compliments Received

Customer Satisfaction - Kantar Public Survey *

Customer contact within 15 mins (Median)

In Q2 FY23/24 the prompt response to urgent complaints, contacting customers within 15 minutes continued its upwards trend remaining well above target.

The customer satisfaction ratings continued its upward trend in December with 74%. This is a 12% increase from one year ago. This has been attributed to improved completion timeframes as highlighted by our valued customers.

*Note that Customer Satisfaction and Health and Safety are reported on a regional level



January Operations Report* - HCC
CUSTOMER OPERATIONS GROUP



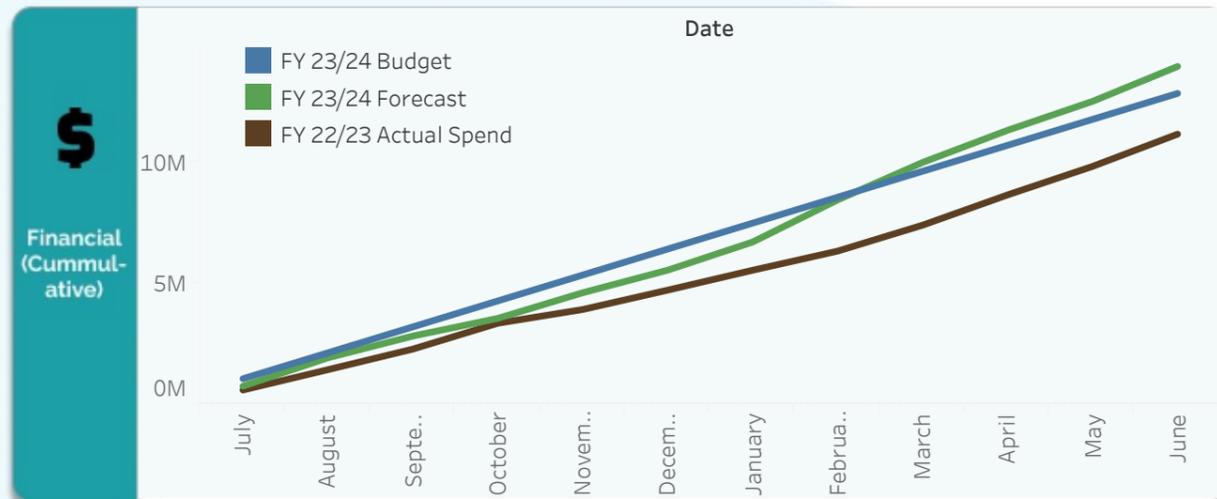
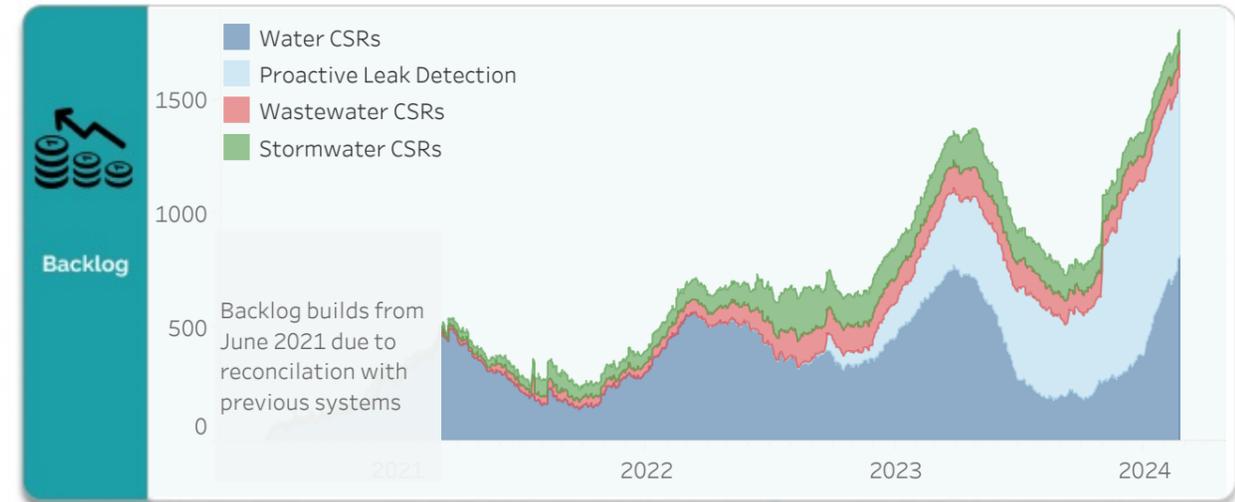
Seasonal trends have shown over the years that the peak period of CSRs result during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks. We continue to be the recipients of ageing networks that are prone to failure or in need of constant repairs. This trend is expected to carry on for the upcoming summer months. Additionally, there has been a consistent upward trend with Incidents recorded in the past few years and Incident Management continues to play a significant role this year across COG. This ongoing trend has a real impact on resources and our ability to manage BAU while we continue to stretch the rubber band even further.

Despite these challenges, it is important to recognize our commitment in attending to and resolving urgent CSRs. Our water attendance and resolution times have shown improvement over the past few years, now meeting agreed-upon targets and showcases our unwavering commitment to customer safety and prompt resolution of high-priority concerns. However, regarding wastewater times, we have encountered process issues that have negatively affected resolution times. This is primarily due to a significant portion of wastewater jobs being handled by subcontractors, leading to challenges in their onboarding. It's important to note that we are actively collaborating with the teams at HCC to address these process issues.

*Note that Report provides a snapshot in time



January Operations Report* - HCC
CUSTOMER OPERATIONS GROUP



Insights

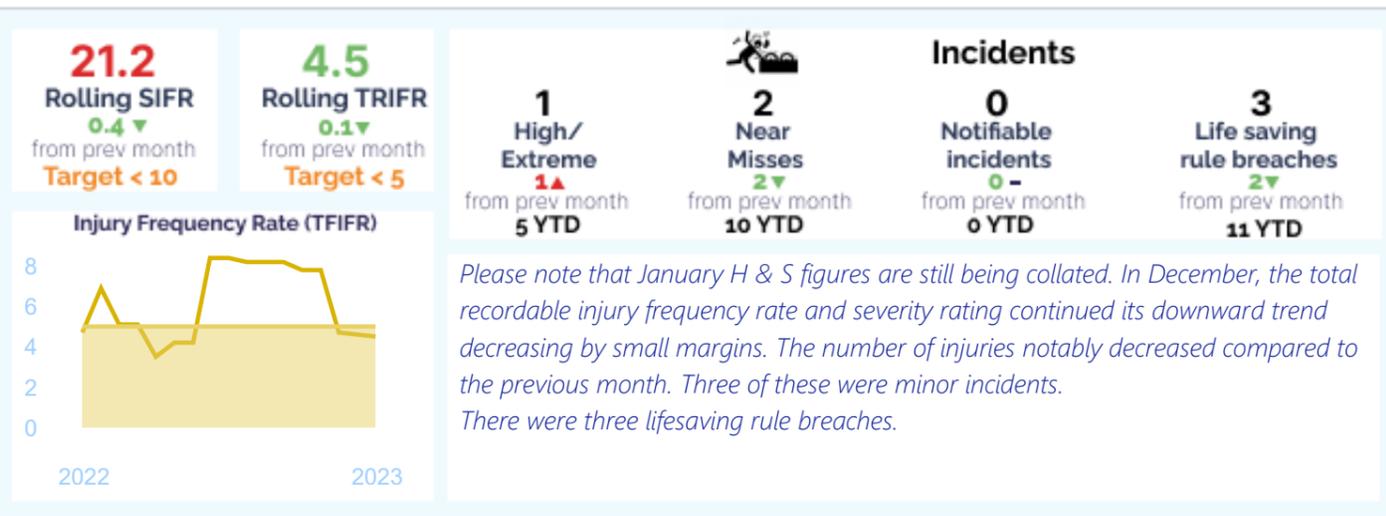
Our proactive leak detection approach has been crucial in identifying leak locations and targeting areas with the highest water loss. This has enabled us to optimize water-saving measures by targeting the areas with the highest potential for conservation with our available resources and striving to reduce our overall water demand. However, with the large volume of CSRs received, compounded with the proactive leak detection activities, we still face challenges in resolving non-urgent leaks, leading to a growing backlog of open CSRs primarily consisting of non-urgent tasks. It is important to note that the vast majority of our customers fall outside the urgent category, which has strained our response times. This is concerning as unattended non-urgent leaks pose the risk of escalating into urgent issues.

The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. Work is being done to improve the systems so that we can specifically target rework due to quality concerns. An analysis conducted on jobs completed across the region for a six month period this year found that 2.8% of those jobs were identified as actual rework. This equates to about 0.4% of all jobs.

The planned to reactive ratio has exhibited a steady ascent. This is a deliberate move towards prioritizing planned activities works over time to reduce the impact of unplanned works and move towards a calm network. However, the concurrent rise in the number of reactive activities per year poses a persistent challenge into the future.

*Note that Report provides a snapshot in time

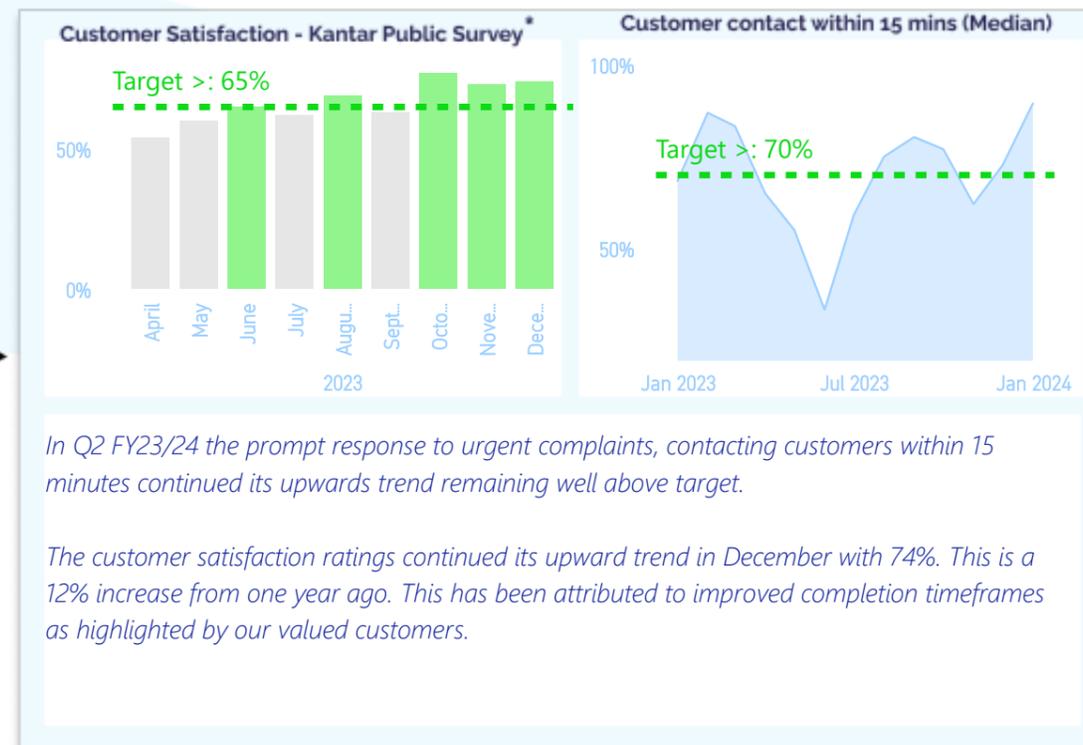
HEALTH & SAFETY (H & S) LAG INDICATORS *



H & S LEAD INDICATORS *



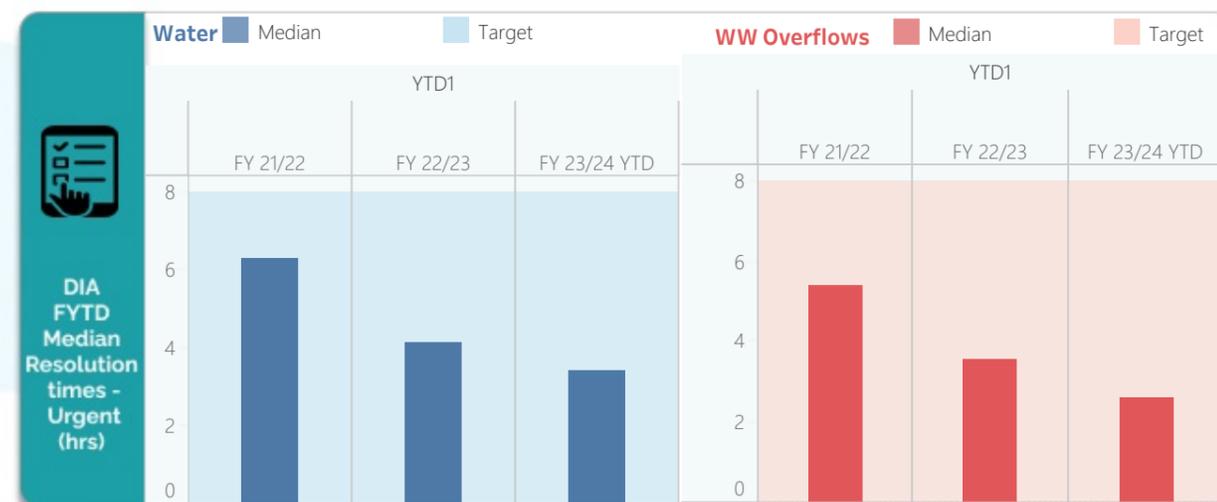
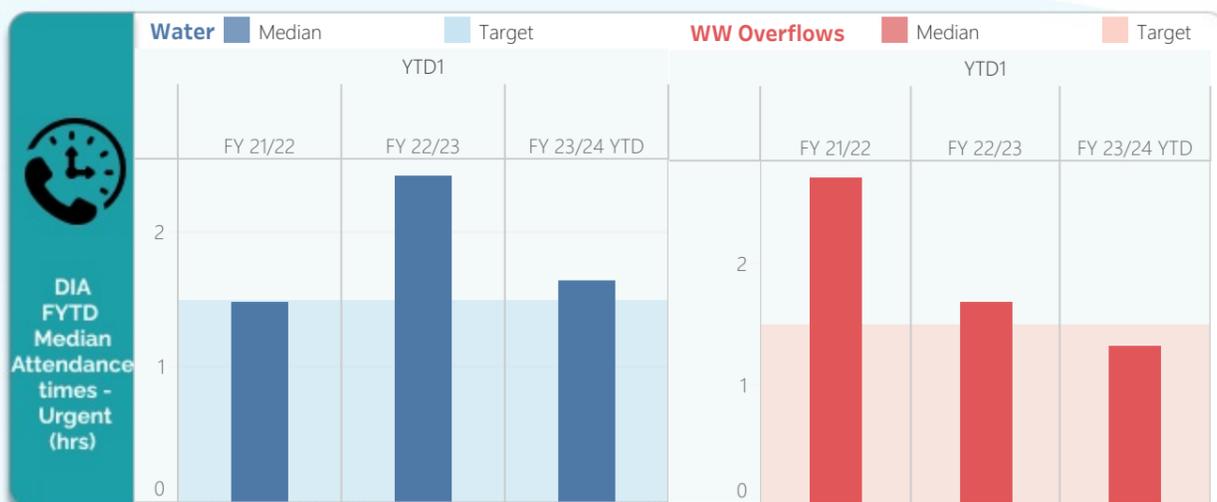
CUSTOMER SATISFACTION



*Note that Customer Satisfaction and Health and Safety are reported on a regional level



January Operations Report* - PCC
CUSTOMER OPERATIONS GROUP



Insights

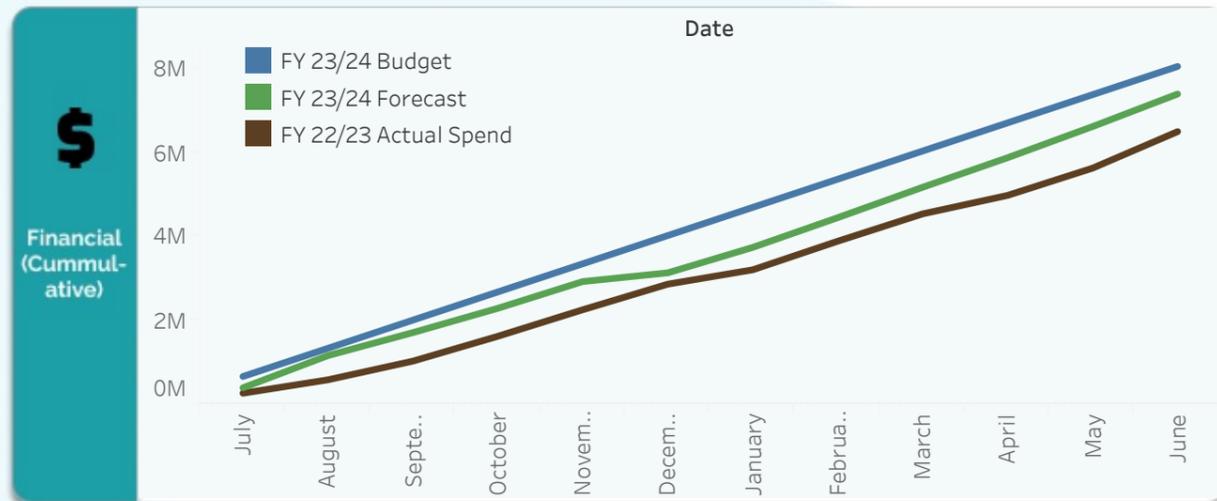
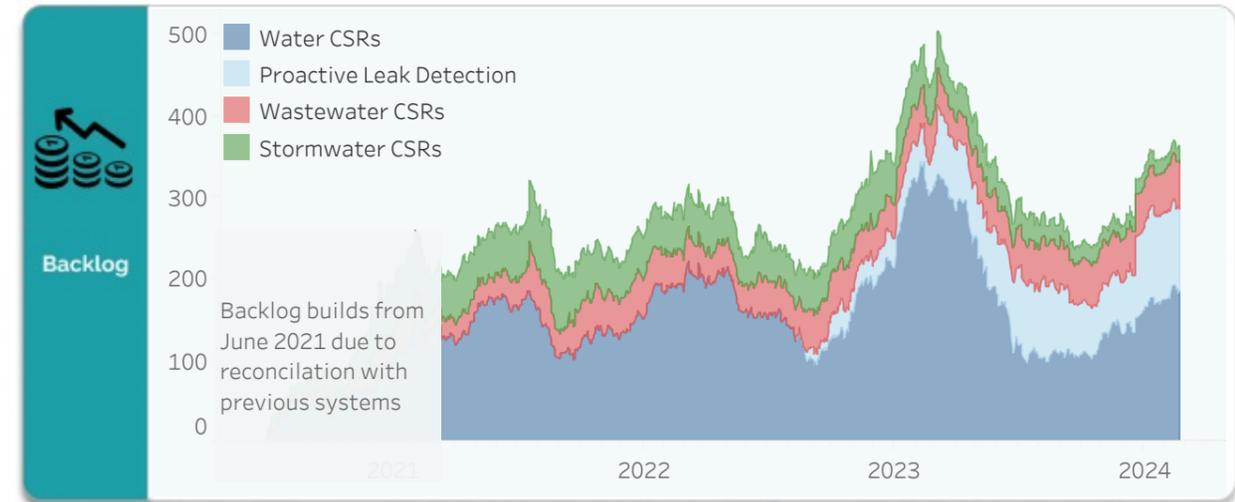
Seasonal trends have shown over the years that the peak period of CSRs result during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks. We continue to be the recipients of ageing networks that are prone to failure or in need of constant repairs. This trend is expected to carry on for the upcoming summer months. Additionally, there has been a consistent upward trend with Incidents recorded in the past few years and Incident Management continues to play a significant role this year across COG. This ongoing trend has a real impact on resources and our ability to manage BAU while we continue to stretch the rubber band even further.

Despite these challenges, it is important to recognize our strength in resolving urgent CSRs. Our attendance and resolution rate have improved over the past few years, now meeting agreed-upon targets and showcasing our unwavering commitment to customer safety and prompt resolution of high-priority concerns.

*Note that Report provides a snapshot in time



January Operations Report* - PCC
CUSTOMER OPERATIONS GROUP



Insights

Our proactive leak detection approach has been crucial in identifying leak locations and targeting areas with the highest water loss. This has enabled us to optimize water-saving measures by targeting the areas with the highest potential for conservation with our available resources and striving to reduce our overall water demand. However, with the preferred level of funding and the increased proactive leak detection activities, we still face challenges in resolving non-urgent leaks, leading to a growing backlog of open CSRs primarily consisting of non-urgent tasks. It is important to note that the vast majority of our customers fall outside the urgent category, which has strained our non-urgent response times. This is concerning as unattended non-urgent leaks pose the risk of escalating into urgent issues.

The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. Work is being done to improve the systems so that we can specifically target rework due to quality concerns. An analysis conducted on jobs completed across the region for a six month period this year found that 2.8% of those jobs were identified as actual rework. This equates to about 0.4% of all jobs.

The planned to reactive ratio has exhibited a steady ascent. This is a deliberate move towards prioritizing planned activities works over time to reduce the impact of unplanned works and move towards a calm network. However, the concurrent rise in the number of reactive activities per year poses a persistent challenge into the future.

*Note that Report provides a snapshot in time

HEALTH & SAFETY (H & S) LAG INDICATORS *



H & S LEAD INDICATORS *



CUSTOMER SATISFACTION



*Note that Customer Satisfaction and Health and Safety are reported on a regional level



January Operations Report *- SWDC
CUSTOMER OPERATIONS GROUP



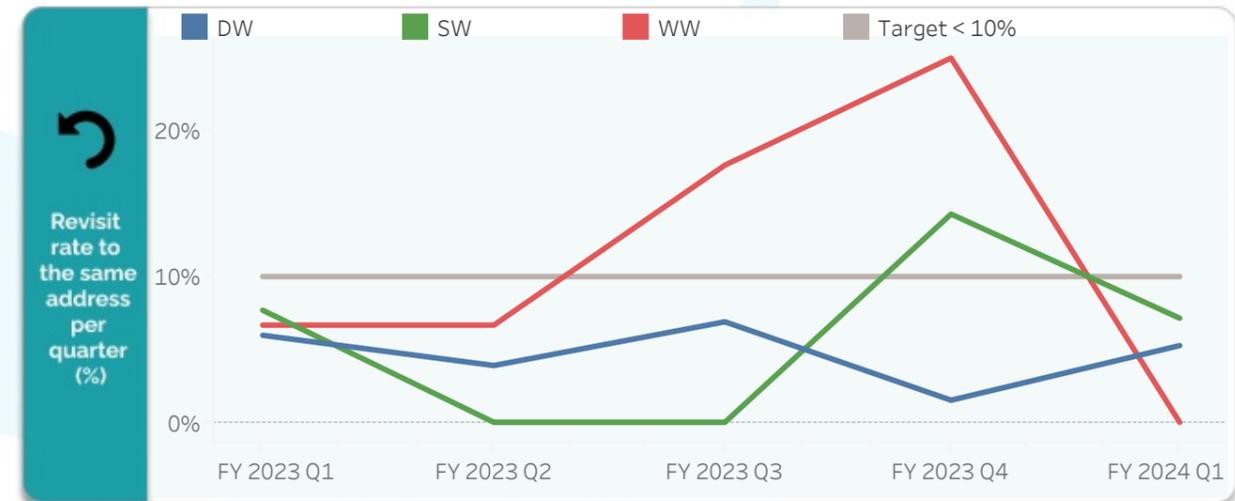
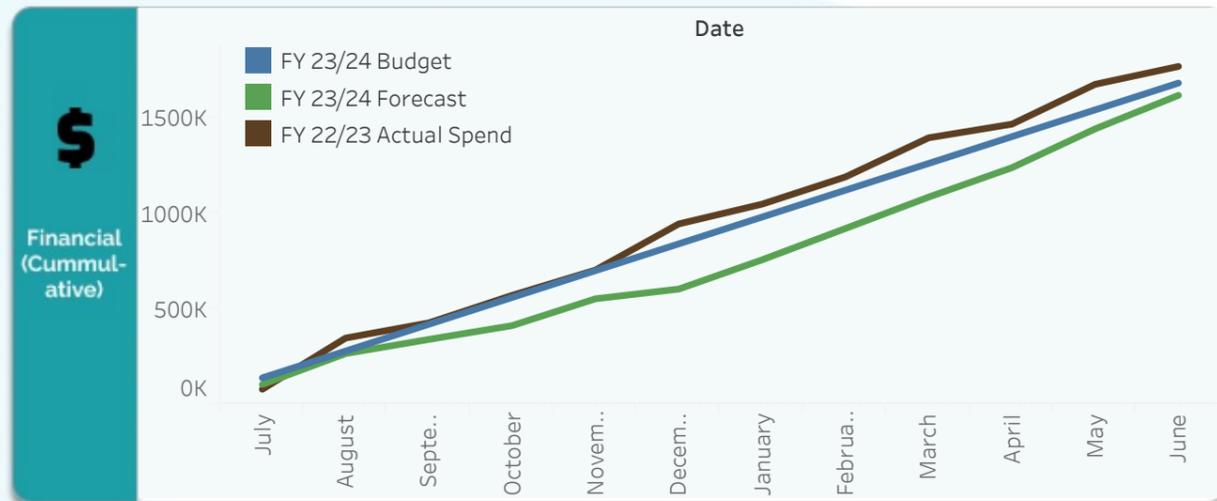
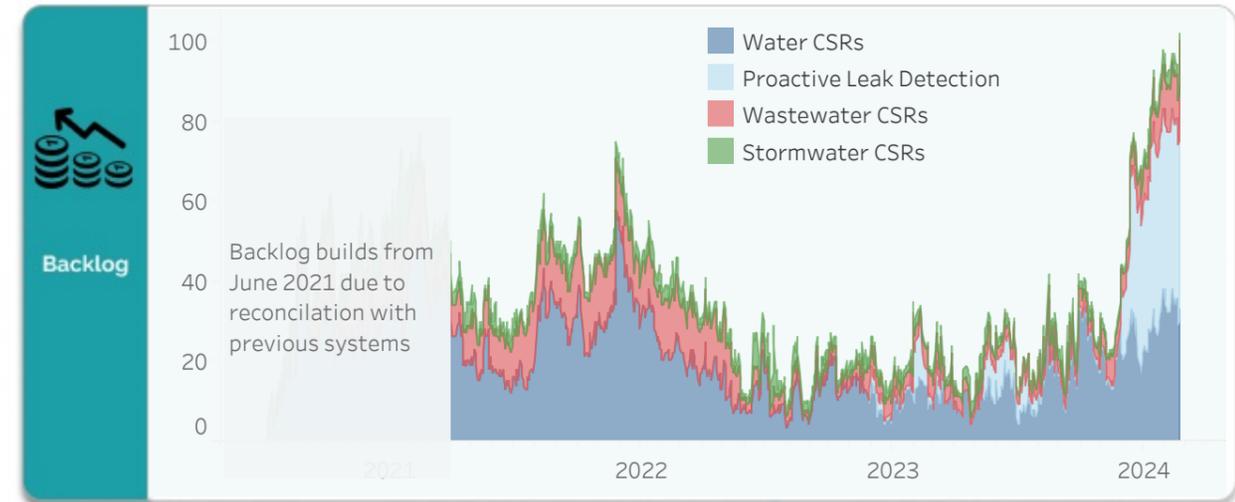
Seasonal trends have shown over the years that the peak period of CSRs result during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks. We continue to be the recipients of ageing networks that are prone to failure or in need of constant repairs. This trend is expected to carry on for the upcoming summer months.

Despite these challenges, it is important to recognize our strength in resolving urgent CSRs. Our attendance and resolution rate have improved over the past few years showcasing our unwavering commitment to customer safety and prompt resolution of high-priority concerns.

*Note that Report provides a snapshot in time



January Operations Report* - SWDC
CUSTOMER OPERATIONS GROUP



Insights

Our proactive leak detection approach has been crucial in identifying leak locations and targeting areas with the highest water loss. This has enabled us to optimize water-saving measures by targeting the areas with the highest potential for conservation with our available resources and striving to reduce our overall water demand. However, with the increased proactive leak detection activities, we still face challenges in resolving non-urgent leaks, leading to a growing backlog of open CSRs primarily consisting of non-urgent tasks. It is important to note that the vast majority of our customers fall outside the urgent category, which has strained our response times. This is concerning as unattended non-urgent leaks pose the risk of escalating into urgent issues.

The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. Work is being done to improve the systems so that we can specifically target rework due to quality concerns. An analysis conducted on jobs completed across the region for a six month period this year found that 2.8% of those jobs were identified as actual rework. This equates to about 0.4% of all jobs.

The planned to reactive ratio has exhibited a steady ascent. This is a deliberate move towards prioritizing planned activities works over time to reduce the impact of unplanned works and move towards a calm network. However, the concurrent rise in the number of reactive activities per year poses a persistent challenge into the future.

*Note that Report provides a snapshot in time

HEALTH & SAFETY (H & S) LAG INDICATORS *

21.2
Rolling SIFR
0.4 ▼
from prev month
Target < 10

4.5
Rolling TRIFR
0.1 ▼
from prev month
Target < 5

1
High/
Extreme
1 ▲
from prev month
5 YTD

2
Near
Misses
2 ▼
from prev month
10 YTD

0
Notifiable
incidents
0 -
from prev month
0 YTD

3
Life saving
rule breaches
2 ▼
from prev month
11 YTD

Injury Frequency Rate (TFIFR)

Please note that January H & S figures are still being collated. In December, the total recordable injury frequency rate and severity rating continued its downward trend decreasing by small margins. The number of injuries notably decreased compared to the previous month. Three of these were minor incidents. There were three lifesaving rule breaches.

H & S LEAD INDICATORS *

0
Safety
Improvements
1 ▼
from prev month
19 YTD

Please note that January H & S figures are still being collated.

In December, there were no safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.

19
CAMs cases
raised
18 ▼
from prev month
187 YTD

Please note that January H & S figures are still being collated.

In December, 19 CAMs (H & S recording and reporting system) cases were raised, down 108 from the previous month. There was also an increase in the number of overdue CAMs partly due to additional pressures during the run up to the holiday period.

CUSTOMER ACTIVITY

Customer Service Requests

Complaints Received

Compliments Received

CSR Duplicate rate

Historical data reveals a recurring seasonal trend with the Customer Service Requests particularly over the summer months. During this time, various types of leaks become more visible and are consequently reported by customers.

There was also a notable spike in the customer complaints received January. This surge aligns with the dry season prompting customers to report their concerns around visible leaks. Additionally, the backlog of non-urgent leaks has been growing, and that is causing delays in their resolution.

The duplicate rate for January currently sits at 23%, a 4% decrease from the previous month but we anticipate it will

CUSTOMER SATISFACTION

Customer Satisfaction - Kantar Public Survey*

Customer contact within 15 mins (Median)

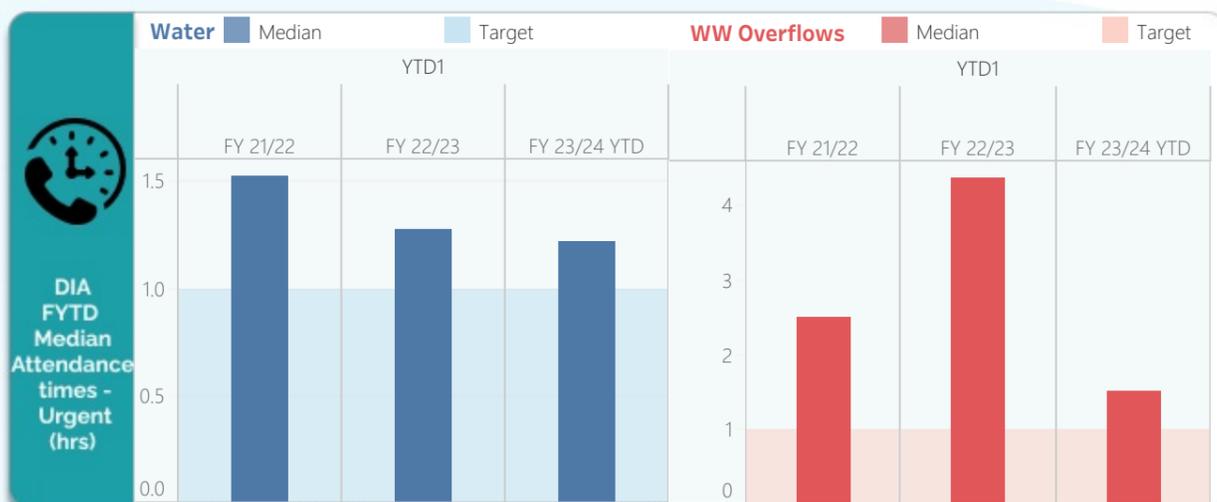
In Q2 FY23/24 the prompt response to urgent complaints, contacting customers within 15 minutes continued its upwards trend remaining well above target.

The customer satisfaction ratings continued its upward trend in December with 74%. This is a 12% increase from one year ago. This has been attributed to improved completion timeframes as highlighted by our valued customers.

*Note that Customer Satisfaction and Health and Safety are reported on a regional level



January Operations Report* - UHCC
CUSTOMER OPERATIONS GROUP



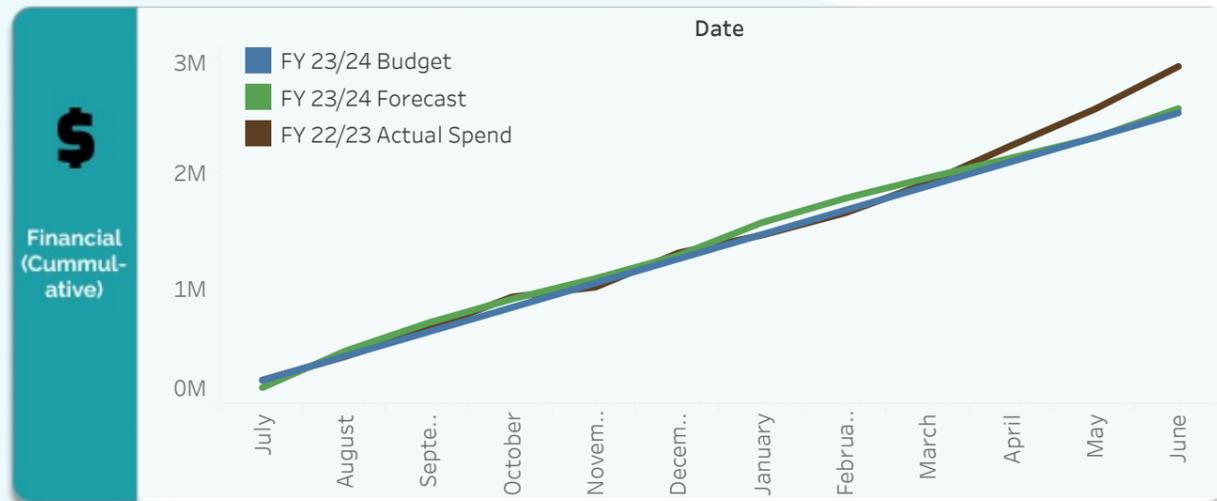
Seasonal trends have shown over the years that the peak period of CSRs result during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks. We continue to be the recipients of ageing networks that are prone to failure or in need of constant repairs. This trend is expected to carry on for the upcoming summer months.

Despite these challenges, it is important to recognize our strength in resolving urgent CSRs. Our attendance and resolution rate have improved over the past few years showcasing our unwavering commitment to customer safety and prompt resolution of high-priority concerns.

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January Operations Report* - UHCC
CUSTOMER OPERATIONS GROUP



Insights

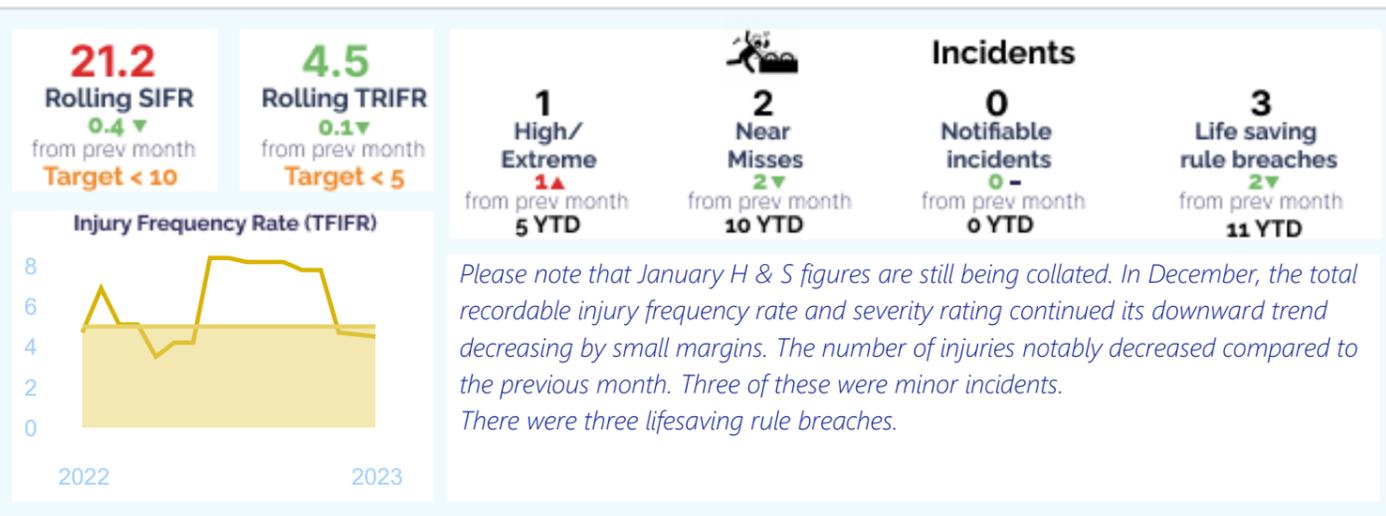
Our proactive leak detection approach has been crucial in identifying leak locations and targeting areas with the highest water loss. This has enabled us to optimize water-saving measures by targeting the areas with the highest potential for conservation with our available resources and striving to reduce our overall water demand. However, with the preferred level of funding and the increased proactive leak detection activities, we still face challenges in resolving non-urgent leaks, leading to a growing backlog of open CSRs primarily consisting of non-urgent tasks. It is important to note that the vast majority of our customers fall outside the urgent category, which has strained our non-urgent response times. This is concerning as unattended non-urgent leaks pose the risk of escalating into urgent issues.

The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. Work is being done to improve the systems so that we can specifically target rework due to quality concerns. An analysis conducted on jobs completed across the region for a six month period this year found that 2.8% of those jobs were identified as actual rework. This equates to about 0.4% of all jobs.

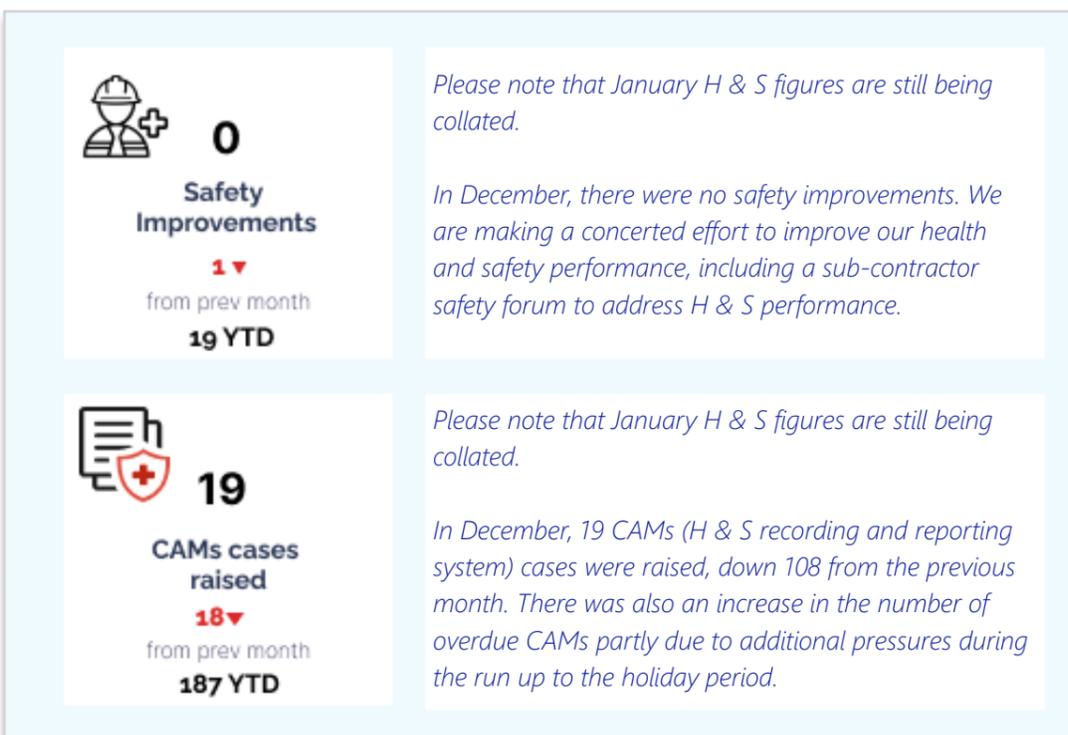
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HEALTH & SAFETY (H & S) LAG INDICATORS *



H & S LAG INDICATORS *



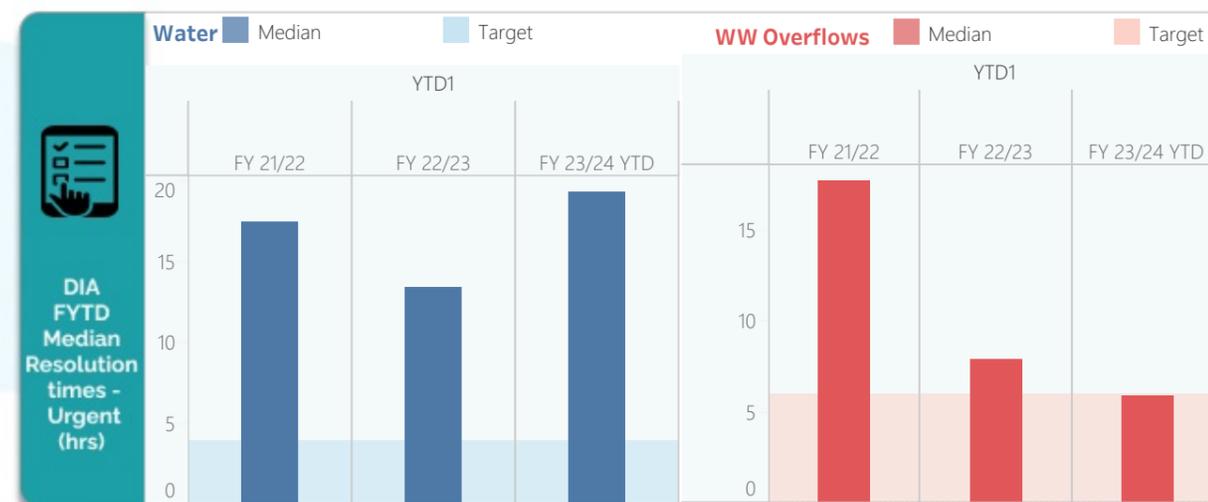
CUSTOMER SATISFACTION



*Note that Customer Satisfaction and Health and Safety are reported on a regional level



January Operations Report* - WCC
CUSTOMER OPERATIONS GROUP



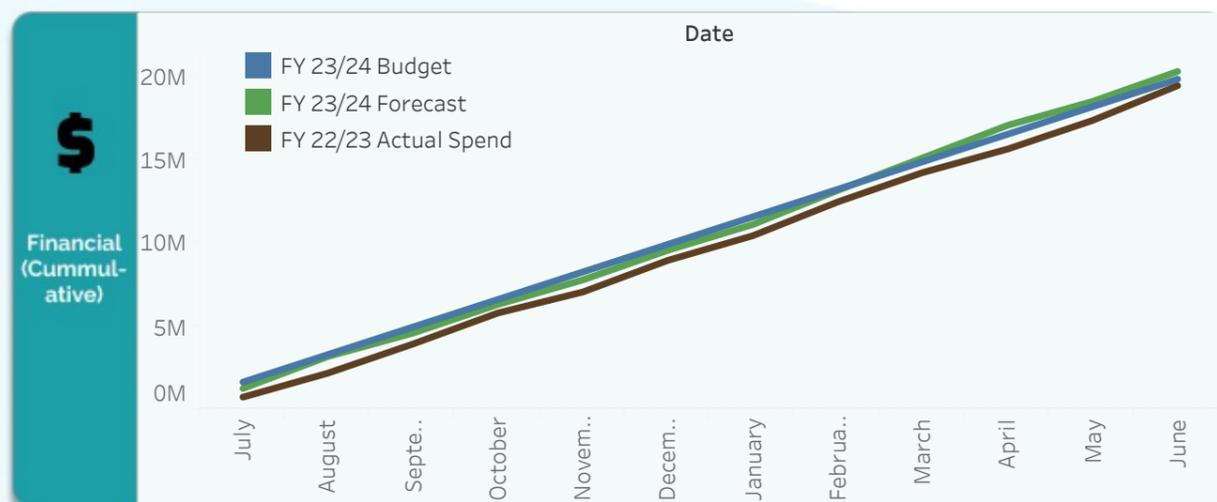
Seasonal trends have shown over the years that the peak period of CSRs result during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks. We continue to be the recipients of ageing networks that are prone to failure or in need of constant repairs. This trend is expected to carry on for the upcoming summer months. Furthermore, Incident Management continues to play a significant role this year across COG, which has a real impact on resources and our ability to manage BAU while we continue to stretch the rubber band even further.

Despite these challenges, Our wastewater resolution times has seen notable improvements over the past few years, currently meeting agreed-upon targets. Conversely, we've encountered challenges in meeting targets for water resolution times. This is largely attributed to the substantial volume of jobs within WCC and the inherent complexities involved in their execution. Additionally, process issues have been identified, adversely impacting data accuracy. We have recognized that the ongoing process of onboarding new staff presents its own set of challenges within reporting. It's worth mentioning that we are actively engaged in addressing these process issues with the team at WCC to enhance efficiency and accuracy.

*Note that Report provides a snapshot in time



January Operations Report* - WCC
CUSTOMER OPERATIONS GROUP



Insights

Our proactive leak detection approach has been crucial in identifying leak locations and targeting areas with the highest water loss. This has enabled us to optimize water-saving measures by targeting the areas with the highest potential for conservation with our available resources and striving to reduce our overall water demand. However, with the large volume of CSRs received, compounded with the proactive leak detection activities, we still face challenges in resolving non-urgent leaks, leading to a growing backlog of open CSRs primarily consisting of non-urgent tasks. It is important to note that the vast majority of our customers fall outside the urgent category, which has strained our response times. This is concerning as unattended non-urgent leaks pose the risk of escalating into urgent issues.

The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. Work is being done to improve the systems so that we can specifically target rework due to quality concerns. An analysis conducted on jobs completed across the region for a six month period this year found that 2.8% of those jobs were identified as actual rework. This equates to about 0.4% of all jobs.

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*Note that Report provides a snapshot in time

Wellington Metropolitan Water Treatment Plants – January 2024

| Water Treatment plants | Comments | Safe drinking water | Fluoride |
|------------------------|--|---|---|
| Waterloo* | Waterloo WTP is non-compliant with the Taumata Arowai bacterial compliance rules. This issue does not affect drinking water safety. Taumata Arowai are currently reviewing the Metropolitan Water Safety Plan. Waterloo achieved 93.9% compliance with the MoH's recommended fluoridation levels due to planned and reactive maintenance |  |  |
| Vainuiomata | Taumata Arowai are currently reviewing the Metropolitan Water Safety Plan. Vainuiomata achieved 96.8% compliance with the MoH's recommended fluoridation levels. |  |  |
| Te Marua | Taumata Arowai are currently reviewing the Metropolitan Water Safety Plan. Te Marua achieved 96.2% compliance with the MoH's recommended fluoridation levels. |  |  |
| Gear Island | Taumata Arowai are currently reviewing the Metropolitan Water Safety Plan. Gear Island achieved 90.7% compliance with the MoH's recommended fluoridation levels due the ongoing fluoride plant upgrades and commissioning. |  |  |

-  Compliant – we are meeting the necessary regulatory requirements
-  Not compliant but nearing compliance
-  Not compliant with necessary regulatory requirements

*Due to changes in the assurance rules, the capability of the existing Waterloo treatment plant facilities, and the layout of the network, a significant treatment plant upgrade and/or additional network infrastructure is required to achieve compliance with the rule as written. Taumata Arowai was requested to consider granting dispensation in this instance, however this request was declined in December 2023

Supply and long-term drought resilience - January 2024

| Supply risk | Comments | Risk level |
|---------------------------------------|---|---|
| Short term supply | The storage lakes are full and river sources at healthy levels. The Wellington Region moved to Level 1 restrictions on the 24th September. Wellington Water is currently planning for a possible acute water shortage if demand continues to increase over summer |  |
| Long term supply (drought resilience) | Increased leakage and the impacts of climate change will likely lead to severe water restrictions in the years to come e.g. Level 4, which would mean asking people to reduce indoor use. |  |

-  Low risk of not being able to meet demand or needing water restrictions
-  Medium risk of not being able to meet demand or likely to need water restrictions
-  High risk of not being able to meet demand and high likelihood of severe restrictions

South Wairarapa Water Treatment Plants – January 2024

-  Compliant – we are meeting the necessary regulatory requirements
-  Compliant but requiring more work
-  Not compliant with necessary regulatory requirements

| Water Treatment plants | Comments | Safe drinking water | Fluoride |
|------------------------|--|---|---------------------------------------|
| Waiohine | The Memorial Park WTP is currently non-compliant with Taumata Arowai's new rules due to insufficient treatment to meet the source water risk, as well not having key monitoring instruments installed. |  | Currently not yet mandated by the MoH |
| Memorial Park | The Memorial Park WTP is currently non-compliant with Taumata Arowai's new rules due to insufficient treatment to meet the source water risk, as well not having key monitoring instruments installed. |  | Currently not yet mandated by the MoH |
| Martinborough | The Martinborough WTP is currently non-compliant with Taumata Arowai's new rules due to not having key monitoring instruments installed. |  | Currently not yet mandated by the MoH |
| Pirinoa | Pirinoa is compliant against new bacterial and protozoal Rules. However further work is required to meet process assurance rules e.g. development of standard operating procedures |  | Currently not yet mandated by the MoH |

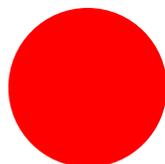
Supply and long-term drought resilience January 2024

| Supply risk | Comments | Risk level |
|---------------------------------------|---|---|
| Short term supply | Increased consumption has led to the South Wairarapa region be escalated to Level 2 water restrictions. |  |
| Long term supply (drought resilience) | Increased leakage and the impacts of climate change will likely lead to severe water restrictions in the years to come e.g. Level 4, which would mean asking people to reduce indoor use. |  |

-  Low risk of not being able to meet demand or needing water restrictions
-  Medium risk of not being able to meet demand or likely to need water restrictions
-  High risk of not being able to meet demand and high likelihood of severe restrictions

Moa Point Wastewater Treatment Plant performance

Update – January 2024



Current status: Non-compliant

Commentary

The plant remains non-compliant for suspended solids (90-day, 90th percentile limit) since 20 September and for faecal coliforms since 30 October (90-day, 90th percentile limit). Process changes to bring the effluent back into compliance are being undertaken, with a recent improvement in quality observed.

Discharges

A discoloured plume of water in the marine environment near the plant outfall discharge points on 23 January is under investigation.

Please Explain letter issued

GWRC issued a Please Explain letter for a conspicuous change in water colour observed in Tarakena Bay on 23rd January. An investigation is underway, and a response will be provided within the required timeframe.

Odour

No odour complaints in January.

Items of significance:

Community Liaison Group (CLG) Meeting

The annual CLG to report to the community on plant performance and consent compliance is scheduled for 29 February.

Clarifier #2 Renewal Project

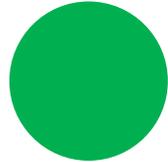
Work to replace the main bearing and renew structural elements on the second clarifier began mid-January. With 2 of the 3 clarifiers now operating, processing capacity is reduced, but work is being carried out over the summer/autumn months when effluent flows are expected to be lower. The first phase of the works; drain down, cleaning and inspections is now underway. Work will take up to 5 months.

Inlet Pump Station (IPS) Project

The next stage of the IPS upgrade is planned to commence in March 2024.

Porirua Wastewater Treatment Plant performance

Update – January 2024



Current status: Compliant

Commentary

The plant is compliant for effluent quality consent limits.

Discharges

No discharges in January.

Odour Complaints

There were 3 odour complaints in January.

Infringement Notice issued

GWRC issued infringement I1065 for the discharge of undisinfected effluent due to a UV system shutdown during a power outage on 26 September 2023. A project is underway to design and install a generator to provide back-up power to the UV system during mains outages. This will mitigate future reoccurrence of these events.

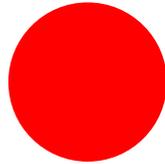
Items of significance:

UV Performance Issues:

The project team continue to implement process and control system modifications to fine tune the mechanical operation. The UV manufacturer is supporting engineers in this process. To date this has proven successful during high flows. The system will continue to be monitored while these changes are being implemented.

Seaview Wastewater Treatment Plant performance

Update – January 2024



Current status: Non-compliant

Commentary:

The plant remains non-compliant for faecal coliforms (90-day, 80th percentile limit) since 30 September.

Discharges:

A brief power outage shortly after midnight on 31 January in the Seaview area caused a discharge of biologically treated but undisinfected effluent to the long outfall at Pencarrow, due to the UV system not having power. The discharge lasted 24 minutes before power was restored and full effluent treatment resumed.

Odour complaints:

The plant continued to receive odour complaints through January although at a reduced level from December as the biofilter media becomes fully functional.

Items of significance:

Odour Scouting program

January saw continued daily odour observations conducted to assist with odour modelling that will contribute to the design of the odour treatment upgrades due to take place at the plant in the coming years.

Community Liaison Group (CLG) Meeting

The annual CGL is proposed for March and will cover plant performance and consent compliance for the last financial year. It will also incorporate current performance and an update on the odour management project.

Seaview Wastewater Treatment Plant performance – Odour Treatment

Update – January 2024

What has been completed:

The odour control system assessment report has been completed with several recommendations made.

Replacement of Biofilter material is complete.

Leak repair and cleaning of foul air ducting has been undertaken.

A project brief for the renewal of the odour control system of the site has also been completed, incorporating the recommended actions from the investigation reports.

The project has been assigned to Wellington Water's Major Projects Team to manage.

What is currently in progress:

A further report into the effectiveness of the media replacement has been commissioned.

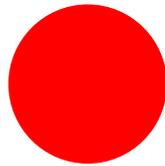
Replacement of air distribution structures of the biofilter is being planned for the winter months of 2024.

WWL's Major Projects Team have assigned the project via the consultant panel. Project planning is underway.

The odour scouting programme within and around the plant began in December and continues and is acquiring valuable data to assist with future odour treatment modelling.

Western Wastewater Treatment Plant performance

Update – January 2024



Current status: Non-compliant

Commentary

The plant remains non-compliant for Biochemical Oxygen Demand (BOD) Geomean limit. Effluent quality has improved during January

Discharges

No discharges in January.

Abatement Notice issued

GWRC issued abatement A1081 for the delay in completion of the Karori Outfall repair project that has experienced delays due to a legal dispute, with works currently suspended. The abatement directs WWL to resolve the dispute and complete works by May 2024.

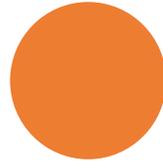
Items of significance:

Outfall Repair:

The recent abatement notice issued by GWRC to complete the outfall repair by May 2024. Until then fully treated effluent from the plant will continue to discharge into the stream until repairs are complete.

Greytown Wastewater Treatment Plant performance

Period – Jan 2024



Current status: Compliant, but with the risks identified below

Commentary:

In 2023, Greater Wellington Regional Council issued letters requesting explanations of non-compliance. Wellington Water is implementing the required corrective actions where possible within the plant and resource constraints.

Major investment is required, and current approved funding levels do not meet this requirement.

Wellington Water is undertaking a programme of work to better manage the treated effluent discharge rates in relation to the stream flow rate.

A compliance upgrade project is currently underway however the scope of that does not currently allow for growth.

Items of significance:

Current plant design and processes are inadequate resulting in a risk of non-compliance.

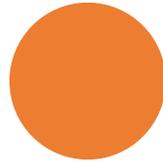
The irrigation season has commenced, and is on track to achieve the discharge to land volume target of 50,000m³, as well as avoiding discharge to Papawai Stream during low flows, as informed by ecological assessments.

GWRC issued their annual consent Compliance Summary on the 26/01/24. The overall summary compliance rating was "Fair" with two Consents achieving full compliance, one consent achieved a Low Risk Non-Compliance, and one consent achieving a Significant Non-Compliance

WWL has received the consent-required 'Stage 1B Efficacy Report' from their consultants. The report will be peer reviewed and forwarded onto GWRC

Featherston Wastewater Treatment Plant performance

Period – Jan 2024



Current status: Compliant, but with the risks mentioned below

Commentary:

Major investment is required to achieve a new consent.

Renewal of the consent is being managed as a major project, and we are operating on an extension of the old consent.

The consent approval process currently underway will better inform the required capacity of the WWTP to cater for growth in Featherston beyond 2032.

Items of significance:

Plant continues to require ongoing management of resources, focused on effluent quality, to achieve compliance with consent requirements.

A new pump station in the network is operating.

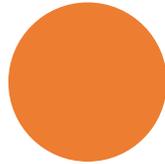
Safety fencing around the ponds has been installed.

A new inlet flow meter is being procured.

A Dissolved Air Flotation (DAF) treatment process trial is underway at the site.

Lake Ferry Wastewater Treatment Plant performance

Period – Jan 2024



Current status: Compliant, but with the risks identified below

Commentary:

Further investment is required to achieve this management plan and consent compliance into the future.

Stantec has been commissioned to prepare and develop a new resource consent application by 30 March 2025.

Decisions around growth and development of additional treatment & disposal capacity will coincide with the resource consent renewal process.

Items of significance:

Compliance for 22-23 year graded by GWRC as Fair. Two of the consents had "low risk" non-compliance, and one consent had "moderate risk" non-compliance.

Source of current high inflow and infiltration is still **not funded** for investigation. Peak loads are near the plant's hydraulic capacity.

Septic Tanks cleanouts, filter cleaning, and condition assessment are required but is **not funded**.

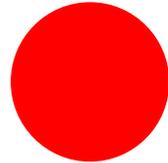
Plant valving automation is required to better comply with consent discharge requirements; however it is **not funded** either.

Projects underway:

- Installing new comms/control system.
- Outflow flowmeters renewal

Martinborough Wastewater Treatment Plant performance

Period – Jan 2024



Current status: Non-compliant

Commentary:

In August 2023, a “To Do Abatement Notice” was issued for Martinborough. This Notice replaces the Abatement Notice issued in 2022, although the WWTP still remains non-compliant.

WWL and SWDC are working together to address the items raised in the new Notice, as part of the compliance upgrade project underway.

Major investment is required, and current approved funding levels do not meet this requirement.

It is expected that decisions around additional treatment & disposal capacity will be discussed, once the Martinborough Growth Study (underway) is completed.

Items of significance:

Current plant design is insufficient to avoid non-compliance. Effluent discharge rate and quality to land continues to exceed current consent limits. Effluent volume discharged to river continues to exceed current consent limits.

Irrigation for the season has commenced; the field capacity is a constraint.

A new pond inlet flowmeter has been installed and is working well.

The annual consent Compliance Summary from GWRC has not yet been received.

Company and Governance Update

Appendix 8: Summary for councillors of papers to the Wellington Water Committee meeting, Friday 15 March 2024**Purpose**

1. This appendix to the Company and Governance Update provides a summary of the content of the meeting's papers.
2. It is intended to support Committee members reporting back to their fellow councillors, and councillors to engage in the work of the Committee.
3. The present meeting is the first in the 2024 calendar year. The next meeting is scheduled for 24 May 2024.

Overview of papers

4. Wellington Water items presented to the Committee this meeting are:
 - a. Company and Governance Update
 - b. Regional Investment 2024-34
 - c. Acute Summer Response
 - d. Draft Statement of Intent
 - e. Half Year Report – Quarter 1 and 2 Performance
 - f. Role of WWL in Emergency Response

Wellington Water Company and Governance Update

5. This paper covers: key governance conversations and actions; Water Committee priorities; and Operational achievements and Issues since the last meeting.
6. The Company and Governance Update also provides a brief comment on each of the Water Committee's current priorities. These are to ensure a smooth transition through water reform, three waters investment planning for the period 2024-34, sustainable water supply, and regulatory performance. These are largely covered by separate papers provided to the meeting and summarised below.
7. **Regulatory performance:** The company is working closely with regulators on the response to the acute water shortage risk. As usual, treatment plant dashboards (for drinking and wastewater) are attached to the report.
8. **People:** the paper notes our continuing focus on keeping our people and our supplier whanau safe, engaged and informed.
9. **Budgets:** we are forecasting being within budget for council opex, council capex and WWL management fee.
10. **Operational delivery:** A new report is included on areas of work done through the Customer Operations Group, such as: number of faults and incidents; attendance and resolution times; leaks repaired; backlog; and revisit rate.
11. **Capital delivery:** In Q2 we renewed 5.5 kilometres of pipes. For YTD this is 12.2km, against a target of 13km. There have been some significant milestones in major projects including

Company and Governance Update

commissioning of the replacement Kaitoke pipe bridge and the Taranaki Street wastewater pumping station.

12. **Treatment plants:** The report notes that four of the region's wastewater treatment plants are currently non-compliant for wastewater quality or odour. Details are provided in an appendix.
13. **Growth:** the paper notes that there are a limited number of growth-only capital projects being proposed to be delivered over the next 10 years, however growth and capacity are factored into all capital projects. We continue to support a number of third party water infrastructure projects that support growth.
14. **Environmental Water Quality:** we have lodged a submission to GWRC's Plan Change 1 to the Natural Resources Plan, seeking clarification on timing and accountabilities. A workshop on the challenges of consenting the network discharges follows the Committee meeting.
15. **Carbon:** We are progressing work to monitor embodied carbon in our capital carbon programme, and looking into alternative pathways for managing the biosolids (sludge) produced in the region's wastewater treatment plants.

Regional Investment 2024-34

16. This provides an update on the work WWL is doing with councils to set investment levels in 2024-34 long-term plans. Councils are indicating that they will invest significantly above LTP 2021-31 levels, however due to their own financial and debt constraints, are unlikely to be able to invest to the levels needed to fully meet the needs of the region.
17. The paper sets out the implications of indicated funding for each of the Committee's strategic priorities and for Te Mana o Te Wai.

Acute Summer Response

18. The paper provides an update on the work to reduce the risk of an acute regional shortage over the summer of 2023/24. The programme report and the summer risk dashboard are included as appendices, along with a letter from Taumata Arowai request assurance from councils of ongoing supply of a sufficient quantity of drinking water in the Wellington Region.
19. We have passed through the period of highest risk, but the forecast dry hot March means that a period at Level 3 remains a possibility.
20. WWL is now shifting its focus onto next summer, and what we've learned this year to help us prepare.

Draft Statement of Intent

21. The paper gives an update on the development of the draft Statement of Intent 2024-27, which we are aiming to provide to the Committee by 1 April. It also seeks a one-month extension to 31 July to deliver the final document.

Half Year Report – Quarter 1 and 2 Performance

22. The paper introduces the Half Year Report, which shows the financial and non-financial performance of the Company for the period 1 July 2023 to 31 December 2023, and asks that the Committee receives the Report.

Role of WWL in Emergency Response

23. The paper provides the Committee with an outline of the role of Wellington Water as a

Company and Governance Update

lifeline utility in an emergency by:

- ensuring continuity of water supply;
- completing emergency repairs;
- providing water for firefighting;
- public health support;
- collaboration with emergency response agencies; and
- community support.



Komiti Ngā Wai Hangarua Wellington Water Committee

11 March 2024

Report no: WWC2024/1/65

Impacts of Indicative Regional Three Waters Investment 2024-34

Purpose of Report

1. The purpose of this report is to set out the impacts of the indicative regional investment in councils' 2024-34 Long Term Plans (LTP) excluding South Wairarapa District Council (SWDC)¹.

Recommendations

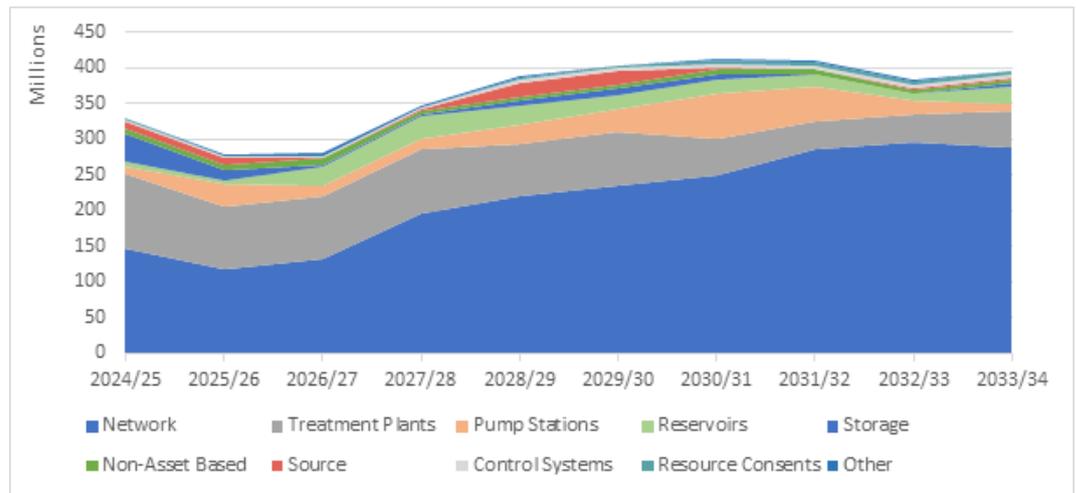
That the Committee:

- (1) notes the level of investment required to address known risks and opportunities in the region and deliver against all the strategic priorities. This is estimated to be a total of \$30B capital investment (CAPEX) over thirty years;
- (2) notes that South Wairarapa District Council (SWDC) has deferred adopting a long-term plan and instead will be undertaking an annual planning process as enabled by the Water Services Acts Repeal Bill (Part 8);
- (3) notes that Greater Wellington Regional Council (GWRC), Hutt City Council (HCC), Porirua City Council (PCC), Upper Hutt City Council (UHCC), and Wellington City Council (WCC) will be consulting on a proposed total CAPEX programme of \$3.63B for three waters investment in their 2024-34 Long Term Plans. This represents 48% of the Wellington Water recommended maximum deliverable programme of \$7.58;
- (4) notes these councils will be consulting on a proposed total operational expenditure (OPEX) programme of \$1.46B for three waters investment in their 2024-34 Long Term Plans, which represents 84% of the Wellington Water recommended OPEX budget of \$1.73B; and
- (5) notes that investment below the funding level recommended by Wellington Water will exacerbate the critical risks faced by the region as well as create new risks.

¹ Note that all figures presented in this report are uninflated.

Executive Summary

2. The councils are preparing to consult their communities on proposed three waters investment (CAPEX and OPEX) for the 2024-34 LTP period.
3. Wellington Water has advised councils that regional capital investment in the order of \$30B is required over the next 30 years to deliver on all the region's strategic priorities. This level of investment is unaffordable and currently undeliverable.
4. Wellington Water has recommended that councils (excluding SWDC) invest \$7.58B in CAPEX over the 2024-34 LTP period. Wellington Water has advised the councils that this level of funding is the maximum that can be delivered in the region.
5. Some councils are planning to invest more in water infrastructure than ever before. However, the councils have been clear to Wellington Water that \$7.58B is still unaffordable due to council debt headroom constraints and impact on ratepayers.
6. The capital investment programmes which the councils will be consulting collectively totals \$3.63B, 48% of what Wellington Water recommends is delivered. Funding is particularly constrained in the first three years of the 2024-34 LTP period but starts to pick up from year 4 to approximately \$400M.
7. Through an iterative process with the councils, Wellington Water has developed capital programmes that fit the councils' preferred/affordable budgets (\$3.63B).
8. Wellington Water has recommended a regional 10-year OPEX budget totalling \$1.73B (excluding SWDC). Councils will be consulting on a 10-year OPEX budget of approximately \$1.46B.
9. This level of CAPEX and OPEX funding the councils are proposing they adopt for the 2024-34 LTP period means a balanced programme that delivers on all the region's strategic priorities cannot be achieved.
10. Investment has been prioritised to look after existing infrastructure, but this is still not enough to address the pipe renewals backlog in 30 years. Working towards sustainable water supply and demand has also been prioritised in the CAPEX and OPEX programmes, but this, too, is still not sufficient to address acute water shortage or reduce the ongoing risk of water shortage. There is minimal activity to support growth, achieve net carbon zero and improve resilience in all councils' programmes.
11. At an asset level, most investment is going into network assets – these makeup most of the bulk of councils' assets, as illustrated in the figure below.



Background

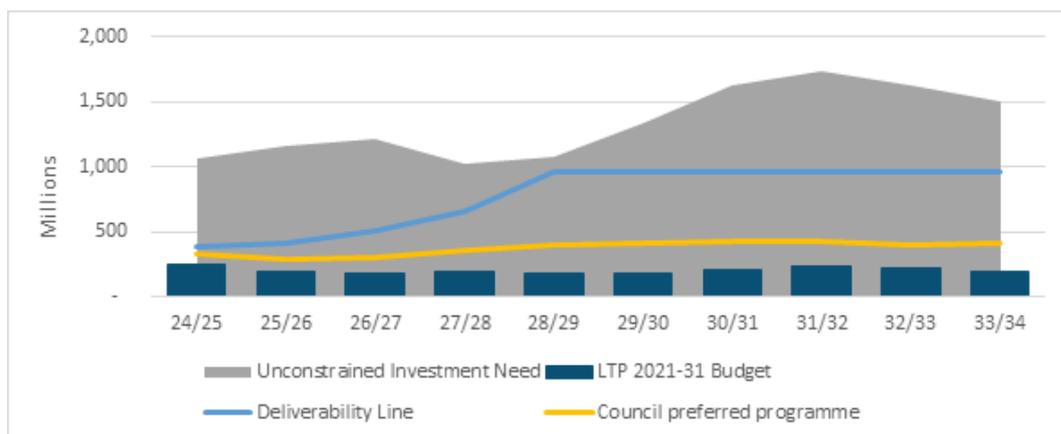
12. At its meeting of 11 December 2023, the Wellington Water Committee (the Committee) endorsed a Regional Investment Statement. This sets out the following agreed Regional Strategic Priorities:
 - Looking After Existing Infrastructure
 - Sustainable Water Supply and Demand
 - Improving Environmental Water Quality
 - Supporting a Growing Population
 - Achieving Net Carbon Zero
 - Increasing resilience to natural hazards and the impacts of climate change.
13. The Regional Investment Statement also detailed the risks of uncoordinated investment across councils and the recommended shareholder investment needed to progress towards achieving the regional outcomes for operational and capital expenditure.
14. At the meeting, the Committee noted the councils have signalled that Wellington Water's recommended maximum deliverable programme of \$7.58B over 10 years is unaffordable.
15. Most Councils are faced with debt headroom constraints, which severely limit the ability to fund capital works through loans. The alternative of rates funding capital works would have a significant impact on ratepayers, making such investment unaffordable. For instance, HCC would need to have annual rates increases in the order of 16% for at least the first five years of the 2024-34 LTP followed by annual increases of 7-12% annually for the remaining five years to fund capital investment at the level recommended by Wellington Water over this period. Councils are reporting that ratepayers cannot afford the full required levels of investment without central government support or reform.
16. The Committee also received an indicative assessment of the impact of the likely 2024-34 investment levels signalled by councils. The Committee noted that the likely investment levels will exacerbate the critical risks faced by the region and create new risks.

17. The regulatory environment has become clearer with the repeal of all legislation related to the establishment of the ten water services entities, and previous legislation has been reinstated.
18. Between March and May 2024, all councils except SWDC will formally consult with their communities on the proposed three waters investment for the 2024-34 LTP period. Once the consultation period is finished, each council will run hearings where submitters to the LTP can choose to speak to their submissions. Councils will make final decisions on their LTPs, taking the public feedback into account, in June 2024.
19. SWDC has confirmed it will pursue an Annual Planning approach, as enabled by the new policy framework. The regional figures exclude SWDC.

Total Indicative Regional Investment

Capital Investment

20. The unconstrained investment required to deliver against all the region's strategic priorities is estimated to be over \$1Bn CAPEX each year over the 2024-34 LTP period, and in the context of the 30-year plan, an estimated \$30B CAPEX over 30 years.
21. Wellington Water provided a recommended programme based on the maximum that can be delivered (the maximum deliverable) of \$7.58B CAPEX regionally over ten years. It was assumed it would take some years to build this capability. At \$7.58B, Wellington Water would be able to balance investment across the regional strategic priorities.
22. The recommended CAPEX programme was derived from a basic prioritisation framework based on strategy, risk criticality and objectives of an individual project, seeking to give each project an individual score to provide a ranked list of priority projects.
23. The four metropolitan councils and GWRC are consulting with their communities on a combined total of \$3.63B, 48% of what can be delivered.
24. See Table 1 in Appendix 1 for total and council-by-council breakdown.
25. The graph below shows the current indicative position of the total regional CAPEX levels (excluding SWDC) as compared to:
 - Baseline 2021-31 LTP figures
 - The unconstrained programme over the 2024-34 LTP, articulated from the 30-year view
 - The Wellington Water maximum deliverable programme



26. The total regional council preferred CAPEX level over the 10-year period rises slowly to approximately \$460 million in year 10 of the LTP. This is a slower rate of growth than historically due to investment levels that councils can afford in this LTP cycle.
27. CAPEX and OPEX budgets below the recommended levels will impact the ability to have a balanced programme and Wellington Water's delivery of all strategic priorities in a meaningful way.
28. The programme is more heavily weighted towards Major Projects in the early years, as these are already committed or required for compliance reasons. This has an impact on the amount of renewals that can be completed in the network.

Operational investment

29. Wellington Water has recommended a regional 10-year OPEX budget totalling \$1.7B. The recommended budget grows year on year to account for increasing costs to provide services, deliver cyclical maintenance and deliver new operational activity not necessarily undertaken in year 1.
30. Councils expect to consult on a 10-year OPEX funding of approximately \$1.5B. See Table 2 in Appendix 1.
31. Councils' OPEX budgets flat line from year 1 of the LTP onwards². This means that some activity will slowly decrease as the costs to deliver critical operational activity rise greater than inflation.
32. Funding under flatlined budgets will be prioritised for essential activities that have an impact on public health, such as compliance monitoring, treatment plant operations and chemicals. As a result, activities such as investigations to develop the future years' capital programme, condition assessment, and planned and reactive maintenance will likely decrease slightly over the 10-year period.

Looking after existing infrastructure - the renewals story

33. Existing assets and services must be operated, maintained and replaced to ensure they deliver the services expected by customers. The desired state is where the reliability of the network improves, and customers receive agreed levels of service across all three waters.
34. The region has a significant renewals backlog. As an example, it is estimated that at least 100km of pipe needs to be replaced per annum for the next 30 years to address the backlog and the future need. The region is currently renewing pipes at a rate of approximately 20km per annum.
35. In a constrained renewals funding environment, the advice has focussed on addressing assets such as pipes, pump stations and treatment plant equipment with the highest risk of failure or service interruption, with the biggest consequence for customers, compliance, health and safety and the environment.
36. See Table 3 in Appendix 1 for details on each council's network renewals backlog at the start of the 2024-34 LTP period and what the forecast backlog will be at the end of the LTP period based on their funding levels.
37. Despite the increase in network renewal funding in the 2024-34 LTP compared to the 2021-31 LTP, the funding provided by most councils is below the investment required to address the backlog of renewals in the shorter term, exacerbating the investment required over the full thirty-year period.
38. Investing in the replacement and renewal of assets is fundamental as it is a basic asset management practice and the most efficient method of managing a network. Investing under the recommended levels will hinder the reliability and improvements to the network, further depreciating the assets and ultimately impacting the customer. It will also result in more OPEX costs, more reactive work, and increases the likelihood of breaching consents and other regulatory requirements.

Sustainable Water Supply and Demand – the short- and long-term story

39. Wellington Water and councils have an obligation to bring effect to Te Mana o te Wai where the wellbeing of the water is prioritised and water is used efficiently and effectively. Communities also want to have enough water when it is needed. To meet these outcomes, the desired state where water isn't wasted, supply meets demand, and customers and the network are more resilient in times of shortage needs to be worked towards.
40. The risk of acute water shortage and severe water usage restrictions in metropolitan Wellington has increased significantly in recent years. Total water demand has risen by 29% since 2014, largely due to an increasing amount of drinking water being lost through leaks in the network; it is estimated that around 44%³ of drinking water is now lost through leaks, both on the public network and on private properties. This equates to approximately 60 million litres of treated water being lost through leaks each day.

Short term

41. A water network will always have leaks, particularly an aging one. Therefore, finding and fixing leaks is an ongoing activity required as part of managing a water supply network. Addressing the backlog of leaks at any one time does not take away the need to continue to invest in this activity year on year.
42. The Wellington Water recommended budgets for leak repair (reactive drinking water maintenance) were modelled off the known backlog in August 2023. The recommended budgets produced at this time sought to clear the backlog by the end of the 10-year LTP period. They were not intended to clear the backlog in year 1. To clear the current backlog by the end of year 1 would cost an estimated \$12.2m in addition to the Wellington Water recommended year 1 budgets for leak repair.
43. The metropolitan councils are proposing to increase investment in leak detection and repair over the 2024-34 LTP compared to historic funding levels. HCC, PCC and WCC have met Wellington Water's recommended levels of funding for leak repair activities in year 1 of the LTP. HCC has also committed to include an additional one-off \$2.8 million for leak repair in year 1 of their LTP to work towards clearing the backlog in year 1. Other councils are also considering providing an additional budget for leak repair in year 1, above the Wellington Water recommended budgets.
44. The councils' year 1 funding decisions will make in-roads to reducing the known backlog in leaks to a manageable level. However, no council is funding at the rate recommended by Wellington over the full 2024-34 LTP period due to flat lined OPEX budgets. As the network continues to age, we anticipate the number of recorded leaks to continue to increase. A flat lined budget may not be sufficient in later years.
45. Renewals of ageing pipes, fittings, pumps and valves in the network is an important part of good asset management. It will require investment in the short term and sustained activity over the longer-term to ensure that there is reduced water loss from leaks and bursts.
46. Pressure management is essential to managing demand for water and reducing leakage in the network. All the metropolitan councils are proposing to fully fund pressure management. However, PCC and WCC have a slower than recommended delivery of this activity due to financial pressures within the first three years of the 2024-34 LTP period. The benefits gained from investment in pressure management will not be fully realised until 2029/30.
47. The investment in measures over the short term to mitigate the acute water shortage includes the upgrade to the Te Marua Water Treatment Plant, investment in water loss reduction activities, such as leak detection and repair, pressure management and renewal of failed service connections.

Longer term

48. Implementing residential water meters is an industry best-practice tool for reducing leaks by making them easier to identify, reducing demand for water, and managing water loss in both private and public networks. HCC, PCC, WCC and UHCC are proposing to fund the water meter detailed business case from year 1. HCC and PCC are proposing to start implementation from year 2, WCC is proposing provisionally funding delivery from year 4 (subject to consultation), and UHCC is signalling to the community that water meters are coming.
49. In the medium term, supply availability will decrease as re consenting of the water takes will reduce the amount of water available during summer (as recommended by Whaitua te Whanganui-a-Tara). Summer is when the demand for water is highest, so the proposed Pākuratahi lakes are needed to increase water storage capacity. Modelling has shown that without additional storage, it will be difficult or impossible to prevent supply deficit and level of service failure from the mid-2030s.
50. GWRC is proposing to fund design of the Pākuratahi Lakes but has not included funding for construction within the 2024-34 LTP. This places long-term water supply and demand at risk for metropolitan Wellington.

Improving environmental water quality

51. Stormwater and treated wastewater returned to the environment significantly impact water quality. Unlike wastewater, stormwater is rainwater runoff that is untreated and carries pollutants like debris and chemicals through the stormwater network directly into the waterways, thereby posing a risk to people and ecosystems. In contrast, wastewater goes through treatment processes to mitigate such risks before it is released. Stormwater management can also significantly modify the natural characteristics of creeks and streams. The desired state is improved water quality, Te Mana o Te Wai is implemented, mahinga kai regenerates, and regulatory requirements are met.
52. Overflows of untreated wastewater from networks that enter waterways and harbours are detrimental to water quality. This impacts on Te Mana o Te Wai and does not meet water quality expectations of mana whenua iwi, the public and regulators. The performance of wastewater treatment plants is variable in terms of meeting consent conditions.
53. There are increasing regulatory expectations with respect to stormwater and wastewater impacts on the environment, including new network discharge consents due to come into force from later this year.

Network Overflows

54. Councils are proposing to almost fully fund the work underpinning the new consents for stormwater and reducing wastewater overflows, including modelling and catchment planning. However, the investment required to address the necessary infrastructure, while initially relatively modest, starts to become significant from year six onwards.

See Table 5 for the investment the councils are putting towards these consents.

55. As Council's preferred programme prioritises the reactive maintenance for Drinking Water with approximately 59% of OPEX Council preferred budgets allocated. This means that OPEX funding for addressing Wastewater (and Stormwater) network maintenance is sometimes well below Wellington Waters recommended level, which will likely lead to increasing overflows and leaks, increasing the risk of environmental harm.

Wastewater Treatment Plan performance

56. Collectively, the councils are proposing to fund approximately 93% of the recommended investment in the wastewater treatment plants over the 2024-34 LTP period. Refer to Table 4 for the Wellington Water recommended budget versus the council budgets.
57. While the councils are collectively investing close to the Wellington Water recommended level over the 10 years, there remains a high level of risk, particularly at Moa Point and Western in the early years of the LTP period. The investment is heavily skewed to the back end of the LTP period (years 5-7) due to the financial constraints the councils are facing in the early years.
58. The investment provided by the councils will be prioritised based on risk and compliance and, where necessary, on health and safety issues. However, reliable compliance with consent requirements will take time, and it is expected that some plants may not reach compliance for a number of years. This is mainly due to the time it takes to deliver significant improvements and, in some cases, due to the timing of funding being later than recommended. An indicative assessment is provided below.
59. It is also challenging to work on live plants due to the need to keep plants running while renewing critical parts. The plants do not have spare capacity to enable parts of the plant to be fully shut down while improvements are made.
60. Current and forecast compliance status of the Wastewater Treatment Plants:

| Plant | Current Compliance Status (as at January 2024) | Projected Compliance by the end of FY 2027/28 | Projected Compliance by the end of FY 2033/34 | Commentary |
|-----------|--|---|---|---|
| Moa Point | | | | Likely to be high to extreme residual risk in the first triennium. Likely to be mostly in compliance by the end of the 10-year period. Key risks in the early years relate to the electrical and control systems, which are not funded at the recommended rate, and the third clarifier bearing and aeration system, which are beyond year 3. |
| Seaview | | | | Odour and UV will be done, but aeration and dryer and clarifiers are key risks remaining. |
| Porirua | | | | Currently in compliance, odour will be upgraded, sludge system is a risk which the solids handling project will address. |

| | | | | |
|-----------------|--|--|--|---|
| Karori/ Western | | | | Likely to be high to extreme residual risk in the first triennium due to the electrical and control systems not being funded at recommended rate. UV is not until post year 5, and mechanical replacement similar which poses more risk at this plant. There is likely to be residual compliance risk at the end of the 10-year period. |
|-----------------|--|--|--|---|

61. Relationships with mana whenua iwi may be challenged due to Wellington Water's limited ability to deliver on the outcomes of Te Mana o Te Wai within the expected funding limits.

Supporting a growing population

62. Water services exist to serve communities. As the number of people in towns and cities increases, the extent of water services must grow with them. The desired state is where growth can be achieved while ensuring target levels of service are met or exceeded for both new and existing customers.
63. Up to 100,000 additional houses are estimated to be needed in the Wellington region by 2050⁴. Many of the existing networks are already below or close to capacity. Services and the environment are degraded when network capacity is exceeded.
64. A limited number of specified growth projects are proposed in the programmes that Wellington Water will deliver to councils. The level of service and renewal-driven projects proposed in the programmes will support growth in the areas where these projects are located (though they may contribute to the level of service issues for downstream assets if those are under-capacity).
65. Councils, with Wellington Water support, are progressing growth and renewal-driven water infrastructure projects outside of the three waters programme; for example, HCC is delivering the sewer and stormwater upgrades in the Central Lower Hutt area, and PCC is working with Kainga Ora to deliver some of the Eastern Porirua programme.
66. Further work is required to understand the level of investment and the types of activities required to support expected growth eg trunk wastewater network upgrade and overflow storage options to service the northern growth area (Plimmerton and Pukerua Bay) in Porirua.

67. Investment is also required in the end-to-end system and network planning to enable the future configuration and performance of the networks in response to growth, climate change, and changing environmental standards to be understood.
68. See Table 6 for investment the councils are proposing putting towards growth driven capacity upgrades.
69. The investment provided will support incremental growth for some services in the areas where the projects are located but will not fundamentally address the increases in capacity and performance required to meet the region's growth forecasts and expectations. As noted above, the expected consequence of this will be an incremental decline in levels of service and environmental outcomes (such as increased wastewater overflow frequency and volume) as new connections are completed.
70. The completed growth studies show that a significant proportion of the unmet growth investment requirement is for Stormwater and flooding needs and relates to the historical level of service deficits in the existing infrastructure. Discussions with councils and communities need to be held to determine acceptable levels of risk and performance and the implications for existing and planned land-use activities before committing to these investments.
71. The requirements for individual developments to provide mitigations (such as on-site storage tanks) can also be expected to increase (though, in some instances, this may be a more cost-effective option than network upgrades). Councils should also consider where changes to planning provisions and codes of practice (such as requirements for water efficiency and water sensitive design) could contribute to affordability, liveability, resilience, and environmental outcomes whose benefits far exceed those of conventional hard infrastructure solutions.

Achieving net carbon zero carbon emissions

72. Water services are entirely climate dependent. They generate emissions through both operations and in completing capital projects. The region's three waters service delivery must do its share to support the country's emissions targets and help support the long-term sustainability of water services.
73. Operational emissions have doubled in the last five years and are forecast to increase by another 10% by 2050 as demand for the services continues to increase. There is no investment included in councils' proposed LTPs specifically targeted at emissions reduction. The proposed renewal of the Seaview sludge dryer with a lower emissions alternative will reduce total operational emissions by around 6% (from the 2020/21 baseline). The proposed investment in water loss management and water meters will also support emissions reduction through reduced electricity and chemical consumption.⁵ Collectively, this investment might hold operational emissions at the 2020/21 baseline level (offsetting expected increases due to rising demand). Still, it is unlikely to result in material reductions towards New Zealand's emissions targets.

74. The capital delivery programme predominantly utilises conventional construction techniques, which do not minimise carbon emissions. The previous LTP invested in capital carbon modelling to better understand the embedded carbon and establish future monitoring work to drive low carbon techniques across the capital work programme. However, without ongoing investment in programmes that support the monitoring and reporting of carbon data, the benefits of the modelling may not be fully realised.
75. The proposed Council programmes, at a regional level, provide minimal activity to achieve net carbon zero emissions; in most instances, this was deemed a lower priority under constrained budgets. Therefore, as noted above, it is expected that the 2024-34 LTP programme will not contribute to achieving New Zealand's net carbon zero objective.

Increasing resilience to natural hazards and the impacts of climate change

76. The region's waster services are at risk from natural hazards such as earthquakes and landslides and the more intense rainfall events and sea level rise caused by climate change.
77. There is very limited investment provided to address resilience and flooding risks within the planned programmes.
78. Historically, there have been no set standards for the levels of service for stormwater and flooding performance. This means that the levels of service that are being provided vary significantly across the region and are typically below the levels of service currently being specified for new development⁶. The risk of flooding will increase with expected increases in the frequency of high rainfall events and climate related sea level rise. As noted in the section on supporting population growth above, discussions with councils and communities are required to determine acceptable levels of risk and performance. This could potentially also include managed retreat from some areas.
79. Funded work within Councils' LTP programmes to develop Stormwater modelling and catchment management plans for the new stormwater network discharge consents, which will help with a better understanding of stormwater flooding issues and help target potential future investments.
80. The region's assets are predominantly older pipes of lower durability materials. There are also other older assets, such as some drinking water reservoirs, whose design and condition also increase their susceptibility to seismic events. Some assets are also located on or across fault lines and unstable slopes. These assets will continue to be susceptible to failure in earthquakes and other ground movement events until they are renewed using more resilient materials. Communities and assets are exposed to high-intensity rainfall and rising seas.

Impact on Te Mana o Te Wai

81. As reported to the Committee on 11 December 2023, Wellington Water has been building relationships with Rangitāne ki Wairarapa, Ngāti Kahungunu ki Wairarapa, Taranaki Whānui and Ngāti Toa Rangatira to understand how best to embed Te Mana o Te Wai.
82. The clear message from each iwi is that removing wastewater from waterways is a priority. This issue will be addressed through the Improving Environmental Water Quality strategic priority, where funding is signalled, but not to a sufficient level or at the pace to deliver the outcome.
83. The design of new storage lakes is a significant step towards reducing the overall impact of water supply activities on the environment and enhancing Te Mana o te Wai. An increase in low flow limits when water take consents are renewed in the mid-2030's. The design of the new lakes will include consideration of the additional storage needed to mitigate the loss of supply that this change will bring about.
84. The design of the new storage lakes has funding associated with 2024-34 LTP. However, there has been no funding allocated to the construction. The outcome sought will not be achieved until this phase is complete.
85. Conversations with iwi mana whenua are ongoing. Wellington Water will be clear about the respective roles between Wellington Water as the asset manager and shareholder councils as the asset owner. Wellington Water will continue to be open about what it can achieve with the funding it receives.

Next Steps

86. Wellington Water will continue to work with councils as they confirm funding decisions. A summary of the funding levels, the expected performance and the risks of the funding decisions will be provided to councils.
87. An Investment and Delivery snapshot will also be provided to each council.
88. Wellington Water will continue to engage with iwi mana whenua partners.

Climate Change Impact and Considerations

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

Appendices

| No. | Title | Page |
|-------------------|-----------------------------|------|
| 1 | Regional Investment 2024-34 | 75 |

Author: Wellington Water Ltd

Appendix 1: Council uninflated LTP figures as at 11 March 2024**Table 1: Total and council by council CAPEX**

| Council (\$M) | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | Total |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| GWRC | 97.9 | 45.3 | 31.6 | 62.4 | 76.1 | 81.6 | 63.9 | 66.1 | 57.2 | 49.6 | 632.0 |
| HCC | 80.1 | 118.2 | 125.7 | 122.9 | 151.1 | 128.3 | 129.9 | 128.3 | 172.3 | 152.5 | 1309.3 |
| PCC | 69.6 | 45.6 | 47.1 | 48.3 | 51.4 | 48.9 | 52.8 | 54.6 | 49.3 | 47.4 | 515.0 |
| UHCC | 16.8 | 9.4 | 9.8 | 11.4 | 16.3 | 20.7 | 20.0 | 13.2 | 14.3 | 15.7 | 147.5 |
| WCC | 61.5 | 57.7 | 68.6 | 103.1 | 94.8 | 124.4 | 145.3 | 147.7 | 90.5 | 130.5 | 1024.0 |
| Grand Total | 325.8 | 276.2 | 282.8 | 348.1 | 389.7 | 403.9 | 411.8 | 410.0 | 383.6 | 395.8 | 3,627.9 |
| Recommended Grand Total | 384.5 | 410.7 | 506.4 | 656.5 | 961.3 | 961.3 | 961.3 | 961.3 | 961.3 | 961.3 | 7,580.0 |

*All JV costs are captured in HCC budgets. Thus, UHCC figures are understated by \$155M and HCC's figures overstated by the equivalent.

Table 2: Total and council by council OPEX

| Council (\$M) | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | Total |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| GWRC * | 27.5 | 27.5 | 27.5 | 27.5 | 27.5 | 27.5 | 27.5 | 27.5 | 27.5 | 27.5 | 275.3 |
| HCC ** | 37.8 | 35.9 | 36.4 | 37.1 | 37.1 | 37.1 | 37.1 | 37.1 | 37.1 | 37.1 | 370.0 |
| PCC | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 | 123.0 |
| UHCC | 9.8 | 9.9 | 9.9 | 9.9 | 10.0 | 10.0 | 9.9 | 9.9 | 9.9 | 10.0 | 99.4 |
| WCC*** | 60.8 | 59.2 | 58.8 | 58.8 | 58.8 | 58.8 | 58.8 | 58.8 | 58.8 | 58.8 | 590.9 |
| Grand Total | 148.3 | 144.7 | 145.1 | 145.6 | 146.3 | 146.0 | 145.5 | 145.9 | 145.5 | 146.1 | 1,457.4 |
| Recommended Grand Total | 159.3 | 161.5 | 165.0 | 172.2 | 173.8 | 175.2 | 176.7 | 180.0 | 183.2 | 187.8 | 1,734.6 |

* Currently chemical costs are flatlined at Y1 budget which does not reflect expected increases

** HCC budget includes one off cost in Y1 \$2,800k for additional leak repair. URSMs assumed to be fully implemented by 2027/28.

*** UHCC budget flat lines, except for the drainage levy (WWTP JV costs provided to WWL from Council)

*** WCC budget includes one off cost in Y1 \$2,000k and Y2 \$400k of URSM business case

Note: these are indicative figures and are still to go through public consultation before being finalised.

Table 3: Network renewals backlog**NOTE**

An average cost per meter has been used to provide a rough indication of the scale of renewals that could be delivered based on the draft LTP network renewals budgets. **It is important to note that the forecast meters delivered in the 2024-34 LTP should NOT be relied on as a specific number.** The actual length delivered could vary significantly from this based on the type, diameter/ width, location (city or suburb, topography, in road corridor / under buildings etc) and depth of pipes prioritised for renewal as well as the technologies used (open trench/ tunnelling etc.) and contract prices. The pipes selected for renewal will be based on condition and criticality, and those considered highest criticality are typically larger and more costly to renew.

| Council | Renewal Period | DW (m) | DW (%) | Local WW (m) | Local WW (%) | HVJV WW (m) | HVJV WW (%) | SW (m) | SW (%) | Total for all (m) | Total for all (%) |
|---------|---|----------------|------------|----------------|--------------|--------------|-------------|---------------|------------|-------------------|-------------------|
| WCC | Renewals backlog at 2024 | 155,311 | 17% | 203,595 | 19% | | | 47,956 | 7% | 406,862 | 15% |
| | Theoretical Pipes renewed through 2024-2034 LTP | 71,867 | 8% | 202,637 | 19% | | | 53,100 | 7% | 327,604 | 12% |
| | Renewals backlog in 2034 | 151,286 | 16% | 316,250 | 29% | | | 89,421 | 12% | 556,957 | 20% |
| HCC* | Renewals backlog at 2024 | 175,506 | 25% | 39,752 | 7% | 6,845 | 8% | 11,391 | 2% | 233,494 | 13% |
| | Theoretical Pipes renewed through 2024-2034 LTP | 59,784 | 9% | 103,228 | 18% | 3,719 | 5% | 10,062 | 2% | 176,793 | 10% |
| | Renewals backlog in 2034 | 132,470 | 19% | 107,934 | 18% | | 0% | 14,978 | 3% | 249,190 | 14% |
| UHCC | Renewals backlog at 2024 | 12,322 | 4% | 13,778 | 6% | | | | 0% | 26,100 | 4% |
| | Theoretical Pipes renewed through 2024-2034 LTP | 33,696 | 12% | 28,764 | 13% | | | 516 | 0% | 62,976 | 9% |
| | Renewals backlog in 2034 | 14,294 | 5% | 33,793 | 15% | | | | 0% | 48,087 | 7% |
| PCC | Renewals backlog at 2024 | 34,982 | 10% | 5,409 | 1% | 0 | 0% | 198 | 0% | 40,589 | 4% |
| | Theoretical Pipes renewed through 2024-2034 LTP | 56,139 | 16% | 110,439 | 26% | 3,870 | 37% | 78 | 0% | 170,526 | 16% |
| | Renewals backlog in 2034 | 37,346 | 10% | 51,091 | 12% | 3,870 | 37% | 0 | 0% | 92,307 | 8% |
| GWRC | Renewals backlog at 2024 | 6,345 | 4% | | | | | | | | |
| | Theoretical Pipes renewed through 2024-2034 LTP | 7,891 | 5% | | | | | | | | |
| | Renewals backlog in 2034 | 10,227 | 6% | | | | | | | | |

*Figures exclude Seaview Main Outfall Pipeline

Note: these are indicative figures and are still to go through public consultation before being finalised.

Table 4: Wastewater Treatment Plants

| Treatment Plant (\$M) | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | Total |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| Moa Point | 16.1 | 11.2 | 10.1 | 19.2 | 24.5 | 26.2 | 14.4 | 7.8 | 7.3 | 7.0 | 143.8 |
| Porirua | 48.9 | 23.8 | 18.6 | 4.1 | 2.8 | 4.7 | 4.8 | 2.7 | 1.7 | 2.2 | 114.1 |
| Seaview | 33.5 | 72.4 | 59.4 | 26.5 | 45.1 | 43.8 | 51.7 | 62.2 | 106.6 | 14.5 | 515.8 |
| Western | 1.2 | 1.2 | 0.7 | 0.7 | 1.9 | 1.4 | 4.2 | 7.0 | 6.3 | 2.4 | 27.1 |
| Grand Total | 99.7 | 108.6 | 88.8 | 50.5 | 74.3 | 76.1 | 75.1 | 79.7 | 121.9 | 26.0 | 800.7 |
| Recommended Grand Total | 121.4 | 131.5 | 107.7 | 74.8 | 76.1 | 58.8 | 65.9 | 76.4 | 121.3 | 28.0 | 862.0 |

Table 5: Network Discharge Consents

| Council (\$M) | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | Total |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| HCC | 1.6 | 1.6 | 2.5 | 1.4 | 2.3 | 2.4 | 15.6 | 15.4 | 16.0 | 24.3 | 83.1 |
| PCC | 1.9 | 1.9 | 3.0 | 1.6 | 2.4 | 2.6 | 11.5 | 12.3 | 12.0 | 12.1 | 61.0 |
| UHCC | 1.2 | 1.2 | 1.6 | 0.6 | 9.1 | 9.1 | 7.7 | 0.7 | 0.7 | 0.7 | 32.5 |
| WCC | 1.6 | 1.6 | 1.3 | 0.6 | 1.3 | 12.2 | 13.0 | 12.7 | 23.0 | 72.4 | 139.6 |
| Grand Total | 6.2 | 6.3 | 8.3 | 4.1 | 15.0 | 26.2 | 47.8 | 41.1 | 51.6 | 109.5 | 316.2 |
| Recommended Grand Total | 6.2 | 6.3 | 8.3 | 4.1 | 15.0 | 26.2 | 49.1 | 49.8 | 57.5 | 115.4 | 338.1 |

Note: these are indicative figures and are still to go through public consultation before being finalised.



Komiti Ngā Wai Hangarua Wellington Water Committee

11 March 2024

Report no: WWC2024/1/66

Acute Water Shortage Risk

Purpose of Report

1. This report provides the Wellington Water Committee with an update on the plan to control the risk of an acute water shortage in the Wellington metropolitan region over the summer of 2023/24.

Recommendation

That the Committee receives and notes the report.

Background

2. At the 24 July 2023, 06 October 2023 and the 11 December 2023 Wellington Water Committee meetings, the Committee was updated on the programme addressing the summer 2023/24 water demand risk.
3. Since December 23, WWL has been keeping stakeholders informed through the weekly Governance Summer Risk dashboard that outlines the supply and demand status and the resulting risk of higher restrictions level. Feedback indicates this has been successful in ensuring our stakeholders remain informed and orientated over the summer.
4. The Wellington Region has now passed through the period of most risk that Level 4 restrictions could be required, but the forecast dry, hot March means that a period at Level 3 remains a possibility.

Implementing the Plan

5. Appendix 1 provides an update across the Acute Water Shortage Risk Programme for Risk mitigation activities.

Summer 24/25 and Taumata Arowai

6. While the profile of the acute water shortage will naturally reduce over the winter period, it is important to ensure our communities remain informed and are best prepared for future summers and the acute water shortage programme.
7. Wellington Water is now increasing its focus on the risk for the summer of 24/25. As part of preparing for next summer, WWL will conduct a lessons-learned activity to ensure the response for next year is improved and has

commenced preparations to model the 24/25 risk.

8. Taumata Arowai is also increasingly focused on the risk for 24/25 and has written to the metropolitan councils and WWL asking for a clear plan by 15 March 2024 that sets out the actions planned to avoid an imminent risk to the supply of a sufficient quantity of drinking water over the 2024/25 summer period.
9. The focus is specifically on the actions needed to significantly mitigate the risk in the shorter term so that WWL and its owner councils satisfy statutory duties, and notification of the risk of a declaration of a drinking water emergency is unnecessary this coming summer.
10. Wellington Water has been asked by the Wellington Water Committee to coordinate a response that will include:
 - The WWL delivery plan based on current and planned activities -
 - Additional water supply - Te Marua capacity availability, timing and risk
 - Addressing consumption - communications/education plan
 - Reducing water loss - reactive and planned water network maintenance budgets, additional funding for backlog clearance, and water renewals.
 - Modelling - what is the MLD saving we require to reduce the risk of Level 4 and 3 to zero
 - Funding - the level of investment in council's 23/24 and 24/25 plans until December 2024.
11. The CE forum hosted by Taumata Arowai requested that an estimate be provided to clear the leak backlog for all councils. It should be noted that clearing the leak backlog is not synonymous with meeting the expectations of Taumata Arowai and is a line of inquiry initiated by council. The backlog in early February was 3701 leaks. A table with the estimate is set out below, with the following notes:

| Council | Backlog (12 Feb) | Estimate (\$k) |
|--------------|------------------|------------------|
| WCC | 2110 | \$ 6,963 |
| PCC | 240 | \$ 792 |
| HCC | 865 | \$ 2,855 |
| UHCC | 435 | \$ 1,436 |
| SWDC | 51 | \$ 168 |
| Total | 3701 | \$ 12,213 |

12. Please note the estimate is based on the following:
 - An assumption that the current backlog for each council does not increase,
 - Urgent leaks will continue to occur and will remain the priority for repair,
 - It's based on an estimate of five new crews repairing, on average, four leaks per day = 100 leaks repaired per week,
 - Average cost per leak is \$3300¹,
 - The estimate does not include the cost required to address the current backlog of permanent reinstatements.

13. Hutt City Council will be recommending in their LTP that funding be provided to clear the leak backlog by December 2024. WWL produced an estimate for that work, and Hutt City has brought forward funding so that planning and implementation can be started this financial year.
14. From a delivery perspective, here is the estimated time required to get underway. Noting work will need to start immediately (as it currently is for Hutt City):

| | |
|---|-----------------|
| Allow 8 weeks to stand up resources and plan | 8 weeks |
| Physical works | 37 weeks |
| Time to complete once funding is confirmed | 45 weeks |

15. If the investment is made to clear the current backlog, whether it builds again or not is a function of the final investment levels agreed to by Councils in their Long-Term Planning process.

Appendices

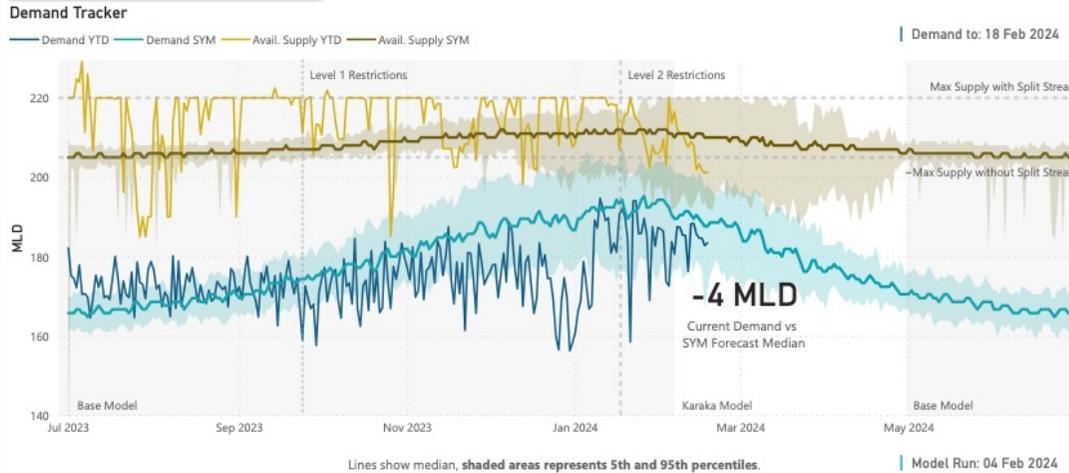
| No. | Title | Page |
|-------------------|--|------|
| 1 | AWSD Programme Report | 81 |
| 2 | Governance Summer Risk Dashboard | 82 |
| 3 | Letter to Wellington Water and councils - mitigation of 2024-25 summer supply risk | 83 |
| 4 | Our plan for this summer's acute water shortage | 87 |

Author: Wellington Water Ltd

🟢 Tracking well
🟡 In difficulty
🔴 At risk

Water Restriction Risk Forecast
 14-day short-term risk **2**
 Projected Summer risk **3**

Supply and Demand



Commentary

- Water usage (demand) is still tracking favourably, but supply is showing a reduction below the median projection for this time of year.
- The reduced available supply is due to the decline in the surface water sources – Hutt River, Wainuiomata River and Orongorongo River.
- An increase in minimum night flows was observed for January. This appears to be driven by the reduced leak repairs typically made in December and January. February repairs are currently tracking ahead of those made in December and January.

How we are tracking

Workstream

Progress

Impact

Drought Management



Water Loss Management



Comms & Engagement



Response Management



High Level Risks

Metro and SWDC supply and demand levels have remained relatively consistent throughout Feb at L2 and L1 respectively. The past two weeks have seen a notable drop in river base flows, Ruamahanga river dropping below the 8.5m³/sec consent flow trigger for increased interventions. Wainui river source availability is receding at 5MLD/week, production currently restricted to 16MLD. Predicted supply headroom in the Metro region for the coming 7 days is 109%. 4 days of showers and some rain are forecast for the coming week.

The WCC additional leak repair funding commenced on the 29th January. Service connection work is ongoing with existing funding enabling connections in WCC and PCC to continue until March. Emergency response testing is underway in UHCC after replacement of the Totara Park PRV. Testing plans have been completed for HCC and PCC.

Received good coverage of our updated modelling numbers recently & the decision to stay on Level 2 for now. Thanking the public for their hard work and asking them to stay vigilant is working as an approach. We're still running ads for the campaign across the region. We're now turning our thinking to what our approach will be to "wrap up" the campaign at the end of March.

We continue in our risk period. Response Action Plans complete. Response is ready to go. Testing plans complete for HCC & PCC. WCC zones due by 1 March. Weekly reporting/updates to Taumata Arowai and WREMO. Initiated ecological assessment and testing of surface sources should augmentation be needed.

Summer Risk Update - 22/02/24 - 28/02/24

Current Level

2

Ban on sprinklers and irrigation systems

Chance of Level 3 this summer

43%*

There remains a real chance of moving to level 3

Chance of Level 4 this summer

17%*

We've done well to hold steady at level 2, but **level 3 could happen quickly.**

River levels are dropping, and we've begun to supplement supply with water from the storage lakes.

Hot and dry conditions are forecast for the next 5 weeks, with only limited rainfall.

Buffer Average past 7 days

12%

Buffer is above 10%**

We are at Level 2

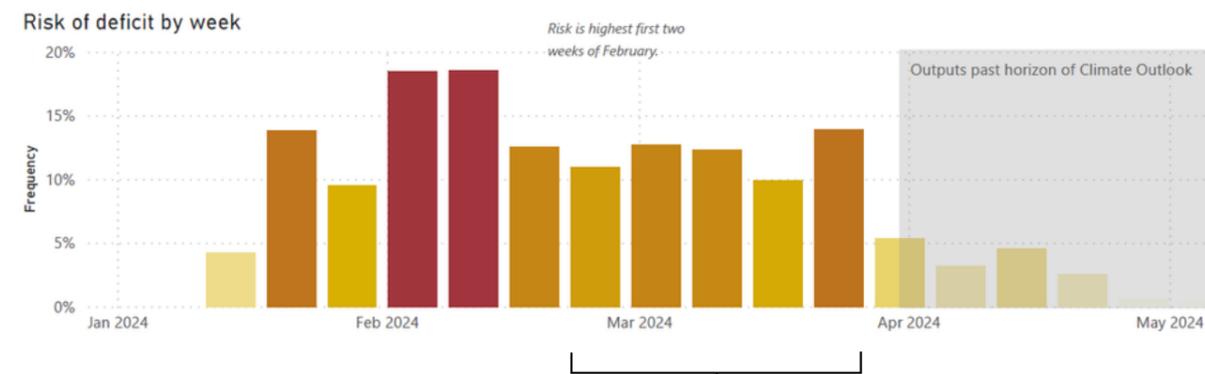
Buffer Forecast next 7 days

10%

Buffer is at 10%**

To stay at Level 2, it's vital we are careful with our water use

When is risk the highest?



It's crucial we keep up the good work, as the next 5 weeks are expected to be hotter than average.

*This modelling is reviewed each month and updated as necessary.

*The efforts of the public following water restrictions can reduce this chance, but this requires everyone to do their bit.

**The buffer is one key indicator of risk, and is offered as a guide only. Other factors are monitored as part of level risk assessment. The buffer is reviewed weekly.



21 February 2024

Tonia Haskell
Chief Executive
Wellington Water

Wendy Walker
Chief Executive
Porirua City Council

Nigel Corry
Chief Executive
Greater Wellington Regional Council

Barbara McKerrow
Chief Executive
Wellington City Council

Geoff Swainson
Chief Executive
Upper Hutt City Council

Jo Miller
Chief Executive
Hutt City Council

All by email

Tēnā koutou

Assurance of ongoing supply of a sufficient quantity of drinking water in the Wellington Region

This letter follows our work with Wellington Water Limited (**WWL**) to understand and manage risks to the supply of a sufficient quantity of drinking water in the Wellington Region over the 2023/24 summer period, now that we are moving past the period of greatest risk of a shortage of drinking water according to modelling commissioned by WWL.

While our collective attention has (and is) rightly focused on addressing risk in the 'here and now', it is also important that a similar situation is avoided next summer. Early and sustained action is likely to be important to achieving that.

Under the Water Services Act 2021 (**WSA**), drinking water suppliers have a duty to ensure a sufficient quantity of drinking water is provided to each point of supply.¹ As the owners and operator of a drinking water supply, local authority shareholders and WWL are all drinking water suppliers for the purposes of the WSA. Each organisation consequently has a non-transferrable, overlapping duty to ensure the ongoing sufficiency of supply, moderated through the application of s17 of the WSA.

I'm conscious that local authorities are currently working through long-term plan (**LTP**) processes under the Local Government Act 2002, noting the increased flexibility around that process provided through the Water Services Acts Repeal Act 2024. I am also aware the Minister of Local Government, Hon Simeon Brown, has written to you about the longer-term challenges of funding water infrastructure, stressing the need for continued increases in investment and for WWL and its shareholder councils to work together effectively. Our interest is in ensuring the risks to sufficient water supply are managed in the immediate-term.

It's apparent that all councils are looking hard at the investment that needs to be made to address the problems currently affecting the region's water services in the longer-term. It is also really pleasing to see agile leadership to get on top of the issue, such as Hutt City Council's decision to accelerate leak repair work to reduce the backlog before summer arrives next year.

¹ WSA, s 25(1).

While the situation is changing as new decisions are taken, on the information currently available to Taumata Arowai we are not confident that WWL's operational plans or broader council investment decisions will be adequate to prevent the current acute water shortage risk from happening again next summer.

A step change is required to head into next summer with confidence

The letter sent to Taumata Arowai on 22 November 2023 by WWL contains a description of the key contributing factors to the current water shortage risk, which can be summarised as:

- record high water use, comprised of active consumer demand (based on historical summer water use trends) and significant and increasing passive demand through water loss in public and private distribution networks, and
- changing climatic conditions (particularly with the shift to an El Niño weather pattern), which impact both source water availability and active consumer demand.

None of these factors are rapidly emerging, unforeseeable, or exceptional – a situation that can be contrasted, for example, with the impacts of Cyclone Gabrielle in numerous parts of the North Island in February 2023. While they present challenging problems, they represent reasonably predictable seasonal risk.

Without any significant change in the approach to the ongoing supply of a sufficient quantity of drinking water, there is no reason to expect that the risk will be avoided next summer. As population growth, network asset deterioration and climate change continue to add further supply and demand stress, the risk of future water shortages seems likely to increase.

A step change appears to be required in the approach of WWL and its local authority owners to ensure that there is not an imminent risk to the supply of a sufficient quantity of drinking water over the same period in future years, starting with the 2024/25 summer.

It is not viable in our view for the Wellington metropolitan drinking water supply to be operated so that the potential declaration of a drinking water emergency under the WSA, or a broader civil defence emergency, and the exceedance of existing resource consent limits is seen as a regular part of summer water supply management. The use of emergency powers should be reserved for situations where extraordinary events occur, or factors affecting supply could not reasonably have been anticipated or modelled. That does not appear to be the case here.

Risk mitigation plan

WWL's letter of 22 November 2023 identifies a number of options that it is progressing to reduce the water shortage risk in the medium to long-term. Several of these are described as not being of particular benefit for the current summer period because of the limited time available as at the date of the letter. However, they are discussed in terms that indicate WWL considers they will be of longer-term strategic benefit.

They include:

- increased investment in water loss management (corresponding to a reduced passive demand through network water loss)

- reduced active consumer demand, through residential water metering and other demand management activities
- creation of additional network storage capacity, and
- creation of increased production capacity at the Te Marua Water Treatment Plant (**WTP**), which I understand will result from the addition of dissolved air flotation (**DAF**) technology.

I understand that WWL is also exploring the possibility of variations to the existing resource consents that it relies on to take water with a view to increasing the volume of supply available in certain circumstances, subject to Greater Wellington's usual assessment and decision-making processes under the Resource Management Act 1991. We note that was not pursued this summer, with indications that it would take a year to process such applications even if they were successful.

I expect there are other network investment, management, or operation options that will similarly have some impact on the supply and demand sides of the water availability equation. They will no doubt all have their own pros, cons, costs and risks that you need to weigh up and decide on.

As we move out of the period of peak water shortage risk for the current summer period, it is time for WWL and its local authority owners to determine how the risk to sufficiency of supply will be appropriately mitigated in future summer periods.

To enable Taumata Arowai to examine that, I ask that WWL provides a clear plan to Taumata Arowai, by no later than **8 March 2024**, that sets out the actions planned to avoid an imminent risk to the supply of a sufficient quantity of drinking water over the 2024/25 summer period.

To be clear, I am not asking for a plan that provides for all of the network issues currently being faced by WWL and its local authority owners to be addressed in their entirety ahead of the next summer period. That is a long-term fix.

Our focus is specifically on the actions needed to significantly mitigate the risk in the shorter term so that WWL and its owner councils satisfy statutory duties, and notification of the risk of a declaration of a drinking water emergency is unnecessary this coming summer.

It isn't sensible or feasible to eliminate the risk completely; the possibility of extraordinary weather or other events cannot be excluded. There is also a balance to be struck between what's needed in the short-term – for example, accelerated fixing of leaks – and what's most efficient and effective longer-term – such as renewals of the network that take time.

Your plan should provide assurance that the residual risk that Level 2 water restrictions will be exceeded will be negligible, to the extent it relates to foreseeable circumstances or conditions.

While the scope and content of the plan is a matter for WWL to determine alongside its local authority owners, to help guide your response it might include:

- (a) Identification and discussion of the assumptions, updated modelling, and other inputs used to determine the anticipated risk situation for the 2024/25 summer period, including any limits on the precision or reliability of that information.
- (b) Identification of the package of options proposed to mitigate water shortage risk, whether they address demand factors, supply factors, or a combination. This should be supported by information about:

- (i) relative pros, cons and risks² of different options
 - (ii) quantification of how much water each option is expected to make available or save
 - (iii) cost information or assumptions, to assist in assessing reasonableness/value and assurance that the plan is or will be funded, and
 - (iv) explanation of how opportunity costs or other trade-offs have been assessed (for example, how you are balancing the relative efficiency and effectiveness of leak repair work against network renewal work).
- (c) Critical timing milestones for key activities or investments.
- (d) A description of engagement with mana whenua in relation to the development and selection of options, and how Te Mana o te Wai has been applied.
- (e) The basis for knowing whether the plan is achieving its objectives, to support active monitoring of implementation and the ability to provide assurance to the public that efforts are on track.

Irrespective of the planned approach, additional investment to address water shortage risks should not come at the expense of necessary investment in wastewater or stormwater services.

Once Taumata Arowai has received and reviewed WWL's plan, consideration will be given to whether or not it needs to be supported – and its implementation assured – by any sort of compliance instrument under the WSA.

Concluding comments

Thank you again for the positive work that has been carried out in relation to the water shortage risk affecting the Wellington Region this summer, including your active and collaborative engagement with Taumata Arowai.

We hope to continue in that manner as we turn to what's needed from here and look forward to continued dialogue and engagement with you as you work to shape up the plan requested above and as new inputs become available, such as renewed and longer-term climate and risk modelling information.

If it would be useful, I'm very happy to arrange a follow-up conversation with you all to clarify anything in this letter or the associated expectations of Taumata Arowai.



Allan Prangnell
Chief Executive

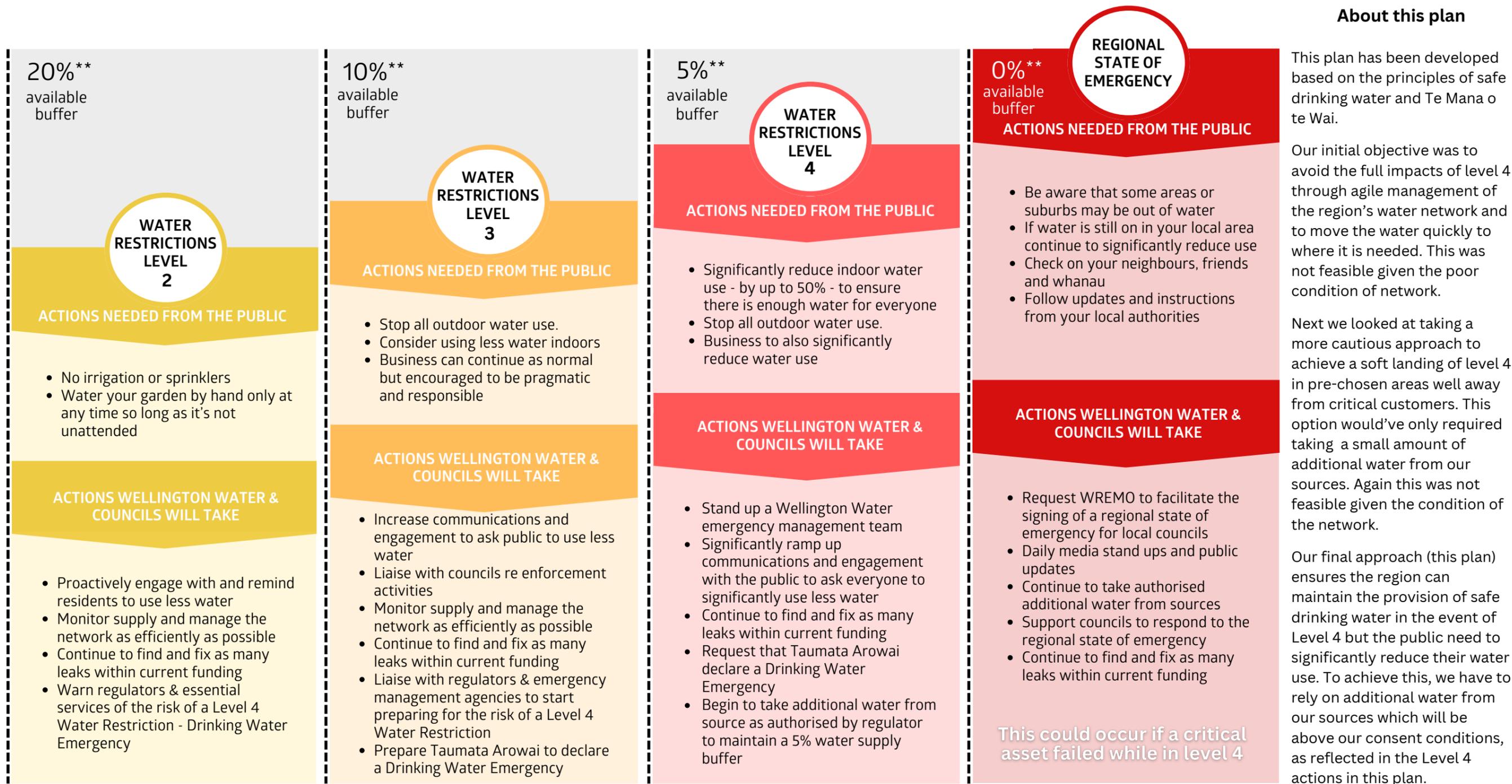
² For example, if significant increased production through the addition of DAF capacity at the Te Marua WTP is a component of the plan, what contingency measures will be in place in case the DAF facility is not available by the start of the 2024/25 summer period?

Our plan for this summer's acute water shortage

Updated: Jan 25th 2024

Available water supply buffer

Our region's drinking water supply system has a finite capacity. We can only treat and supply a certain amount of safe drinking water on any given day. This includes a "buffer" that allows for varying levels in daily water usage, unplanned outages, or planned maintenance work. The increase in leaks in the network means the available 'buffer' is becoming increasingly tight, particularly over the summer when supply is lower. The percentages in the grey boxes below indicate the buffer available at each level of water restrictions. As the buffer reduces, the risk of not having enough safe water for our communities increases. The risk of the water not being safe also increases due to the pressure in the network getting too low, allowing contaminants to enter the system. This would pose a risk to public health and result in boil water notices.



About this plan

This plan has been developed based on the principles of safe drinking water and Te Mana o te Wai.

Our initial objective was to avoid the full impacts of level 4 through agile management of the region's water network and to move the water quickly to where it is needed. This was not feasible given the poor condition of network.

Next we looked at taking a more cautious approach to achieve a soft landing of level 4 in pre-chosen areas well away from critical customers. This option would've only required taking a small amount of additional water from our sources. Again this was not feasible given the condition of the network.

Our final approach (this plan) ensures the region can maintain the provision of safe drinking water in the event of Level 4 but the public need to significantly reduce their water use. To achieve this, we have to rely on additional water from our sources which will be above our consent conditions, as reflected in the Level 4 actions in this plan.

*This dashboard and modelling applies to Wellington City, Porirua, Lower Hutt and Upper Hutt.

**The buffer is one key indicator of risk, and is offered as a guide only. Other factors are monitored as part of level risk assessment. The buffer is reviewed weekly.



Komiti Ngā Wai Hangarua Wellington Water Committee

11 March 2024

Report no: WWC2024/1/67

Wellington Water Limited - Draft Statement of Intent 2024-27

Purpose of Report

1. To outline the status of the development of the draft Statement of Intent (SOI) 2024-27 and seek a one-month extension to deliver the final document.

Recommendations

That the Committee:

- (1) notes the revised timeline for delivering the draft Statement of Intent 2024-27; and
- (2) agrees to provide Wellington Water Limited with a one-month extension in accordance with Schedule 8, Part 1, Clause 4 of the Local Government Act 2002 to deliver the final Statement of Intent 2024-27 to the Committee by 31 July 2024.

Summary

2. Wellington Water Ltd (the company) must adopt a SOI before the beginning of each financial year.
3. The SOI is guided by the Annual Letter of Expectations, which shareholders provide by 1 December each year.
4. This year has been slightly different, with delays due to government changes and the Water Reform programme.
6. The company is set to receive the final Letter of Expectations 2024 at this meeting.
7. Typically, a draft SOI would be provided at this meeting, but instead, we will aim to circulate a draft to the Committee by 1 April 2024.

8. The final SOI must be adopted by 30 June. As in previous years, the company requests an extension of one calendar month to 31 July to better align with final long-term plan decisions.

Next Steps

9. Once the draft is received, and usually within four weeks, the Committee is responsible for considering and providing agreed feedback and recommendations to the company.
10. Each Committee member is responsible for ensuring the draft is discussed by their respective council as part of this process.
11. The Committee then provide written feedback on the draft to the Wellington Water Board for formal consideration.
12. We will finalise the document and deliver the final SOI to the Committee by 31 July 2024.
13. As per our statutory obligations, we will then publish the SOI on the Wellington Water website and forward it to council officers to do the same.

Climate Change Impact and Considerations

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

Appendices

There are no appendices for this report.

Author: Wellington Water Ltd



Komiti Ngā Wai Hangarua Wellington Water Committee

11 March 2024

Report no: WWC2024/1/68

Wellington Water Limited Half Year Report to 31 December 2023

Purpose of Report

1. The purpose of this report is to provide the Wellington Water Ltd Half-Year Report to the Committee for their information.

Recommendation

That the Committee receives and notes the Half-Year Report to 31 December 2023 attached as Attachment 1 to the report.

Background

2. Wellington Water Ltd (the company) is required under the Local Government Act 2002 to produce a Half-yearly report and to provide that report to its shareholders before the beginning of March in the year the report relates. The report must contain information required by the company's Statement of Intent (SOI).
3. The Half-Year Report shows the financial and non-financial performance of the company for the period 1 July 2023 to 31 December 2023. Unlike the Annual Report, the Half-Year Report is not audited.

Performance for the first six months

4. It has been a steady first six months for performance in most areas. The half-year report provides an overview of non-financial and financial results for the first half of the year and is included in Attachment 1 to the report.
5. The delivery of our capital programme is tracking well. Year-to-date capex spend across the programme is \$15M vs \$146M budget (up \$30M or 25% on the same period last financial year).
6. We have not met the fluoridation targets at three of our four metropolitan water treatment plants over the first half of the year. This is a result of some unforeseen Health and Safety concerns and equipment issues, which we

expect to have replaced in the coming months.

7. The Metropolitan region's Infrastructure Leakage Index (ILI) has increased alongside a rise in total current losses, from 5.2 to 5.5¹ (95% CI of +/- 2.5). However, a considerable degree of uncertainty persists until water meters are installed. It is important that we keep a significant focus on reducing water losses in the short, medium, and long term to avoid acute water shortages.
8. Response and resolution times across drinking water and wastewater have come down for most councils for urgent jobs, which shows that the focus on addressing the most significant jobs is having an effect.
9. For non-urgent jobs, times continue to increase steadily. The backlog of open jobs in the region continues to grow, from 4,700 to 5,700, across the first half of the financial year.
10. Customer satisfaction has increased steadily over the last six months to 70% year-to-date. This is driven by an increased sampling of urgent work and is positive for our frontline.

Next steps

11. Councils must publish the Half-Year Report on their websites within one month of receiving it. Following this meeting, the company will forward the document to council officers to do so.

Appendices

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Author: Wellington Water Ltd



Wellington Water Half Year Report

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

1 July – 31 December 2023

Foreword

Welcome to our half yearly report for the 2023/24 financial year. We have had a strong first half of the year. We've continued delivering for the region and our councils to the best of our ability within our current funding and resources.

A lot of our time has been focused on helping our councils and the region manage a tricky summer. With the significant risk of increased water restrictions and a water shortage this year, large parts of our organisation has been geared towards ensuring there is awareness of the risk and what people can do to prepare. We also continue to find and fix as many leaks as we can. We're heartened by the fact that we've held at Level 2 water restrictions so far this summer. Following the shift from level 1 to level 2 in early January, we saw a drop in daily water usage and we've also seen a great community response to rainwater tanks. These are all positive signs that people are getting the message and are being careful with their water use.

We're not out of the woods yet though with February being a critical month when it comes to water use and restrictions. The team will continue to keep a close eye on the situation as it progresses.

We've made good progress on our capital programme. We have delivered \$151 million at a regional level which is a 25% increase from the same period last year. We are also well on target to deliver within our expected delivery range for the year of \$234 million to \$328 million.

We continue to see compliance challenges in the wastewater treatment space with many of our councils' wastewater treatment plants needing improvement work and further investment. For drinking water, we have continued to provide safe drinking water the public however, we have had issues with meeting the Ministry of Health target levels for fluoridation. In part this is due to some health and safety issues we identified last quarter as well as challenges with some of the equipment. The team are working at pace to replace this equipment and bring fluoride levels back up to where they need to be.

We are continuing to see an increased scrutiny on our operations and acknowledge the public's frustrations around visible ongoing leaks at a time that they are also being asked to use less water. Our crews are out there finding and fixing leaks every day but we must prioritise our efforts. We all continue to come to work every day to do the best we can for the region, and it is encouraging to see customers that do interact with our team agree – our customer satisfaction score has gone up to 70% from 65% in the previous quarter.



Nick Leggett
Wellington Water Board Chair



Tonia Haskell
Chief Executive

About this document

Wellington Water is council-owned and funded. We are the Wellington region's professional water services provider, and our job is to provide safe and healthy drinking water, collect and treat wastewater, and ensure the stormwater network is well managed.

Our councils own the water infrastructure in the region. They set the level of funding into these assets and the levels of service, and Wellington Water is unable to borrow money or otherwise raise funding to increase the level of work. They then task us to manage the infrastructure and deliver water services to our communities.

This Half-Yearly Report covers the period 1 July 2023 to 31 December 2023 and sets out our progress against the goals we set ourselves in Our water, our future (Wellington Water's 2023–26 Statement of Intent).

This report will be published on our website, as well as our councils' websites, in line with the Local Government Act.

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 five strategic areas:



Looking after existing assets



Enabling growth



Ensuring sustainable supply and demand



Improving water quality



Resilience to climate change

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.

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 from its origin as rainfall, through our environment, to theirs, then their water will return to that state. 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 have been preparing advice for councils for their long-term plans. The process was complicated by the need to ready ourselves for Water Reform, and further complicated by the Government repealing reform while we were in the middle of that process.

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 rising costs and tight budgets, 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 whānau are engaged, informed and supported.

Delivery highlights

-  32 billion litres safe drinking water delivered to Wellington metropolitan region
-  195 million litres safe drinking water delivered to South Wairarapa
-  30 billion litres of wastewater was treated at the Wellington metropolitan treatment plants.
-  405 million litres of wastewater was treated at the South Wairarapa treatment plants
-  Ongoing improved employee engagement at 61% during an uncertain period
-  Customer satisfaction has continued a steady increase over the last six months, to 70% year-to-date
-  Delivered timely and evidence-based advice to councils for their Long-Term Plans for 2024-34
-  Delivered \$151 million of capital expenditure, up 25% on the same period last financial year

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 have provided councils with **three levels of capex investment advice** for the region:

- 1 **\$30 billion over 30 years** - the total capital investment needed to deliver on all of the region's strategic priorities (unconstrained).
- 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 for the next 10 years).
- 3 **\$2.8 billion baseline programme** – 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.

While we are still working through the LTP process, indications from councils so far are that the recommended level of investment is unaffordable, and funding will likely be 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. The level of investment we anticipate the councils will adopt for the 2024-34 period will limit their ability to support growth, renew infrastructure at the rate it is ageing, improve water quality and resilience and reduce carbon emissions.

Long-Term Plan advice – current status

We are now in the last of four stages of supporting our councils through their Long-Term Planning processes. Stage 4 is working with councils to ensure that the detail in councils plans, as well as the consultation on those plans, is accurate and evidence based. This follows work on the first three stages; determining the investment requirements for councils' networks, developing a recommended programme for councils based on the maximum we can deliver, and tailoring a programme to what councils can afford.

Ultimately, the level of investment is for our councils to decide in consultation with their respective communities. We understand the significant challenge councils have in balancing their work programmes with affordability for ratepayers. Our councils will be consulting within the next few months and will finalise their Long-Term Plans by the end of June 2024.

We'd like to thank our councils for their ongoing support as we work through this process with them over the remainder of the year.

We continue to receive high public interest in the investment advice we have provided councils. To be transparent, we have published the investment advice we provided councils for the first stages of the LTP process on our website -

<https://www.wellingtonwater.co.nz/resources/documents/document-library/>

Operational network maintenance

Finding and fixing leaks

We continue with our programme of work to find and fix the most significant leaks (those losing the most water and that have the most impact to public supply and/or safety) across the region. But due to an aging network and historical underinvestment we are seeing an increasing number of leaks and a growing backlog of work. As of 31 December, there was a backlog of 3,087 leaks regionally.

Simply put, there are more leaks out there than we can fix within the current funding. Hence, we continue to prioritise the most significant leaks first to make best use of the resources we have available. Here's how we're doing:

| | HCC | PCC | SWDC | UHCC | WCC | Total |
|---|-----------------|--------------|---------------|--------------|-----------------|-----------------|
| No. open Leaks (No. per capita) | 629 (5.6) | 246 (4) | 73 (6.7) | 448 (9.9) | 1691 (7.9) | 3,087 (10.9) |
| Leaks fixed this year (No. per capita) | 1,438 (12.7) | 442 (7.3) | 145 (13.3) | 443 (9.8) | 1,648 (7.7) | 4,118 (9.2) |
| Open Jobs (all waters) (No. per capita) | 1,450 (12.8) | 418 (7.3) | 126 (13.3) | 562 (9.8) | 3,064 (14.2) | 5,620 (12.9) |
| Kilometres of network swept for leaks (% of network) | 379 (55%) | 239 (67%) | 122 (99%) | 211 (74%) | 413 (44%) | 1,364 (54%) |

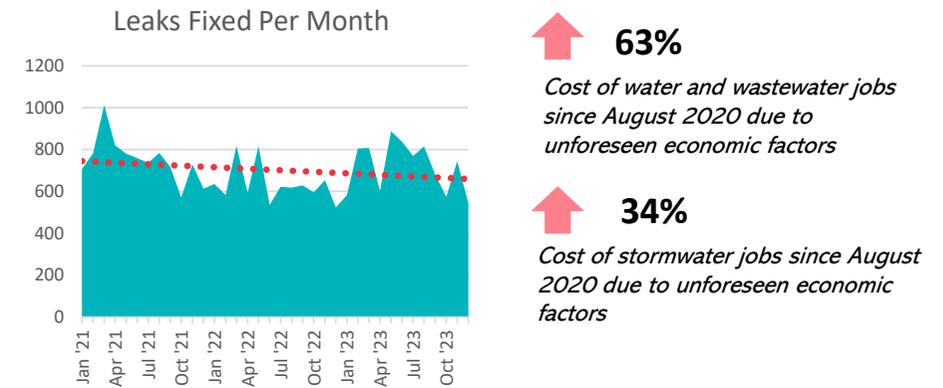
We continue to update the public and our councils on our programme to find and fix leaks on a weekly basis. You can find this information on our [website](#).

Leaks repaired across the region

The first six months of this year have seen 500 more leaks repaired than in the same period last year. Due to budget constraints in multiple council areas, we expect the number of leak fixes across the region to decrease as the year progresses.

Overall, we have seen a reduction in the number of leaks that have been repaired over the past three years. 2021 was a particularly good year for leak repairs as the Government Stimulus Funding allowed us to undertake more work.

We continue to see the effects of inflation in both our capital and operational programmes, for example in the cost of chemicals, labour and materials. By way of example, the cost of an average water and wastewater job increasing by 63% since August 2020, and the cost of an average stormwater job rising by an average of 34%*.



Customer expectations

Many water assets are near or at the end of their operational lives, the cost and effort to maintain and replace them is growing and they are aging at a rate faster than we can replace them within the funding and resources we have available. This is creating an increasing backlog of work.

This means we have to prioritise the urgent jobs first – incidents where customers completely lose access to drinking water, or where there is an urgent risk to the health of people, property, or the environment.

The average response time for a non-urgent job was over a month last year, and we expect to see that rise. We appreciate that this is not a level of service that our customers and communities expect, and it is frustrating to have leaks running for so long while also being asked to conserve water through restrictions.

Customer satisfaction is on the up

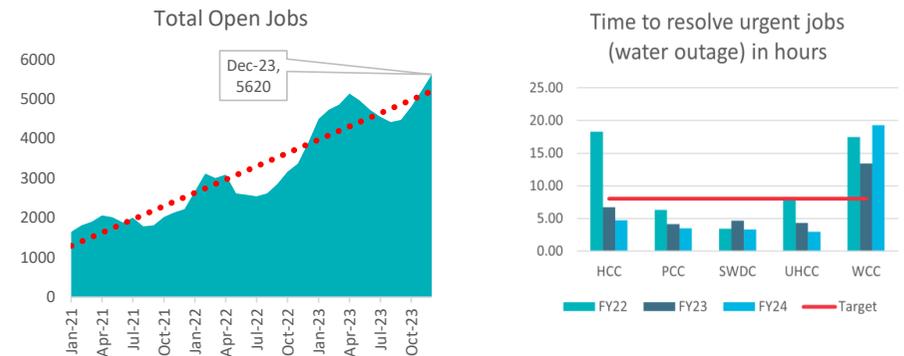
Despite these challenges we have seen an increase in customer satisfaction. This means that the customers that do interact with us on a job are pleased with our work and engagement with them.

This is in part due to an improved level of customer service that we are providing, including providing all customers with a resolution plan within 10 days of making a request for service, and is in part due to increasingly more of our work being “urgent,” as we have less capacity available to address non-urgent jobs.

Enabling new connections for property development

One of the core services we undertake on behalf of our councils is managing the process of new connections to the three waters network. We have a dedicated Growth and Land Development Team that is responsible for several activities across our council areas.

We have processed over 2,450 applications for the three waters network in our region, including approximately 652 building consents, 512 water and drainage connections, and 167 resource consents. We have significantly improved on our baseline of 33% of applications being processed within 10 working days, up to 39%.



How we measure our success

| # | Purpose | Measure | Target 2023/24 | Result at 31 December |
|---|---|---|--------------------------------------|-----------------------|
| 1 | We deliver a level of service that our councils and customers expect. | Customers rate their experience of our performance as 'Satisfied' or better. | 70% | 70% |
| 3 | We will process resource consents in a timely manner, to enable growth in our region. | The percentage of the time resource consents are processed within timeframes (10 working days). | Greater or equal to baseline (>=33%) | 39% |

Looking at ways we can be more efficient

We are acutely aware of every ratepayers' dollar we spend, and we are always looking at ways we can be more efficient. An example of this is our approach to bundling leak repairs on a suburb-by-suburb basis. This is where we deploy our crews to repair all the pipes in one area at the same time. This saves time and costs and reduces the disruption over time on residents in that area. It also means we can let customers know about the work in advance and so residents can better plan for the disruption.

We are trialling this approach in council areas where we can. For example in November 2023, our crews set out to fix six leaks on Mitchell Street in Brooklyn. Unfortunately we weren't able to get through all the leaks as the crews got called away to an urgent leak in Aro Street but we did manage to fix five out of six leaks within one 70-metre stretch of Mitchell Street in Brooklyn before having to stop work.

Fixing several leaks in close proximity not only saves our own crews time, but also saves us money as we can use one traffic management charge-out for several jobs without having to move.

This approach requires us to be able to plan our work programme early in the financial year so we can attract and retain the right type of subcontractors early on.

We have also been using this approach to leaks in Hutt City with positive results and we are keen to deploy this approach in our other council areas where funding allows us to take a proactive approach. For example the additional \$2.3 million Wellington City Council have provided us for leaks will be used this way to ensure we can provide the most value.



The major burst in Te Aro, which meant our crews had to stop proactive leak repair work in Brooklyn in order to respond to this.

Providing safe and fluoridated drinking water

Drinking water compliance

We have continued to provide the region with safe drinking water over the first six months of this financial year.

New chlorine rules were introduced by Taumata Arowai late in 2022 resulting in a non-compliance at Waterloo Water Treatment Plant. The non-compliance impacts up to 800 Lower Hutt households nearest the plant, as the rule is a function both of the amount of chlorine, as well as the time that it is in the water.

Meeting the new rules would require us to either increase the chlorine concentration to a point that would be unpleasant and may cause skin irritation, or for the council to make a significant investment for network upgrades to increase contact time between the chlorine and the water. In the meantime, the water remains safe to drink.

As previously reported, all water treatment plants in South Wairarapa remain non-compliant and significant investment is needed to bring these plants into compliance.

Fluoridating the drinking water

We continue our focus on fluoridating the drinking water and keeping a close watch on the performance of the fluoride facilities. Our target is to reliably meet the Ministry of Health's (MoH) recommended fluoride levels (0.7-1.0ppm, 95% of the time).

In the first quarter of the year three of the four Wellington metropolitan water treatment plants met this target, with the fourth (Gear Island) coming in between 80%-92% of the recommended fluoride levels.

For the second quarter of the year only the Te Mārua Water Treatment plant met the MoH target.

We were not able to meet the target at the other three water treatment plants for varying reasons.

At the Waterloo and Wainuiomata plant we identified some health and safety concerns with loading the fluoride powder into the fluoride facilities. We turned off the facilities while we worked to ensure the health and safety of our people. This issue has now been resolved.

At Wainuiomata we've also had some unexpected equipment issues, which are being fixed.

At the Gear Island Treatment Plant we've had issues with the new equipment which have come to the end of their operational lives earlier than expected. At the time of building the facilities we had to use the equipment that was easy to source due to the urgency in needing to get fluoride back on. Some of this equipment has not lasted as long as we anticipated. More suitable equipment has been ordered. We expect to have this equipment installed and fluoride levels back up in the coming months.

How we measure our success

| # | Purpose | Measure | Target 2023/24 | Result at 31 December |
|---|--|---|------------------------|--|
| 2 | The yearly average level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines. | The yearly average level of fluoride leaving each Water Treatment Plant is within the MoH guidelines (0.7-1.0 parts per million). | Achieved at all plants | Compliant at Te Mārua |
| 4 | We will deliver safe drinking water to metro Wellington | Compliance with Drinking Water Quality Assurance Rules (Treatment) | Compliant | Ongoing non-compliance at Waterloo – affects approx 800 households |
| 5 | We will aim to deliver safe drinking water to South Wairarapa | Compliance with Drinking Water Quality Assurance Rules (Treatment) | Compliant | Ongoing non-compliance across SWDC |

Providing a sufficient supply of drinking water

Ours and our councils' ability to provide a sustainable supply of drinking water remains at risk. Water use across the cities in metropolitan Wellington is at an all-time high. The network is old with increasing leaks (around 45% leaks regionally), people are using a lot of water, and population growth is adding to the issue. This risk is not a new one but for every year that no significant mitigations are put in place, this risk compounds and increases.

For this first half of this year, we continued monitor and raise this risk with our councils. When it comes to the risk to water supply, we have two situations we are trying to manage at the same time: the immediate risk of not having enough water this summer and the long-term challenges of ensuring there is sufficient water for future years.

Long-term challenges

Significant investment and decisions are needed now by our councils to avoid carrying the ongoing risk of water shortages in future years. At September's regional Water Shortage Summit, which was attended by all councils, three key actions were recommended by Wellington Water to tackle the long-term challenges:

1. Continued increased investment into finding and fixing leaks, managing water loss and replacing old infrastructure
2. Investment in smart meters across the metropolitan Wellington region
3. Build another storage lake

At the agreement of the majority of the attendees, we have included these recommendations in our LTP advice to councils. It is encouraging to see that Hutt City, Wellington City, and Porirua City Councils are planning to include these mitigations in their proposed LTP for public consultation.



Providing a sufficient supply of drinking water

Immediate risk this summer

This summer our modelling shows we have a significant risk of having to put in place tighter water restrictions to avoid the risk of a water (e.g. asking people to significantly reduce their indoor water use).

We have been clear with our councils and the public that we are unable to materially reduce this risk this summer within our current level of funding and resources and the constraints of the aging network.

We have done all we can to optimise our activities and put in place a plan to respond to this summer if more severe restrictions are needed, however this won't help us to reduce the risk. Instead, we have had to focus on preparing the public for the potential of an acute water shortage. We have done this by raising their awareness of the risk and asking everyone to help us by doing their bit to get ready and being careful with their water use.

In September 2023 the region entered Level 1 Water Restrictions and towards the end of the second quarter, we were closely monitoring for signs of needing to go up to Level 2. The region entered Level 2 Water Restrictions on 17 January 2024.

We believe the message is getting out to the public with increased media coverage during this reporting period and a great community response with an increased demand for rainwater tanks just before the Christmas break. Not only does this mean communities are now more prepared to deal with a potential water shortage, but this also increases resilience for other emergencies and natural disasters.



Wellington residents lining up to get their rainwater tanks after proactive messaging from Wellington Water and WREMO.

Providing a sufficient supply of drinking water

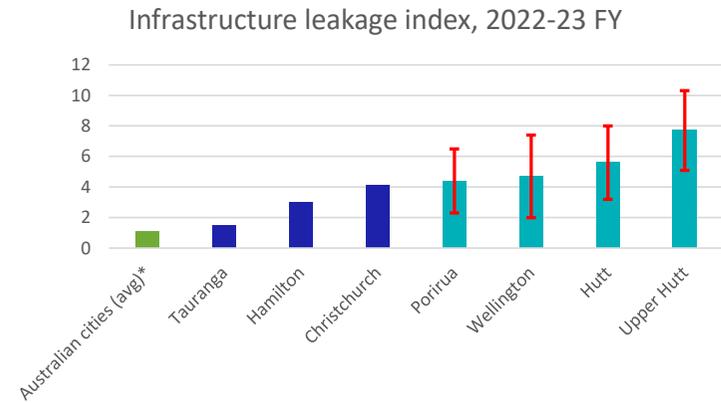
Measuring our leakage

Addressing leaks is the key lever that we can use to bring down water losses and reduce strain on our supplies in the short term.

This year we have set a target to improve the condition of our networks, measured by the Infrastructure Leakage Index (ILI). This is a ratio of the unavoidable losses in a network vs the total amount of losses. This allows us to benchmark our performance fairly against other cities, regardless of the geography, population density or other factors.

Wellington Metropolitan councils currently have a very high ILI, and without water meters, very high uncertainty (graph on the right). A network that is performing well will have an ILI of less than 2, at which point it becomes uneconomic to target further reductions.

So far this year, there has been an increase in ILI alongside a rise in total current losses. However, a considerable degree of uncertainty persists until water meters are installed. It is important that we keep a significant focus on reducing water losses in the short, medium, and long-term to avoid acute water shortages.



*Average of cities with 50,000 or more residents, WASA 2023 Statistics

Water Loss Reduction Plan

We have developed and begun to implement a Metropolitan Water Loss Reduction Plan as one of the mechanisms to help reduce the risk of a water shortage this summer. The plan includes replacing pipes that are failing rather than simply fixing them, managing the pressure of the network and renewing service connections where leaks are likely to occur.

Out of this work we are seeing savings of approximately 720,000 litres of water per day. This is lower than the savings that we had anticipated at the beginning of the year and not enough to materially reduce the risk this summer. However, any water savings we can achieve is worth pursuing so we are continuing to develop the plan and progress actions on it.

How we measure our success

| # | Purpose | Measure | Target 2023/24 | Result at 31 December |
|---|--|--|----------------------------------|------------------------------------|
| 6 | We will have sufficient water to meet customer needs | The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve | Less than Baseline (5.2 +/- 2.5) | 5.5 (+/- 2.4) |
| 7 | | We will complete all actions for the defined period set out in our Water Loss Reduction Plan | Achieved | Currently progressing 3/10 actions |

Partnering with iwi

Enhancing relationships with mana whenua

In the first half of this year, we marked a meaningful step for our organisation on our journey to build partnership with mana whenua iwi when we signed new agreements with Te Rūnanga o Toa Rangatira and Taranaki Whānui.

The agreements lay a strong foundation for future collaboration and development, anchored in values like whanaungatanga, kaitiakitanga, mana ōrite and kotahitanga. It acknowledges the deep whakapapa connection that both iwi have to the rohe and commits to early and meaningful engagement.

These partnership agreements demonstrate our commitment to working closely with mana whenua iwi to restore and enhance Te Mana me Te Mauri o te Wai o Te Whanganui-a-Tara.



Te Rūnanga o Toa Rangatira CEO Helmut Modlik, WWL Board Chair Nick Leggett, CE WWL Tonia Haskell, and Te Rūnanga o Toa Rangatira Board Chair Callum Katene.



SLT and our Tumuaiki Māori Paul Clarke with Kirsty Tamanui, Kaiwhakahaere Matua of Taranaki Whānui, and Kara Puketapu-Dentice, Chairperson of Taranaki Whānui.

Removing and treating wastewater

Metropolitan South Wastewater Treatment Plants

The Moa Point, Western, and Seaview Wastewater Treatment Plants were all non-compliant at the end of December 2023 due to capacity, mechanical and environmental factors.

Moa Point Wastewater Treatment Plant

Moa Point received two infringement notices for non-compliant wastewater quality, as well as a to-do abatement notice requiring us to complete the first phase of the improvements to the inlet pumpstation. The abatement notice has been complied in discussions with our regulator Greater Regional Council. they are comfortable with the situation.

Western Wastewater Treatment Plant

The Western Wastewater Plant is non-compliant for wastewater quality. The outfall pipe was damaged by a slip in 2023, and repairs have been delayed and are currently on hold.

Seaview Wastewater Treatment Plant

We continue to receive odour complaints relating to operations at the Seaview Wastewater Treatment Plant. In June we undertook an investigation into the causes. This resulted in a project to replace the biofilter media at the plant. This was completed in January 2024.

The odour was particularly problematic while these improvements were underway, resulting in 26 infringement notices for odour. The plant is now operating as designed and the odour is mostly compliant, although we appreciate that it is still not at the standard that is acceptable to the community. We have proposed a \$13 million upgrade project for the upcoming Hutt City Council and Upper Hutt Council Long-Term Plan to address issues at the plant.

An additional two infringement notices were received for non-compliant wastewater quality.

Porirua Wastewater Treatment Plant

The Porirua plant has been compliant so far this year.

 Compliant
  Compliant but with noted issues
  Not compliant

| Wastewater Plant | Jul | Aug | Sep | Oct | Nov | Dec |
|------------------|---|---|---|---|---|---|
| Moa Pt |  |  |  |  |  |  |
| Western |  |  |  |  |  |  |
| Seaview |  |  |  |  |  |  |
| Porirua |  |  |  |  |  |  |

Increasing transparency around network overflows

As part of our commitment to transparency, we continue to publish monthly information about [wastewater overflows from the network during heavy rainfall on our website](#).

How we measure our success

| # | Purpose | Measure | Target 2023/24 | Result at 31 December |
|---|---|--|---|--|
| 8 | Our metropolitan Wastewater Treatment Plants will operate as expected | We will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year | No abatement notices, infringement notices, enforcement orders or convictions | 30 infringement notices and 1 abatement notice |

Removing and treating wastewater

South Wairarapa Wastewater Treatment Plants

All South Wairarapa wastewater treatment plants continue to deal with significant performance issues. They all require significant investment to return to full compliance.

We do not expect these plants will comply with their consent conditions until investment has been made. To reflect this, we have set a different target for South Wairarapa's Wastewater Treatment Plants than for the metropolitan Wastewater Treatment plants in our Statement of Intent.

Our measure is that we keep the South Wairarapa District Council informed of the risk of non-compliance and the resulting enforcement action(s) from the regulator. We do this by providing regular risk updates to the Council as well as monthly reporting.

| Wastewater Plant | Status | |
|------------------|---|---|
| Featherston |  | The plant needs additional improvements to achieve compliance with new consent requirements. The consent approval process is underway and will better inform the required capacity beyond 2032. |
| Greytown |  | Major investment is required to mitigate the risk of non-compliance. An upgrade project is underway but this does not currently allow for growth. |
| Lake Ferry |  | Additional funding is required to understand the current high inflow and infiltration. |
| Martinborough |  | Wastewater discharge rate and quality to both land and river exceeds current consent limits. A "To Do" Abatement Notice was issued in August 2023, replacing an abatement notice from 2022. |

 Compliant  Compliant but with noted issues  Not compliant

 Compliant  Compliant but with noted issues  Not compliant

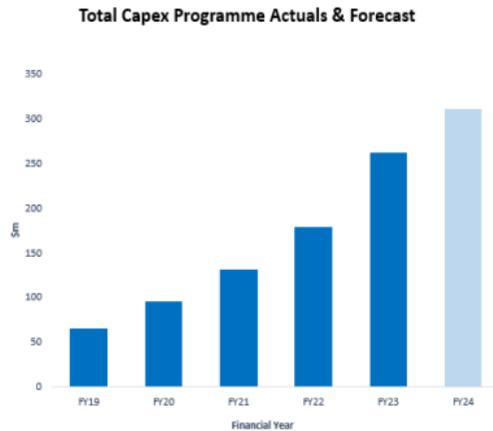
| Wastewater Plant | Jul | Aug | Sep | Oct | Nov | Dec |
|------------------|---|---|---|---|---|---|
| Featherston |  |  |  |  |  |  |
| Greytown |  |  |  |  |  |  |
| Lake Ferry |  |  |  |  |  |  |
| Martinborough |  |  |  |  |  |  |

| # | Purpose | Measure | Target 2023/24 | Result at 31 Dec |
|---|---|---|---|------------------|
| 9 | SWDC Wastewater Treatment Plants will operate as expected | SWDC is kept informed of the risk of enforcement action (abatement notices, infringement notices, enforcement orders or convictions) for breaches of consent in the relevant financial year | SWDC is kept informed of the risk of enforcement action | Achieved |

Delivery of the region's capital works programme

Delivering council capital works programmes

At the end of December, spend on the capital delivery programme was \$151m at a regional level. This is an increase of \$30m or 25% on the same period last financial year. We are making good progress, and the full year delivery is forecasted to be \$311m, which is inside our expected delivery range for the year of \$234m to \$328m. This continues a five-year trend of growth in our capability and capacity to deliver more capital work for the region.



Maintaining the network in a planned and proactive way

Planned maintenance is critical as it is a cost-effective way of protecting and extending the life of assets in the region.

We have seen a reduction in the amount of planned maintenance activities that we have undertaken this year, compared to reactive maintenance (fixing pipes that are already broken). This is primarily driven by council investment decisions, and the focus on reactive maintenance (leak repairs) to mitigate the risk and impact of an acute water shortage.

We have had to divert funding for planned maintenance activities this year to reactive maintenance, to support the acute water shortage risk. This is ultimately non sustainable over the long-term as a lift in both planned and reactive maintenance, as well as a better split between the two is needed.

How we measure our success

| # | Purpose | Measure | Target 2023/24 | Result at 31 Dec |
|----|---|--|----------------|------------------|
| 11 | We will improve service reliability through increased use of planned maintenance activities | Ratio increases from baseline (\$0.36 : \$1) | >\$0.36: 1 | \$0.28: 1 |

Delivery of the councils' work programmes

Renewing and replacing ageing assets

We set a measure to track our delivery against the three-year planned renewal programme. At the time this was forecasted to be \$267 million dollars.

Our target was to be able to ramp up and deliver more each year, with a target of at least 90% completion across the three-year period. We crossed this threshold in 2023 and have now completed nearly 125% of that programme.

While this represents a large increase in our ability to deliver, it is also true that over the past three years there has been significant cost escalation in the three waters sector. We estimate that the average cost of delivering a water or wastewater project has increased by 63%* since August 2020.

**As per an independent report commissioned by Wellington Water from Bond Construction Management. This report can be found on our website.*

| # | Purpose | Measure | Target 2023/24 | Result at 31 Dec |
|----|---|---|------------------------------------|---------------------------------------|
| 10 | We will deliver the three-year planned renewals programme set by our councils | Percentage of three-year programme (2021-24) complete | 90% | 124% of three-year programme complete |
| 12 | We will deliver our capital programme within the expected range | Total capital delivery is between \$233m and \$328m | Delivery between \$233m and \$328m | On-track (\$151m) |

Kilometres of pipes

In total, our councils' networks contain a total of over 7,000 kilometers of pipe. We estimate that councils need to be renewing (replacing) on average 100km of the network every year in order to keep it operating smoothly. At this rate, all current water, wastewater and stormwater pipes would be replaced every 70 years.

During the first six months of this year, we have laid 10.8 kilometers of pipe across the region against a target of 10 kilometers which has been set based on investment from councils.

This shows that we are on track to meet our target of 20km of pipe for the year, however this is still short of the ideal target of 100km. For example, at a rate of 20 kilometers per year we will only be renewing the network once every 350 years.

Year to date (end of Q2) – Metres of pipe laid or renewed

| Councils | Water | Wastewater | Stormwater | Q1 Total | Q2 Total | YTD Total | Year End Forecast |
|--------------|-------------|-------------|------------|-------------|-------------|--------------|-------------------|
| HCC | 3054 | 3134 | 8 | 2843 | 3353 | 6196 | 10881 |
| WCC | 1954 | 469 | 182 | 1629 | 976 | 2605 | 3219 |
| UHCC | 0 | 1057 | 0 | 864 | 193 | 1057 | 1803 |
| PCC | 1681 | 0 | 0 | 1024 | 657 | 1681 | 4150 |
| GWRC | 440 | 0 | 0 | 212 | 228 | 440 | 600 |
| SWDC | 0 | 178 | 0 | 98 | 80 | 178 | 178 |
| Total | 7129 | 4838 | 190 | 6670 | 5486 | 12156 | 20831 |

Figures are in metres

Looking after our people

Health & safety

Health, Safety, and Wellbeing is a priority for Wellington Water as we continue to improve our health and safety culture, systems, processes, and practices in order to protect our people from harm. We believe in People First, Every Time.

Every year we aim to review at least two Health and Safety critical risks. This year, we are reviewing the risks around traffic management as well as the operation of mobile plant and equipment, and these are tracking well.

Unfortunately, five serious health and safety incidents occurred in the first half of the year.

All incidents were investigated and reviewed. The initial incidents and lessons learned are shared widely across Wellington Water and our wider whānau. While there is no clear link between the incidents, they have highlighted the high-risk nature of the work we do, and the continuing efforts required to manage our critical risks.

The rate of incidents decreased significantly towards the end of the calendar year, a reflection on the additional effort we put in to address these issues.

Mental Health Awareness Week

We are focused on maintaining whanau wellbeing. The theme for Mental Health Awareness Week was Five Ways, Five Days, a campaign is a proven set of tools to help boost our mental wellbeing.

An effort was made to ensure our front-line operational workers were heavily involved in these.

Staff wellbeing day

As part of our ongoing commitment to promoting a healthy work-life balance and fostering a positive workplace culture, a "Wellbeing Day" has been introduced for all Wellington Water staff.

A wellbeing day can be used by our staff members on anything that will promote their wellbeing – for example exercising, connecting with whanaū, volunteering or for personal development.

This is a part of our wider Wellbeing Strategy, which takes an integrated approach to wellbeing by combining two well-known and respected health models: Mason Durie's Te Whare Tapu Wha (what creates wellness) and Five Ways to Wellbeing (The Mental Health Foundation of New Zealand's five actions we can take to achieve wellbeing).

Staff engagement

Our engagement scores continue to remain steady, despite the uncertainty with water reform. Our employee engagement score continues to rise from 58% for the last financial year to 61% at the end of December (up 3%).

From the survey, Culture and Values were our biggest strength increasing by 15%. Another positive outcome is employee trust continues to grow. Our people look forward to coming to work, they are proud to work for Wellington Water (up 15%), and they are strongly committed to helping the company achieve its vision (now sitting at 90%).

Looking after our people

Building capacity and capability

We are continuing to recruit for experienced and qualified people for crucial roles on the frontline, which remains a highly competitive market.

This year we have implemented a targeted recruitment drive for these roles to increase our frontline capacity.

Staff turnover remains low and steady at 13%.

How we measure our success

| # | Purpose | Measure | Target 2023/24 | Result at 31 Dec |
|----|---|---|----------------------------|------------------|
| 13 | We will monitor and address critical health and safety risks for our people | Health and Safety critical risks will be reviewed, and improvements are implemented | Two or more | On-track |
| 14 | We will support our staff through water reform | Staff feel supported by the organisation through water reform (staff survey) | Greater than 2022/23 (62%) | 73% |
| 15 | Our staff will understand water reform | Staff feel as if they understand water reform (staff survey) | Greater than 2022/23 (61%) | 42% |

Ready to respond when needed

A core service we provide to our councils is the ability to respond to unexpected outages as they occur on the network. When dealing with an aging network where many assets are near or past the end of their operational lives, we are continuing to see a high frequency of service interruptions, whether it's through leaks, bursts or other unplanned events. The value of our model is that we have crews ready to respond to these events when they occur, including the resources to communicate and engage with those in the community that are impacted by these events.

Titahi Bay water outage

At 1am on a Saturday morning in December a pipe burst outside Ngāti Toa School. The burst was a bulk water pipe which was feeding water into the local Tuna Terrace Reservoir in Titahi Bay. The burst was causing the reservoir supply levels to drop, which could have resulted in Titahi Bay being left without water.

The on-call crew quickly organised the necessary traffic management and a vac truck to ensure the excavation was done safely. To help reduce the risk of the area running out of water, we had to urgently issue communications and ask residents to start conserving water.

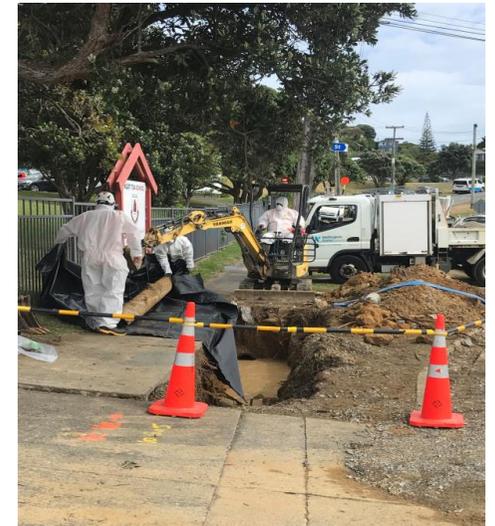
Shortly after this, we made the decision to turn off the reservoir meaning a number of residents were without water. The team arranged for water tankers to be brought onsite so residents in the area could still have access to drinking water while we urgently worked to fix the pipe.

With a busy week just finished, including a busy Friday night, most of the on-call crews across the depots had either reached, or were close to reaching their maximum allowed 13 hours. This meant that every few hours a service person had to be swapped out with another on-call service person to continue with the excavation and repair.

At one stage there were no more on-call water crews available to use, as this was such a time critical repair, we had to call in some drainage service people and an onsite utilities electrician volunteered to keep the repairs going until more cover could be sourced.

Our Fatigue Management Back Up Crew was used, the traffic crews were swapped out, and eventually the Pomare On-call Water Crew were available again after their break to come and finish the job. Due to the strong team effort the pipe was repaired just after midday, nearly 12 hours later from when it first burst.

It was evident from the compliments received from the customers attending the school fair, which happened to be on that day, that they really appreciated the work our frontline staff were doing.



Crews working on the burst pipe outside Ngāti Toa School

Financial Summary

Council capital expenditure – careful programme management required to meet budgets

Year to date capex spend across the programme is \$151 million (against \$146 million budget). This is up \$30 million or 25% on the same period last financial year.

For the full year the capex programme is forecast to be \$311 million (against \$302 million budget), well within the capital range of \$233.5 million to \$327.7 million.

The programme risk factors for each council are slightly different:

- GWRC – forecast to be \$23 million over the \$76 million full year budget due to three large projects in construction including fast tracking Te Mārua upgrade, & Kaitoke bridge being ahead of schedule.
- HCC – currently \$5.6 million ahead of budget, the full year is forecast to be on budget of \$68 million.
- PCC – forecast to be \$6 million under the \$66 million full year budget. The programme is being deliberately slowed to meet the \$60 million full year forecast.
- SWDC – forecast to be \$2.5 million under the \$6.6 million full year budget. The Greytown water treatment plant on hold whilst an alternative location is being investigated and assessed.
- UHCC – forecast to be \$7.9 million under the \$26 million full year budget. This is mainly due to the wastewater joint venture programme with Hutt City being lower and hence charges flowing through to Upper City being lower.
- WCC – forecast to be on budget at full year of \$59 million.

Improvements have been made to forecasting to ensure there is better overall programme cost control and a lift in the maturity of programme management.

| Council | Year To Date | | | | Full Year | | | | Capital Range |
|---|-----------------|-----------------|-----------------|--------------|-------------------|-----------------|-----------------|--------------|--------------------------|
| | Actual \$000 | Budget \$000 | Variance | | Forecast \$000 | Budget \$000 | Variance | | |
| | | \$000 | % | | \$000 | \$000 | \$000 | % | |
| Greater Wellington Regional Council | 41,881 | 41,800 | (-81) | (-%) | 100,230 | 76,388 | (-23,842) | (-31%) | \$70m-\$84m |
| Hutt City Council | 33,128 | 27,547 | (-5,581) | (-20%) | 68,000 | 68,000 | (-0) | (-%) | \$50m-\$70m |
| Porirua City Council | 30,738 | 29,682 | (-1,056) | (-4%) | 60,000 | 66,051 | 6,051 | 9% | \$45m-\$66m |
| South Wairarapa District Council | 3,562 | 3,346 | (-215) | (-6%) | 4,100 | 6,660 | 2,560 | 38% | \$3.5m-\$7.7m |
| Upper Hutt City Council | 8,474 | 9,171 | 697 | 8% | 18,000 | 25,897 | 7,897 | 30% | \$14m-\$25m |
| Wellington City Council | 32,399 | 34,033 | 1,634 | 5% | 59,000 | 58,951 | (-49) | (-%) | \$51m-\$75m |
| Total | 150,181 | 145,579 | (-4,602) | (-3%) | 309,330 | 301,946 | (-7,384) | (-2%) | \$233.5m-\$327.7m |
| WCC Funded as additional to the capex programme | 668 | | (-668) | | 1,957 | | (-1,957) | | |
| Revised Total | 150,849 | 145,579 | (-5,270) | (-4%) | 311,287 | 301,946 | (-9,341) | (-3%) | \$233.5m-\$327.7m |

Financial Summary

Council operating expenditure

There is continued pressure on all council operating expenditure. These cost pressure mean that we continue to operate in a largely reactive mode which is more expensive and not sustainable.

Year to date actuals and full year forecast against budget show an underspend in Wastewater and Stormwater, whereas year to date underspend and full year forecast overspend against budget in Drinking water implies reprioritising and shifting underspends from wastewater and stormwater towards funding reactive maintenance (fixing leaks that are causing water loss) and treatment plants (processing more drinkable water due to summer and leaky pipes).

At the end of the September 2023, management reallocated \$2.9 million of savings (from vacancies and reprioritisation of activity) from Wellington Water management & advisory services. This was applied to manage the forecast shortfalls we were forecasting at the end of the first quarter. This has allowed water loss and leakage works to continue at a similar rate to the previous financial year.

Based on the current forecasts these additional funds fully address the forecast overspends for all councils except Hutt City Council, who have approved an overspend. We are forecasting to land on budget for full year across all councils with activity always increasing in the second part of the year.

| Council | Year to date | | | | Full Year, incl WWL Savings | | | |
|--|-----------------|-----------------|--------------|------------|-----------------------------|-----------------|--------------|------------|
| | Actual \$000 | Budget \$000 | Variance | | Forecast \$000 | Budget \$000 | Variance | |
| | | \$000 | % | | \$000 | \$000 | \$000 | % |
| Greater Wellington Regional Council | 12,423 | 12,984 | 561 | 4.3% | 25,893 | 25,969 | 76 | % |
| Hutt City Council | 12,362 | 14,987 | 2,625 | 18% | 30,379 | 29,974 | (-405) | (-1%) |
| Porirua City Council | 3,945 | 6,081 | 2,136 | 35% | 11,659 | 12,162 | 504 | 4% |
| South Wairarapa District Council | 1,826 | 2,293 | 467 | 20% | 4,494 | 4,585 | 91 | 2% |
| Upper Hutt City Council | 4,076 | 4,201 | 125 | 3% | 8,385 | 8,402 | 17 | % |
| Wellington City Council | 24,370 | 25,266 | 897 | 4% | 50,672 | 50,533 | (-139) | (-%) |
| Total BAU Opex Programme and Management & Advisory Services | 59,001 | 65,812 | 6,812 | 10% | 131,481 | 131,624 | 143 | .1% |
| GWRC Critical Spares | 99 | 99 | 0 | % | 500 | 500 | 0 | % |
| PCC Better Off Funding Activities | 1,498 | 826 | (-672) | (-81%) | 1,652 | 1,652 | 0 | % |
| SWDC WWTP Desludging | 45 | 500 | 455 | 91% | 306 | 1,000 | 694 | 69% |
| SWDC Open Channel Maintenance | 3 | 3 | 0 | % | 3 | 3 | 0 | % |
| SWDC Water races | 38 | 98 | 60 | 61% | 173 | 195 | 22 | 11% |
| WCC Unexpected Event - separately invoiced | 100 | 100 | 0 | % | 100 | 100 | 0 | % |
| WCC Additional funding for DW leak repair activities | | 500 | 500 | 100% | | 1,000 | 1,000 | 100% |
| Total Opex Programme | 60,783 | 67,938 | 7,155 | 11% | 134,215 | 136,075 | 1,859 | 1% |

Financial Summary

Wellington Water operations (management & advisory services)

Currently we are forecast to be \$400,000 over budget for year-end due to additional acute water shortage costs, reduced revenue (due to \$2.9 million reallocation to council opex), and the loss of water reform cost reimbursement for the second half.

Wellington Water has reallocated \$2.9 million savings (as mentioned above) from first half of the year towards council opex in a staggered approach in the second half of the year. We will ensure further cost savings are achieved over the second half so that we meet budget by not filling some roles and converting contractors backfilling vacancies to permanent staff. We are reviewing all vacancies and will not fill all roles by the end of the year so that we can meet the reduced company budget in 24/25.

| WWL Profit and Loss by Business Group | Year to date | | | | | Full year | | | | |
|---|--------------|--------------|--------------|-------------|---------------|-------------|---------------|--------|--|---|
| | Actual | Budget | Variance | | Forecast | Budget | Variance | | | |
| | \$000 | \$000 | \$000 | % | | \$000 | \$000 | \$000 | | % |
| Revenue | (-12,802) | (-12,903) | (-101) | (-1%) | (-23,266) | (-25,807) | (-2,541) | (-10%) | | |
| Corporate | 1,479 | 1,497 | 17 | 1% | 2,981 | 5,478 | 2,497 | 46% | | |
| Chief Executive's Office (CE) | 1,340 | 1,436 | 96 | 7% | 2,490 | 2,873 | 383 | 13% | | |
| Regulatory Directorate | 1,227 | 1,387 | 160 | 12% | 2,802 | 2,822 | 20 | 1% | | |
| Network Strategy and Planning (NSP) | 8,423 | 9,419 | 995 | 11% | 19,029 | 18,902 | (-128) | (-1%) | | |
| Business Services (BS) | 3,992 | 4,402 | 410 | 9% | 9,501 | 9,447 | (-54) | (-1%) | | |
| Network Development and Delivery (NDD) | 5,038 | 6,193 | 1,155 | 19% | 11,175 | 12,389 | 1,214 | 10% | | |
| Customer Operations Group (COG) | 4,750 | 7,027 | 2,277 | 32% | 12,349 | 14,097 | 1,747 | 12% | | |
| Network Management Group (NMG) | 3,778 | 3,849 | 71 | 2% | 7,804 | 7,733 | (-71) | (-1%) | | |
| Transition to Entity G - Revenue | (-580) | 0 | 580 | | (-580) | 0 | 580 | | | |
| Transition to Entity G - Costs | 580 | 0 | (-580) | | 785 | 0 | (-785) | | | |
| Direct costs (NMG/COG) charged to opex prog | (-6,297) | (-7,656) | (-1,359) | (-18%) | (-12,626) | (-15,312) | (-2,686) | (-18%) | | |
| Direct costs charged to capex prog | (-15,740) | (-16,311) | (-571) | (-4%) | (-32,051) | (-32,622) | (-571) | (-2%) | | |
| Surplus/(Deficit) Before Tax | 4,811 | 1,661 | 3,150 | (-0) | (-393) | (-0) | (-393) | | | |

Financial Statements

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

Basis of preparation

Wellington Water Limited is a company registered in New Zealand under the Companies Act 1993 and is a Tier 1 Public Benefit Entity (PBE) for reporting purposes.

Accounting policies have been applied consistently throughout the period. All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for billed receivables and payables, which include GST. The net amount of GST recoverable from or payable to the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Statement of compliance

These interim financial statements are for the six months ended 31 December 2023 and are to be read in conjunction with the annual report for the year ended 30 June 2023. They have been prepared in accordance with the requirements of the Companies Act 1993, the Local Government Act 2002 and comply with generally accepted accounting practice in New Zealand (“NZ GAAP”) and Tier 1 PBE accounting standards and comply with PBE IAS 34 Interim Financial Reporting.

These financial statements have been prepared on a going concern basis and are presented in New Zealand dollars and rounded to the nearest thousand (\$000), unless otherwise stated. The measurement basis applied is historical cost.

Financial Statements

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the period ended 31 December 2023

| | Unaudited 31 Dec 2023 | Unaudited 31 Dec 2022 | Audited 30 June 2023 |
|---|--------------------------|--------------------------|-------------------------|
| | \$000 | \$000 | \$000 |
| Council opex programme | 50,029 | 43,723 | 96,640 |
| Council capex programme | 150,855 | 120,625 | 262,747 |
| Management and advisory services | 11,928 | 10,180 | 20,975 |
| Other revenue | 1,474 | 815 | 2,517 |
| Total revenue | 214,286 | 175,343 | 382,880 |
| Salaries and wages | (18,915) | (15,727) | (32,267) |
| Superannuation | (565) | (467) | (966) |
| Directors fees | (98) | (79) | (176) |
| Audit fees - financial statements | (141) | (130) | (262) |
| Audit fees - other | - | - | (10) |
| Council opex programme | (50,029) | (43,723) | (96,640) |
| Council capex programme | (150,855) | (120,625) | (262,747) |
| Stimulus funding programme | - | (22) | - |
| Operating leases | (898) | (625) | (1,439) |
| Other personnel expenditure | (960) | (927) | (5,401) |
| Other operating expenditure | (8,297) | (8,183) | (12,646) |
| Direct costs charged to capex programme | 15,740 | 7,658 | 12,093 |
| Direct costs charged to opex programme | 6,297 | 6,823 | 17,306 |
| Total operating expenses | (208,721) | (176,028) | (383,155) |
| Depreciation and amortisation | (754) | (803) | (1,619) |
| Surplus/(deficit) before tax | 4,811 | (1,487) | (1,894) |
| Tax expense | - | - | 393 |
| Total comprehensive revenue and expenses | 4,811 | (1,487) | (1,501) |
| Attributable to: | | | |
| Wellington City Council | 1,924 | (595) | (600) |
| Hutt City Council | 962 | (297) | (300) |
| Greater Wellington Regional Council | 722 | (223) | (225) |
| Porirua City Council | 577 | (178) | (180) |
| Upper Hutt City Council | 385 | (119) | (120) |
| South Wairarapa District Council | 241 | (74) | (75) |
| Total comprehensive revenue and expenses | 4,811 | (1,487) | (1,501) |

Comparison of results for the six months ended 31 December 2023 to the same period last year

There is a \$4.8m surplus for the period ending December 31, 2023. The year-to-date savings have been diverted to critical initiatives such as fixing water leaks and managing the acute summer water shortage.

Revenue (and corresponding expenses) for the council capex programme have increased by \$30.2m and for the council opex programme have increased by \$6.3m, for the same period last year. These programmes vary each year depending on what has been planned and budgeted in each individual council's Long-Term Plan.

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2023

| | Unaudited 31 Dec 2023 | Unaudited 31 Dec 2022 | Audited 30 June 2023 |
|---|--------------------------|--------------------------|-------------------------|
| | \$000 | \$000 | \$000 |
| Surplus/(deficit) for the period | 4,811 | (1,487) | (1,501) |
| Equity at the beginning of the period | 3,024 | 4,525 | 4,525 |
| Total equity | 7,835 | 3,038 | 3,024 |

Financial Statements

STATEMENT OF FINANCIAL POSITION

For the period ended 31 December 2023

| | Unaudited 31 Dec 2023 \$000 | Unaudited 31 Dec 2022 \$000 | Audited 30 June 2023 \$000 |
|--|-----------------------------------|-----------------------------------|----------------------------------|
| Cash and cash equivalents | 226 | 24,672 | 31,871 |
| Receivables and prepayments | 44,298 | 14,113 | 41,672 |
| Tax receivable/(payable) | 676 | 219 | 407 |
| Total current assets | 45,200 | 39,004 | 73,950 |
| Intangible assets | 52 | 117 | 77 |
| Property, plant and equipment, vehicles | 4,625 | 5,179 | 4,963 |
| Deferred tax | 35 | (358) | 35 |
| Total non-current assets | 4,712 | 4,937 | 5,075 |
| Total assets | 49,912 | 43,942 | 79,025 |
| Payables and provisions | 39,568 | 38,746 | 73,801 |
| Employee entitlements | 2,485 | 2,038 | 2,175 |
| Total current liabilities | 42,053 | 40,784 | 75,976 |
| Employee entitlements-Long-term | 24 | 27 | 25 |
| Capital grant in advance | - | 93 | - |
| Total non-current liabilities | 24 | 120 | 25 |
| Total liabilities | 42,077 | 40,904 | 76,001 |
| Net assets | 7,835 | 3,038 | 3,024 |
| Issued capital | 1,000 | 1,000 | 1,000 |
| Accumulated comprehensive revenue and expenses | 6,835 | 2,038 | 2,024 |
| Total equity | 7,835 | 3,038 | 3,024 |

STATEMENT OF CASH FLOWS

For the period ended 31 December 2023

| | Unaudited 31 Dec 2023 \$000 | Unaudited 31 Dec 2022 \$000 | Audited 30 June 2023 \$000 |
|---|-----------------------------------|-----------------------------------|----------------------------------|
| Receipts from councils | 203,767 | 198,604 | 389,371 |
| Interest received | 837 | 357 | 1,031 |
| Employees and suppliers | (235,605) | (194,449) | (377,942) |
| Tax (paid)/received | (269) | (237) | (426) |
| Net cash flow from operating activities | (31,270) | 4,275 | 12,034 |
| Purchase of property, plant and equipment, vehicles | (389) | (860) | (1,388) |
| Purchase of intangibles | (3) | - | (32) |
| Proceeds of sales from vehicles | 17 | 16 | 16 |
| Net cash flow from investing activities | (375) | (844) | (1,404) |
| Net cash flow from financing activities | - | - | - |
| Net cash flow | (31,645) | 3,432 | 10,630 |
| Add: cash at the beginning of the period | 31,871 | 21,241 | 21,241 |
| Cash at the end of the year | 226 | 24,672 | 31,871 |
| Comprised of: | | | |
| Cash at bank and on hand | 226 | 24,672 | 31,871 |

Komiti Ngā Wai Hangarua | Wellington Water Committee

01 March 2024

Report no: WWC2024/1/63

Letter of Expectation

Purpose of Report

1. For the Wellington Water Committee (the Committee) to approve the annual shareholder and partners' Letter of Expectation to Wellington Water Limited (the company).

Recommendations

That the Committee:

- (1) notes and receives the report:
- (2) approves the annual shareholder and partners' Letter of Expectation to Wellington Water Limited (attached as Attachment 1 to the report); and
- (3) authorises the Wellington Water Committee Chair to sign the letter.

Background

2. Committee members have the delegated authority from each of the six shareholding Councils to agree on the annual Letter of Expectation. This is set out in the Committee's terms of reference.
3. The objective of the Letter of Expectation is to provide shareholders with the opportunity to state their priorities to the company, which will then be included in the company's Statement of Intent. According to the constitution, the company board must deliver a draft Statement of Intent on or before 1 April 2024 for consideration.
4. The priorities included in the Letter of Expectation reflect those flowing from the Councils' overall objectives as expressed in their Long-term Plans in relation to the three waters services. The letter also reflects the priorities communicated at a workshop on 9 February 2024 and feedback from shareholding Councils and some iwi partners after the circulation of an early draft.

Communications

5. Once the Committee approves, the Chair of the Committee will circulate the agreed Letter of Expectation to the Chair of the Board of the company, the Chief Executive, and all shareholders.

Legal Considerations

6. Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.
7. The matters requiring a decision in this report have been considered by officers against Part 6 of the Local Government Act 2002 (the Act) requirements. Part 6 sets out the obligations of local authorities in relation to the making of decisions.

Significance of the decision

8. Part 6 requires the Committee to consider the significance of the decision. The term “significance” has a statutory definition in the Act.
9. Officers have considered the significance of the matter and consider it, on its own, to have a low significance. Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

Appendices

| No. | Title | Page |
|-------------------|----------------------------------|------|
| 1 | Draft Letter of Expectation 2024 | 121 |

Author: Wendy Walker
Chief Executive, Porirua City Council

DRAFT

Mayor Campbell Barry
Chair, Wellington Water Committee
Private Bag 31912
LOWER HUTT

29 February 2024

Nick Leggett
Chair
Wellington Water Limited
Private Bag 39804
WELLINGTON

Kia ora Nick

Letter of Expectation 2024 - 2027

This letter sets out the priorities and expectations of the six shareholding councils and Mana Whenua of Wellington Water Limited (WWL) for the period 2024-2027.

We expect these to be reflected in the development of WWL's draft Statement of Intent for the Wellington Water Committee's consideration. These priorities were developed at a Committee workshop on 9 February 2024 and have been informed by subsequent discussions with Councils and Mana Whenua.

Context

The path of water reform over the last few years has been dynamic and uncertain. Now, a change of Government has seen the repeal of the Labour Government's legislation. The National-led coalition Government's policy, *Local Water Done Well*, returns the responsibility for water services to each Council.

Progression towards a new entity to deliver our water services is now further away than it was at this time last year.

For shareholding Councils, this raises two key considerations:

1. The responsibility for developing a regional or sub-regional position on the form and function of a new water services entity will sit more clearly locally. Work is under way regionally to develop an appropriate vehicle for this work.

This responsibility will sit outside the WWL governance arrangements but will require the active cooperation of the company especially in the provision of information and operational expertise.

2. The focus in the short to medium term must be on WWL managing assets and delivering three water services efficiently and effectively with emphasis as outlined below.

Te Mana o te Wai – the korowai for water services

Te Mana o te Wai prioritises the health and wellbeing of water first. The second priority is the health needs of people and the third is the ability of people and communities to provide for their social, economic, and cultural wellbeing.

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We expect WWL to give effect to Te Mana o te Wai in planning, regulatory and operational areas working in partnership with Mana Whenua.

Key Expectations of Wellington Water Limited for 2024-25

1. Improve efficiency, effectiveness, transparency, and oversight by working with shareholders to produce a single framework that encompasses:
 - i. A reporting and performance management scheme including key performance indicators, but also broader productivity indicators that provide confidence that WWL is delivering value for money and competitive tension.
 - ii. A simplified, reduced traffic management regime within existing Codes of Practice.
 - iii. A capital programme planning and management framework, and associated reporting that; is clearly linked to Council Long Term and Annual Works Plans, enables Councils to comply with LGA audit requirements, and provides for Councils to reprioritise investment to support growth and other priorities as appropriate.
 - iv. High level, pragmatic benchmarking to be reported to the Wellington Water Committee to provide value for money assurance of service delivery.

The framework must be common, rather than specific to each of the six shareholders.

2. Provide assurance that WWL has an absolute focus on delivery, value for money and sustainable operational improvements.
3. WWL will review its contracting arrangements around maintenance and capital works and provide assurance that the procurement model is best practice and is delivering the best value for shareholding Councils.
4. Compliance with all regulatory requirements with clear, no surprises advice to shareholders around the risk of non-compliance where appropriate. This is especially relevant – but not limited - to the performance of wastewater treatment plants.
5. WWL will work with shareholders to produce a single integrated water meter implementation plan across the shareholding Councils.
6. Where smart investment can produce asset management improvements that can benefit a new water services model, these will be costed and reported back to the Wellington Water Committee.
7. For the next year, drinking water investments and maintenance should be oriented around mitigating the risk of an acute water shortage for the summer of 2025 and beyond.
8. The shareholding Councils endorse the five existing priority areas for WWL:
 - Look after existing infrastructure.
 - Support growth.
 - Ensure sustainable water supply for the future.
 - Improve water quality in our rivers, streams, and harbours.
 - Reduce our carbon emissions and adapt to the impacts of climate change.
9. WWL must ensure that local Mana Whenua priorities are understood and are incorporated into operations.

This letter is communicated at a time where our assets are failing at a rate faster than ever, with obvious and high-profile consequences across the region. The need for WWL and its shareholders to work together in pursuit of these expectations has never been greater.

The shareholding Councils look forward to receiving a concise draft of the Wellington Water Ltd Statement of Intent no later than 1 April 2024.

DRAFT

Staff are available to provide further details if required. Please contact wendy.walker@porirua.govt.nz should you have any queries.

Yours sincerely

Campbell Barry
Chair
Wellington Water Committee



Komiti Ngā Wai Hangarua Wellington Water Committee

11 March 2024

Report no: WWC2024/1/69

Role of Wellington Water Limited in an emergency

Purpose of Report

1. To provide the Committee with an outline of the role of Wellington Water in an emergency.

Recommendation

That the Committee receives and notes the report.

Background

2. As a lifeline utility, Wellington Water Limited (WWL) has certain duties under the Civil Defence Emergency Management Act 2002 (CDEMA). One of these duties is to ensure that it can function to the fullest extent possible, even if this is at a reduced level, during and after an emergency.
3. As a lifeline utility, WWL's primary focus is on maintaining the continuity and reliability of water services to support public safety, resilience, and community well-being, especially during emergencies and times of need (*An "emergency" means a situation that is the result of any happening, whether natural or otherwise including without limitation any... failure of or disruption to an emergency service or a lifeline utility and may cause loss of life or injury or illness or distress or in any way endangers the safety of the public and cannot be dealt with by emergency services or otherwise requires a significant and co-ordinated response.*)

Types of Emergencies

4. Emergencies are classified into four levels based on their severity and impact, being:
 - Level 1 - Local Emergency: A local emergency can be managed by local authorities and resources within a specific area, such as a town or district.
 - Level 2 - Regional Emergency: A regional emergency exceeds the capacity of local authorities and resources within a single area and requires assistance from neighbouring districts or regions. Response efforts are coordinated by the Wellington Regional Emergency Management Organisation (WREMO) in collaboration with central government agencies, local authorities, and other stakeholders.

- Level 3 - National Emergency: A national emergency is a significant event that poses a threat to the entire country and requires a coordinated national response. Response efforts are coordinated by the National Emergency Management Agency (NEMA) in collaboration with central government agencies, local authorities, and other stakeholders.
- Level 4 - State of National Emergency: A state of national emergency is declared in the most extreme circumstances where there is a significant and immediate threat to public safety and welfare across the country.

Wellington Water's role in an emergency

5. In each of the types of emergencies, Wellington Water plays a vital role as a lifeline utility in responding by:
 - Ensuring Continuity of Water Supply: a continuous supply of safe drinking water to affected areas ensures that residents have access to clean water for drinking, cooking, and hygiene purposes (this includes the operation of Community Infrastructure Resilience (CIR) containers).
 - Completing Emergency Repairs: In the event of damage to water infrastructure caused by the emergency, Wellington Water will work to repair and restore water distribution systems to minimise disruptions and ensure access to water.
 - Providing Water for Firefighting: Access to water sources and coordinating with emergency responders to ensure an adequate supply of water for firefighting operations.
 - Public Health Support: Supporting Health NZ to provide guidance on water safety and sanitation practices during emergencies to help prevent the spread of waterborne diseases and ensure public health.
 - Collaboration with Emergency Response Agencies: Working closely with WREMO and/or NEMA, local government, and other stakeholders to coordinate response efforts and ensure effective communication and resource allocation.
 - Community Support: At the local emergency level, Wellington Water has some capacity to distribute bottled water, set up water distribution points, and help with water-related issues. However, in larger-scale events, that level of support will not be available, and community support and water distribution are the responsibility of councils.

The relationship with WREMO

6. During regional emergencies, WREMO coordinates the response efforts of various agencies and organisations to ensure a timely and effective response. This may involve coordinating the delivery of essential services to affected communities. Wellington Water is well integrated into the WREMO construct and participates fully in emergency planning and training.

Operation of the CIR containers

7. In the case of a major emergency event, WWL aims to have the public emergency water network up and running within eight days of an emergency event. At this point, residents should be able to access safe, healthy drinking water via community water collection points dotted around the region. These are expected to provide a daily supply of 20 litres of treated water per person.
8. In South Wairarapa, we rely on existing water infrastructure/treatment plants to source emergency water, as additional water treatment stations are not currently available.

Council operation of emergency distribution network

9. Individual councils are responsible for managing their emergency distribution networks that link to the CIR containers. The level of readiness of these networks is not known by WWL and is the responsibility of each council. The Councils rightly accepted that they were best placed to manage the distribution network and integrate that task into their emergency and disaster planning when the system was created. Wellington Water provides training in the use of equipment related to distribution, and this is scheduled throughout the year for councils to send staff and volunteers to.

A drinking water emergency

10. The Water Services Act 2021 sets out a duty to notify Taumata Arowai where the ability to maintain sufficient drinking water is or may be at imminent risk. Where Taumata Arowai believes there is a “serious risk to public health”, it has the power to declare a drinking water emergency. Taumata Arowai may exercise its extensive special powers if a drinking water emergency is declared.
11. Wellington Water’s role in a drinking water emergency remains to ensure the continuity of the water supply and act in accordance with any additional directions from the regulator.

Conclusions

12. The more intensive the emergency, the greater the likelihood that Wellington Water will need to focus on ensuring continuity of supply and the completion of emergency repairs. The operation of the CIR within the metropolitan area is an important interim step to allow the recovery of the reticulated system. Still, significant council involvement is required in the distribution of drinking water.

Appendices

There are no appendices for this report.

Author: Wellington Water Ltd

Our Reference



TO: Chair and Members
Komiti Ngā Wai Hangarua | Wellington Water Committee

FROM: Kate Glanville

DATE: 01 March 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

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| 1↓ | Forward Programme 2024 | 128 |

Author: Kate Glanville, Senior Democracy Advisor

Approved By: Kathryn Stannard, Head of Democratic Services

Draft Wellington Water Committee Forward Programme 2024

| 24 May | 26 July | 27 September |
|--|---|---|
| <i>Hutt City Council</i> | <i>Hutt City Council</i> | <i>Hutt City Council</i> |
| Wellington Water Committee | Wellington Water Committee | Wellington Water Committee |
| <ul style="list-style-type: none"> • Chairperson’s Statement • Local water done well – legislation and water service delivery plan update • WWC Forward Programme | <ul style="list-style-type: none"> • Chairperson’s Statement • Local water done well – legislation and water service delivery plan update • WWC Forward Programme | <ul style="list-style-type: none"> • Chairperson’s Statement • Local water done well – legislation and water service delivery plan update |
| Wellington Water | Wellington Water | Wellington Water |
| <ul style="list-style-type: none"> • Company and Governance Update (and Quarter 3 Performance) • Transition Programme Update • Water Supply Risk • Winding up the Company (impact of election outcome) | <ul style="list-style-type: none"> • Company and Governance Update • Transition Programme Update • Receive Final Statement of Intent • Water Supply Risk • Winding up the Company (impact of election outcome) | <ul style="list-style-type: none"> • Company and Governance Update • Transition Programme Update • Water Supply Risk • Receive Annual Report to 30 June 2024 • Winding up the Company (impact of election outcome) |
| Workshop | Workshop | Workshop |
| <ul style="list-style-type: none"> • Growth | <ul style="list-style-type: none"> • Placeholder | <ul style="list-style-type: none"> • Placeholder |

Pending: Review of WWL Director's Fees