

Quarterly close-up

1 July – 30 September 2021

Wellington Water is owned by the Hutt, Porirua, Upper Hutt, Wellington City, South Wairarapa District, and Greater Wellington Regional Councils. We're unique in New Zealand because we're a shared service, council owned organisation. We manage drinking water, wastewater and stormwater for our Council owners.

Every quarter we'll be sharing a summary of the key things we've achieved in the previous three months. We call these our Quarterly Close Ups and each issue will be published on our website and made available to the public.



In brief

We have a super important job to do – balancing the health and wellbeing of water and the environment, while meeting the needs of our communities. If we care for the water, the water will care for us.

In all this work, we strive to be trusted by our councils, mana whenua, customers and communities. Trusted to provide safe and healthy water, trusted to respect and do right by the environment, and trusted to build and maintain a resilient and reliable network.

We have made good progress towards these outcomes in our first quarter, despite the challenges posed by the COVID-19 lockdown, workforce shortages, materials and supply shortages, and increasing cost to deliver our services and build new assets.

I'm proud to say that when the whole country went into an Alert Level 4 lockdown in August, our essential workers seamlessly transitioned to the change in operating environment and continued to safely deliver water services to all our customers.

Our continued commitment to delivering a high standard of customer service is reflected in our Colmar Brunton customer satisfaction score rising five points to 78% this quarter.

We delivered \$2.7 million more in capital works compared to the same time last year, however due to Alert Level 4 restrictions and issues facing the construction industry, we are 3–4 weeks behind schedule on our capital delivery for this year. We are progressing a new training programme to help address the growing workforce capability gap in the sector and the increasing work needed on our infrastructure.

We continued to provide safe and clean drinking water to our customers, however more work on our systems and processes is needed to provide an added level of assurance and confidence that we are meeting our compliance standards in South Wairarapa.

On the wastewater front, we are working through challenges with our operating model with Veolia. With a number of infringement and abatement notices this quarter and over the past 12 months, we have decided to commission an independent review to look at our wastewater operations. Findings from the review are expected back by Christmas this year.

Our work to detect and fix leaks continues as does our work to assess the condition of our critical assets to prevent failures that would have a significant impact on our communities and environment.

We progressed our work for our 30-year plan which takes a longer-term view of the investment that's required for the network and infrastructure and will be looking to engage with communities on this thinking.

As we head into summer, we are working to prepare for higher demand and warmer and drier conditions. A key part of this is

ensuring we increase engagement around water conservation through our [marketing and communication activities](#) and be ready to communicate the levels of service our customers can expect from us in the event increased restrictions are necessary.

Amongst all of this, we are also gearing up to ensure we are ready to provide confidence and assurance to the new national water services regulator, [Taumata Arowai](#), that providing safe and healthy water is fundamental to what we do.

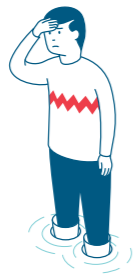


Cheers,
Colin Crampton
CHIEF EXECUTIVE



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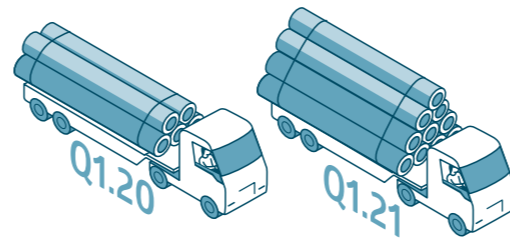
Water

Capital delivery

The Delta outbreak and Level 4 restrictions meant all construction sites were closed for three weeks in August and early September. That, combined with issues facing the construction industry around workforce and materials shortages, has put us 3–4 weeks behind schedule on our capital delivery for this year.

The delay will mean a lot of work will need to be done in the last quarter of the year, which does carry risks we'll be keeping a close eye on. We still managed to deliver more projects in Q1 compared to the previous year, delivering \$27.3 million of capital works, an increase of \$2.7 million from this time last year.

We remain on track to deliver our three-year programme at this stage, as we work hard to get on top of our backlog of work to renew our aging infrastructure.

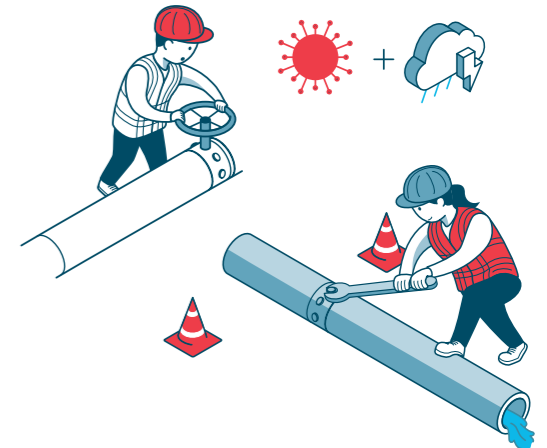


↑\$2.7m

more capital works delivered this quarter compared to the same quarter last year.

Operational delivery

We have an ongoing programme of maintenance and repair work to keep our network running. We have seen some delays in this work due to Alert Level 4 restrictions and the backlog of work caused by flooding from a severe storm event in July 2021. Despite this, our crews were still able to safely continue to deliver important water services to all residents thanks to the planning and processes we implemented off the back of the last lockdown in 2020.



We kept the network running despite Alert Level 4 and severe storm event in July 2021.

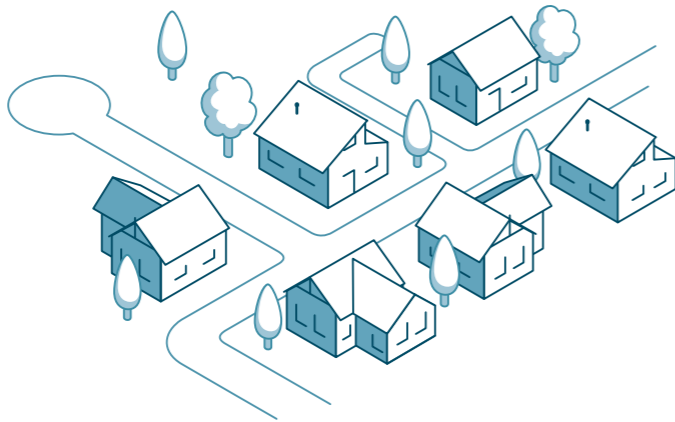
Our wastewater operations

We've had three infringements and one abatement notice from the Greater Regional Wellington Council during the quarter for incidents associated with our wastewater treatment operations. These, along with other issues in the past 12 months, have led us to commission an independent review of our operating model with our operator Veolia. This is a deterministic review, and the company will be ready to follow whatever recommendations come from the review. We will continue to carry the risk of non-compliance and potential harm to the environment while this review is underway and while we implement any recommended changes from the review.

Smart meters trial

We've been preparing for a trial of smart meters in Greytown. In December we are planning to install free Smart Meters on 250 properties. The meters will record real-time water use and detect higher than normal water flows to help with identifying leaks in the network. Results from the trial will help inform South Wairarapa District Council's decision-making on a smart meter rollout. This work will also feed into other research we are doing on smart meters for other council areas.

250
smart meters trial
in Greytown



Assessing infrastructure

Understanding the condition of our most critical water assets (roughly 10 percent of all our three waters assets) and knowing when to prioritise future maintenance or renew them, helps us to prevent failures that would have a significant impact on our communities and environment.

We made steady progress on our Very High Criticality Assets (VHCA) condition assessment programme. We completed physical inspections on our above ground assets – 85 pump stations, 470 of our very highly critical water treatment plant assets and 39 reservoir assets. We conducted desktop assessments on 470 kilometres of our highly critical pipes and are getting ready to undertake physical inspections. This is the more challenging aspect of the programme and we have more work to do to ensure we can safely access and inspect these underground assets.

Physical inspections on:

85 pump stations

470 water treatment plant assets

39 reservoir assets



Environment

Managing leaks

Leak detection and repair are a big part of tackling water wastage - we have 150 water meters around the region specifically checking on water usage and leaks. This quarter we purchased additional trucks and equipment to help tackle the problem.

We also ran three workshops to assess our current management of leaks, detection and repair. That information will now feed into a strategic plan to reduce water leakage losses.

We made a significant dent on our backlog for leak repair work in Wellington City, Porirua, Lower Hutt and Upper Hutt by reducing the total number of jobs from 841 to 570. In South Wairarapa the backlog increased from 5 to 26 jobs.

↓271

Backlog of leak repair jobs reduced in Wellington region

↑21

Backlog of leak repair jobs increased in South Wairarapa

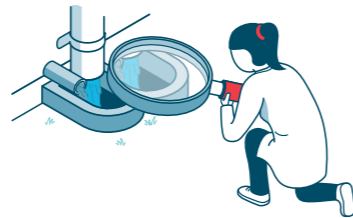


Improving environmental water quality

This quarter we've been focusing on checking cross connections from properties to sewer mains in Lower Hutt. Cross connections can cause sewage to enter stormwater, which ultimately ends up in our waterways. With smoke or dye testing, or using CCTV cameras, we can identify issues and get them fixed.

Crews inspected 51 properties in Wainuiomata, identifying cross connections of wastewater, stormwater and laterals discharging directly into the environment.

51 properties inspected for cross connections of wastewater and stormwater



Clean, safe water

We constantly monitor the water supply to make sure there are no health risks from bacteria, viruses or protozoa (such as cryptosporidium and giardia) present following our treatment processes. This is then verified by test results from an independent and accredited lab.

We also monitor the concentrations of a range of chemicals in our water, to ensure that there are no metals or other chemicals at levels that are considered unsafe.

We were compliant across our plants in the metropolitan Wellington region but more work on our systems and processes is needed to provide an added level of assurance and confidence that we are meeting our compliance standards in South Wairarapa. We expect these to be in place by 30 June 2022.





People

New training programme

Last financial year we committed to creating a training programme, to help us build internal capability to support the increasing work needed on our infrastructure. We have appointed a permanent Operational, Training and Development Manager to head up the programme and are aiming to have our first 20 successful candidates signed up by Christmas 2021. When they graduate, trainees will have a Level 2 Certificate in Infrastructure Works.

20
Goal of signups to our youth training programme



Embracing change

In late October 2021, the Government confirmed its intention to reform water services by creating four multi-regional entities to provide drinking water, wastewater and stormwater services.

We want to be focused in delivering our biggest programme ever while water reform develops around us and we're working closely with our people to support and energise them in a variety of ways. An internal staff survey we ran this quarter showed:

- 79% understood the upcoming changes in the water sector
- 68% trust Wellington Water will support them through the changes

The internal survey did show a level of uncertainty about how regulation will affect our whānau, as well as the impacts of COVID-19 on culture and wellbeing. This showed up in our internal engagement score, which was lower than usual at 51% (global benchmark 61%). With this uncertainty and a highly competitive labour market we have seen a jump in staff turnover this quarter to 18.3%.

Vaccination

As an essential service, we recognise that the COVID-19 vaccination is an important layer of protection for our people as they continue to do the crucial work of delivering water to our customers. During the August Alert Level 4 lockdown, we worked hard to ensure our people and their whānau had access to the vaccine and partnered with Te Rūnanganui o Te Ati Awa ki te Upoko o Te Ika a Maui on a vaccination drive. So far, around 80% of our people have had at least one dose.



80%
of staff vaccinated with at least one dose

Customer satisfaction

The significant storm event in July 2021 caused localised flooding across the region and saw customer service requests sharply increase across July and August 2021. A lot of our customers were affected with a total of 567 incidents recorded over the two-day storm event and the backlog of work saw a high number of complaints and disputes (111) and escalations (230).

In line with our Customer Promise, we have worked hard to address the backlog, and despite the higher volume of complaints and escalations, our Colmar Brunton customer satisfaction score rose five points to 78% indicating a positive experience by our customers with Wellington Water staff.

78%
customer satisfaction
score up by 5 points



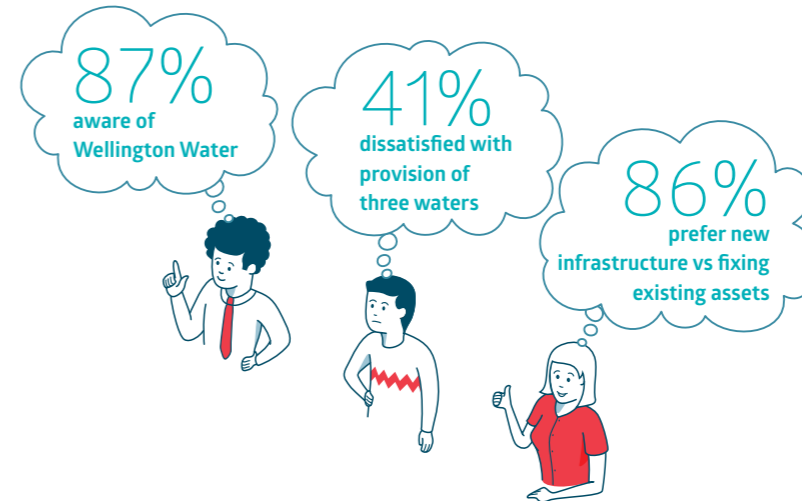
Getting ready for regulation

This quarter we appointed a permanent Director of Regulatory Services. This appointment is central to our work to assure Taumata Arowai that providing safe and healthy water is fundamental to what we do.

Public perceptions and expectations

In July we conducted a survey with 441 residents across all our client council areas. There were a few key standouts:

- 87% of respondents were aware of Wellington Water – this is growing year on year
- 41% were dissatisfied with the provision and management of the three waters system. This is not unexpected, driven by a perceived lack of durability of the network as well as slow response times to faults
- 86% would like us to build new infrastructure instead of fixing existing assets





Supporting growth

All our councils are expecting significant population growth at a faster rate than has been seen historically. We've been doing a lot of work this quarter investigating ways to responsibly support growth:

- The Karori Wastewater Growth Programme Business Case has been commissioned to outline the strategic case for long term wastewater options
- Porirua City Council has given us the green light to start the Western Porirua Growth Study
- The Wellington Central Suburb Growth Project is being set up to explore the challenges with our networks and the complexities and competing interests in the CBD
- The Hutt Growth Study is in the final stages of technical assurance and will be complete in December 2021. It will inform Hutt City Council's investment priorities for growth
- Discussions continue with Kainga Ora and Porirua City Council on the programme delivery of three waters work for the Eastern Porirua Regeneration Project (EPRP)



Keeping the water running in lockdown

While many of us waited out the Alert Level 4 lockdown in August from our makeshift offices, juggling work and family, a committed team of essential workers were ensuring our most important lifeline continued to flow from source to tap.

Since the country's first lockdown in May 2020, Wellington Water's Project Facilitator and Operations Team Member William Stewart has been preparing for another lockdown so he can 'stand up' if required.

"The operations team monitor and verify instruments, and make sure systems and processes are all functioning correctly," he said.

"Some of this can be done remotely, but there are some core tasks which are done onsite such as instrument calibrations and topping up chemicals."

During lockdown, the operations team were rotating shifts from home to the Water Treatment Plant and ran an on-call roster for emergencies.

William is aware of the risk of working during Alert Level 4, despite all the appropriate safety precautions being taken.

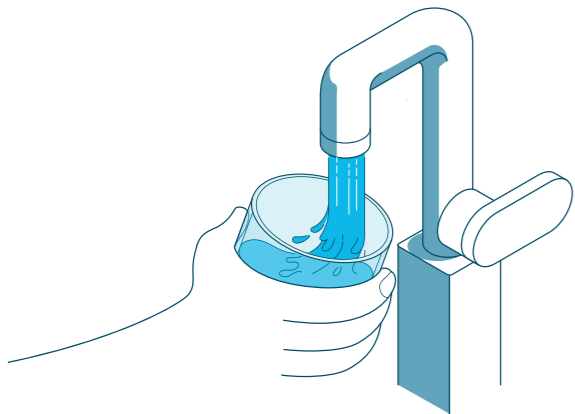
"We limit contact, wear the appropriate PPE and maintain social distancing where we can, but there's always a risk when we're sharing space with others outside of our bubble. I have two kids, a wife and a dog at home and their safety is of the utmost importance to me."

William was relieved when the Government announced that Wellington would move to Alert Level 2 after weeks of lockdown.

"In the first lockdown in May 2020, I knocked a hole through a wall to my workshop just to keep myself busy. So, I'm sure everyone, including the house, was pleased to see the end of lockdown."



William Stewart, Wellington Water's Project Facilitator and Operations Team Member, with his whānau.





wellingtonwater.co.nz