



# KOMITI NGĀ WAI HANGARUA WELLINGTON WATER COMMITTEE

9 December 2024

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

**Friday 13 December 2024 commencing at 10:00 am**

**THIS MEETING WILL BE LIVESTREAMED ON THE HUTT CITY  
COUNCIL YOUTUBE CHANNEL**

## Membership

Mayor A Baker  
Mayor C Barry (Chair)  
Deputy Mayor M Sadler-Futter  
Cr R Connelly (Deputy Chair)  
Mayor W Guppy  
H Modlik  
L Rauhina-August  
A Rutene

Mayor T Whanau

Cr T Brown  
R Faulkner  
Cr C Kirk-Burnnand  
Cr R Leggett  
Cr A Ellims  
Deputy Mayor H Swales  
K Tamanui  
Cr G Tupou

Porirua City Council  
Hutt City Council  
South Wairarapa District Council  
Greater Wellington Regional Council  
Upper Hutt City Council  
Te Rūnanga O Toa Rangatira  
Taranaki Whānui ki Te Upoko o Te Ika  
Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua  
Treaty Settlement Trust  
Wellington City Council

Wellington City Council (Alternate)  
Te Rūnanga O Toa Rangatira (Alternate)  
Greater Wellington Regional Council (Alternate)  
Porirua City Council (Alternate)  
South Wairarapa District Council (Alternate)  
Upper Hutt City Council (Alternate)  
Taranaki Whānui ki Te Upoko o Te Ika (Alternate)  
Hutt City Council (Alternate)

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# Wellington Water Committee

## Terms of Reference

### Purpose

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

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

### Status

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

### Specific responsibilities

The Committee's responsibilities are:

Governance oversight responsibilities

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

- Receiving and considering the half-yearly and annual reports of Wellington Water Limited;
- Receiving and considering such other information from Wellington Water Limited as the Committee may request on behalf of the parties to the Shareholders and Partnership Agreement and/or receive from time to time;
- Undertaking performance and other monitoring of Wellington Water Limited;
- Considering and providing recommendations to the parties to the Shareholders and Partnership Agreement on proposals from Wellington Water Limited;
- Providing co-ordinated feedback, and recommendations as needed, on any matters requested by Wellington Water Limited or any of the parties to the Shareholders and Partnership Agreement;
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding regional studies which the Shareholders need to be cognisant of;
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding water conservation;
- Agreeing the annual Letter of Expectation to Wellington Water Limited;
- Receiving, considering and providing agreed feedback and recommendations to Wellington Water Limited on its draft statement of intent;

- Receiving, considering and providing recommendations to the parties to the Shareholders and Partnership Agreement regarding Wellington Water Limited's final statement of intent.
- Agreeing when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required, without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution and;
- Seeking and interviewing candidates for Wellington Water Limited's Board as needed and recommending to the holders of Class A Shares appointments and/or removals of directors of Wellington Water Limited;
- Recommending the remuneration of directors of Wellington Water Limited;
- Monitoring the performance of the Board of Wellington Water Limited; and
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding changes to these terms of reference, the Shareholders and Partnership Agreement and the constitution of Wellington Water Limited.

### **Membership**

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

### **Chairperson**

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

### **Quorum**

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

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

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

### **Alternates**

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

### **Other Shareholder attendee**

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

## **Decision-making**

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

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

## **Secretariat services**

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

## **Standing Orders**

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

## **Remuneration**

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

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

## **Administration**

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

## **Duration of the Committee**

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

## **Appendix**

### **Common delegations by Shareholders**

#### Governance oversight responsibilities

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

#### Shareholders' responsibilities

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

**KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE**  
**Meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt**

on

Friday 13 December 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</i> |
|                              | <i>day.</i>                                      |

**2. APOLOGIES**

No apologies have been received.

**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. MINUTES**

Meeting minutes Komiti Ngā Wai Hangarua, | Wellington Water Committee  
27 September 2024

9

**6. CHAIR'S STATEMENT**

A verbal statement by the Chair of the Wellington Water Committee.

**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. 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.

**9. COMPANY AND GOVERNANCE UPDATE**

Report No. WWC2024/5/114 by Wellington Water Limited 22

**CHAIR'S RECOMMENDATION:**

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

**10. ANNUAL PLAN ADVICE**

Report No. WWC2024/5/115 by Wellington Water Limited 62

**CHAIR'S RECOMMENDATION:**

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

**11. ORGANISATIONAL CAPABILITY PLAN**

Report No. WWC2024/5/116 by Wellington Water Limited 69

**CHAIR'S RECOMMENDATION:**

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

**12. METROPOLITAN ACUTE WATER SHORTAGE RISK**

Report No. WWC2024/5/117 by Wellington Water Limited 75

**CHAIR'S RECOMMENDATION:**

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

**13. WATER METERING PROGRAMME UPDATE**

Report No. WWC2024/5/118 by Wellington Water Limited 101

**CHAIR'S RECOMMENDATION:**

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

**14. WELLINGTON WATER COMMITTEE LETTER OF EXPECTATION**

Report No. WWC2024/5/125 by the Chief Executive, PCC 104

**CHAIR'S RECOMMENDATION:**

"That the matter be discussed."

15. **INFORMATION ITEM**

**Wellington Water Committee Forward Programme 2025**

Memorandum dated 4 December 2024 by the Democracy Advisor,  
Hutt City Council

109

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 before the commencement of the meeting.

17. **EXCLUSION OF THE PUBLIC**

**CHAIR'S RECOMMENDATION:**

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

18. **RECRUITMENT OF DIRECTORS TO WELLINGTON WATER LIMITED - DECEMBER 2024**

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

| (A)   | (B)  | (C)  |
|---|--|--|
| General subject of the matter to be considered.                       | Reason for passing this resolution in relation to each matter.   | Ground under section 48(1) for the passing of this resolution.   |
| Recruitment of Directors to Wellington Water Limited - December 2024. | The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)). The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or two members or officers or employees. (s7(2)(f)(i)). | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist. |

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

Jack Kilty  
Democracy Advisor  
Hutt City Council



**KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE**

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

**Friday 27 September 2024 commencing at 10:00 am**

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**PRESENT:** Mayor C Barry (HCC) (Chair)  
Cr R Connelly (GWRC) (Deputy Chair)  
Mayor A Baker (PCC)  
Mayor W Guppy (UHCC)  
H Modlik (Te Rūnanga O Toa Rangatira) (via audio-visual link)  
L Rauhina-August (Taranaki Whānui ki Te Upoko o Te Ika)  
Deputy Mayor M Sadler-Futter (SWDC)  
Mayor T Whanau (WCC)

**APOLOGIES:** A Rutene

**IN ATTENDANCE:** N Leggett, Board Chair, Wellington Water Limited  
M Puketapu, Board Member, Wellington Water Limited  
W Walker, Chief Executive, Porirua City Council  
G Swainson, Chief Executive, Upper Hutt City Council (via audio-visual link)  
J Smith, Chief Executive, South Wairarapa District Council  
P Dougherty, Chief Executive, Wellington Water Limited  
C Barker, Director of Regulatory Services, Acting Group Manager Customer Operations, Wellington Water Limited  
M Ford, Chief Financial Officer and General Manager Business Services, Wellington Water Limited  
J Alexander, Group Manager Network Strategy & Planning, Wellington Water Limited  
H Rayner, Chief Digital Officer, Wellington Water Limited  
B Hodgins, Strategic Advisor, Hutt City Council  
J Kilty, Democracy Advisor, Hutt City Council

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

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

**2. APOLOGIES**

**RESOLVED:** (Mayor Barry/L Rauhina-August)

**Minute No. WWC 24401**

*"That the apology from Andrea Rutene be accepted and leave of absence granted."*

**3. PUBLIC COMMENT**

There was no public comment.

**4. CONFLICT OF INTEREST DECLARATIONS**

There were no conflicts of interest declared.

**5. MINUTES**

**RESOLVED:** (Mayor Barry/Mayor Baker)

**Minute No. WWC 24402**

*"That the minutes of the meeting of the Komiti Ngā Wai Hangarua | Wellington Water Committee held on Friday, 26 July 2024, be confirmed as a true and correct record."*

Deputy Mayor Saddler-Futter abstained from voting on the above matter.

**6. CHAIR'S STATEMENT**

Mayor Barry delivered the Chair's Statement attached as page 12 to the minutes.

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

Dougal List, Associate Director at Scott Consulting, shared a presentation attached as page 13 to the minutes.

## 8. COMPANY AND GOVERNANCE UPDATE

Report No. WWC2024/4/96 by the Wellington Water Limited

Charles Barker, Director of Regulatory Services, Acting Group Manager Customer Operations, Wellington Water Limited (WWL), Pat Dougherty, Chief Executive, WWL and Nick Leggett, Board Chair, WWL, elaborated on the report.

The Board Chair mentioned the Chief Executive's new role at WWL. He stated that the WWL Board expected more issues to arise from examining the budgeting error. He said that any problems would be addressed promptly and communicated effectively. He explained that the budgeting error had led to a \$51.5M shortfall, but through corporate planning, the additional financing needed had been reduced to \$40.5M.

The Board Chair thanked Mayor Barry for providing additional funding to fix leaks in Lower Hutt and recognised the importance of the additional resources. He emphasised the importance of renewals in ensuring water security in the region and cautioned that the current renewal efforts were insufficient to meet recommended targets.

In response to questions from members, the Chief Executive, WWL warned that if there were insufficient renewals, more leaks would occur. He emphasised the importance of investing in renewals and expressed concern about the lack of drought security and the condition of the wastewater treatment plants. He advised against solely focusing on fixing leak repairs.

The Director of Regulatory Services pointed out that due to the under-resourcing of the valves, it was challenging to isolate leaks. He noted that WWL was engaging with councils and that forthcoming updates would be presented in a more standardised and clearer format.

RESOLVED: (Mayor Barry/Mayor Baker)

**Minute No. WWC 24403**

*"That the Committee Receives and notes the report."*

9. **WELLINGTON WATER LIMITED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024**

Report No. WWC2024/4/97 by the Wellington Water Limited

The Chief Financial Officer and General Manager Business Services, Wellington Water Limited (WWL) elaborated on the report.

**RESOLVED:** (Mayor Barry/Cr Connelly)

**Minute No. WWC 24404**

*"That the Committee:*

- (1) *notes Wellington Water Limited was advised on Friday 20 September 2024 of a delay in receiving audit clearance to 30 September 2024;*
- (2) *notes the Board of directors are therefore meeting to approve the Annual Report to 30 June 2024 on 30 September 2024; and*
- (3) *notes the final draft of Wellington Water's Annual Report to 30 June 2024 as the basis for a discussion on Wellington Water's performance for the financial year ending 30 June 2024."*

10. **ACUTE WATER SHORTAGE RISK**

Report No. WWC2024/4/98 by the Wellington Water Limited

The Director of Regulatory Services and Acting Group Manager Customer Operations, Wellington Water Limited(WWL), elaborated on the report.

In response to questions from members, the Director of Regulatory Services said that WWL was working on improving its communication with the South Wairarapa District Council for the summer season. He mentioned that the current resources were sufficient to maintain sustainable backlog measures in the green over the summer, depending on continued funding. He also mentioned a proactive leak team and anticipated an increase in leaks over the summer. He expressed confidence in WWL's ability to manage leaks as long as there was sufficient council funding. He highlighted the need for universal meters to obtain better data.

The Chief Executive WWL pointed out the difficulties in comparing the costs of leak repairs between councils, as each repair may result in different costs due to the varying pipe conditions.

The Director of Regulatory Services stated that a regional approach to addressing private leaks was preferred. He clarified that WWL would collaborate with all councils to communicate the need for leak repairs on private land. He noted that large water users had been proactive last year in seeking advice from WWL for their water usage and that WWL was improving its guidance for those users. He said that historically, leak repair budgets were spread across the year, but councils had requested prioritisation of funding for the summer. He noted that WWL could explore engagement in private water leaks.

The Chief Executive WWL mentioned that councils operating on private land posed a

risk. He stated that WWL was mapping leaks on private property and that communication efforts would also target these leaks. He mentioned that by the end of the financial year, there would be 800 leaks in the region, with half of those in Upper Hutt, if the funding were to run out in January 2025 as projected.

RESOLVED: (Mayor Barry/Cr Connelly)

**Minute No. WWC 24405**

*"That the Committee:*

- (1) receives and notes the report;*
- (2) notes the importance of a coordinated regional approach to managing private leaks;*
- (3) notes progress across the region to reduce leaks as a short-term measure to reduce water loss; and*
- (4) notes that renewing and replacing ageing infrastructure is essential for long term sustainability of the network."*

## **11. IMPLEMENTATION OF FINDINGS OF THE COST ESTIMATION REVIEW**

Report No. WWC2024/4/100 by the Wellington Water Limited

Nick Leggett, Board Chair of Wellington Water Limited (WWL), and Mahina Puketapu, Board Member WWL, elaborated on the report.

Mayor Guppy noted that the Committee members had attempted to hold WWL accountable in the past, but those efforts had not succeeded.

In response to questions from members, the Chief Executive WWL mentioned that WWL was currently handling the scope of its work, which includes reporting to different councils and finalising its own business and improvement plans. He pointed out that the organisation had not yet filled vacancies or taken steps to recruit new staff. He also emphasised the need for additional staff and improved IT systems.

Mayor Baker expressed concern that there was a need to invest in systems not previously budgeted for.

Deputy Mayor Saddler-Futter emphasised the need for frequent communication between WWL and the new entity to discuss necessary investment areas. She expressed concern that underinvestment in WWL could pose problems for ratepayers, especially considering the urgent need for renewal investments.

L Ruahina-August expressed a desire for more proactive and positive communication from WWL and suggested that working with Mana Whenua partners on communication and engagement could be beneficial.

The Board Chair highlighted the importance of understanding the different perspectives of shareholders and partners around the table. He mentioned that WWL had acknowledged the need for improved communication and stronger relationships with Mana Whenua partners and saw the potential for greater collaboration.

RESOLVED: (Mayor Barry/Mayor Baker)

**Minute No. WWC 24406**

*"That the Committee:*

- (1) endorses the Wellington Water Purpose and Outcomes to guide priorities and decision-making for the next two years;*
- (2) receives the Draft Organisational Capability Plan responding to the external review undertaken on the Capital Programme Estimating and Budgets Systems, and;*
  - (a) notes the immediate activities underway to close gaps in our processes within current resources;*
  - (b) notes the broader unconstrained and unfunded workstreams and their activities presented in the Draft Organisational Capability Plan recommended to be undertaken over the next two years to improve company performance;*
  - (c) endorses system investment as a critical enabler, discussed under separate cover at this meeting; and*
  - (d) endorses the Draft Organisational Capability Plan for prioritisation and inclusion in individual council annual plan processes;*
- (3) notes the need for a revision of the current Statement of Intent to reorientate the company to deliver on high priority activities; and*
- (4) notes the Board has committed to regular and ongoing quarterly reporting and assurance to the Committee on implementing the prioritised activities determined through the Review into the cost estimation error."*

## 12. SYSTEMS INVESTMENT OPTIONS

Report No. WWC2024/4/99 by the Wellington Water Limited

Julie Alexander, Group Manager Network Strategy & Planning, Wellington Water Limited (WWL), and Helen Rayner, Chief Digital Officer, WWL, elaborated on the report.

In response to questions from members, the Chief Executive WWL clarified that WWL would require borrowing on behalf of WWL for the investment, with both the debt and investment transferred to the new water entity. He stated that for the first 18 months, only the interest on the debt would be repaid. He also stated that the financial estimate provided was a high-level estimate. He mentioned that discussions took place between WWL and Dougal List regarding the future use of the investment. He emphasised that all listed systems were necessary for WWL and any future entity to operate efficiently and had been prioritised. He noted that currently, WWL had to manually check the age and make of pipes due to the lack of an automated system.

The Board Chair noted that some systems would not be supported past next year. He advised that an investment was needed for WWL to operate effectively. He suggested that the immediate issues should be addressed and noted that there would be an investigation into potential savings and value for money. He emphasised the importance of considering how the new entity would use its investments.

The Chief Digital Officer noted that the procurement process was underway and would be ongoing for other systems. She stated that investing in these systems would decrease the risk associated with transitioning to a new entity, as WWL would have the required systems for a successful transition.

Mayor Guppy pointed out the need for more detail and expressed concern about the timing of the request for additional funding, stating that Upper Hutt would not be able to afford it.

H Modlik mentioned that moving forward, it was necessary to transfer relevant assets to the new entity. He emphasised that if the transfer were to happen, it would not be a wasted cost. He expressed concern about the extensive use of work-around systems over a long period. He suggested that the project's expenses should be compared to the costs of other investments being discussed and the value of the infrastructure that needed repair. He pointed out that problems with large-scale IT systems integration were generally caused by people rather than technology. He was eager to hear how the risks would be managed.

The Chief Digital Officer explained that the suggested investment plan is to first replace the end-of-life systems, with costs expected to be determined by the end of the calendar year. She mentioned that further procurement for additional systems would commence in 2024 to provide more accurate cost estimates. Additionally, she stated that implementation would take place in the next financial year, with additional recommended systems for improvement planned for the financial year 2026.

RESOLVED: (Mayor Barry/Mayor Baker)

**Minute No. WWC 24407**

*“That the Committee:*

- (1) endorses in principle that investment in ‘end of life systems’, integrated asset and financial systems, and customer systems is required to enable the effective and efficient functioning of Wellington Water;*
- (2) notes that the total required investment for these options is currently estimated to be \$15m to \$25m excluding contingency over two financial years, exclusive of contingency, with an ongoing operating cost of \$4-\$5m per annum and that this will form part of Wellington Water’s investment advice for councils to consider as part of their 2025/26 annual planning and long-term planning processes;*
- (3) notes that this recommended investment does not address all issues with the current state of Wellington Water’s technology systems, and further investment would be required in out-years if the organisation continues to operate significantly in an HR system;*
- (4) notes that the timing of a funding request for IT systems upgrades in next year’s Annual Plans is complicated by the uncertainty of water reform and potential for transition to a new water entity;*
- (5) endorses further analysis by WWL of the investment needed in the asset, financial and customer systems required to enable the effective and efficient functioning of Wellington Water;*
- (6) requests that this analysis should be integrated into the shareholding Councils decision-making process as part of the WSDP and its associated implementation plan to ensure any investment is value for money for the long term future entity; and*
- (7) requests that WWL provide advice to Councils on the prioritisation of IT system upgrades versus urgent physical works as part of WWL’s investment advice to Councils for their 25/26 Annual Plan and Long-Term Plan processes.”*

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



### 13. INFORMATION ITEM

#### Wellington Water Committee Forward Programme 2024

Memorandum dated 13 September 2024 by the Democracy Advisor

RESOLVED: (Mayor Barry/Mayor Baker)

**Minute No. WWC 24408**

*"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. EXCLUSION OF THE PUBLIC

RESOLVED: (Mayor Barry/Cr Connelly)

**Minute No. WWC 24409**

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

#### 16. Minutes - 26 July 2024

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

| (A)   | (B)   | (C)   |
|---|---|---|
| <i>General subject of the matter to be considered.</i>  | <i>Reason for passing this resolution in relation to each matter.</i>   | <i>Ground under section 48(1) for the passing of this resolution.</i>   |
| <i>Minutes of the Komiti Ngā Wai Hangarua Wellington Water Committee   held on 26 July 2024</i> | <i>The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).</i> | <i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.</i> |

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

There being no further business, the Chair declared the public part of the meeting closed at 11:51 am. The public excluded part of the meeting closed at 11:54 am.

Mayor C Barry  
CHAIR

**CONFIRMED as a true and correct record**  
**Dated this 13th December 2024**

## CHAIR'S STATEMENT

Kia ora koutou,

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

Recent annual water loss numbers for the 2023/2024 financial year estimate that the total average water loss in the Metropolitan Wellington region over the past financial year has dropped by 3%, from 44% to 41%, which includes both public and private leaks.

Thanks to all councils who have provided additional funding in the second half of this year to find and fix leaks as, at the start of the month, we had a backlog of 509 open public network leaks across the region, against a backlog of 1,720 leaks as at January this year.

Wellington Water also tracks private leaks to monitor water loss, and works with homeowners to fix leaks on their private properties.

With the increased council investment and increased efforts from Wellington Water to reduce the backlog of leaks in the region, as of early September, most of the metropolitan councils have now reached the point where the backlog is at a sustainable level (the average number of leaks received over 10 working days) and there are more leaks on private land than there are on the public network.

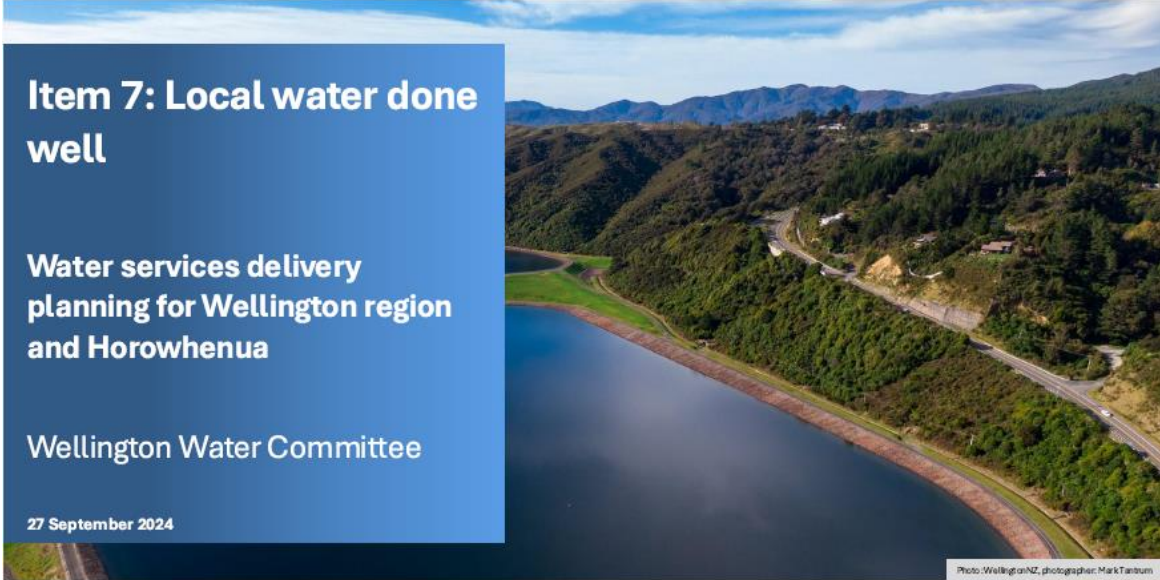
Getting to this point has been a huge effort from the team at Wellington Water. But while we can and should recognise this work, we need to remember that fixing leaks is only one part of a longer-term fix.

It's the renewal of pipes that's required to prevent leaks in the first place, and, in turn, avoid future water restrictions. That's not an overnight fix though – a problem decades in the making will take some time to turnaround.

Lastly I'd like to welcome Pat Dougherty as the new Chief Executive of Wellington Water.

Pat is a water engineer by profession, and has extensive people leadership, local government, and infrastructure and asset management experience.

We're looking forward to seeing Pat's leadership as we grapple with the challenges of an aging water network, increasing requirements for investment, and the financial constraints of councils and water reform.



# Item 7: Local water done well

## Water services delivery planning for Wellington region and Horowhenua

Wellington Water Committee

27 September 2024

Photo: WellingtonNZ, photographer: Mark Tanburn



### Progress on water services delivery planning

**The regional process continues to make good progress.**

**During October councils will be undertaking briefings and meetings to confirm whether to remain as part of the regional process.**

**Progress**

Since the last update to the Committee, implementation of Local Water Done Well and the regional process of water service delivery planning has included:

- Passage of the Local Government (Water Services Preliminary Arrangements) Act on 2 September
- Government policy announcements on Bill 3
- Financing announcements by the LGFA
- Further workshops with Advisory Oversight Group and council officers
- Ongoing financial and network economic modelling

Regional report on recommended 'best for region' model will be issued by early October to support council decision making.

**Key next steps**

- Elected member briefing sessions
- Council meetings
- AOG meeting 1 November

Planning is also underway on Phase 2 which will focus on:

- WSDP
- Implementation plan

To support

- Consultation
- Council decisions

## Council questions and key areas of feedback

### Key areas of feedback and responses – what we have heard and are doing

- **Are the numbers right?** Confidence in the level of investment required
  - Response: peer review of modelling
  - Review and re-run of financial and economic models to optimize and demonstrate financial sustainability
- **Council in principle direction** on whether to develop single of joint WSDP by October (in order to meet 12 month timeline).
  - Challenge of enough information
  - All councils are set for briefings and council papers
  - Options and potential groupings – regional model, Wairarapa model(s), KCDC / Horowhenua and Horizons models being considered
- **Price:** paying for someone else's problems
  - Response: transitional provisions, principle of cost to serve, economic regulation
- **Financial impacts** on council and fairness of debt transfer
  - Response: independent review process

## Transitional issues and alignment

**Recommended model is for new WSCCO. Phase 2 will also need to ensure alignment of the future delivery model with current WWL activity and the WWL organisational capability plan.**

### Examples of issues for WWL shareholders

- Development of the WSDP and input of WWL data and knowledge
- Meters – programme planning, timing, investment and communications
- WWL IT systems investment planning, costs and 'future fit'
- Contracts and major projects – maintaining momentum and also consideration of implications of contract renewals
- Contractor / supplier engagement
- Staff communications.

This will require increased level of involvement from WWL into Phase 2.

# Komiti Ngā Wai Hangarua



## Wellington Water Committee

25 November 2024

Report no: WWC2024/5/114

## Company and Governance Update

### Recommendation

That the Committee receives and notes the report.

### Appendices

| No.               | Title  | Page |
|-------------------|--|------|
| <a href="#">1</a> | Company and Governance Update  | 23   |
| <a href="#">2</a> | Appendix 1 - Operations Reports November 24                              | 28   |
| <a href="#">3</a> | Appendix 2A Metro Water Treatment Plant dashboards Oct 24                | 47   |
| <a href="#">4</a> | Appendix 2B - Metro WWTP reporting period of October 2024                | 49   |
| <a href="#">5</a> | Appendix 2C - SWDC Water Treatment Plant dashboards Oct 24               | 54   |
| <a href="#">6</a> | Appendix 2D - SWDC WWTP reporting Oct 24                                 | 56   |
| <a href="#">7</a> | Appendix 3 - Summary of Council Papers to the Wellington Water Committee | 60   |

**Author:** Wellington Water Limited



# Wellington Water Committee | Komiti Ngā Wai Hangarua

13 December 2024

File: ()

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**Report no:**

## Company and Governance Update

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### Purpose of Report

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

### Recommendations

That the Committee receives and notes the report.

### How to read this report

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

### Governance Update

3. The key Governance conversations held and actions taken by the Board of Wellington Water (Board) since the last meeting of the Wellington Water Committee (Committee) include:
  - i. Received the Regional Wastewater Treatment Plan review (this has been circulated to Committee members)
  - ii. Approved the annual planning advice to councils
  - iii. Ensured we support and protect our people as much as possible during an increased period of uncertainty and change.

### Summary of Performance

1

4. It has been a dynamic and unprecedented start to the year with significant shifts in our operating environment. Externally regulatory change, government policy, the financial position of councils and council confidence in the company have all been influencing factors.
5. The cost estimation error and the subsequent review, followed by the release of the Organisational Capability Plan (the Plan) has been a significant focus for the company. The Plan has been able to identify areas for immediate change and uplift including resetting our leadership, resetting the strategic intent with a revised purpose and outcomes, increasing capability in our finance function, enhancing how we plan and budget and providing the parameters for the initiation of a reorganisation.
6. The increased investment in our leaks programme for Year 1 of the LTP has seen the backlog return to manageable levels that has allowed a focus on efficiency gains such as transitioning roving and triaging back in-house from City Care.
7. Response times across councils continue to decrease and customer satisfaction went up another 8 percentage points to 64% (from 56% April-June), all good indicators that a difference is being seen and felt.
8. System limitations continue to impact performance company-wide. Until there is a commitment to funding to address these limitations, we can expect to continue to have to manage the inefficiencies this causes for people and processes big and small.
9. There was a noticeable decrease in health and safety incidents. Lagging data continues to show a good downward trend in terms of injuries and incidents. The severity of injuries that have occurred have also been of low severity.

### **The Water Committee Priorities**

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

10. Wellington Water continue to support the regional planning for water service delivery as required – in particular where there are synergies between current and future technology needs and development of asset management plans.
11. We are working closely with officers supporting the Advisory Oversight Group to ensure that any changes we make align with their expectations for the new organisation.

#### *Three Waters Investment Planning for 2024-34*

12. Wellington Water has provided advice to councils on what to include in Annual Plans for 2025/26. This advice covers recommended capital investment in three waters assets, recommended operational investment in maintenance and improved levels of service, and recommended investment in Wellington Water to build systems and organisational capability.
13. Wellington Water are supporting South Wairarapa District Council with their Long Term Plan for 2025-2034.
14. There is a separate paper on Annual Plan Advice to councils.

#### *Sustainable water supply and reducing consumption*



- 15. The separate paper on the Acute Water Supply and Demand Risk provides a full update to the Committee.
- 16. There is also a separate paper providing an update on the residential metering programme.

**Regulatory performance**

- 17. We continue to provide monthly reporting to Taumata Arowai on the Acute Water Shortage risk and the performance of the associated reduction activities.
- 18. We continue to work with GWRC on the abatement notices for Seaview Odour issues.
- 19. We keep the Ministry of Health informed of fluoride performance - all four metropolitan water treatment plants were compliant for fluoride in October.

**Operational Achievements and Issues**

**People**

- 20. Our unplanned turnover is currently sitting at 12.5% and continues to track steadily (12 month rolling average).
- 21. Wellington Water has consulted staff on a restructure proposal. This is very much a lift and shift proposal – we are implementing a more orthodox structure with clearer lines of responsibilities. The expectation is that this will simplify decision making and help us improve our responsiveness and agility.
- 22. At the same time, we are taking the opportunity to move some of our professional staff back out of the Alliance, and centralise our support services roles (Comms, H&S, procurement, etc.). By creating clearer roles, responsibilities, and accountabilities we expect to significantly improve our performance. It is important to ensure that any changes to our structure do not result in a disruption to our critical services.

**Wellington Water corporate budget**

- 23. We are forecasting a corporate budget deficit of \$4.5m for 2024/25 (compared to the budgeted deficit of \$3.7m), utilising the prior year's surplus to mitigate funding pressures while ensuring delivery can continue.

**Opex Delivery**

- 24. To date in the 2024/25 financial year we have fixed 4701 leaks around the region. At the end of November, we had 963 open leaks for repair, down from 1199 in August.
- 25. Operational reports are provided as Appendix 1. The spike seen in network faults in October on the PCC operational dashboard is inflated by the graph scale. The increase in network faults is attributed to increase in drainage (stormwater & wastewater) due to rainfall events. We have not seen a significant increase in drinking water network faults.

**Capex Delivery**

- 26. For the financial year to date (as at 31 October 2024), spend on the capital delivery programme was \$88m at a regional programme level.

|                |                                      |
|----------------|--------------------------------------|
| <b>Council</b> | <b>YTD capital spend for 2024/25</b> |
|----------------|--------------------------------------|

|                                     |                |
|-------------------------------------|----------------|
| Greater Wellington Regional Council | \$32.6m        |
| Hutt City                           | \$18.4m        |
| Porirua City                        | \$16.7m        |
| South Wairarapa District            | \$1.3m         |
| Upper Hutt City                     | \$5.2m         |
| Wellington City                     | \$13.4m        |
| <b>Total</b>                        | <b>\$87.7m</b> |

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

|              | Metres planned 2024/25 | Q1 Total     |
|--------------|------------------------|--------------|
| <b>HCC</b>   | 4,577                  | 2,889        |
| <b>WCC</b>   | 520                    | 240          |
| <b>PCC</b>   | 150                    | 70           |
| <b>UHCC</b>  | 1,649                  | 374          |
| <b>SWDC</b>  | 130                    | 0            |
| <b>GWRC</b>  | 30                     | 30           |
| <b>Total</b> | <b>7,056</b>           | <b>3,603</b> |

28. A review of approaches to panel management has been undertaken in line with the coming end of the panel existing panel contracts in 2026. A project to prepare for the renewal tender and also shorter term changes to support the business is underway.

#### *Wastewater Treatment Plants*

29. The Featherston, Greytown, Martinborough, Moa Point, and Seaview Wastewater Treatment Plants were non-compliant at the end of October due to either capacity, mechanical or environmental factors.
30. Details of the status of wastewater plant non-compliance are provided in the latest monthly Wastewater Treatment Plant and Water Treatment Plant dashboard reports, attached as Appendix 2.
31. Together with Hutt City Council and Veolia, we held a community meeting on 25 November to discuss recent odour issues and what is being done to minimise the risk in the future.

#### *Growth update*

32. We held workshops focusing on the 3 waters networks' ability to service growth with Porirua and Hutt City Councils and are planning for a workshop with Upper Hutt City Council. These workshops confirmed that the constrained 3 waters investment programme will limit growth but may be partially addressed by localised solutions and small-scale upgrades.

#### *Environmental Water Quality update*

33. Wellington Water is preparing for the Plan Change 1 hearings working with the metropolitan councils and mana whenua.
34. We are working on a consent strategy for network discharges which would transition into the structure of a new water entity. We are also preparing a 'portfolio' of

activities that contribute to environmental water quality improvements. This would be a set of funded projects that would be able to demonstrate the region's commitment to water quality improvement.

#### *Net Zero Carbon update*

35. We are working on an operational emissions programme plan for providing councils with verified emissions report for their audits next year.

#### *Technology Systems*

36. The Technology Systems Investment Programme is progressing well. We continue with procurement for the end-of-life systems, ensuring the investment, benefits, and risks are clearly outlined in the annual planning process for councils, and standing up the formal Programme mechanisms so that governance, programme management, and reporting is effective and fit for purpose.
37. We are working closely with the team developing the Regional Water Services Delivery Plan to ensure that this investment will be foundational to setting up new entity for success, and are discussing with GWRC options for funding the work.

#### **Connecting the Water Committee to Individual Councils**

38. The Committee has a major role in providing leadership to the six councils who own Wellington Water. At the Committee meeting you are receiving and discussing material that all councils will receive via Wellington Water's ongoing advice.
39. We have provided a summary report (Appendix 3) to assist with individual councils' understanding of the material the Committee is working on.

#### **Climate Change Impact and Considerations**

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

#### **Appendices**

There are 3 appendices for this report.

|    |  |
|----|--|
| 1. | Regional and Council Operations Reports for November                               |
| 2. | Water Treatment Plant and Wastewater Treatment Plant dashboard reports for October |
| 3. | Summary for Councillors of papers to the WWC meeting                               |

**Author: Pat Dougherty**

External Author (Wellington Water Ltd)

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Our water, Our Future

**Operations Report**

CUSTOMER OPERATIONS GROUP

Reporting Date: 5th December 2024

**GLOSSARY OF TERMS**

**Acronyms**

| <b>GLOSSARY OF TERMS</b>               | <b>Acronyms</b> |
|--|-----------------|
| Total Recordable Injury Frequency Rate | TRIFR           |
| Severe Injury Frequency Rate           | SIFR            |
| Case Action Management System          | CAMs            |
| Financial Year To Date                 | FYTD            |
| Customer Operations Group              | COG             |
| Customer Service Request               | CSR             |
| Service Level Agreement                | SLA             |
| Department of Internal Affairs         | DIA             |
| Drinking Water                         | DW              |
| Storm Water                            | SW              |
| Wastewater                             | WW              |



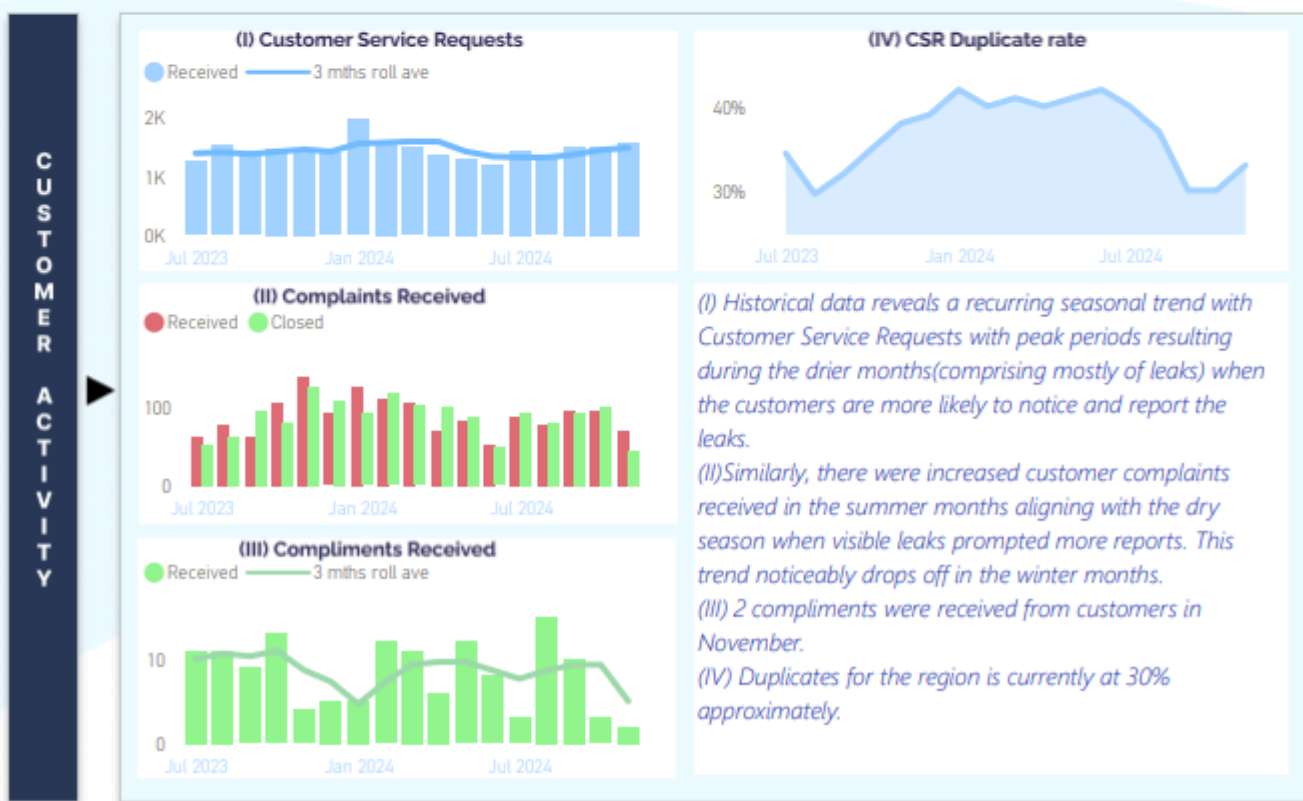
# November Operations Report \* - Regional

CUSTOMER OPERATIONS GROUP

## HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) \*



H & S LEAD INDICATORS \*

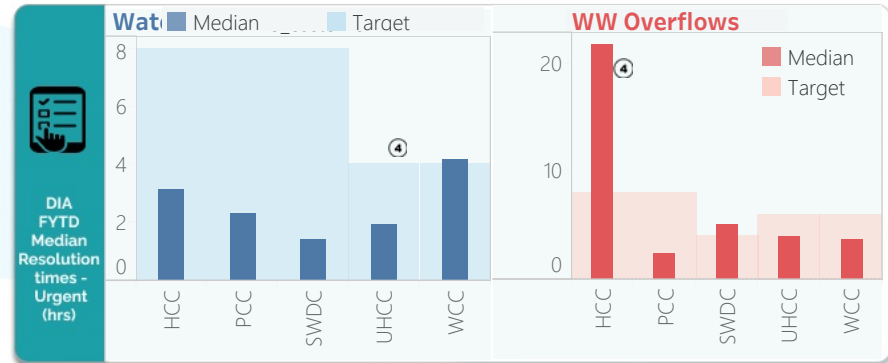
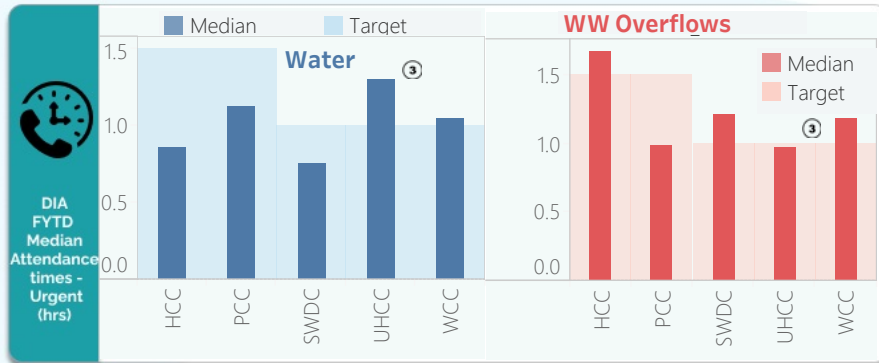
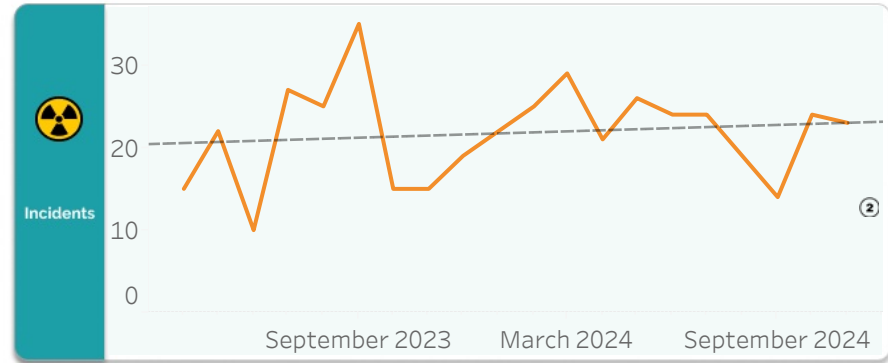
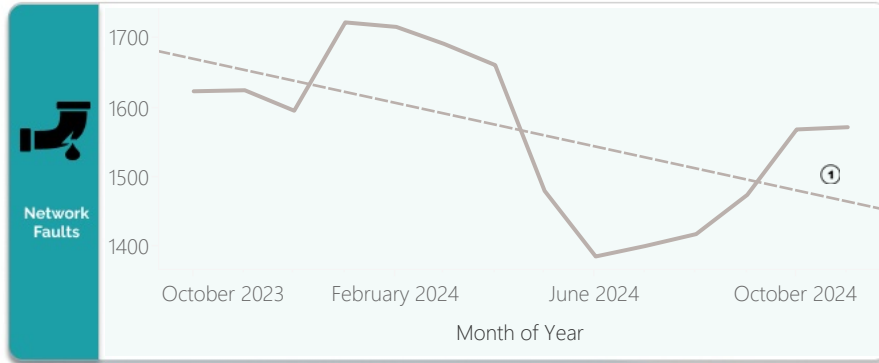


CUSTOMER ACTIVITY

CUSTOMER SATISFACTION

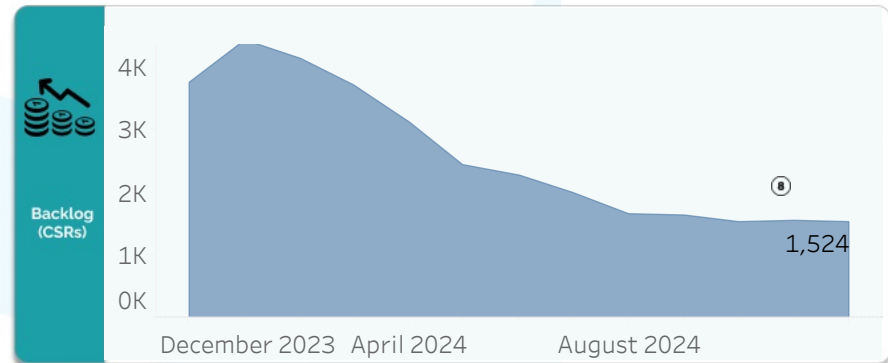
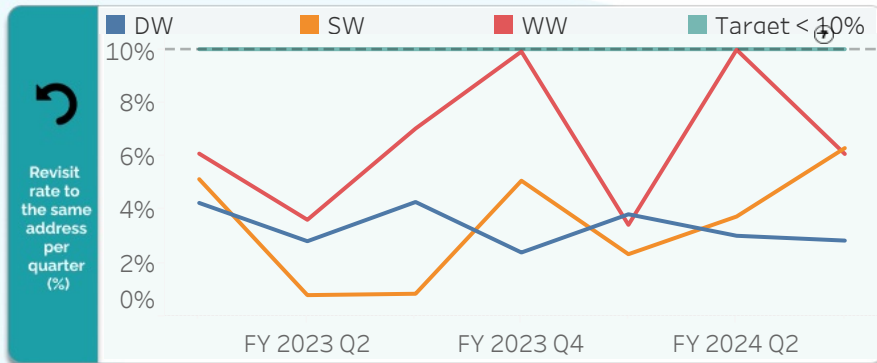
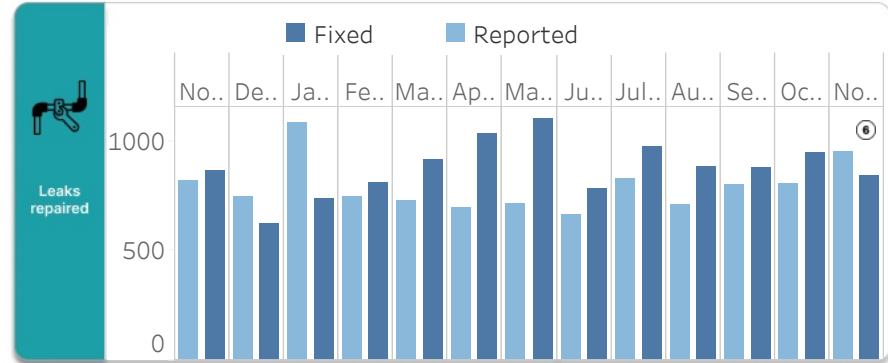
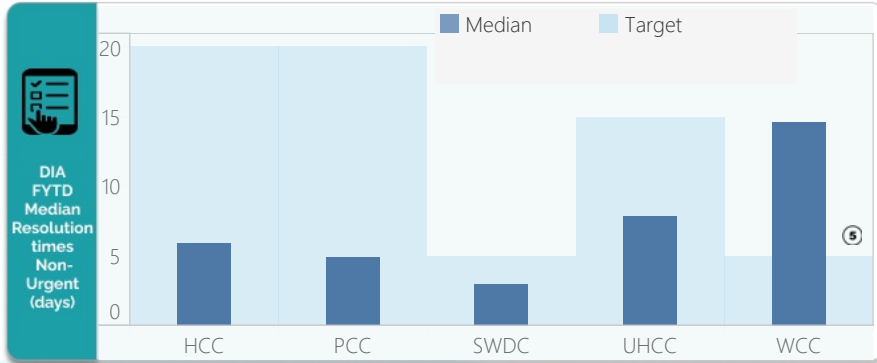


\* Note that Report provides a snapshot in time. Analysis Date: 04/12/24



- Insights**
- 1 In the past 12 months, there has been a downward trend in Network Faults, largely due to a decrease in reported CSRs during the wetter months. However, as we transition into the drier months, we expect an upward trend in network faults.
  - 2 Incident Management and Planning continues to play a role this year across COG. This ongoing upward trend has a real impact on resources and our ability to manage BAU while we continue to stretch the rubber band even further.
  - 3 Attendance within SLAs remains a challenge - UHCC and WCC for water and HCC for drainage. This is due to the SLAs not being closely tied to the fiscal envelope.
  - 4 Progress in resolving urgent jobs remain on target across all councils, HCC remains a challenge under drainage. This is largely attributed to work volumes and process issues - adversely impacting data accuracy. SWDC was missed in the last month due to a process issue and low volume of jobs recorded so far. We expect this to improve in the upcoming months

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



- ⑤ Progress in resolving non-urgent water jobs in WCC remains an issue. This is largely attributed to SLAs not being closely tied to the fiscal envelope, work volumes and process issues adversely impacting data accuracy. We have recognized that the ongoing process of onboarding new staff and our on-field behaviors presents its own set of challenges within reporting.
- ⑥ Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 9800 Leaks.
- ⑦ 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. An analysis conducted on jobs completed across the region for a six month period this year found that 1.8% of all jobs were identified as actual rework.
- ⑧ The current backlog of open CSRs stands at approximately 1500 - with a peak in January of approximately 4400. Since then, we have observed a decline, attributed to recent funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



**November Operations Report \* - WCC**  
CUSTOMER OPERATIONS GROUP

**HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) \***



H & S LEAD INDICATORS \*



In November, there were 12 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.



In November, 30 CAMs (H & S recording and reporting system) cases were raised.



CUSTOMER ACTIVITY

CUSTOMER SATISFACTION

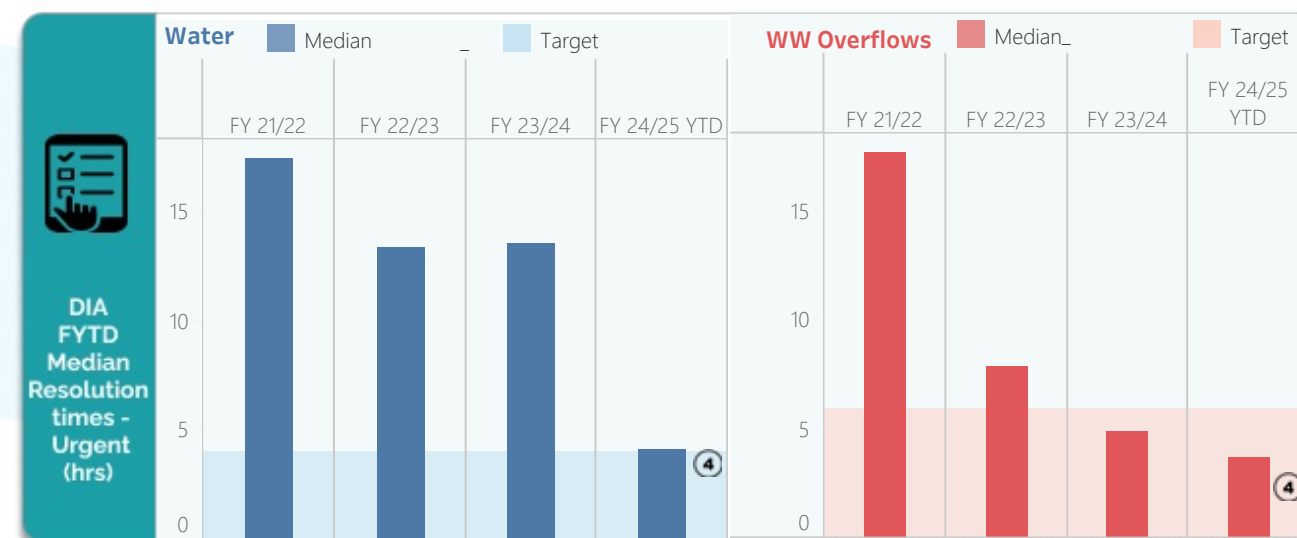
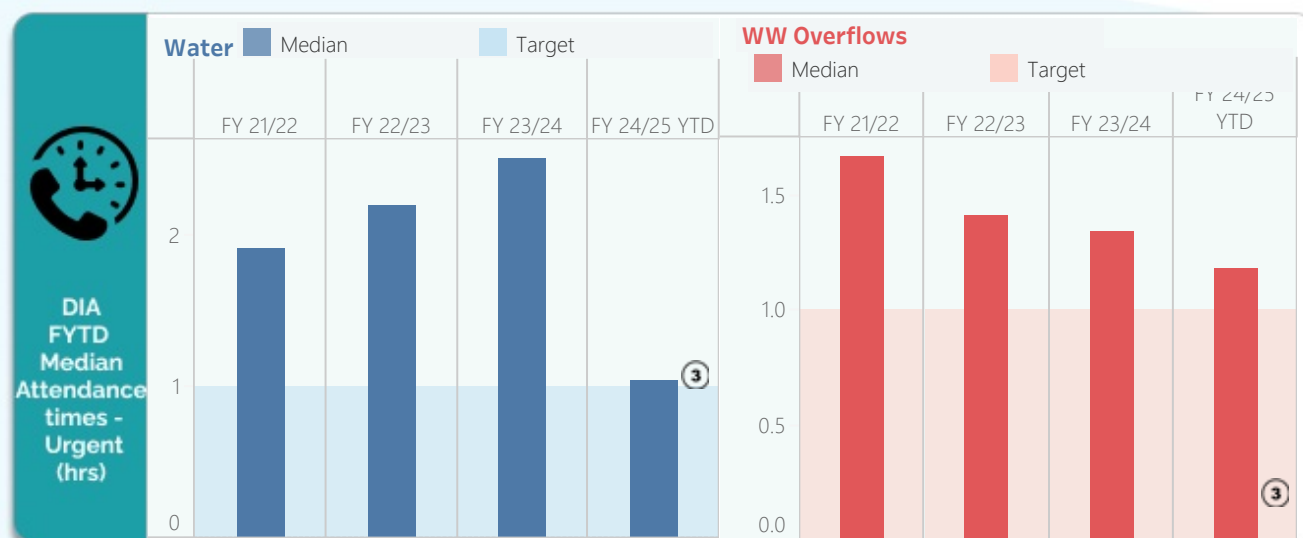
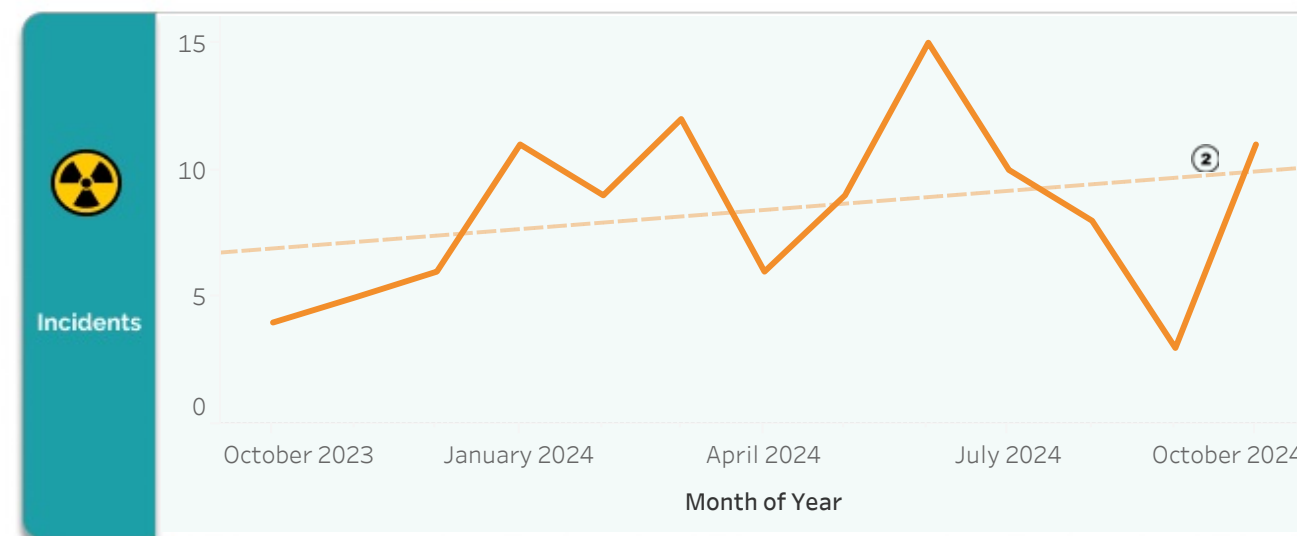
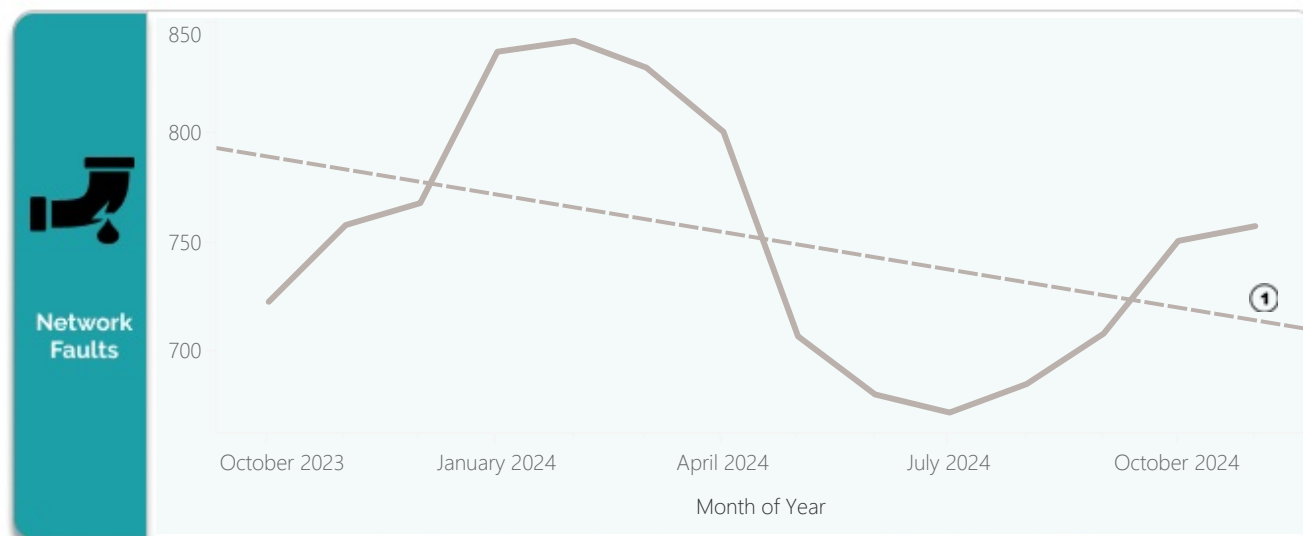


\*Note that Health and Safety is reported on a regional level. \*Also note that Report provides a snapshot in time. Analysis Date: 04/12/24





November Operations Report\* - WCC  
CUSTOMER OPERATIONS GROUP

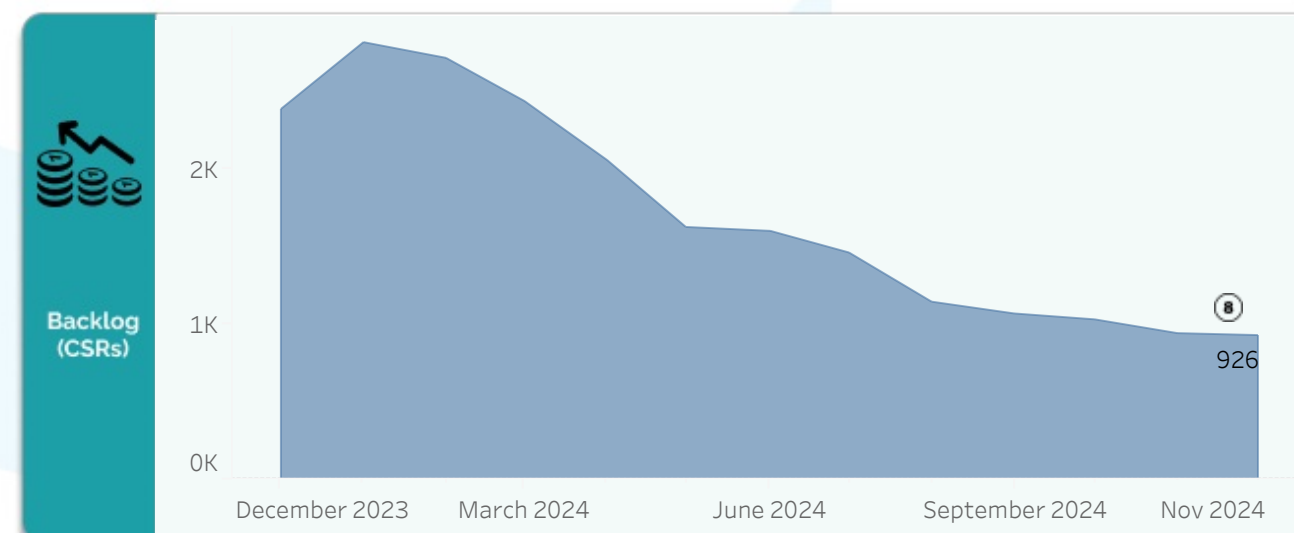
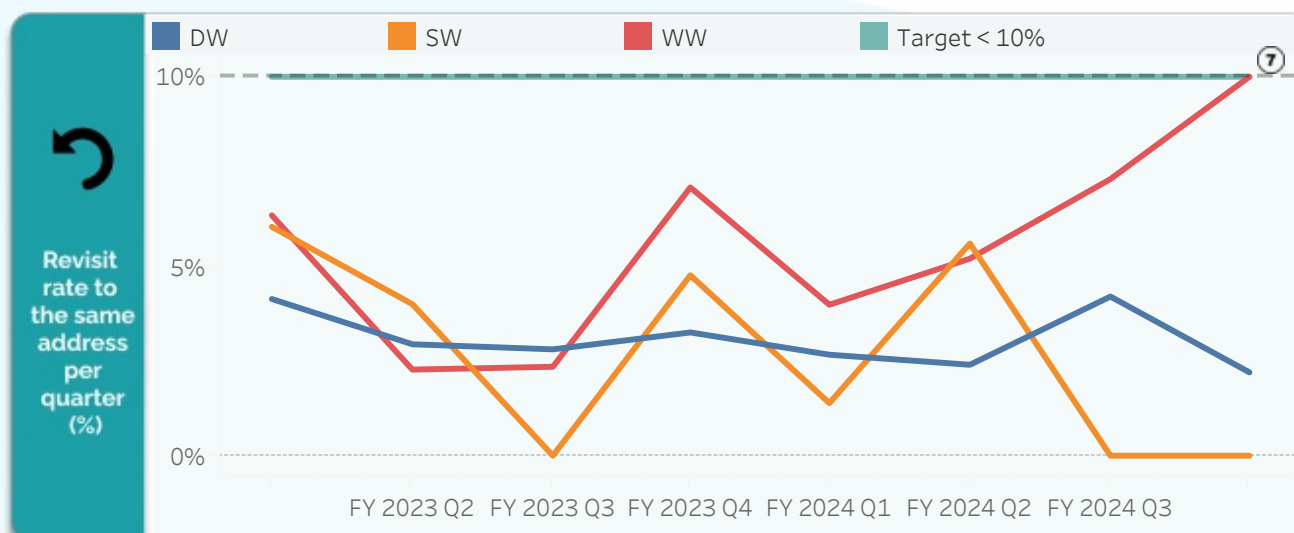
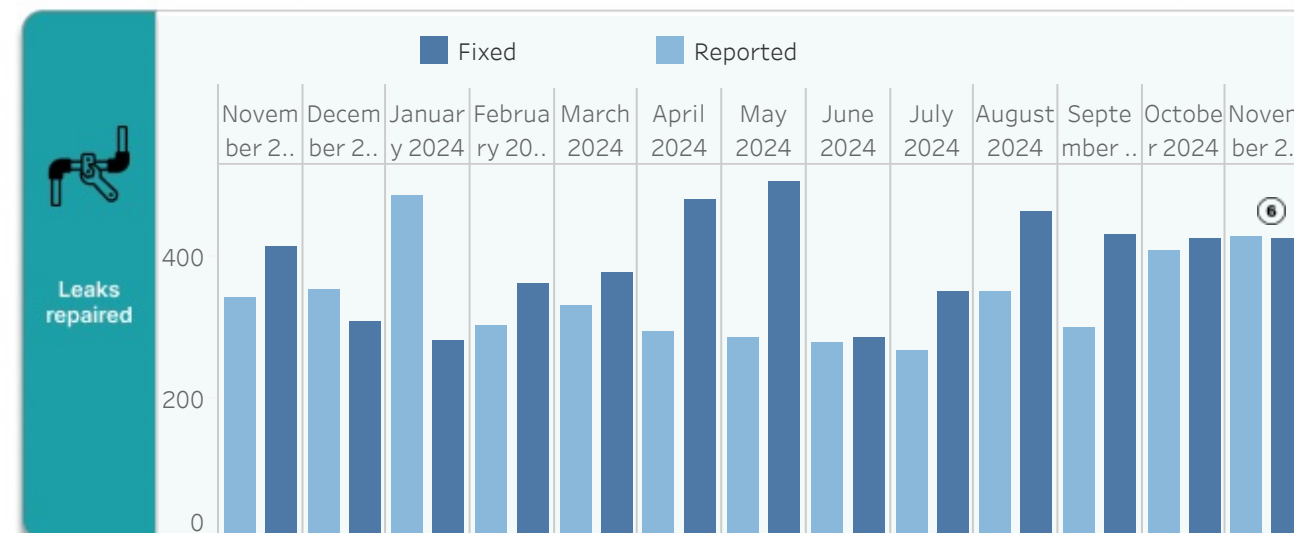
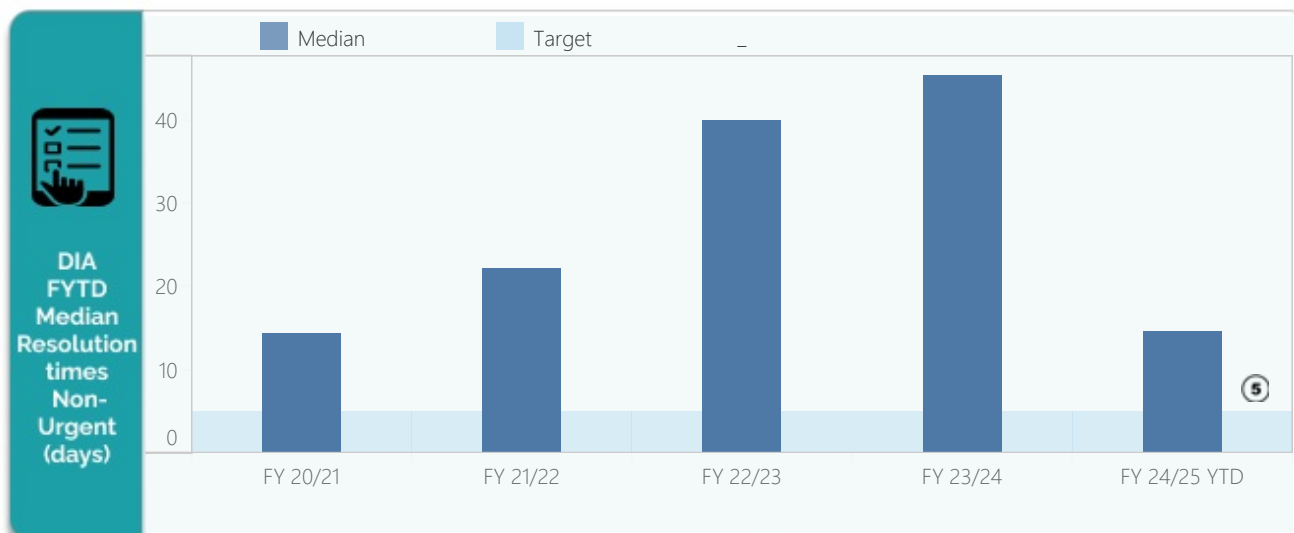


- Insights**
- ① Over the past 12 months, there has been a downward trend in Network Faults, largely due to a decrease in reported CSRs during the wetter months. However, as we transition into the drier months, we expect an upward trend in network faults.
  - ② Incident Management continues an upward trend over the last 12 months, further impacting on our resources and our ability to manage BAU while we continue to stretch the rubber band even further.
  - ③ Attendance within SLAs remains a challenge. This is due to the SLAs not being closely tied to the fiscal envelope. However, there has been notable improvements in our response times over the past few years.
  - ④ Resolution times has seen notable improvements over the past few years, currently meeting agreed-upon targets.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



November Operations Report\* - WCC  
CUSTOMER OPERATIONS GROUP



- Insights**
- ⑤ Progress in resolving non-urgent water jobs in WCC remains an issue. This is largely attributed to SLAs not being closely tied to the fiscal envelope, work volumes and process issues adversely impacting data accuracy. We have recognized that the ongoing process of onboarding new staff presents its own set of challenges within reporting and ensuring that our on-field behaviors dont impact reporting.
  - ⑥ Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 4300 leaks. Additionally, we have reinstated approximately 67% of those leaks requiring permanent reinstatement. In November, we fixed over 420 leaks.
  - ⑦ 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. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.
  - ⑧ The current backlog of open CSRs stands at approximately 900 - with a peak in January of approximately 2800. Since then, we have observed a decline, attributed to recent funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



# November Operations Report \* - HCC

CUSTOMER OPERATIONS GROUP

## HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) \*

|  |  |  |   |   |   |
|--|--|--|---|---|---|
| <p><b>0</b><br/>Rolling SIFR<br/>0- from prev month<br/>Target &lt; 10</p> | <p><b>2.7</b><br/>Rolling TRIFR<br/>0- from prev month<br/>Target &lt; 5</p> | <p><b>0</b><br/>High/<br/>Extreme<br/>0- from prev month<br/>0 YTD</p> | <p><b>5</b><br/>Near<br/>Misses<br/>0- from prev month<br/>21 YTD</p> | <p><b>0</b><br/>Notifiable<br/>incidents<br/>0- from prev month<br/>0 YTD</p> | <p><b>2</b><br/>Life saving<br/>rule breaches<br/>0- from prev month<br/>13 YTD</p> |
|--|--|--|---|---|---|

**Injury Frequency Rate (TFIFR)**

*In November, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings.*

*Additionally, two life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.*

H & S LEAD INDICATORS \*

|  |  |
|--|--|
| <p><b>12</b><br/>Safety<br/>Improvements<br/>9▼ from prev month<br/>59 YTD</p> | <p><i>In November, there were 12 safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H &amp; S performance.</i></p> |
| <p><b>30</b><br/>CAMs cases<br/>raised<br/>8▲ from prev month<br/>167 YTD</p>  | <p><i>In November, 30 CAMs (H &amp; S recording and reporting system) cases were raised.</i></p>   |

CUSTOMER ACTIVITY

|   |  |
|---|--|
| <p><b>(I) Customer Service Requests</b></p> | <p><b>(IV) CSR Duplicate rate</b></p>  |
| <p><b>(II) Complaints Received</b></p>      | <p><i>(I) Historical data reveals a recurring seasonal trend with Customer Service Requests with peak periods resulting during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks.</i></p> <p><i>(II) Similarly, there were increased customer complaints received in the summer months aligning with the dry season when visible leaks prompted more reports. This trend noticeably drops off in the winter months as seen in the last few months.</i></p> <p><i>(III) 1 compliment received in November.</i></p> <p><i>(IV) Duplicates rate for HCC in November was 19%. This is an increase of 6% from the previous month.</i></p> |
| <p><b>(III) Compliments Received</b></p>    |  |

CUSTOMER SATISFACTION

|   |   |
|---|---|
| <p><b>(V) Customer Satisfaction</b></p> | <p><b>(VI) Customer contact within 15 mins (Median)</b></p> |
|---|---|

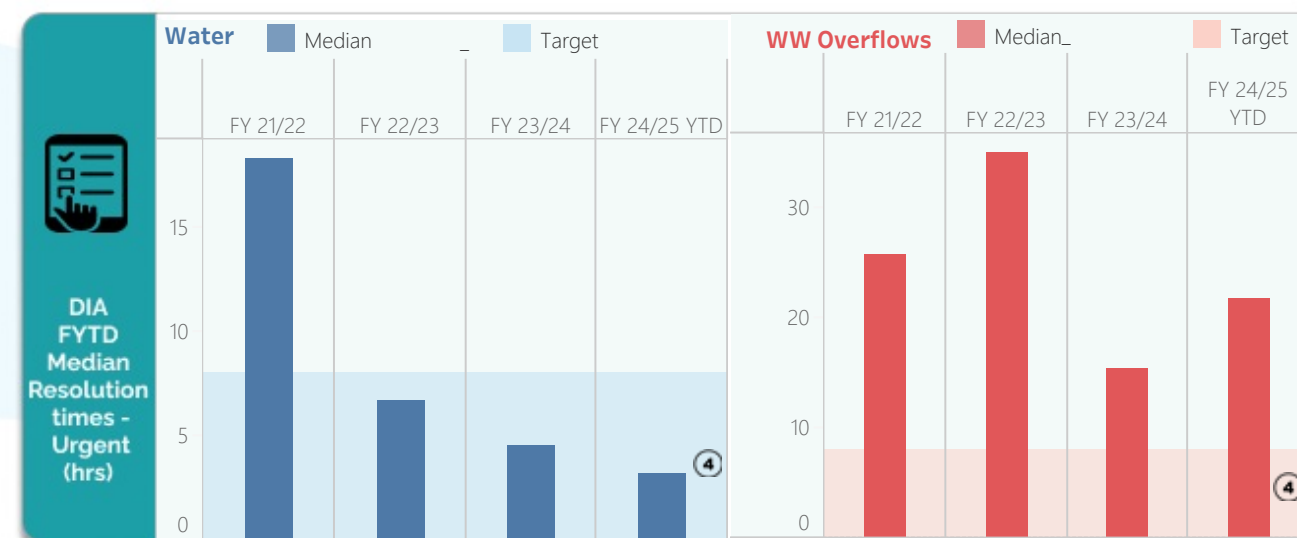
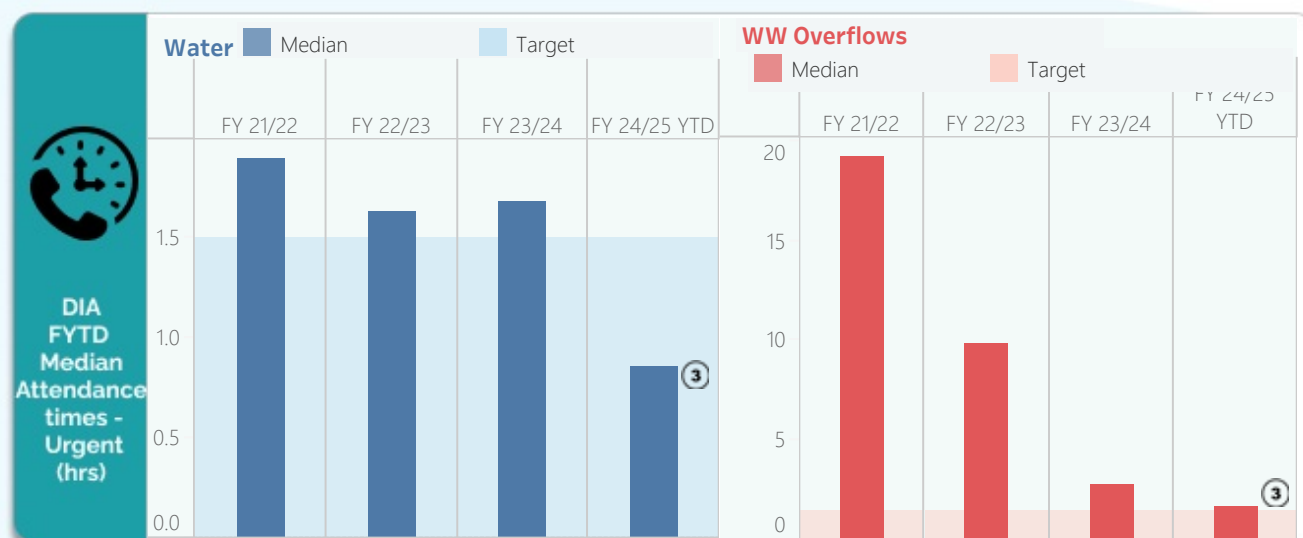
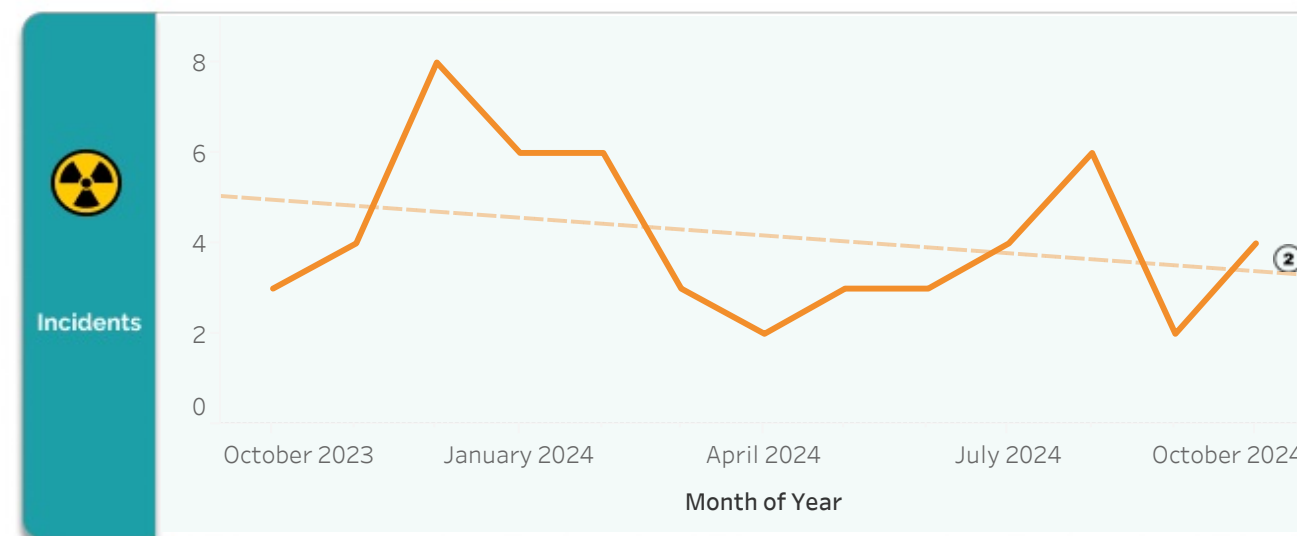
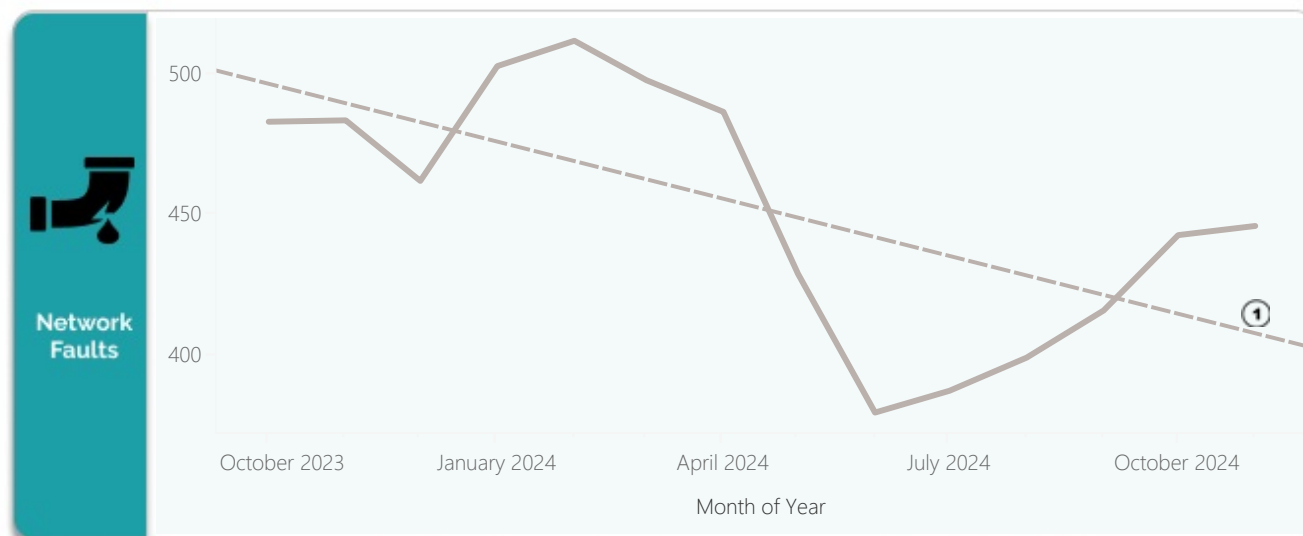
*(V) Over the last six months, customer satisfaction has shown steady improvements. Satisfaction with WWL's urgent job responses remained consistently high. Non-urgent job satisfaction improved significantly after lower ratings earlier in the year. This positive trend is likely attributed to increased funding, enhanced resources, and ongoing improvements in job management, which have effectively reduced backlog and improved response times for non-urgent jobs.*

*(VI) In November, the prompt response to urgent complaints, contacting customers within 15 minutes continued its upwards trend remaining well above target.*

\* Note that Health and Safety is reported on a regional level. \*Also note that Report provides a snapshot in time. Analysis Date: 04/12/24



November Operations Report\* - HCC  
CUSTOMER OPERATIONS GROUP

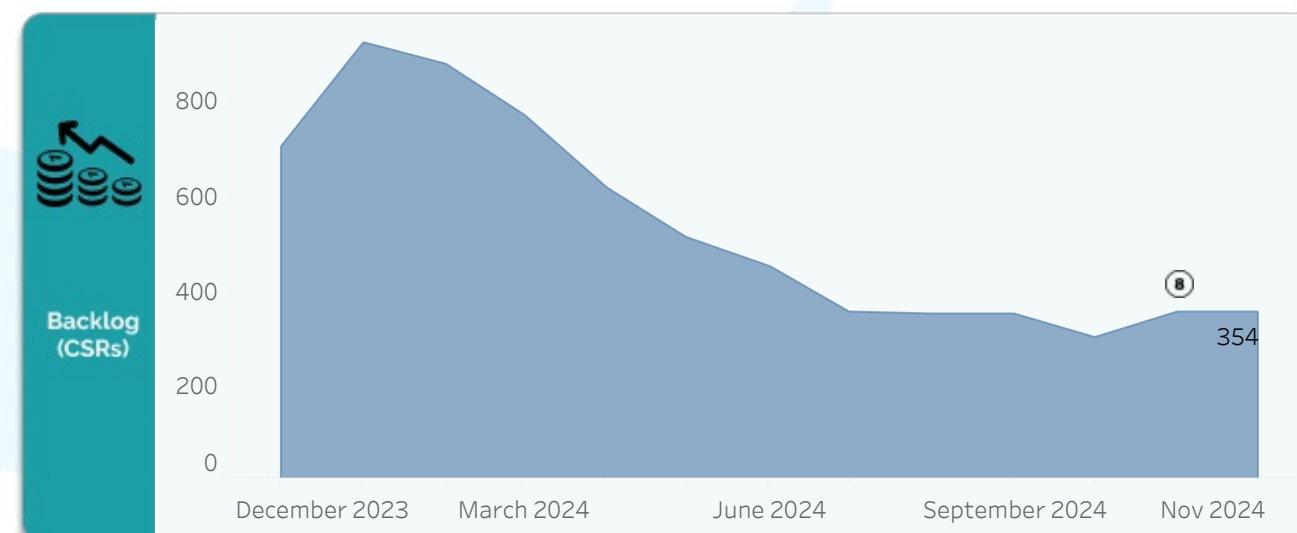
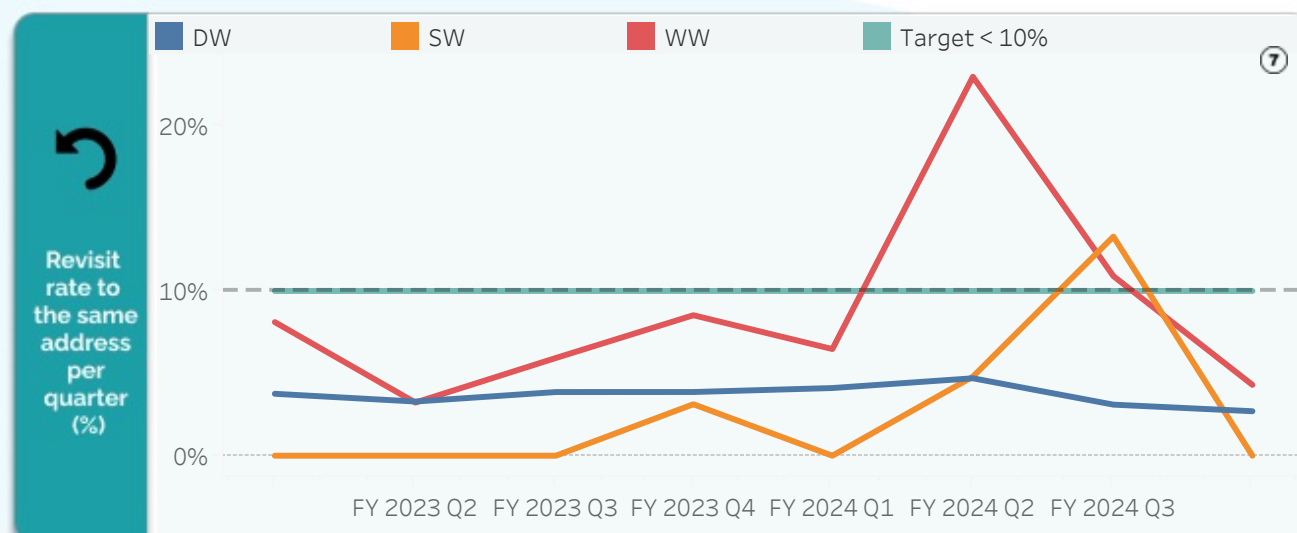
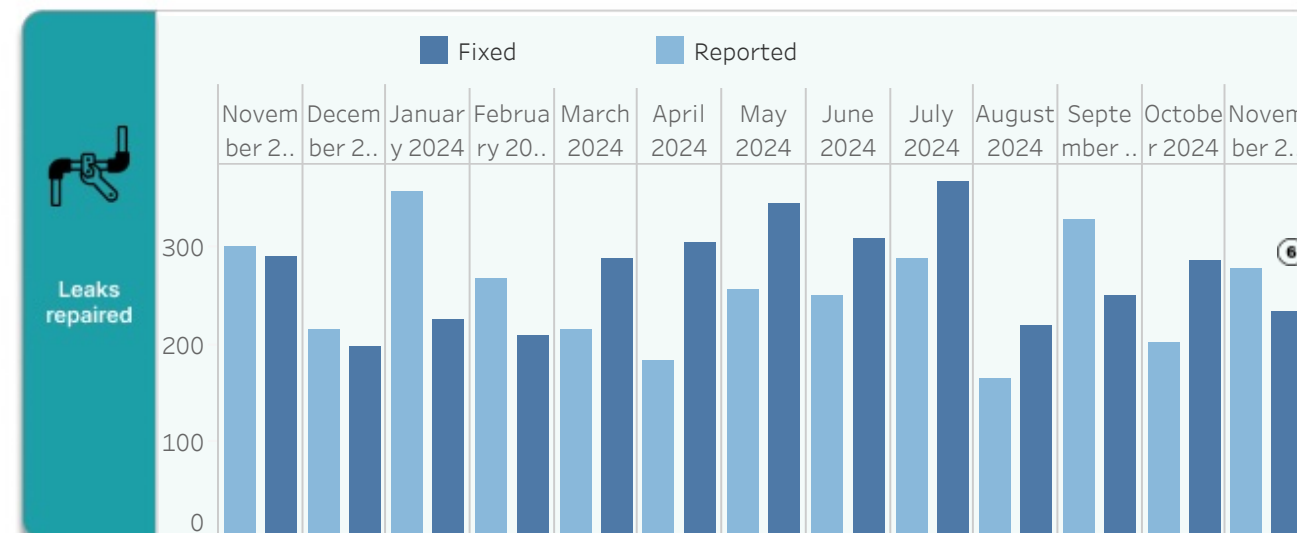
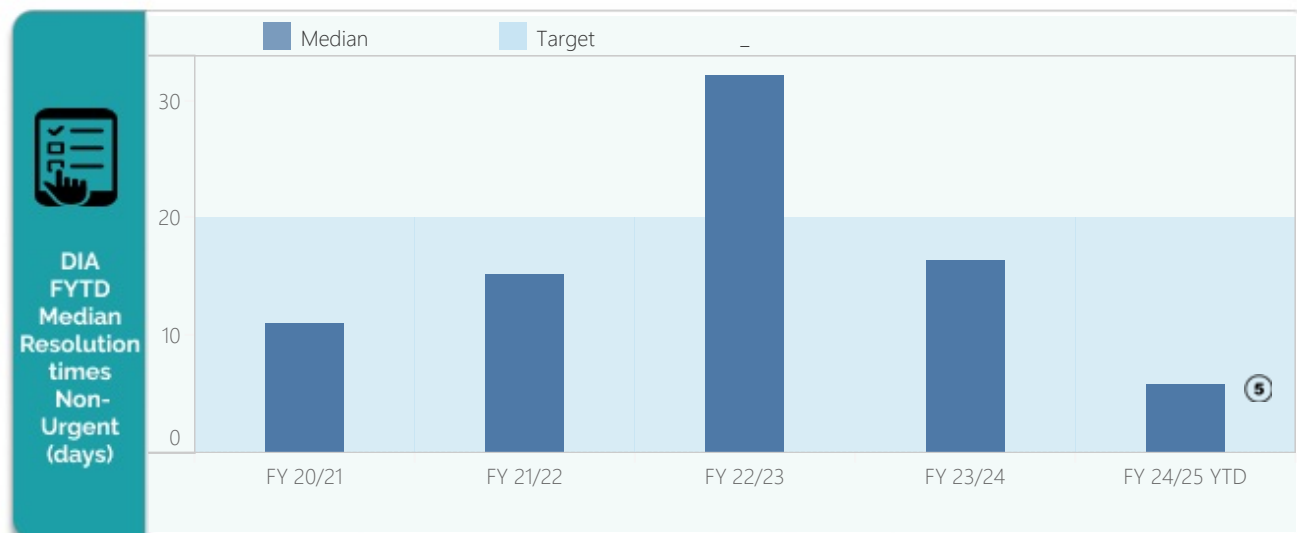


- Insights**
- ① Over the past 12 months, there has been a downward trend in Network Faults, largely due to a decrease in reported CSRs during the wetter months. However, as we transition into the drier months, we expect an upward trend in network faults.
  - ② Over the past 12 months, the trend shows a downward momentum in Incidents reported.
  - ③ Attendance within SLAs for urgent jobs is on track for water. However, for wastewater, this remains a challenge due to the SLAs not being closely tied to the fiscal envelope but have improved in drainage over the past few years showcasing our unwavering commitment to customer safety and prompt resolution of high-priority concerns.
  - ④ Progress in resolving urgent jobs remains a challenge for wastewater. 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.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



November Operations Report\* - HCC  
CUSTOMER OPERATIONS GROUP



- ⑤ Progress in resolving non-urgent water jobs is on track.
- ⑥ Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 3000 leaks. Additionally, we have reinstated approximately 67% of those leaks requiring permanent reinstatement. In November, we fixed 233 leaks.
- ⑦ 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. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.
- ⑧ The current backlog of open CSRs stands at approximately 350 - with a peak in January of approximately 900. Since then, we have observed a decline, attributed to recent funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



**November Operations Report \* - PCC**  
CUSTOMER OPERATIONS GROUP

**HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) \***



H & S LEAD INDICATORS \*

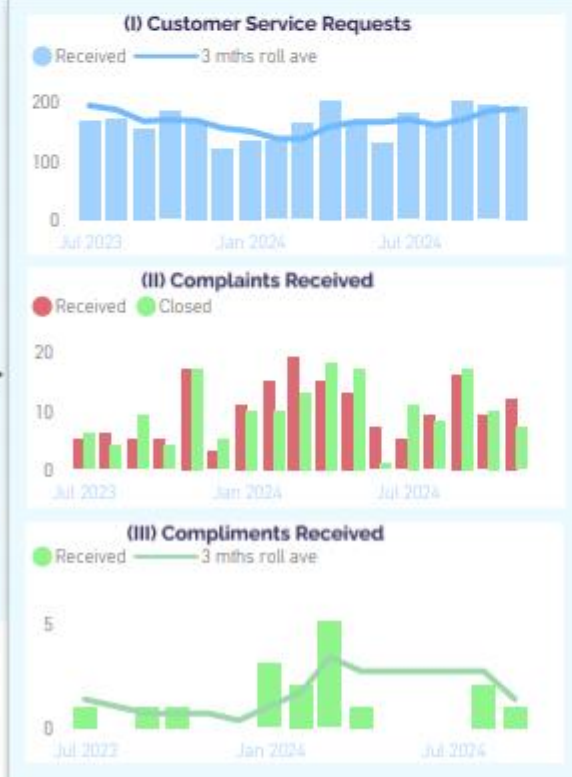


*In November, there were 12 safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.*



*In November, 30 CAMs (H & S recording and reporting system) cases were raised.*

CUSTOMER ACTIVITY



CUSTOMER SATISFACTION



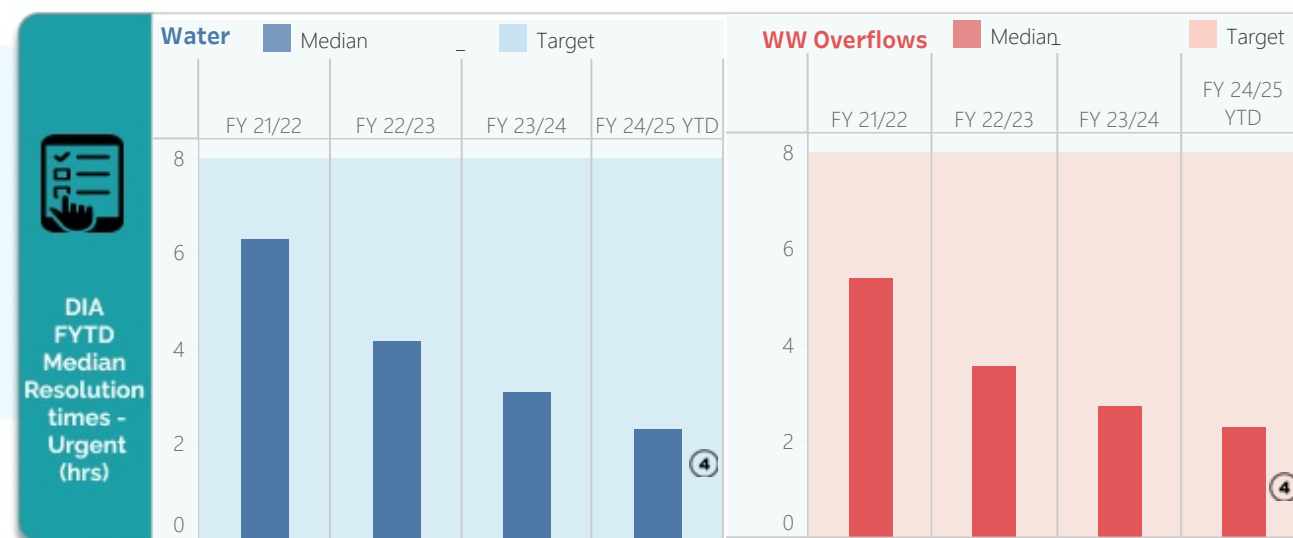
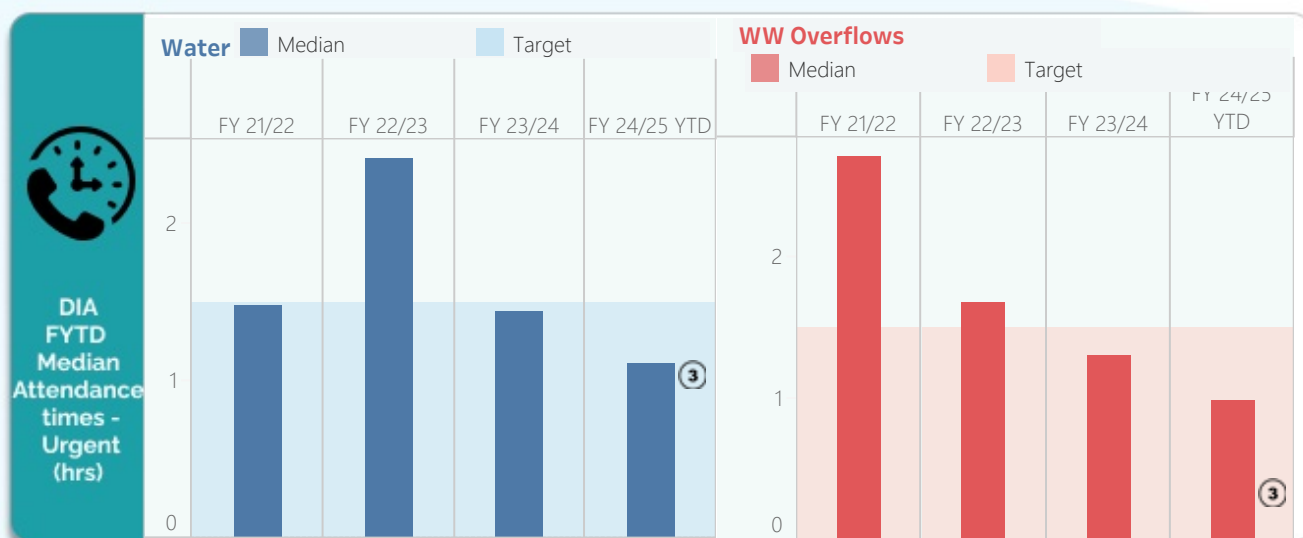
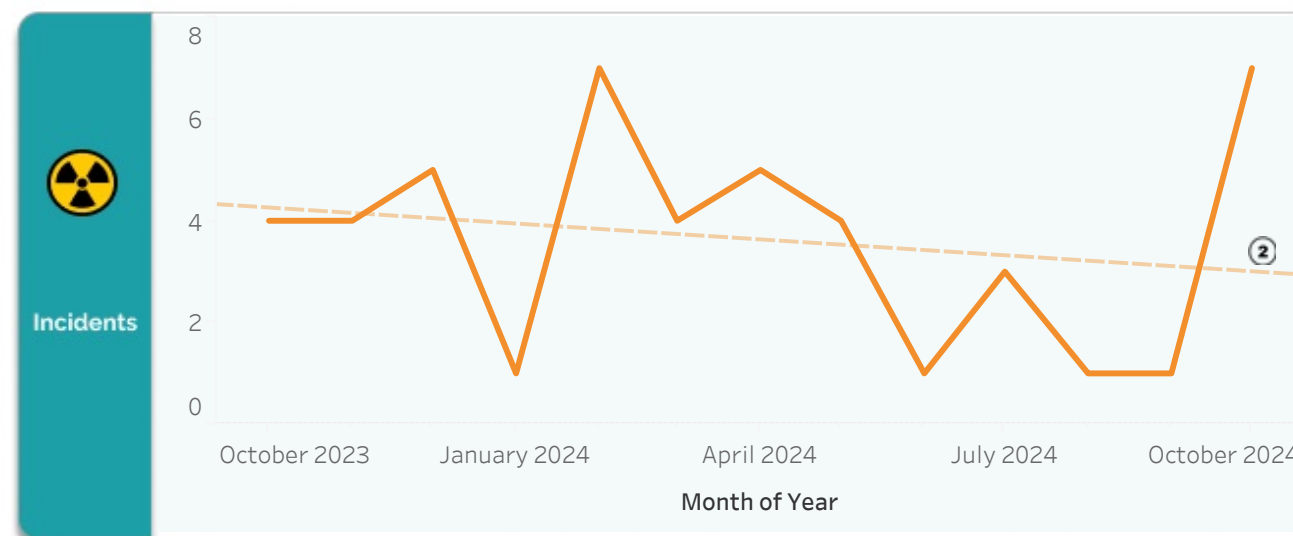
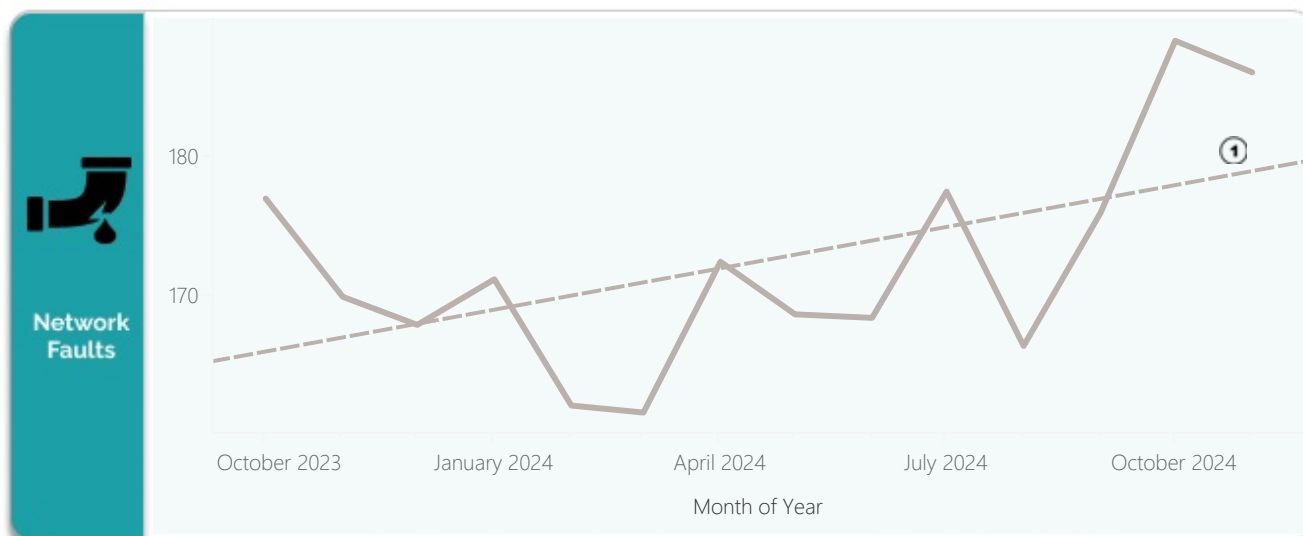
*(V) The average satisfaction rate over the last 6 months was 69%. Customer satisfaction with WWL's urgent job responses remained consistently high. Satisfaction with non-urgent job responses also showed steady improvement, averaging 67% in recent months.*

*(VI) In November, the prompt response to urgent complaints, contacting customers within 15 minutes continued its upwards trend remaining well above target.*

\* Note that Health and Safety is reported on a regional level. \*Also note that Report provides a snapshot in time. Analysis Date: 04/12/24



November Operations Report\* - PCC  
CUSTOMER OPERATIONS GROUP

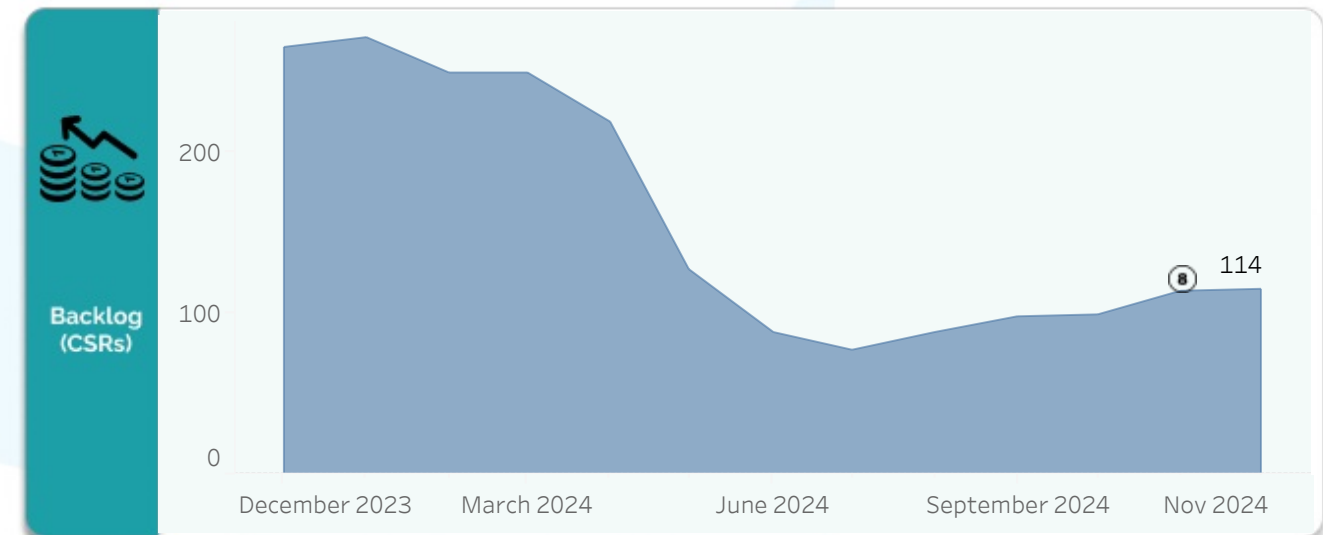
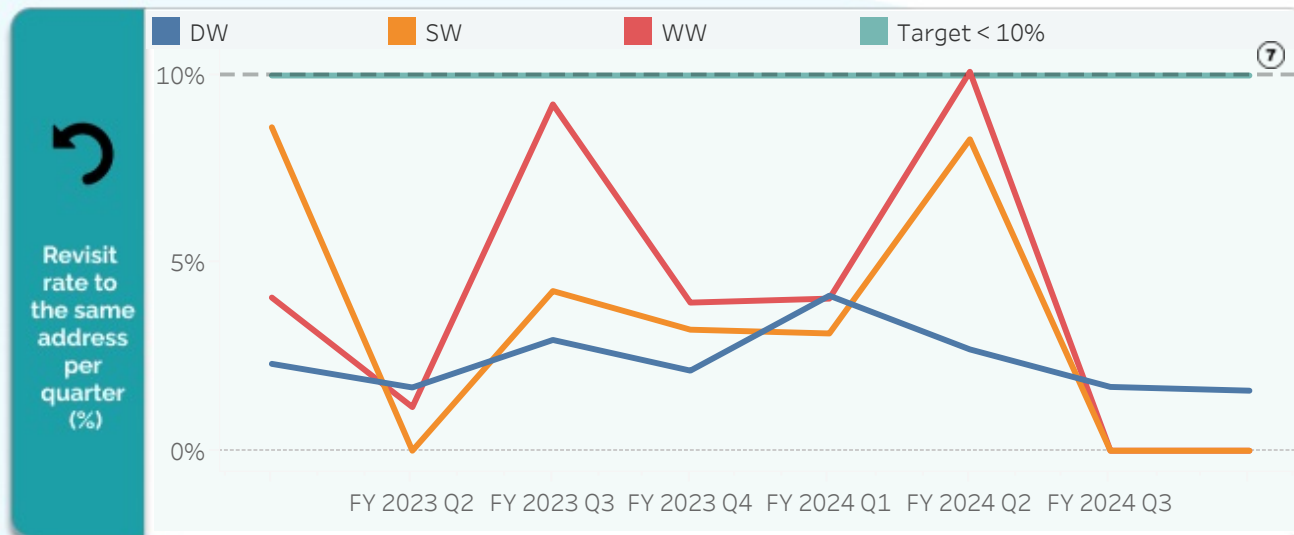
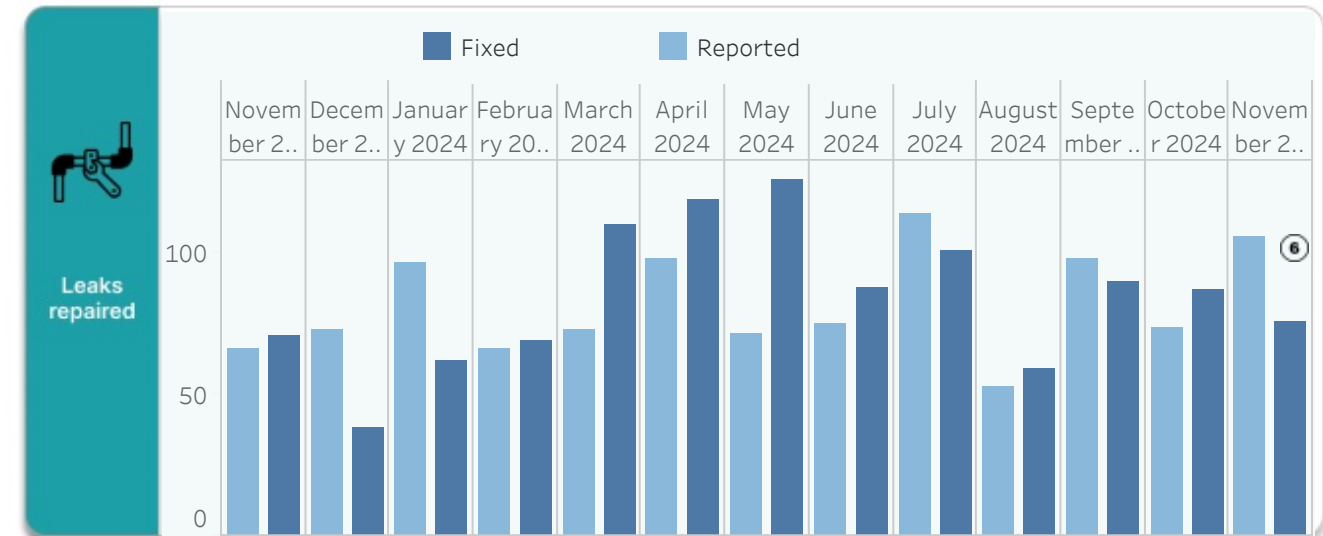
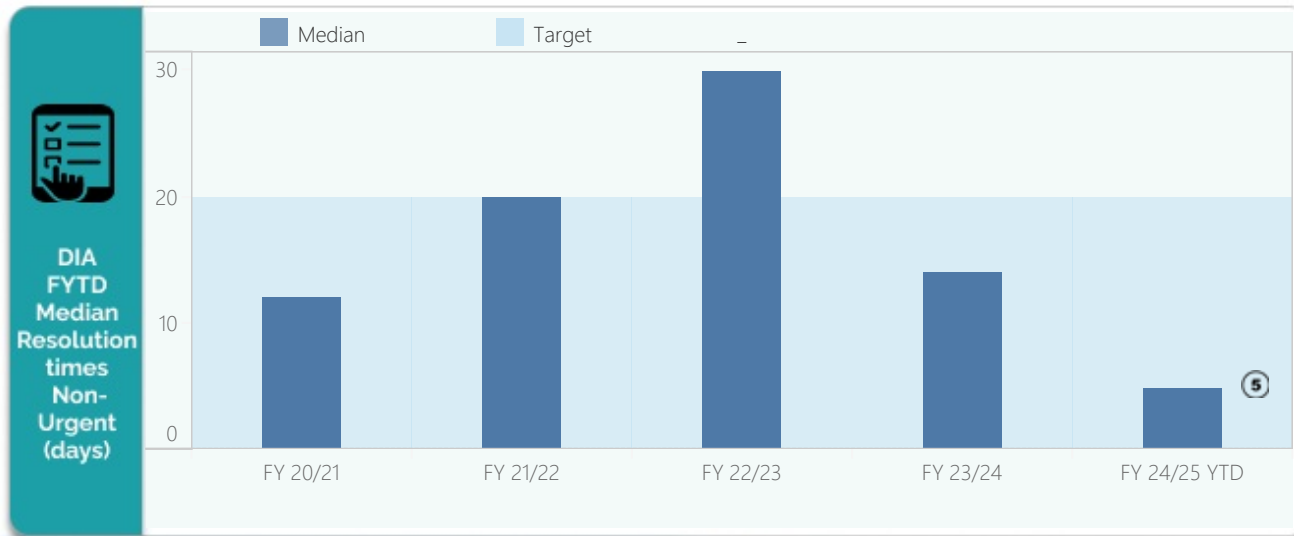


- Insights**
- ① Over the past 12 months, the trend shows a consistent upward momentum in Network Faults.
  - ② Over the past 12 months, the trend shows a slightly downward momentum in Incidents reported
  - ③ Progress in responding to urgent jobs is on track.
  - ④ Progress in resolving urgent jobs is on track.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



November Operations Report\* - PCC  
CUSTOMER OPERATIONS GROUP



- 5** Progress in resolving non-urgent water jobs is on track.
- 6** Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 980 leaks. Additionally, we have reinstated approximately 59% of those leaks requiring permanent reinstatement. In November, we fixed over 75 leaks, an increase from the previous month.
- 7** 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. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.
- 8** The current backlog of open CSRs stands at approximately 110 - with a peak in January of approximately 270. Since then, we have observed a decline, attributed to funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24





# November Operations Report \* - UHCC

CUSTOMER OPERATIONS GROUP

## HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) \*

|  |  |   |   |   |   |
|--|--|---|---|---|---|
| <p><b>0</b><br/>Rolling SIFR<br/>0- from prev month<br/>Target &lt; 10</p> | <p><b>2.7</b><br/>Rolling TRIFR<br/>0- from prev month<br/>Target &lt; 5</p> | <p><b>0</b><br/>High/Extreme<br/>0- from prev month<br/>0 YTD</p> | <p><b>5</b><br/>Near Misses<br/>0- from prev month<br/>21 YTD</p> | <p><b>0</b><br/>Notifiable incidents<br/>0- from prev month<br/>0 YTD</p> | <p><b>2</b><br/>Life saving rule breaches<br/>0- from prev month<br/>13 YTD</p> |
|--|--|---|---|---|---|

**Injury Frequency Rate (TFIFR)**

In November, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings.

Additionally, two life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

H & S LEAD INDICATORS \*

**12**  
Safety Improvements  
9▼ from prev month  
59 YTD

*In November, there were 12 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.*

**30**  
CAMs cases raised  
8▲ from prev month  
167 YTD

*In November, 30 CAMs (H & S recording and reporting system) cases were raised.*

**(I) Customer Service Requests**

**(II) Complaints Received**

**(III) Compliments Received**

**(IV) CSR Duplicate rate**

(I) Historical data reveals a recurring seasonal trend with Customer Service Requests with peak periods resulting during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks.  
 (II) Customer complaints decreased from the previous month.  
 (III) No compliments received in November.  
 (IV) In November, duplicates rate was 27%.

CUSTOMER ACTIVITY

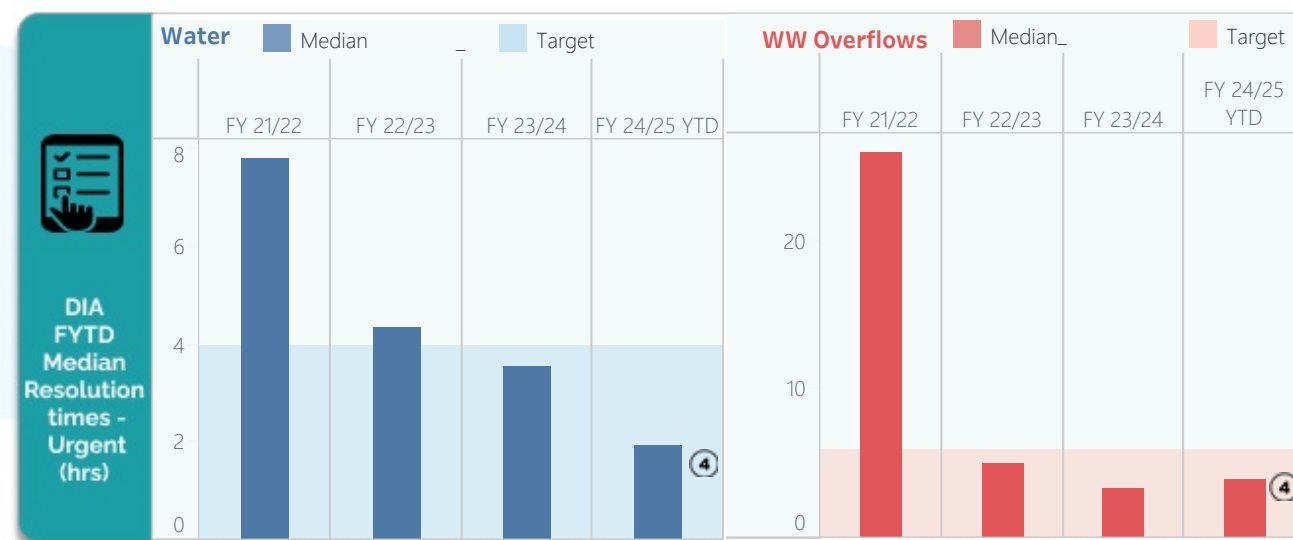
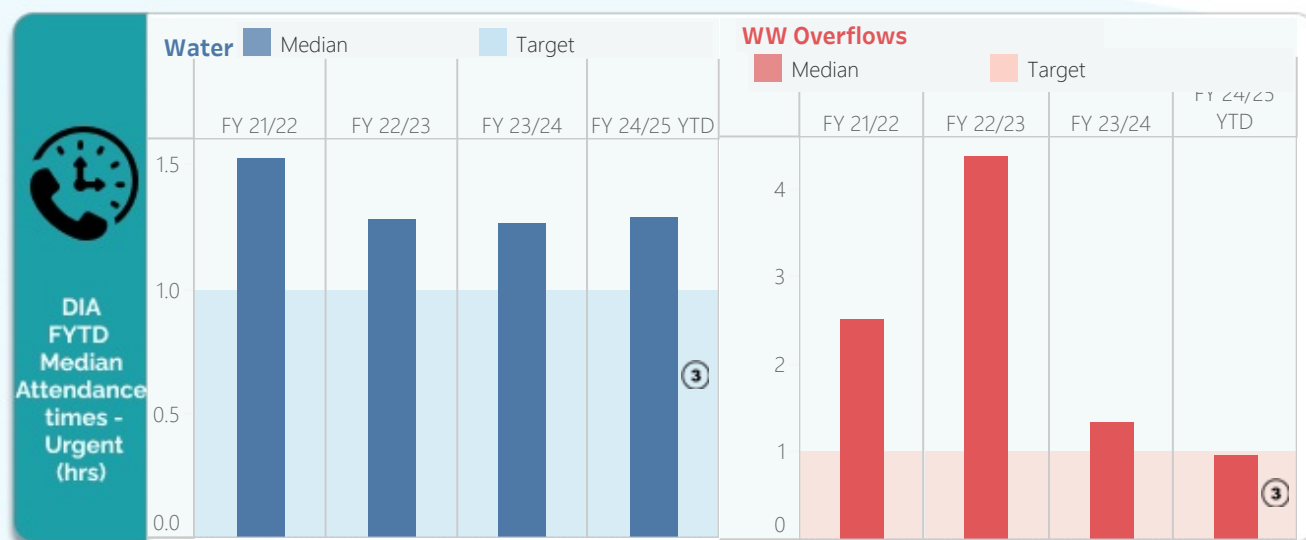
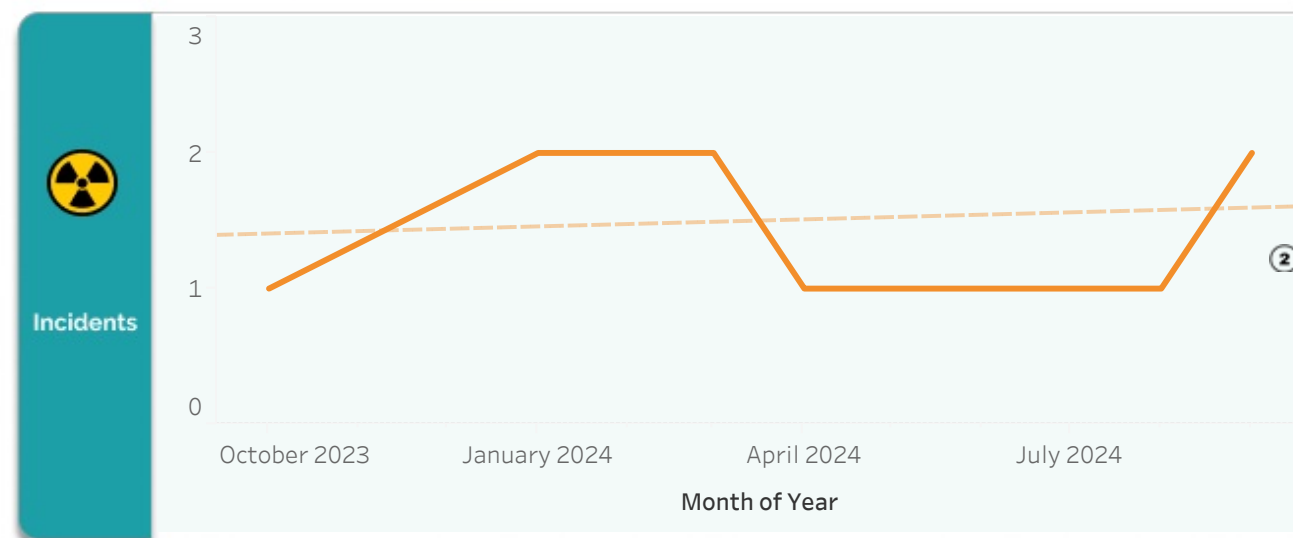
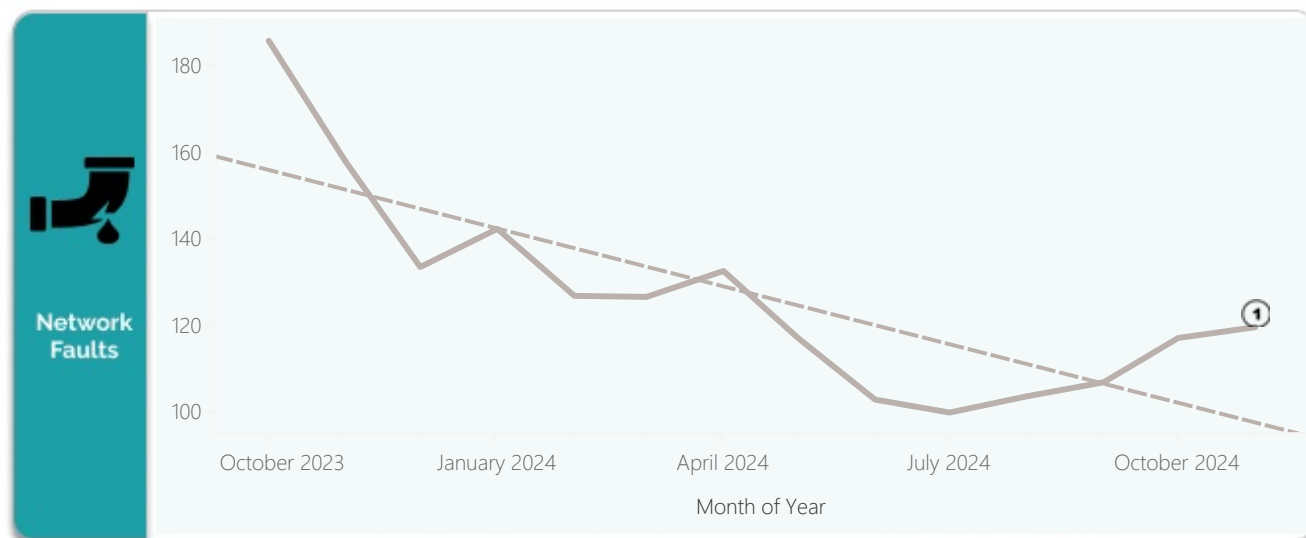
CUSTOMER SATISFACTION

**(V) Customer Satisfaction**

**(VI) Customer contact within 15 mins (Median)**

(V) Over the last six months, customer satisfaction has shown substantial improvement, averaging 71% with a notable increase from 33% in January to a peak of 88% in August. The decline observed in October is likely due to a low sample size for that month.  
 (VI) In November, we upheld our excellence in urgent complaint resolution by contacting all customers within 15 minutes of raising an urgent complaint.

\*Note that Health and Safety is reported on a regional level. \*Also note that Report provides a snapshot in time. Analysis Date: 04/12/24

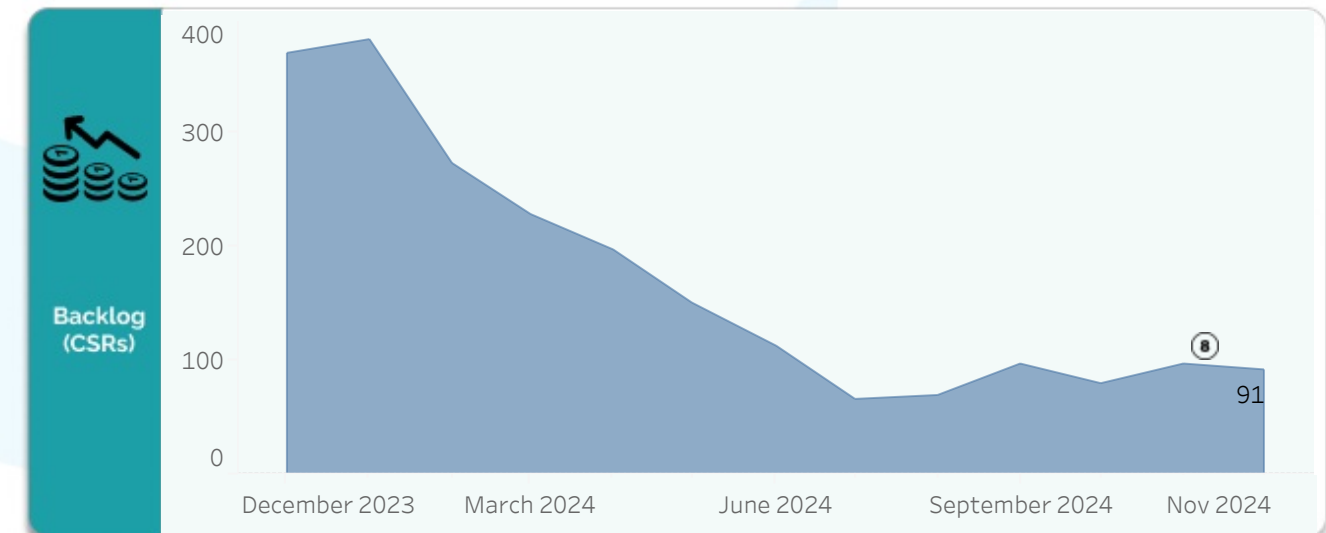
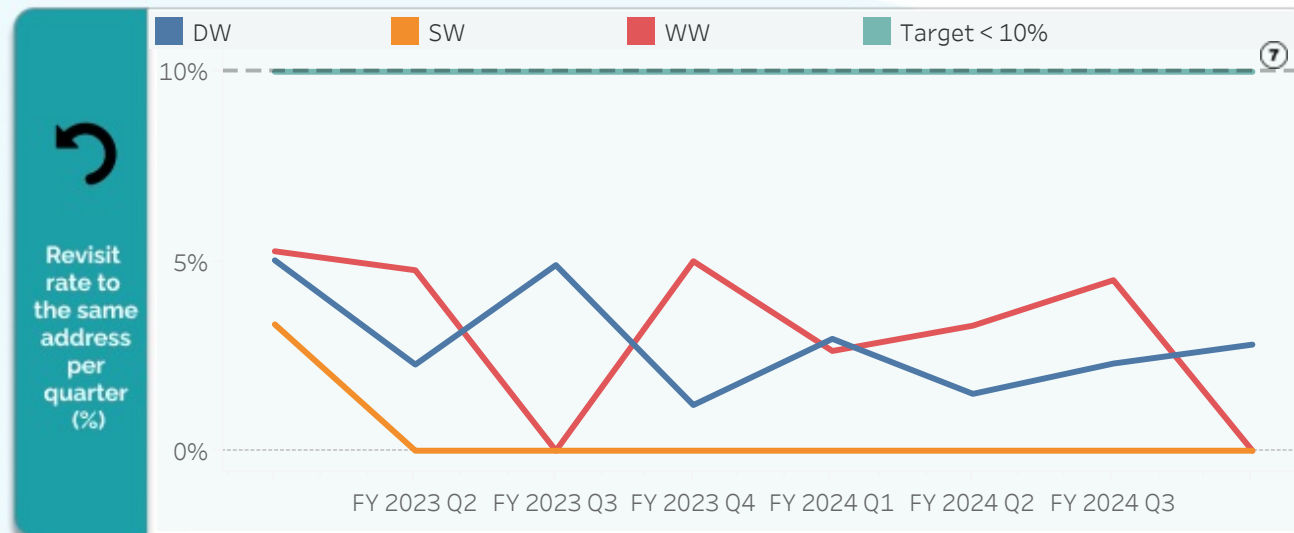
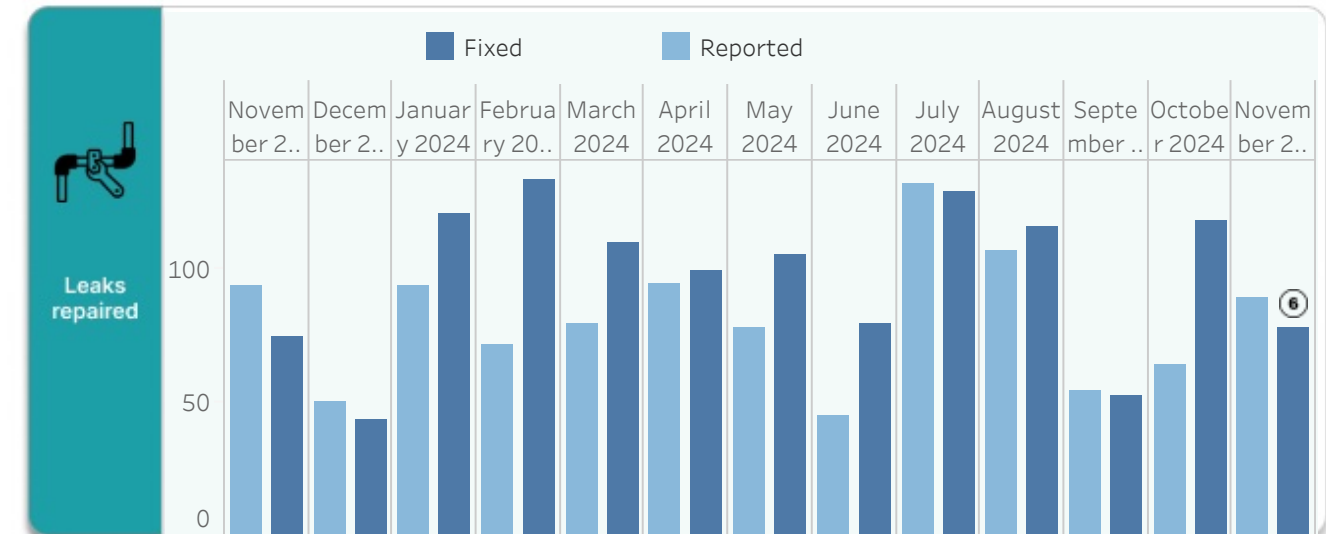
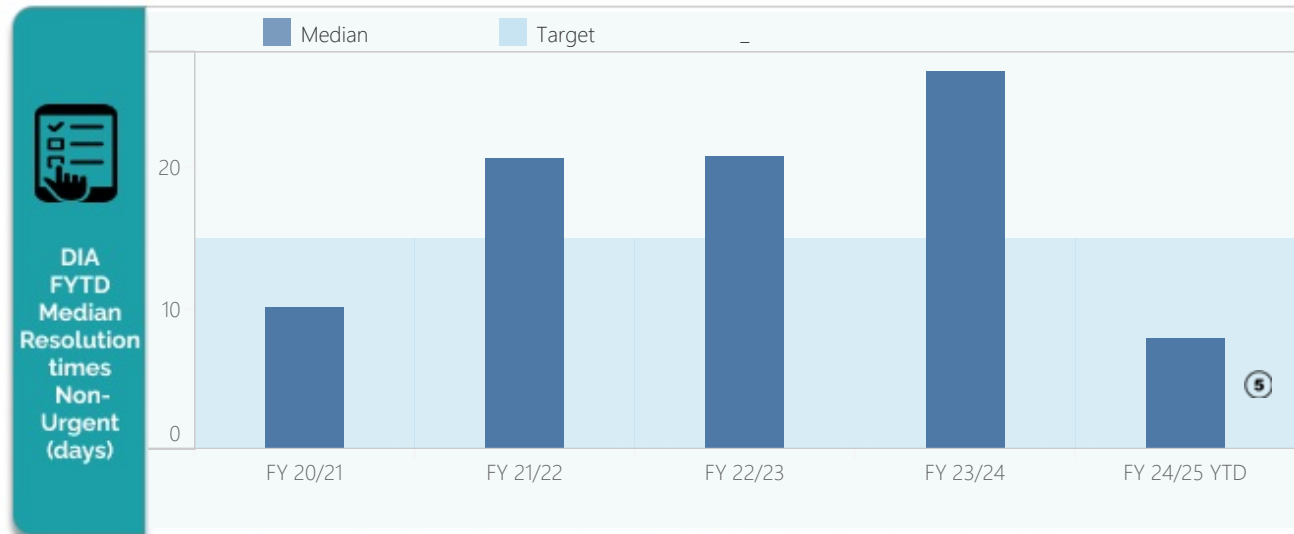


- Insights**
- ① Over the past 12 months, there has been a downward trend in Network Faults, largely due to a decrease in reported CSRs during the wetter months. However, as we transition into the drier months, we expect an upward trend in network faults.
  - ② 3 incidents recorded so far in FY 24/25
  - ③ Attendance within SLAs remains a challenge due to the SLAs not being closely tied to the fiscal envelope. However, we have improved over the past few years showcasing our unwavering commitment to customer safety and prompt resolution of high-priority concerns.
  - ④ Resolution within SLAs is on track

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



November Operations Report\* - UHCC  
CUSTOMER OPERATIONS GROUP



- 5** Progress in resolving non-urgent water jobs is on track
- 6** Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 1100 leaks. Additionally, we have reinstated approximately 49% of those leaks requiring permanent reinstatement. In November, we fixed over 75 leaks, an increase from the previous month.
- 7** 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. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.
- 8** The current backlog of open CSRs stands at approximately 90 - with a peak in January of approximately 380. Since then, we have observed a decline, attributed to recent funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



# November Operations Report \* - SWDC

CUSTOMER OPERATIONS GROUP

## HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) \*



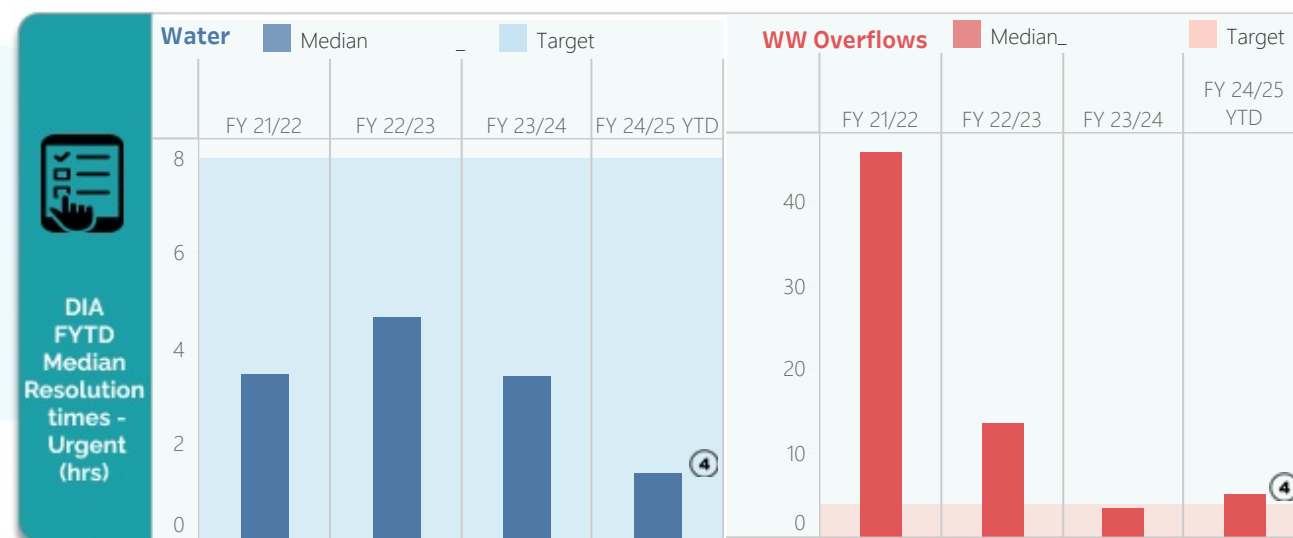
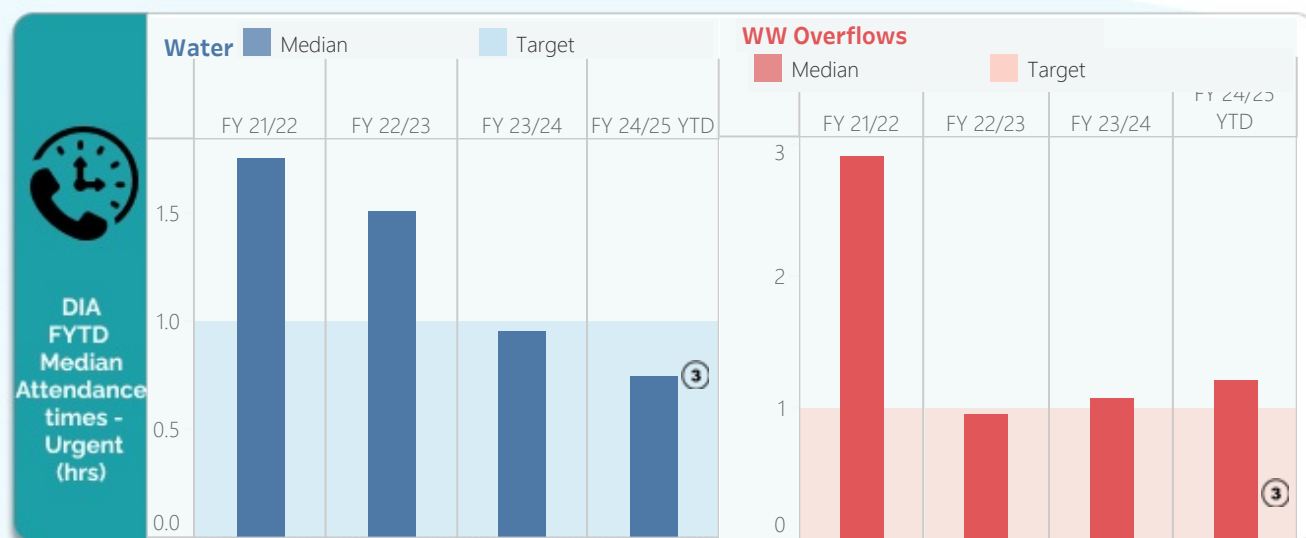
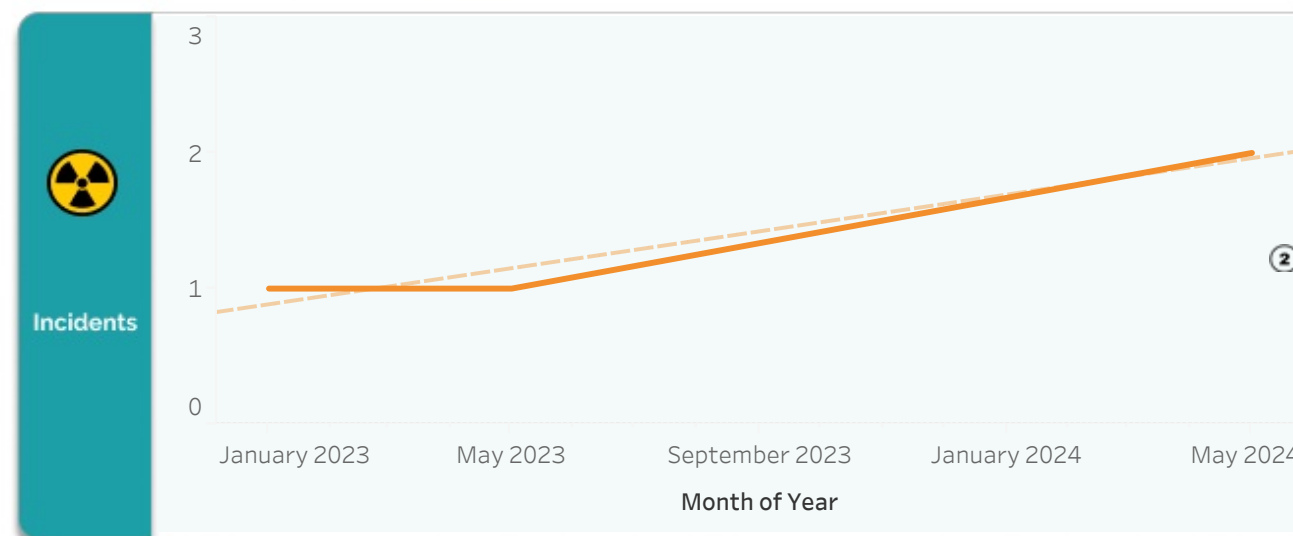
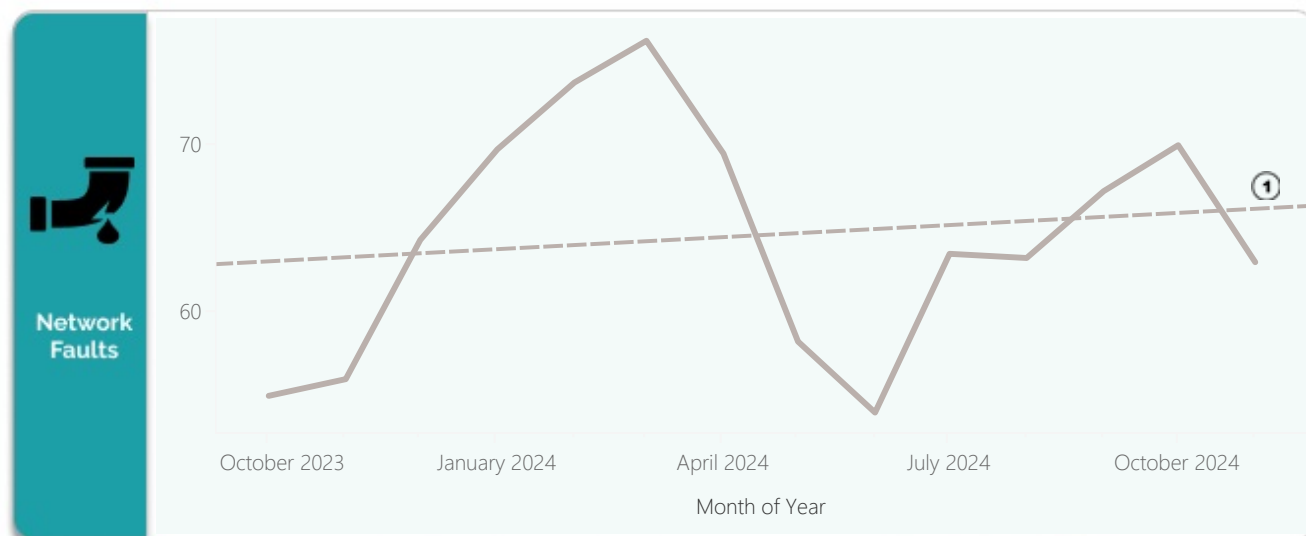
H & S LEAD INDICATORS \*



CUSTOMER SATISFACTION



\*Note that Health and Safety is reported on a regional level. \*Also note that Report provides a snapshot in time. Analysis Date: 04/12/24

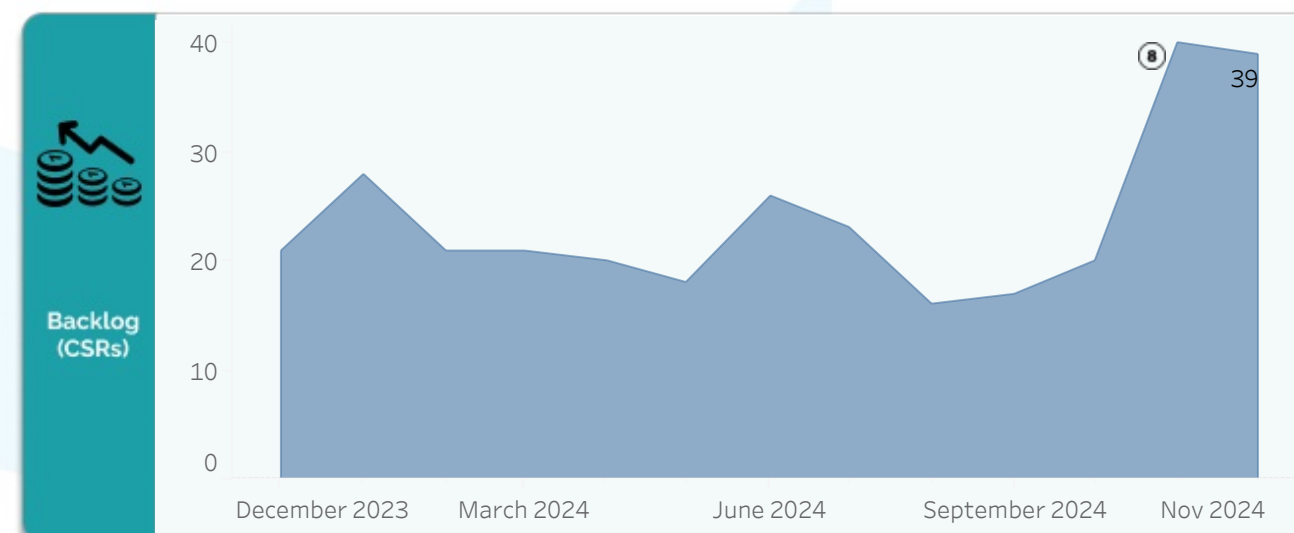
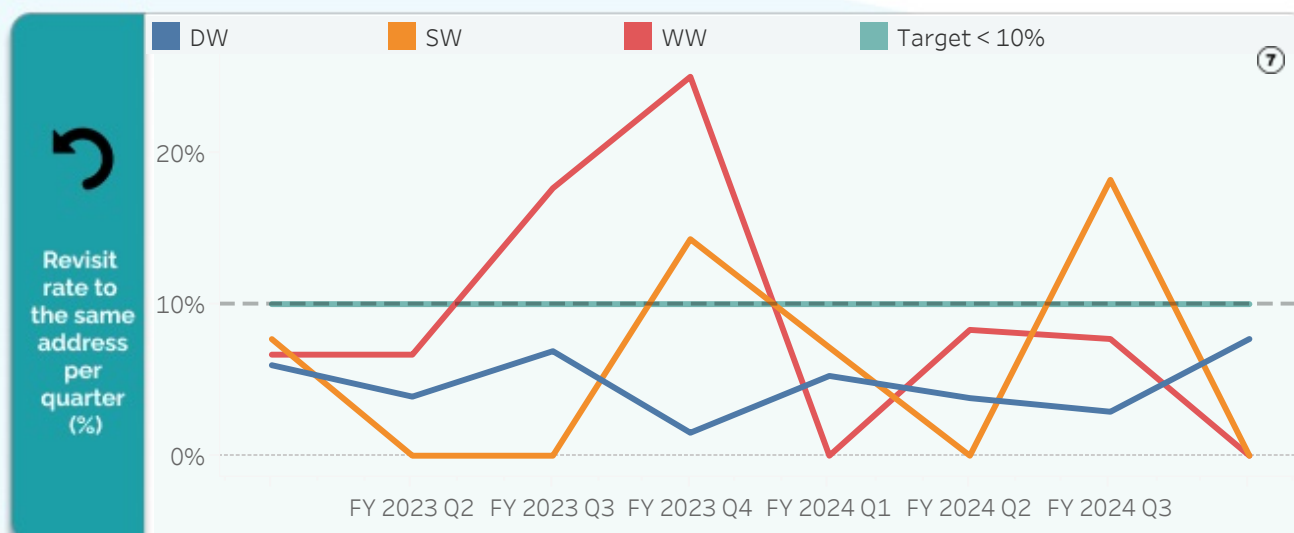
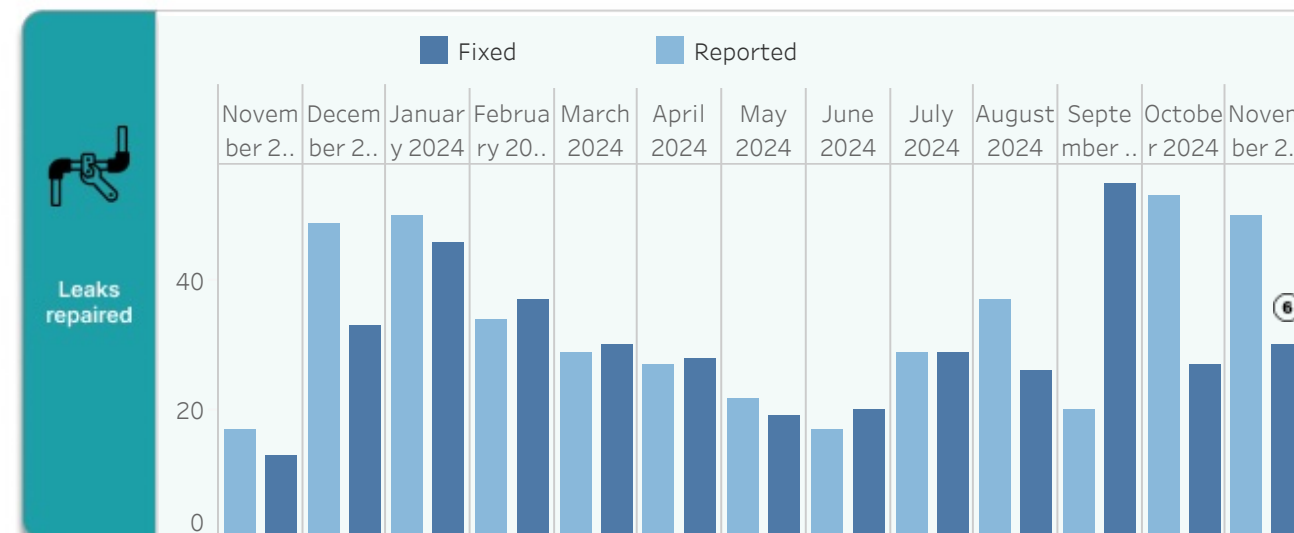
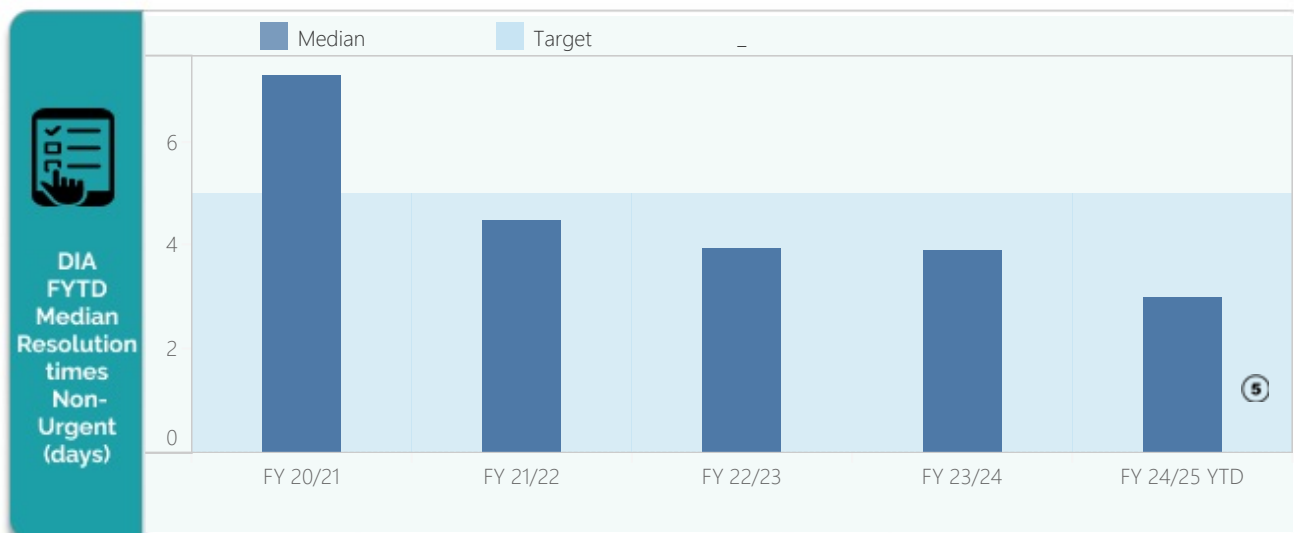


- Insights**
- ① Over the past 12 months, there has been an upward trend in Network Faults.
  - ② No incidents to report on so far this FY. The last incident recorded was in May.
  - ③ Progress in responding to urgent jobs is on track for water.
  - ④ Progress in resolving urgent jobs is on track for water.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24











November Operations Report\* - SWDC  
CUSTOMER OPERATIONS GROUP



- ⑤ Progress in resolving non-urgent water jobs is on track.
- ⑥ Since 1 Jan this year we have fixed over 345 leaks. Additionally, we have reinstated approximately 67% of those leaks requiring permanent reinstatement. In November, we fixed 30 leaks.
- ⑦ 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. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.
- ⑧ The current backlog of open CSRs stands at 39.

\*Note that Report provides a snapshot in time. Analysis Date: 04/12/24



## Wellington Metropolitan Water Treatment Plants – October 2024




| Water Treatment plants | Comments   | Safe drinking water   | Fluoride  |
|------------------------|--|---|---|
| Waterloo*              | Waterloo WTP is non-compliant with the Water Services Authority bacterial compliance rules*. This issue does not affect drinking water safety. The WTP is compliant with the Authority's Protozoal compliance rules. Work is currently underway to address the network configuration issue.<br>Waterloo has fluoridated the drinking water within MoH's recommended levels 97.6% of the time. The low fluoride level was due to treatment plant shutdowns and unplanned maintenance. |    |    |
| Wainuiomata            | Wainuiomata WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules.<br>Wainuiomata has fluoridated the drinking water within MoH's recommended levels 95.8% of the time.  |    |    |
| Te Mārua               | Te Marua WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules.<br>Te Mārua has fluoridated the drinking water within MoH's recommendation levels 99.9% of the time.<br>The DAF project is going well with commissioning of the first DAF train underway   |   |   |
| Gear Island            | Gear Isl WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules.<br>Gear Island has fluoridated the drinking water within MoH's recommended levels 97.7% of the time.   |  |  |

-  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.

## Supply and long-term drought resilience - October 2024

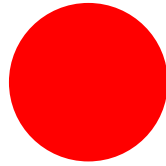
| Supply risk                           | Comments  | Risk level  |
|---------------------------------------|---|---|
| Short term supply                     | The Wellington Region moved to Level 1 restrictions on the 29/09/24   |  |
| Long term supply (drought resilience) | Increased leakage and the 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 – October 2024



**Current status: Non-compliant**

## Commentary

The plant remains non-compliant for suspended solids (90th percentile limit) and faecal coliforms (90-day geomean and 90th percentile limits). (see Items of significance)

## Discharges

There was one consented wet weather discharge on 14 October.

## Odour

There was one odour complaint in October relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant.

## Abatement Notice issued

GWRC issued an Abatement requiring the third and final phase of the IPS Riser project to be completed by 31 March 2025.

## Items of significance:

### Effluent Compliance

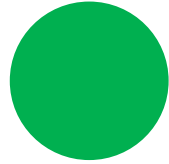
The return to service of clarifier #2 stabilised the biological process, although the refurbishment of clarifier #1 beginning in November will again reduce treatment capacity by a third. This may impact the process and timeline to compliance. The current daily results for suspended solids are trending back into compliance by end of December for both the 90-day geomean and 90th percentile limits. Daily results for faecal coliforms show spikes in results which is affecting the 90-day geomean and 90th percentile limits and are being investigated.

### Inlet Pump Station (IPS) Project

Physical works for the third and final phase of the IPS project began in October. This involves the remaining four of 10 riser pipes being replaced, along with four of the 10 submersible pumps, strengthening the IPS's resilience for high rainfall events.

# Porirua Wastewater Treatment Plant performance

Update – October 2024



**Current status:** Compliant

## Commentary

The plant is compliant for effluent quality.

## Discharges

No discharges in October.

## Odour Complaints

No odour complaints in October.

## Items of significance:

### UV Performance Issues

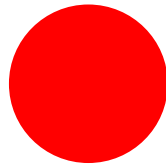
The project team continue to monitor the UV system to improve system resilience. The UV manufacturer is supporting this process. Changes made to date have improved UV performance during high volume flows. Additional monitoring is in place to identify the intermittent fault, and the system will continue to be closely monitored.

### Advisory Notice and Formal Warnings issued

GWRC issued an Advisory Notice relating to the UV system issues with required actions by selected dates to ensure the corrective changes are implemented to mitigate further discharges. Two Formal Warnings were issued relating to undisinfected discharges that occurred on 16 and 17 June 2024.

## Seaview Wastewater Treatment Plant performance

Update – October 2024



**Current status: Non-compliant**

### **Commentary:**

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

### **Discharges:**

There was one consented discharge on 14 October of fully treated effluent to the Waiwhetu Stream due to wet weather.

### **Odour Complaints**

The plant received 135 odour complaints in October. On three occasions GWRC deemed the odour Offensive and Objectionable.

### **Abatement Notice issued**

GWRC issued a To-do Abatement ensuring odour treatment installation to the milliscreen and sludge dryer buildings by 1 December 2025. This second stage of the Odour Treatment Project will be delivered by the same project team that delivered the biofilter project in October.

### **Items of significance:**

#### **Increase in Odour**

The increase in odour relates to mechanical failures with the sludge dryer and planned maintenance to the primary sedimentation tanks. The former resulted in biological process issues and solids buildup within the system. Work is ongoing to return the plant to normal operations with recent improvements to the process noted helping reduce the odour.

#### **Odour Treatment Project – Stage 1 complete**

The biofilter project to replace the “plenum” structure and upgrade cell isolation to improve odour management was completed in October, ahead of schedule.

## Seaview Wastewater Treatment Plant performance – Odour Treatment

Update – October 2024

### What has been completed:

Stage 1 works to optimize the biofilter have been completed.

The procurement strategy for Stage 2 works (the milliscreening ducting replacement and building air treatment) is complete.

### What is currently in progress:

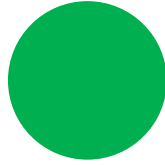
Design activities for the milliscreening ducting replacement and building air treatment are nearing completion.

Implementation planning procurement strategy is underway.

Odour scouting in the community continues.

## Western Wastewater Treatment Plant performance

Update – October 2024



**Current status: Compliant**

### **Commentary**

The plant is compliant for effluent quality.

### **Discharges**

There was one consented wet weather discharge to the Karori Stream on 14 October.

### **Odour complaints**




No odour complaints in October.

### **Items of significance:**



No items of significance currently.




## South Wairarapa Water Treatment Plants – October 2024

| Water Treatment plants | Comments  | Safe drinking water   | Fluoride                              |
|------------------------|---|---|---------------------------------------|
| Waiohine               | The Waiohine WTP 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, operators completing qualification requirements, and implementation of an asset maintenance recording system.      |    | Currently not yet mandated by the MoH |
| Memorial Park          | The Memorial Park WTP 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, operators completing qualification requirements, and implementation of an asset maintenance recording system. |    | Currently not yet mandated by the MoH |
| Martinborough          | The Martinborough WTP 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, operators completing qualification requirements, and implementation of an asset maintenance recording system. |   | 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, operators completing qualification requirements, and implementation of an asset maintenance recording system.               |  | Currently not yet mandated by the MoH |

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

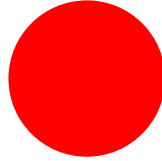
## Supply and long-term drought resilience October 2024

| Supply risk                           | Comments  | Risk level  |
|---------------------------------------|---|---|
| Short term supply                     | The South Wairarapa region is at Level 1 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

## Greytown Wastewater Treatment Plant performance

Period – Oct 2024



**Current status:** Non-compliant

### 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.**

A compliance upgrade project is currently underway (excluding growth). The plant is already operating beyond its design loading capacity and so new connections have been paused.

Funding has been approved to complete a Growth-Capacity Study in conjunction with Martinborough's study.

The degree of desludging that will be achieved at Greytown is not yet determined. Further funding may be required to complete.

### Items of significance:

The 2024-2024 Annual Report was submitted to GWRC. Current plant design and processes are inadequate for the connected population, resulting in non-compliance (specifically related to nutrient concentrations in the effluent).

New connections have been paused while a Growth-Capacity study is undertaken to determine how to ensure the WWTP can operate compliantly with new connections.

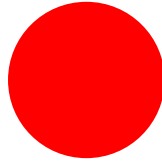
Wellington Water has repaired the Greytown leak and confirm that all flows are being treated and discharged via the consented discharge route. Existing public health advice remains in place along the Papawai Stream.

A site visit with mana whenua was held in October. Agreement was reached to develop Tangata Whenua Values Monitoring Plans via a workshop approach.



## Featherston Wastewater Treatment Plant performance

Period – Oct 2024



**Current status:** Non-compliant

### 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.

A response to GWRC's request for further information regarding the septic tank discharge incident was supplied. It is likely that further enforcement action will be forthcoming.

### Items of significance:

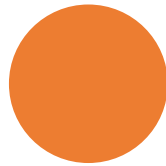
The plant's performance has recovered from a septage disposal incident in May-June.

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

GWRC have publicly notified the consent application in early October, allowing people to have their say on the proposal by making a submission.

## Lake Ferry Wastewater Treatment Plant performance

Period – Oct 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.

Early conversations suggest that the current scheme will require capital works because of consenting requirements.

More funding is required for the consent 2024-25 renewal project than currently allocated. The extra funding is required to prepare an adequate application and undertake community consultation.

### Items of significance:

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

Septic Tank cleanouts, filter cleaning, completed. The effect on effluent compliance will be assessed in coming months.

The treatment process is being tested and assessed for optimised operation.

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

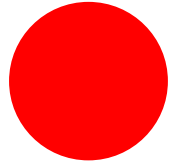
Projects underway:

Sodium Bicarbonate dosing improvements.

Optioneering dripline leaks – some repaired, more require repair

## Martinborough Wastewater Treatment Plant performance

Period – Oct 2024



**Current status:** Non-compliant

### Commentary:

In June 2024, a new 'To Do Abatement Notice' was issued for Martinborough, with a deadline of May 2025 to complete desludging. This superseded the May 2024 and August 2023 'To Do Abatement Notices', which in turn replaced 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.**

In 2024-25, WWL will undertake a WWTP Growth-Capacity study, to determine how the plant can be upgraded to service new connections. The completed network growth study shows no network issues within the study's horizon.

### Items of significance:

The 2024-2024 Annual Report was submitted to GWRC. Current plant design is insufficient to avoid non-compliance.

Effluent discharge rate to land continues to exceed current consent limits. Effluent volume and quality discharged to river continues to exceed the annual consent limits.

New connections have been paused while a Growth-Capacity study is undertaken to determine how to ensure the WWTP can operate compliantly with new connections.

Tenders have been received for the desludging works.

Work is progressing on the basis of design for the Stage 2A irrigation area as well as the Growth-Capacity Study. These two pieces of work are being developed together to ensure a cohesive solution is defined for the site.

## Company and Governance Update

**Appendix 3: Summary for councillors of papers to the Wellington Water Committee meeting, Friday 13 December 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 fifth in the 2024 calendar year. The next meeting is scheduled for 14 March 2025.

**Overview of papers**

4. Wellington Water items presented to the Committee this meeting are:
  - a. Company and Governance Update
  - b. Annual Plan Advice
  - c. Organisational Capability Plan
  - d. Acute Water Shortage Risk
  - e. Water Metering Programme update

***Wellington Water Company and Governance Update***

5. This paper covers: key governance conversations and actions; Committee priorities; and Operational achievements and issues since the last meeting.
6. There is a summary of performance in the first quarter.
7. **Regulatory performance:** The company is working closely with Taumata Arowai on planning for the summer risk, and working with GWRC on Seaview compliance issues. Treatment plant dashboards (for drinking and wastewater) are attached to the report.
8. **People:** The paper notes that the company is consulting staff on a restructure proposal with the aim of implementing a more orthodox structure with clearer lines of responsibilities.
9. **Operational delivery:** Reports are 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.
10. **Capital delivery:** At the end of Q1 we are halfway to meeting our 2024/25 target for meters of pipe constructed.
11. **Treatment plants:** The report notes that five of the region's wastewater treatment plants are currently non-compliant for wastewater quality or odour. Details are provided in an appendix. We are working with councils and communities on how to minimise impacts.
12. **Growth:** We are working with council officers to understand current and future state in relation to growth and are assisting with growth projects and policy development.
13. **Environmental Water Quality:** We are preparing for hearings on GWRC's Plan Change 1 to the Natural Resources Plan, and working to set a consent strategy for network discharges which would transition into the structure of a new water entity.

### Company and Governance Update

14. **Technology systems:** We continue with procurement for the end-of-life systems, and are exploring options for funding the investment that would set up the new regional entity for success.

#### ***Annual Plan Advice***

15. The paper notes that advice has been provided to SWDC for their LTP for 2025-2034 and to other councils to assist them with developing their Annual Plan for 2025/26. This advice sets out the recommended investment in capital and operational programmes, and requests additional funding to enable necessary improvements in WWL's systems and organisational capability.

#### ***Organisational Capability Plan***

16. The paper provides an update on implementation of the Organisational Capability Plan (endorsed by the Committee in September for prioritisation and inclusion in individual council annual plan processes).

#### ***Acute Water Shortage Risk***

17. The paper provides an update on water loss reduction activities and notes that WWL has achieved the requirement set by Taumata Arowai for the summer of 24/25 of removing the chance of an acute water shortage occurring and reducing the risk of Level 4 restrictions to a 'negligible' chance.

#### ***Water Metering Programme update***

18. There is an update on progress with establishing the water metering programme.



# Komiti Ngā Wai Hangarua Wellington Water Committee

05 December 2024

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Report no: WWC2024/5/115

## Annual Plan Advice

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### Recommendation

That the Committee receives and notes the report.

### Appendices

| No.                 | Title                      | Page |
|---------------------|----------------------------|------|
| 1 <a href="#">↓</a> | Annual Plan Advice 2025/26 | 63   |

**Author:** Wellington Water Limited

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## Wellington Water Committee | Komiti Ngā Wai Hangarua

13 December 2024

File: ()

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Report no:

### Annual Plan 2025/26 Advice

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#### Purpose of Report

1. This paper is to provide the Committee with an overview of the advice from Wellington Water to councils for their Annual Plans and SWDC's Long-Term Plan that includes increases in investment in capital programmes, operational programmes and Wellington Water's corporate and capability building costs.

#### Recommendations

That the Committee:

- (i) Notes the report

#### Background

2. Every year, Wellington Water provides advice to councils on either the full investment needs for their Long-Term Plan or proposed adjustments within their Annual Plan.
3. In response to the independent review into Wellington Water's capital programme estimation and budgeting systems (the Review), Wellington Water's budget planning cycle has been brought forward to start at the same time as the annual and long-term planning for Councils, with an increased focus on outcomes and transparency.
4. We have now developed and delivered initial Stage 1 advice to councils to assist them with their Annual Plans. For SWDC this advice is for their Long-Term Plan for 2025-2034. We will incorporate feedback from councils and refine Stage 2 advice by February 2025 (for public consultation where required).
5. Each council's capital delivery and operational programmes have been reviewed and updated, forming the basis of the three waters advice.
6. An assessment of the level of corporate budget required to address recommendations out of the Review (the Organisational Capability Plan) to lift performance, enhance controls and assurance, improve operational effectiveness, identify value for money opportunities, and strengthen culture and ways of working has been completed. The plan

Page 3

aims to consolidate all necessary activities over the next two years, ensuring Wellington Water has the right capability to deliver on councils' capital delivery programme and three waters services while preparing for transition to a new entity. Steps are being taken on urgent changes to build internal capability and reduce reliance on consultants.

### **Expert Advice**

7. Deloitte were engaged earlier in the year to support the documentation of the Long-Term Plan corporate cost development process as recommended in the Review and to check and validate that the identified \$51m gap in funding was correct.
8. Deloitte were engaged again to review and validate the key assumptions and methodologies adopted for developing the Corporate Cost budget, the Capex programme budget, and the Opex programme budget for 2025/26.
9. Deloitte has recommended that WWL move to a simpler percentage allocation of corporate costs; develop a plan for a wash-up process at the end of the financial year; and implement better version controls and quality assurance checks on spreadsheets. These recommendations will start to be implemented in coming months. At Stage Two advice, corporate costs will be shown separately to provide better transparency.

### **Discussion**

#### **Advice on Three Water Assets and Services**

10. Our advice updates the triennium and 10-year views of the approved Long Term Plan capital investment plan to reflect current knowledge of programmes and any recommended changes. We also provide advice on current issues and risks potentially requiring additional capital investment as well as providing insights on progress of network renewal activity.
11. The direction of our advice to councils for three waters assets and services is a continuation of what was agreed for the 2024-34 LTP, where we recommended additional investment in the areas below, outlining the outcomes being sought and the risks of not investing:
  - (i) increasing investment in renewals to address backlogs over a 30-year period and reduce them to a long-term sustainable level,
  - (ii) regional alignment to address the critical water supply risk, with coordinated investments in storage, metering, and leak repairs, and
  - (iii) ensuring investment to meet increasing regulatory requirements, with a focus on Waste Water Treatment Plants.
12. The three water networks of all Councils are experiencing increasing rates of failures indicating network fault runaway. In order to respond to this, Wellington Water is recommending all Councils provide increased levels of reactive capex to meet the anticipated need.
13. Advice on the required operational investments focuses on what is necessary to be compliant, meet Councils' stated levels of service and to continue to make progress on finding and fixing leaks and identifies areas where Operational funding provided in the LTPs will not meet these investment requirements.

#### **Advice on Uplifting Capability**

14. Our shareholding councils have been clear in their expectations of us to demonstrate value for money and find efficiencies and improvements to the way we deliver water services for their communities. We need to show councils we are financially prudent and a 'smart purchaser' of services on their behalf.
15. Additionally, findings in the Review highlighted significant capability improvements



needed to prevent errors from reoccurring and lift our organisation's maturity to better deliver on our responsibilities to our councils.

16. Significant investment is also needed to implement core technology systems and improvements that are required for any effective and efficient water utility organisation. This was also highlighted in the Review.
17. Wellington Water has been waiting on planned reforms for several years and accordingly deferred investment in organisational capability, maturity, and technological systems all of which are now far behind where they need to be. Wellington Water is not right sized for the work that we need to deliver for our shareholders or to deal with the challenges the region faces with water infrastructure. Our programme of work and responsibility has grown over the past ten years but the investment into the organisation to support this work has not. For example, in FY2018/19 we were responsible for a capital programme of \$65M. and in FY2023/24 we were responsible for a capital programme of \$329M. That's a 400% increase in delivery in five years, but investment in corporate support, systems, and processes has not kept pace.
18. To support this increase in work we have over the years relied heavily on our consultants and suppliers and an outsourcing model. This has raised concerns with our shareholders around value for money.
19. Additionally, we haven't communicated our organisational need or position well over many years. We are doing this differently this year and for future years.
20. We have been making rapid and immediate changes over the past few months to address councils' concerns and meet expectations. We are making fundamental changes to the way we work. We are shifting to a 'value-add' mindset in how we deliver water services. This is about:
  - (i) building internal capability to deliver our work instead of outsourcing work, which is cheaper and more efficient;
  - (ii) retaining knowledge and control of our information;
  - (iii) maturing our approach to managing our contracts; and
  - (iv) increasing capability so we can proactively look for and implement efficiencies across the organisation.
21. Urgently increasing our corporate capability is vital to deliver councils' operational and capital programmes - not doing so will open us up to risks of errors and issues, like the recent cost estimation error, reoccurring.
22. The Wellington Water Committee on 27 September 2024 endorsed system investment as a critical enabler; endorsed in principle that investment in 'end of life systems', integrated asset and financial systems, and customer systems is required to enable the effective and efficient functioning of Wellington Water; and endorsed the Draft Organisational Capability Plan for prioritisation and inclusion in individual council annual plan processes.
23. We are incurring costs for implementing the Organisational Capability Plan in this financial year which is putting pressure on our budgets. Rather than request additional funding we are trying to manage this within budget, although it may result in reducing the retained earnings next year below the \$2m we have worked within to date.

#### *Systems and technology*

24. The most important funding request is for the required technology investment for critical 'end of life systems', integrated asset and financial systems, and customer systems - this is estimated to be \$37.5m (including contingency) over two financial years, with an ongoing estimated operating cost of \$4-\$5m per annum (and noting that the operating costs begin to be incurred in the year the systems are implemented). The cost for FY25/26 is

estimated to be \$26.8m (based on \$26.4m implementation and \$0.4m operating costs), including contingency.

25. Notable benefits of this investment include: mitigation of significant operational and cyber risk; the ability to be more efficient in building, operating, and maintaining water assets and the services they deliver; increased control of data and less reliance on systems owned by suppliers, increased ability to monitor Wellington Water's operations and performance more effectively and be more transparent in its reporting on the delivery of safe, reliable, complaint and affordable drinking water, stormwater, and wastewater services.
26. Without investment in these systems there is ongoing risk of serious issues like the corporate cost estimation error. Wellington Water's efficiency and ability to report on performance is significantly hampered, and as systems come to end of life there is risk of losing core data sets and increased cyber risk.
27. We are working closely with the team developing the Regional Water Services Delivery Plan to ensure that this investment will be foundational to setting up a new entity for success.
28. The Committee asked WWL to provide advice to Councils on the prioritisation of technology systems investment upgrades versus investment in three waters assets. This prioritisation will be in our Stage 2 advice in early 2025.

#### *Corporate budget*

29. In 24/25 we reduced our corporate budget by 5% from our original advice in response to cost-cutting requirements from councils and at the time we agreed to flatline this budget for future years. On hindsight this was the wrong thing to do as we have undercut our ability to be an efficient organisation and has increased our reliance on consultants and contractors, which ultimately end up costing councils more in the long term. This year, we have revised the way we will deliver councils' capital and operational programmes for the upcoming years. As a result, we have reassessed our staffing needs and intend to find efficiency through bringing work in-house and reducing reliance on consultants and contractors.
30. We will hire staff directly to replace consultants for project work and delivery of three waters services. This will allow us to deliver this work internally for cheaper. We also intend to strengthen our corporate teams to respond to councils' expectation to be more efficient and effective and create two additional senior leadership roles. Some of these roles, over time, will also have an impact on reducing consultancy spend. We are doing further work on the overall cost savings this will represent, as well as the phasing of recruitment.
31. This increase in headcount, with flow-on increases in IT licences, accommodation, vehicles, consumables etc, plus continued high inflation of costs, means that our forecast corporate expenditure for 25/26 has increased by \$6.7m.
32. The majority of the additional expenditure (\$5.5m) will be allocated to the council capex and opex programmes, through the corporate cost allocation process, on the assumption that this additional cost will be at least offset by savings in those respective programmes (through the conversion of consultancy spend to employees).
33. The result of these changes is the request of an additional \$1.5m of Management and Advisory Services.
34. With regard to the corporate budget for FY27 (Year 3 of LTPs), we wish to bring to the Committee's attention that the budgets for FY25 & 26 were set on the basis that we would run at a deficit to bring retained earnings back to \$2m and a new entity was likely to be in place for future years. If there is not a new entity by then WWL would need a significant

uplift in funding (around \$4m) or take significant costs out of the organisation.

### *Organisational Capability Plan*

35. We are requesting that councils also fund up to \$6m in the 2025/26 year to lift capability to enable some of the maturity improvements recommended in the Review to: enhance controls and assurance; improve operational effectiveness; identify value for money opportunities; and strengthen culture and ways of working. The intention is to consolidate all necessary activities over the next two years, ensuring Wellington Water has the right capability to deliver on councils' capital delivery programme while preparing for transition to a new entity.
36. There is a separate paper that provides an update on the Organisational Capability Plan.

### Summary of capex investment advice

| Council      | FY25-26 Annual Plan CAPEX |                 |               | FY24-27 Triennium Plan CAPEX |                 |               |
|--------------|---------------------------|-----------------|---------------|------------------------------|-----------------|---------------|
|              | LTP<br>\$M                | Proposed<br>\$M | Change<br>\$M | LTP<br>\$M                   | Proposed<br>\$M | Change<br>\$M |
| GWRC         | 46.96                     | 55.91           | 8.95          | 184.10                       | 188.93          | 4.83          |
| HCC          | 105.30                    | 94.22           | -(11.08)      | 331.04                       | 345.27          | 14.23         |
| PCC          | 46.38                     | 57.29           | 10.91         | 158.19                       | 165.90          | 7.71          |
| SWDC*        | 0.00                      | 12.89           | 12.89         | 0.00                         | 0.00            | 0.00          |
| UHCC         | 9.42                      | 14.56           | 5.14          | 45.38                        | 44.66           | -(0.72)       |
| WCC          | 60.17                     | 59.55           | -(0.62)       | 190.61                       | 204.60          | 13.99         |
| <b>Total</b> | <b>268.23</b>             | <b>294.42</b>   | <b>26.19</b>  | <b>909.32</b>                | <b>949.36</b>   | <b>40.04</b>  |

#### Notes

- 1 - Excludes under consideration projects and programmes which is additional capital expenditure requested above proposed – over the triennium this is up to \$40m across the region
- 2 - SWDC were provided with 3 options for capex investment cap – this shows recommended amount
- 3- \*SWDC elected not to complete an LTP and therefore a funding comparison is not available, nor are there full triennium amounts.

### Summary of opex investment advice

| Council                   | FY25-26 Annual Plan OPEX |                 |               |
|---------------------------|--------------------------|-----------------|---------------|
|                           | LTP<br>\$M               | Proposed<br>\$M | Change<br>\$M |
| GWRC                      | 29.40                    | 32.13           | 2.73          |
| HCC                       | 37.50                    | 38.89           | 1.39          |
| PCC                       | 12.30                    | 16.60           | 4.30          |
| SWDC*                     | 0.00                     | 8.75            | 8.75          |
| UHCC                      | 9.91                     | 11.66           | 1.75          |
| WCC                       | 60.70                    | 69.23           | 8.53          |
| <b>Subtotal</b>           | <b>149.81</b>            | <b>177.26</b>   | <b>27.45</b>  |
| Technology                |                          | 26.80           | 26.80         |
| Organisational capability |                          | 6.00            | 6.00          |
| <b>Total</b>              |                          | <b>210.06</b>   | <b>60.25</b>  |

**Notes:**

- 1 - Opex programme not updated for FY26-27 and would remain as per the initial LTP adopted investment level.
- 2 - SWDC were provided with 3 options for opex investment cap – this shows recommended amount
- 3 - \*SWDC elected not to complete an LTP and therefore a funding comparison is not available
- 4 - Proposed amounts include the \$1.5m increase in the Management and Advisory Services fee to cover the additional expenditure noted under Corporate Budget (paragraphs 29-33)

**Next steps**

37. There are two further stages of advice proposed to be provided to Councils:
  - (i) Stage 2 (Feb) - Refinement of Stage 1 programmes, provided in support of Councils' potential need to adopt consultation materials.
  - (ii) Stage 3 (April / May) - Final advice of Opex and Capex programmes, provided in support of Councils' deliberations and adoption meetings in May and June. To include information about Active risks and Projected Level of Service resulting from the indicative funding decisions.
38. Work is underway to support GWRC to take a 'lead' role and debt fund the necessary investment in systems, charging interest to each metropolitan council via the bulk water levy mechanism.
39. WWL is working closely with the team developing the Regional Water Services Delivery Plan to ensure that any investment would have lasting benefit in building the foundations of a new WSCCO.

**Climate Change Impact and Considerations**

40. 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:** External Author (Wellington Water Ltd)  
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# Komiti Ngā Wai Hangarua Wellington Water Committee

05 December 2024

Report no: WWC2024/5/116

## Organisational Capability Plan

### Recommendation

It is recommended that the Committee:

- (1) notes the estimated costs to build organisational capability are being worked through. An unconstrained view of the investment needed to lift Wellington Water's capability has been included in annual planning advice to councils. This is in addition to the request for investment to procure and implement core technology systems; and
- (2) notes that regular quarterly reporting against the key deliverables in the Organisational Capability Plan will be provided to the Committee. The first quarterly report will be completed for Q2 2024/25 and will be presented to the Committee at its March 2025 meeting.

### Appendices

| No.            | Title   | Page |
|----------------|---|------|
| 1 <sup>↓</sup> | Wellington Water Limited Organisational Capability Plan 2024-26 | 70   |

**Author:** Wellington Water Limited



13 December 2024

File: ( )

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Report no:

## Wellington Water Organisational Capability Plan 2024-26

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### Purpose of Report

1. The purpose of this report is to provide the Committee with an update on Wellington Water's Organisational Capability Plan.

### Recommendations

2. It is recommended that the Committee:
  - a. **Notes** the estimated costs to build organisational capability are being worked through. An unconstrained view of the investment needed to lift Wellington Water's capability has been included in annual planning advice to councils. This is in addition to the request for investment to procure and implement core technology systems.
  - b. **Notes** regular quarterly reporting against the key deliverables in the Organisational Capability Plan will be provided to the Committee. The first quarterly report will be completed for Q2 2024/25 and will be presented to the Committee at its March 2025 meeting.

### Background

3. In response to the independent review into Wellington Water's Cost Estimation Error (the Review), on 26 July 2024, the Committee directed the Wellington Water Board to develop an implementation plan and assurance framework to address the identified shortfalls.
4. On 27 September 2024, the Committee approved Wellington Water's implementation plan - the *Organisational Capability Plan* (the Plan). The Plan looks to deliver on the recommendations from the Review and enhance controls and assurance, improve operational effectiveness, identify value for money opportunities, and strengthen culture and ways of working. A summary of the Plan is provided in Appendix 1.

### Overview of workstreams

5. The Plan is an unconstrained but practical view of the work required, covering a two-year timeframe, comprised of six workstreams:

| Workstream                       | Description of Key Areas of Focus  |
|----------------------------------|--|
| Accountability                   | Restructure the organisation so that accountabilities are clear, and capabilities can be substantially enhanced in the lead up to a new entity, ensuring value for money.  |
| Assurance                        | Establish effective risk management, align internal management with strategic goals, improve operational efficiency and compliance, and oversee the implementation of review recommendations.                        |
| Controls – Finance and Processes | Strengthen the overall control environment by creating and enhancing internal controls that support consistency and quality in financial and other capability, planning, processes and systems.                      |
| Responsibilities to shareholders | Rebuild the trust and confidence of shareholding councils in Wellington Water.   |
| Transition to new entity         | Prepare, support and engage in the transition to a new, larger entity.   |
| Ways of working                  | Embed organisational values and behaviours into daily practices, defining clearer leadership expectations, and adapting performance management to ensure accountability and to support a positive workplace culture. |

### Advancing the Organisational Capability Plan programme of work

6. When the findings from the Review and the Plan were socialised there were a number of immediate actions / quick wins that were identified, that were both critical and achievable, and could be completed with current or minor resourcing changes.

*What we have started immediately – quick wins:*

- a) Communicate the updated organisational strategy, purpose and outcomes (underway).
- b) Review our operating model and look at reorganising Wellington Water to create clearer roles, responsibilities, and accountabilities to deliver on our revised purpose and outcomes, and demonstrate value for money (underway).
- c) Plan and review contractor arrangements for value for money, efficiency, and effectiveness (improvements to the Alliance is underway; a high-level cost audit of our communications and engagement delivery model on capital projects has been completed and the decision has been made to bring this in-house); a provider to undertake an audit of our consultant and contractor panels has been engaged (underway).
- d) Fast-track the establishment of an integrated company annual planning and budgeting process and better align this with councils' annual planning and LTP cycles (underway).
- e) Regularly meet with CFOs to keep them informed of the planning process (underway). Meetings have been held in October and November.

- f) Complete a deep dive review into the initial numbers we provided councils around the impact of the corporate cost estimation error and to verify the numbers and understand if there were any further impacts on councils' programmes (completed).
- g) Document corporate cost development processes and identify improvements and next steps (completed externally by Deloitte and considered by the Audit Committee on 6 November).
- h) Additional capacity added to the Finance function and undertake a team restructure (completed).
- i) Document quality control processes for capital expenditure and operational expenditure and council requirements (underway).
- j) Investigation into procurement (costs/solutions) for end-of-life IT systems (completed and forms part of our 25/26 Annual Planning advice).  
The required technology investment for critical 'end of life systems', integrated asset and financial systems, and customer systems is estimated to be \$37.5m over two financial years, with an ongoing estimated operating cost of \$4-\$5m per annum (and noting that the operating costs begin to be incurred in the year the systems are implemented). The cost for FY25/26 is estimated to be \$26.8m (based on \$26.4m implementation and \$0.4m operating costs).  
This is the set of systems recommended to address the critical issues. These are also essential tools for a new regional water services council-controlled organisation
- k) Review current engagement approach with shareholding councils (underway).
- l) Establish internal and external centralised depositories for council reporting to allow us to make this information more accessible and transparent (underway).

#### **Feeding into the Annual Plan 2025/26 and signalling 2026/27**

- 7. We expect some key activities in the Plan to be partly funded in the 2024/25 by redirecting budget for current year activities based on a reprioritisation of activities.
- 8. The estimated costs to respond to lift capability are currently being worked through. Initial figures show a quantum of \$5-\$6m in the 2025/26 year is required to lift capability (in addition to the required technology investment). In addition, there would ongoing costs of around \$1m per year.
- 9. Consideration has been given to the amount of savings the proposed capability uplift will bring to councils. While efficiency, compliance and operational gains are likely, currently we are not able to quantify a dollar value to these.
- 10. We have included the full organisational capability uplift investment requirements in the annual planning advice to councils. Then based on the allocated investment we will reshape/resize the deliverables of the Plan accordingly.
- 11. This is covered in more detail in the Annual Plan Advice paper.

#### **Monitoring and Reporting**

- 12. The Wellington Water Board have expressed their intent to oversee the implementation of the Plan in detail, and expect satisfactory oversight, regular communication, and meaningful dialogue on its implementation.
- 13. We are committed to report quarterly on progress. The first report will be completed for Q2 2024/25 and will be presented to the Committee at its March 2025 meeting.

#### **Risks**

- 14. There is a significant risk that we will not receive the full level of funding required to uplift our capability and systems. Accordingly, all investment will need to be prioritised.



15. Without the required investment in capability and systems Wellington Water will not be able to make the necessary foundational improvements needed to successfully deliver on its responsibilities. In addition, without sufficient systems investment there is ongoing risk of serious issues like the corporate cost estimation error. Wellington Water's efficiency and ability to report on performance is also likely to be significantly hampered, and as systems come to end of life there is risk of losing core data sets and increased cyber risk.

#### **Climate Change Impact and Considerations**

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

#### **Appendices**

| <b>No.</b> | <b>Title</b>                             | <b>Page</b> |
|------------|--|-------------|
| 1          | Organisational Capability Plan on a Page |             |

**Author:** External Author (Wellington Water Ltd)

# Wellington Water

## Organisational Capability Plan

2024-2026

### Purpose of this plan

The organisational capability plan for Wellington Water is designed to enhance controls and assurance, improve operational effectiveness, identify value for money opportunities, and strengthen culture and ways of working. Though complex, the plan aims to consolidate all necessary activities over the next two years, ensuring the basics are done right while preparing for the transition to a new entity.

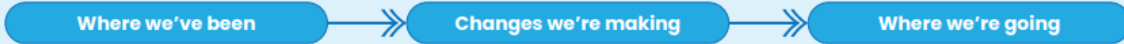
### Wellington Water Purpose Statement

Wellington Water exists so that people in the Wellington Region have safe, reliable, compliant and affordable drinking water, storm water and waste water services.


### Implementation

The Plan has


- immediate tasks to begin
- tasks to be undertaken in the 2024/2025 period
- tasks to be undertaken from 2025/2026 onwards.




### Internal and external drivers



Increasing cost pressures




Shifting regulatory and policy environment




Budget error leading to Review



Rising community expectations



Infrastructure challenges



Certainty needed over value for money

External review Wellington Water Limited capital programme estimating and budget systems

**WORKSTREAM 1: Accountability**

Restructure the organisation so that accountabilities are clear, and capabilities can be substantially enhanced in the lead up to a new entity, ensuring value for money.

**Value for Money Review:** VFM review of contractor delivery model.

**WORKSTREAM 2: Assurance**

Establish effective risk management practices, align internal management with strategic goals, improve operational efficiency and compliance, and oversee the implementation of review recommendations.

**WORKSTREAM 3: Controls – Finance and Processes**

Apply the COSO controls framework, which provides a comprehensive system for achieving effective internal controls by focusing on risk management, governance, and compliance across five integrated components.

**Systems:** System investments e.g. project, asset management.


**WORKSTREAM 4: Responsibilities to shareholders**

Rebuild the trust and confidence of shareholding councils in Wellington Water.

**WORKSTREAM 6: Ways of working**

Embed organisational values into daily practices, defining clearer leadership expectations, and adapting our performance management approach to ensure accountability.

**WORKSTREAM 5: Transition to new entity**



A strong and capable organisation to fold into a new asset owning entity.

**Fit for purpose organisational design**



Designing and putting structure, systems, processes and other enablers into place to support the new operating model.

**Strong controls and assurance framework**



Well-equipped to manage risks, ensure compliance, and operate effectively, providing confidence in its ability to achieve its objectives and deliver value.



# Komiti Ngā Wai Hangarua Wellington Water Committee

05 December 2024

Report no: WWC2024/5/117

## Metropolitan Acute Water Shortage Risk

### Recommendations

That the Committee:

- (1) notes that the demand reduction has exceeded targets set by Taumata Arowai; and
- (2) notes the likelihood of Water Restriction Levels for 25/26.

### Appendices

| No.               | Title  | Page |
|-------------------|--|------|
| <a href="#">1</a> | Acute Water Shortage Update Dec 2024   | 76   |
| <a href="#">2</a> | Appendix A - Acute Water Shortage Risk Reduction - Update to Taumata Arowai - October 2024 | 79   |
| <a href="#">3</a> | Appendix B - Acute Water Supply and Demand - Summer 2024-25 Modelling                      | 96   |

**Author:** Wellington Water Limited



# Wellington Water Committee | Komiti Ngā Wai Hangarua

13 December 2024

File: ()

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Report no:

## Metropolitan Acute Water Shortage Risk

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### Purpose of Report

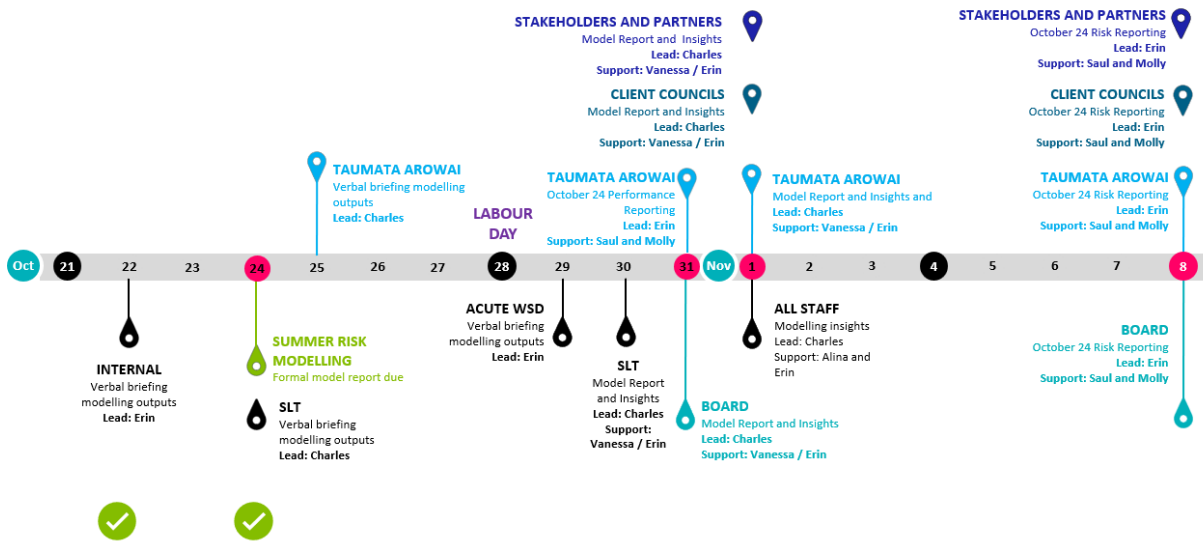
1. The purpose of this paper is to provide the Committee an update on the Acute Water Supply and Demand (AWS D) Programme for 2024/25.

### Recommendations

2. That the Committee:
  - Note the demand reduction has exceeded targets set by Taumata Arowai
  - Note the likelihood of Water Restriction Levels for 25/25

### Background

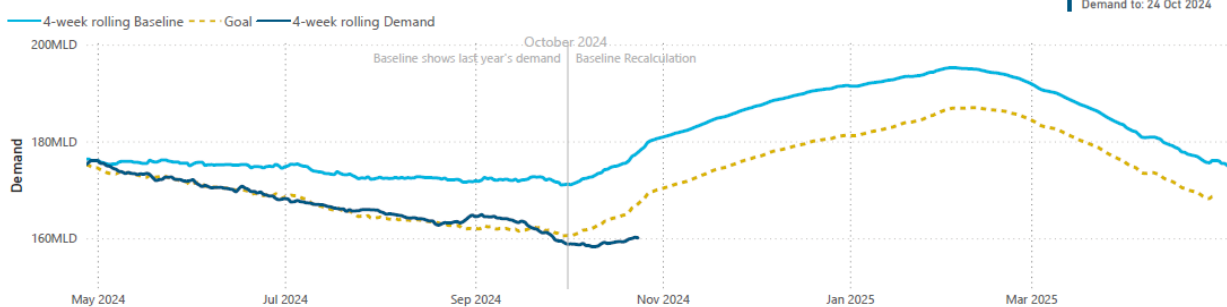
3. The Summer Risk Modelling was run in October which produced the Water Restriction Levels Forecast for 24/25; the communication plan below was completed to inform stakeholders, partners, and the company of the result.



**Demand Reduction**

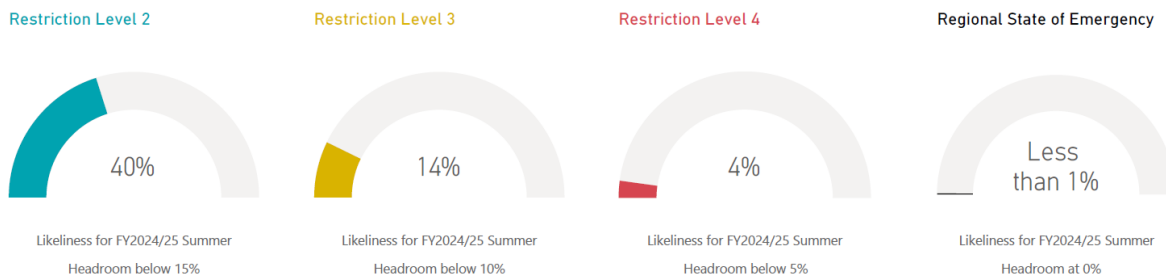
4. The programme has focused on managing the risk of an acute shortage in the summer of 2024/25 by reducing demand, improving supply, achieving the target saving of 7.4MLD, implementing the water balance framework, and improving data integrity.
5. The latest reporting on demand shows we are achieving the target savings - see Appendix A for more detail. This has fundamentally changed the risk profile for the summer of 24/25 which is reflected in the modelling results.

**Demand Tracker**



**Water Restriction Levels Forecast**

6. The summer risk modelling was completed in October and the percentage chance of water restrictions are:



7. This provides assurance to the Committee that WWL has achieved the requirement set by Taumata Arowai for the summer of 24/25 of removing the chance of an acute water shortage occurring and reducing the risk of Level 4 restrictions to a ‘negligible’ chance. It is important to note that the percentage chances do not allow for the Te Marua upgrade which will further reduce risk once commissioned. The reduction has been achieved through reactive repair of the water network which will now require increasing levels of leak investment to be sustained until planned renewal of the assets is completed.

8. The communication plan for this summer has incorporated the risk modelling and will ensure that reducing risk of an acute shortage is put into context against the risk the region’s low drought resiliency and high-water loss.

**Climate Change Impact and Considerations**

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

**Appendices**

| No. | Title   | Page |
|-----|---|------|
| 1.  | Acute Water Shortage Risk Reduction Update October 2024                         |      |
| 2.  | Acute Water Supply and Demand Modelling - Restriction Levels Forecast for 24/25 |      |

**Author:** External Author (Wellington Water Ltd)



# Acute Water Shortage Risk Reduction

Update to Taumata Arowai  
October 2024



Our water, our future.

## Wellington Water - update to Taumata Arowai schedule

\*Level 1 = monthly, Level 2 = fortnightly, Level 3 = weekly, Level 4 = daily

| #   | Records   | Category                     | Breakdown                  | Frequency | Starting  | Ending             | Information required   | Notes  | 8 November-24 Commentary   |
|-----|---|------------------------------|----------------------------|-----------|-----------|--------------------|--|--|--|
| 1.1 | Supply and demand summer risk updates                   | Risk of acute water shortage | Regional                   | *         | 1-Oct-24  | 30-Apr-25          | Talking about work this summer   |  |  |
| 1.2 | Supply and demand summer risk updates                   | Risk of acute water shortage | Regional                   | *         | 1-Oct-24  | 30-Apr-25          | Acute Water Supply and Demand update - Risk Summary  |  |  |
| 1.3 | Supply and demand summer risk updates                   | Risk of acute water shortage | Regional                   | *         | 1-Oct-24  | 30-Apr-25          | Risk Forecast  |  |  |
| 1.4 | Supply and demand summer risk updates                   | Risk of acute water shortage | Regional                   | *         | 1-Oct-24  | 30-Apr-25          | Demand Reduction update  |  |  |
| 1.5 | Supply and demand summer risk updates                   | Risk of acute water shortage | Regional                   | *         | 1-Oct-24  | 30-Apr-25          | Leaks backlog  |  |  |
| 1.6 | Supply and demand summer risk updates                   | Risk of acute water shortage | Regional                   | *         | 1-Oct-24  | 30-Apr-25          | AWSD Programme Performance   |  |  |
| 1.7 | Supply and demand summer risk updates                   | Risk of acute water shortage | Regional                   | *         | 1-Oct-24  | 30-Apr-25          | Water watch dashboard  |  |  |
| 1.8 | Supply and demand summer risk updates                   | Risk of acute water shortage | Regional                   | *         | 1-Oct-24  | 30-Apr-25          | Production capacity dashboard  |  |  |
| 1.9 | Supply and demand summer risk updates                   | Risk of acute water shortage | Regional                   | *         | 1-Oct-24  | 30-Apr-25          | Reservoir level weekly view  |  |  |
| 6   | Water loss reduction dashboard                          | Network water loss reduction | Regional AND individual TA | Monthly   | 31-May-24 | 30-Apr-25          | Dashboards at regional and TA level of actual MLD savings, with the addition of staged monthly MLD savings milestones / targets.   | As per Item 6. Include exception commentary where relevant.  | Refer to Demand Tracker (Metropolitan and Council by Council view) further in report |
| 4a  | Pressure monitoring progress                            | Network water loss reduction | Regional AND individual TA | Monthly   | 31-May-24 | 30-Apr-25          | Tracking (MLD savings) and commentary from pressure monitoring and management interventions.   |  | As per item "4a Pressure Management" further in report                               |
| 4b  | Capital renewals progress                               | Network water loss reduction | Regional AND individual TA | Monthly   | 31-May-24 | 30-Apr-25          | Tracking (MLD savings) and commentary from capital renewals programme.   |  | As per item "4b. Capital Renewals" further in report                                 |
| 10  | Te Mārua Dissolved Air Flotation (DAF) project progress | Increased supply             | N/A                        | Monthly   | 10-May-24 | Project Completion | Target dates and commentary for key project milestones, including equipment arrival, plant construction completion targets and progress relative to commissioning targets. | As per Item 10. More detailed target dates for project milestones should be included as part of the first report. Include exception commentary where relevant. | As per item 10 further in report   |



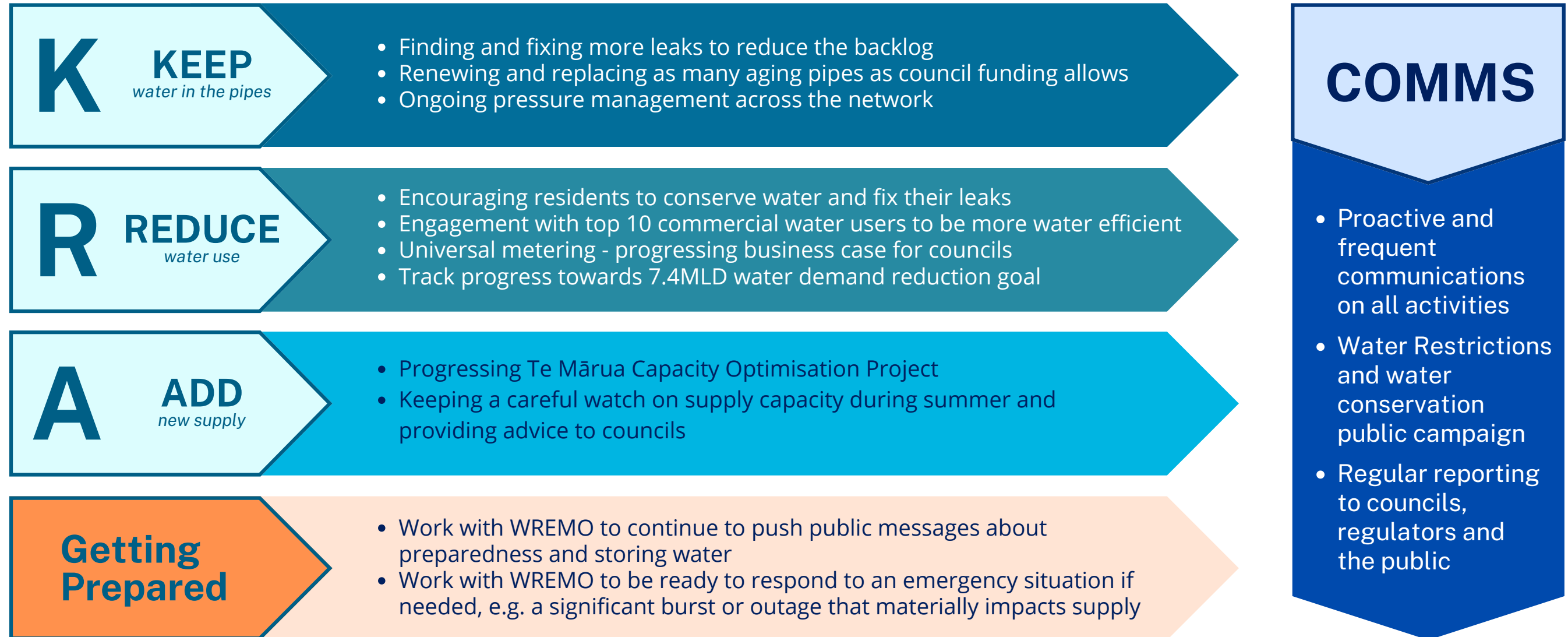
## Talking about our work this summer

When thinking about communicating our work to manage water demand and restrictions this summer, it's useful to go back to the three strategic outcomes we provided councils at the Regional Water Summit in 2023 to achieve a sustainable water supply: **KRA (Keep, Reduce and Add)**. KRA are the strategic outcomes for the Water Balance, so there is strong alignment here with industry best practice.

Under each outcome we can clearly see where our key operational activities sit and how they tie together.

Our **communications approach** then is to proactively communicate our key activities this year to demonstrate our efforts, and when doing so we consistently link these back to the wider context and our strategic outcomes.

In addition to the KRA outcomes, we are also focused working with WREMO to prepare in case we do need to respond to an emergency situation.





## Acute Water Supply and Demand Update - 1/11/24

### Risk summary

**Current Level**

**1**

Only use sprinklers every second day

**Chance of Level 2 this summer**

**40%**

If we move to level 2 this summer we will give approx. 7 days notice

**Chance of Level 3 this summer**

**14%\***

Our latest modelling shows the highest risk period is early Feb\*

**Chance of Level 4 this summer**

**4%\***

Our latest modelling shows the highest risk period is early Feb\*

**Buffer Average past 7 days**

**38%**

Buffer is at or above 15%\*\*

**We are at Level 1**

**Buffer Forecast next 7 days**

**31%**

Forecast buffer is at or above 15%\*\*

**We can stay at Level 1**

**What triggers a shift in Water Restriction Levels?**

Wellington Water’s Drought Management Group regularly monitors a range of factors, including river and aquifer levels, weather forecasts, operational activities and water demand.

One of the key factors is the ‘buffer’. This is the space (or headroom) between the maximum amount of water we can supply, and how much we all use and lose through leaks.

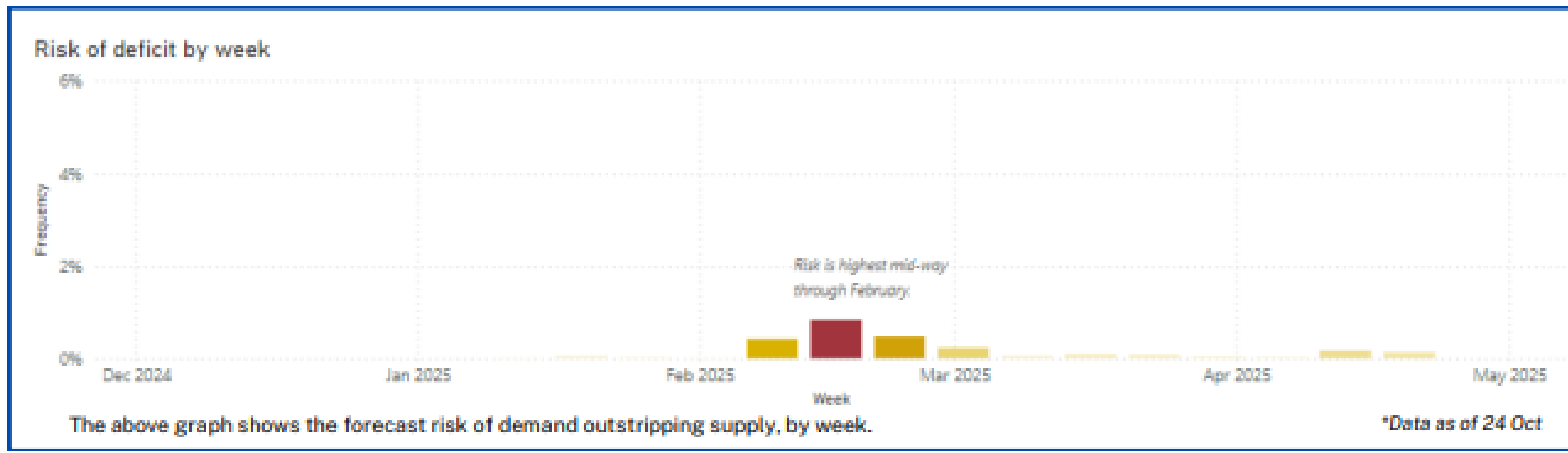
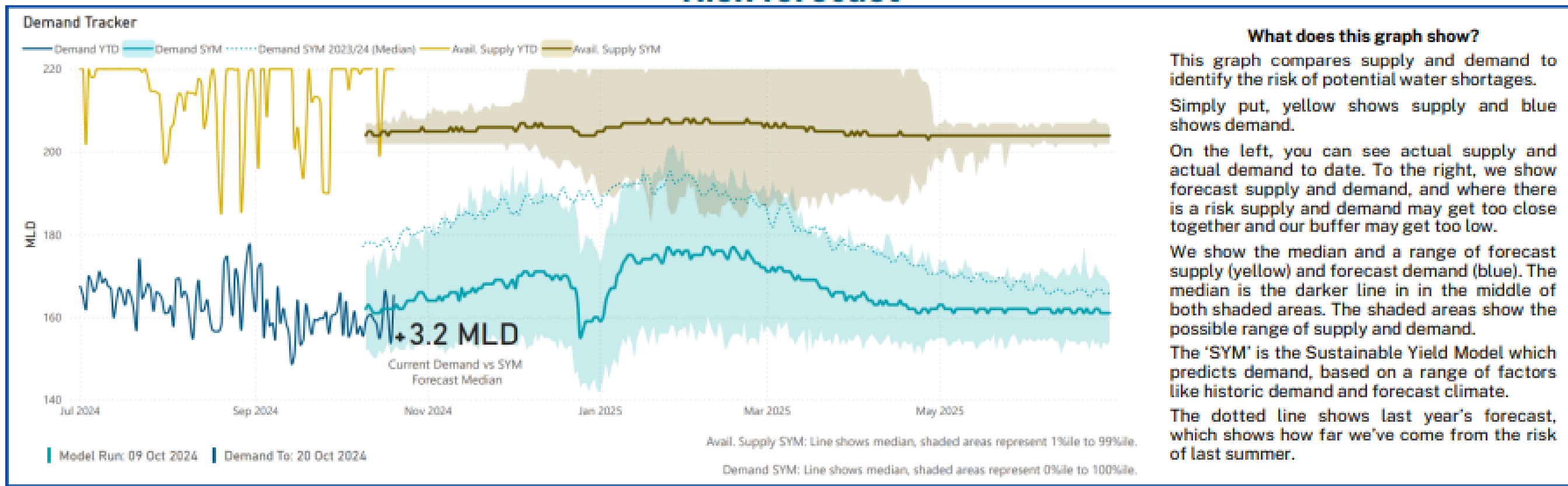
We keep an eye on the buffer, and it helps us know when to recommend a change in water restrictions to help the public better manage their water use.

As there are a range of factors to consider, the buffer is used as a guide only and does not automatically trigger a shift in water restriction levels.

\*This modelling is reviewed each month, updated as necessary and subject to change.  
 \*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.



## Risk forecast



**How do we forecast risk?**

We use a model developed in partnership with NIWA to assess the likelihood that the metropolitan water supply will run out of water or reach a critically low level of supply buffer.

The likelihood is assessed using an approach called 'Monte Carlo' simulation, where thousands of future scenarios of supply and demand are used to test and stress the system.

The model is updated each month during summer to align the model's climate inputs to the NIWA Seasonal Climate Outlook for the Wellington water supply catchments.



## Demand reduction update

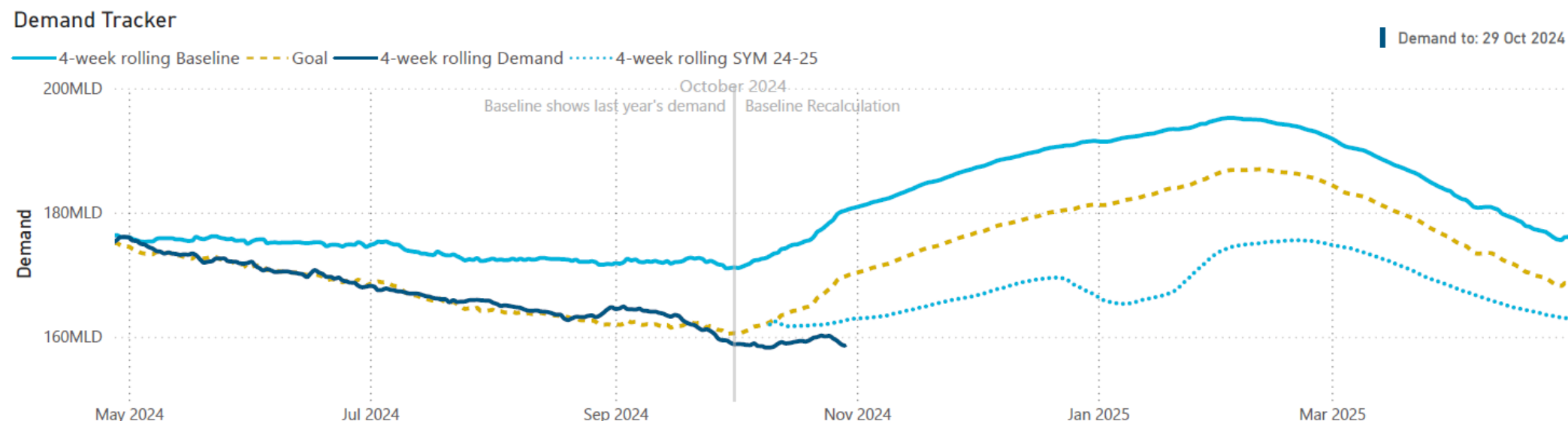
Last year's demand:  
**172.8MLD**

This year's demand:  
**158.6MLD**

Overall:  
**14.2MLD**

Overall: 14.2MLD

*4 week rolling average as of Oct 29*



| Demand reduction overview in million litres per day (MLD) |                 |
|---|-----------------|
| Estimated savings (Feb 24 - Jun 24)                       | 6.4MLD          |
| Estimated savings (Jul 24 - Oct 24)                       | 3.42MLD         |
| Potential savings (Nov 24 - Feb 25)                       | 2.34MLD         |
| <b>Potential total savings (Feb 24 - Feb 25)</b>          | <b>12.16MLD</b> |

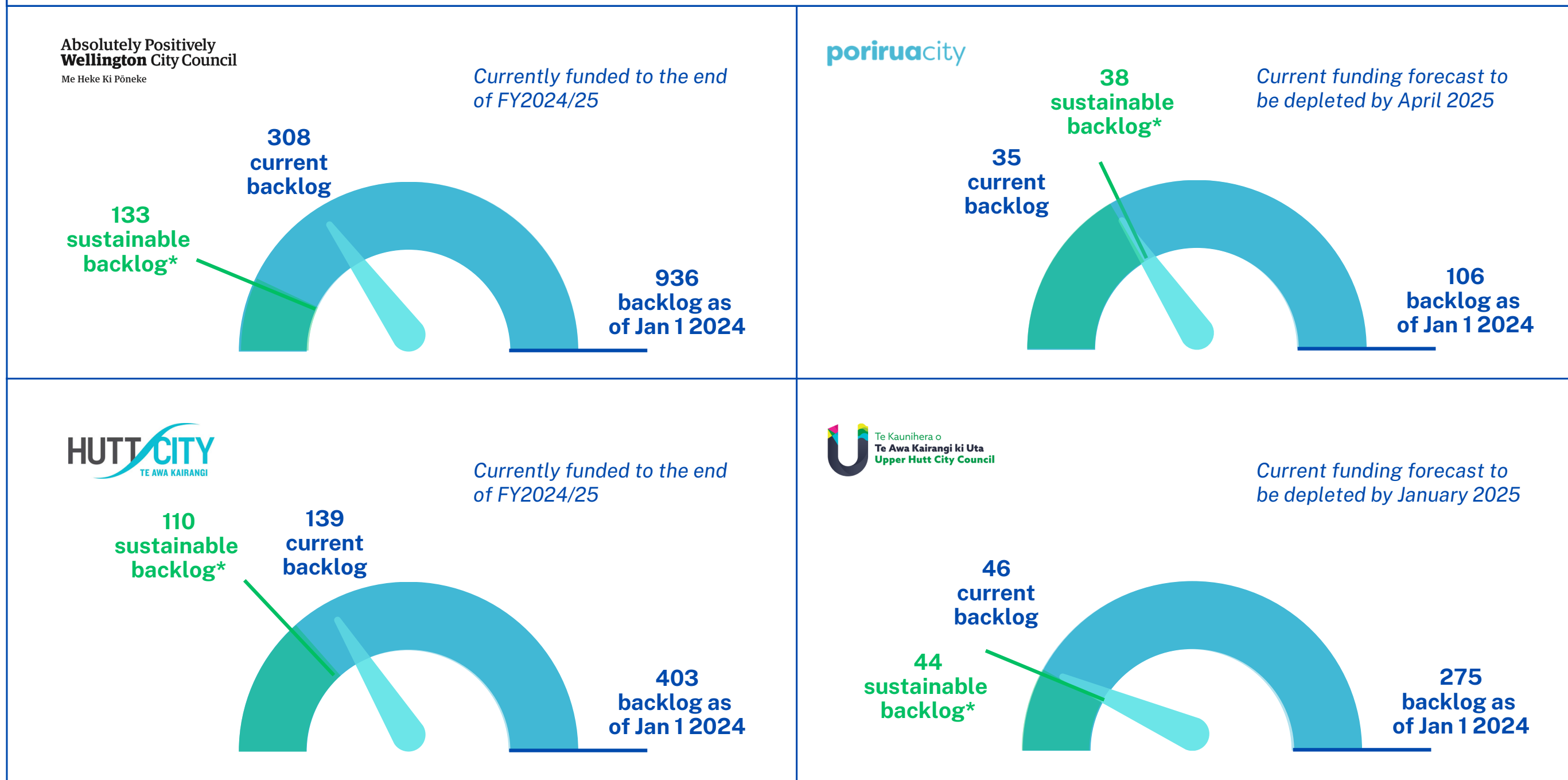
| FY24/25 Breakdown of estimated demand reduction in million litres per day (MLD)   |  |  | *Data as of Oct 28  |
|---|--|--|---|
|   | Estimated demand reduction (Jul 24 - Oct 24) | Potential total demand reduction (Jul 24 - Feb 25) | Commentary  |
| Regional Leak backlog   | 3.27MLD                                      | 3.69MLD  | On track, with all metro councils at or approaching a sustainable level. UHCC and PCC have indicated funding increases this FY. |
| Non-residential demand reduction  | 0.15MLD                                      | 0.65MLD  | Stage 1 complete, with Stage 2 underway. Targeting high use customers to change behaviours and reduce use and waste.            |
| Capital renewals  | 0.0016MLD (1,600L per day)                   | 0.016MLD (16,000L per day)                         | 2.2km renewed. Proactive mahi to reduce future water loss and leaks.  |
| Galvanised Iron Rider mains   | 0.0032MLD (3,200L per day)                   | 0.007MLD (7,000L per day)                          | 1067m completed. Proactive mahi to reduce future water loss and leaks.  |
| Proactive Leak detection  | 0MLD   | 1.4MLD   | Programme being implemented.  |
| <p><i>Excluding metered non-residential use, demand reductions are estimated. Without universal water meters we cannot confidently state the exact impact of each project. Instead, we continue to monitor the progress of each project alongside overall demand.</i></p> |  |  |   |

# Leaks backlog

\*Data as of XX Oct

## What is a sustainable backlog?

Wellington Water and councils have each agreed on a sustainable leak backlog as a realistic target. This is the average number of leaks reported in 10 working days. If we hold leaks at or around this level, we can keep water loss to a minimum, and enable efficient leak repairs.



# Acute Supply and Demand Programme Performance

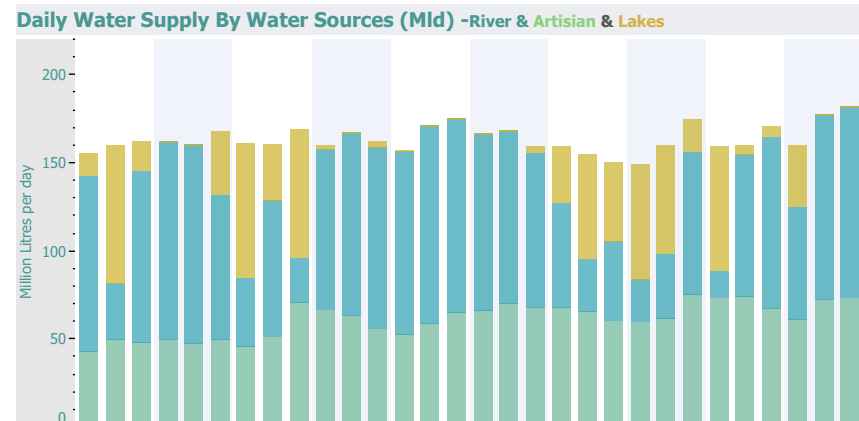
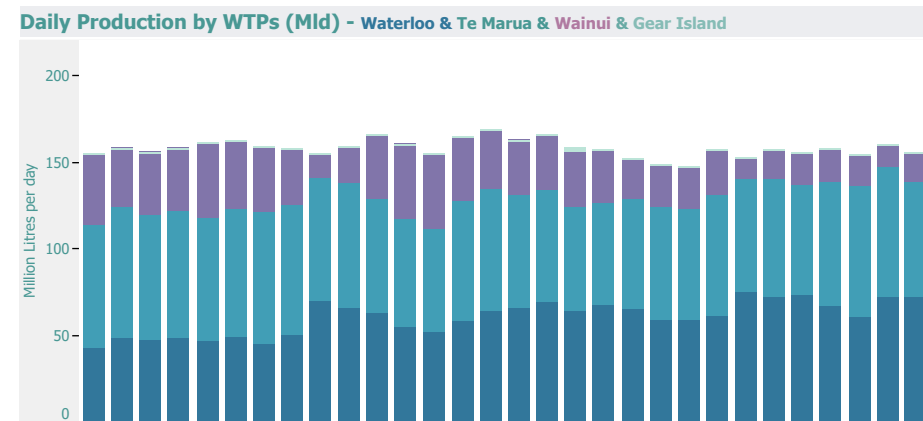
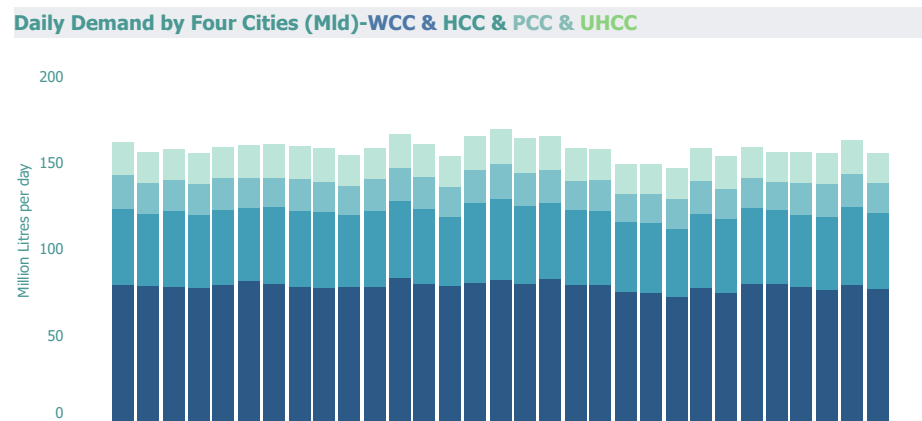
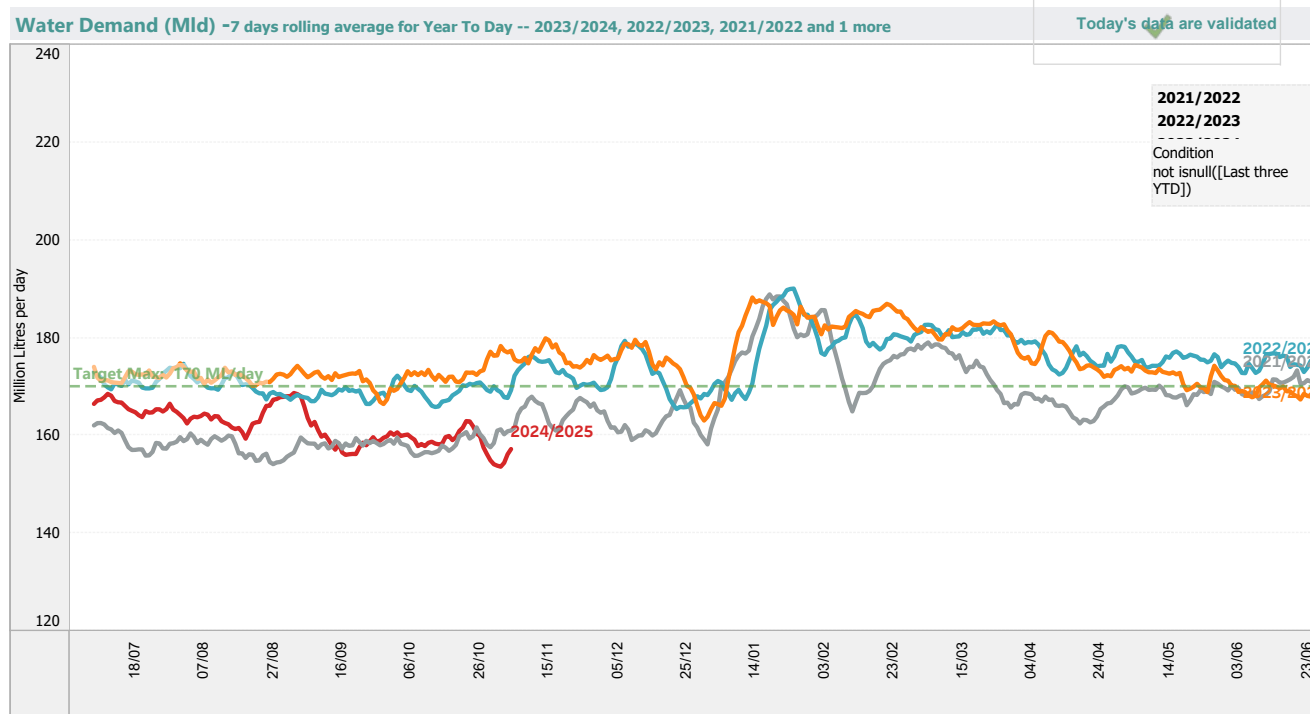
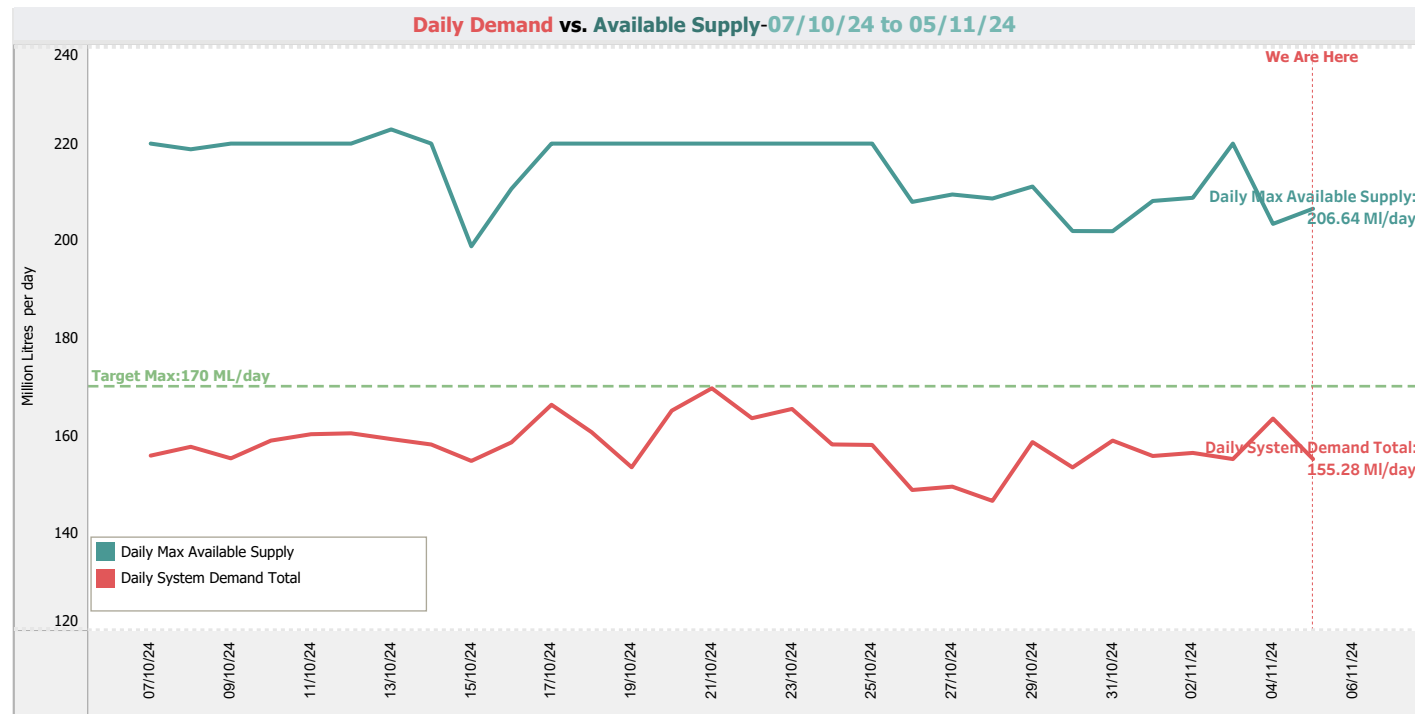
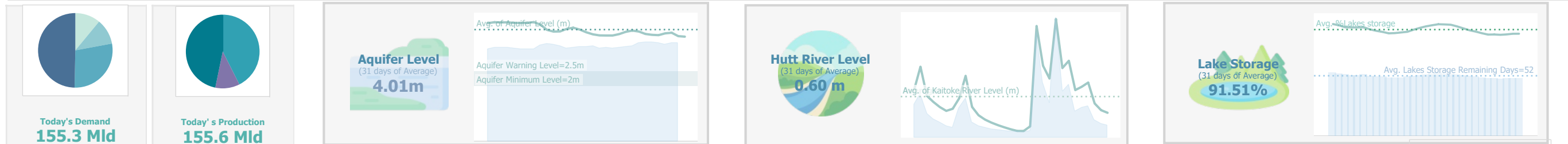


| ADD new supply  |  | KEEP water in the pipes  |  | REDUCE water use   |  |
|---|--|--|--|--|--|
| Supply<br><i>DAF Project and renewals</i>   |  | Leaks<br><i>Water Loss</i>   |  | Water use and reduction<br><i>Authorised Consumption</i>   |  |
| Progress  | Risks and mitigation   | Progress   | Risks and mitigation   | Progress/ Risks and mitigations  | Risks and mitigation   |
| <p><b>DAF Project</b></p> <ul style="list-style-type: none"> <li>Commissioning is underway and on track for Jan 2025 completion</li> </ul>  | <p><b>Risk: (DAF)</b></p> <ul style="list-style-type: none"> <li>Weather delays</li> </ul> <p><b>Mitigation:</b></p> <ul style="list-style-type: none"> <li>Programme date allows for critical path delivery risk</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Potential for toxic bloom would make it difficult to treat lake water, which would reduce Te Marua capacity</li> </ul> <p><b>Mitigation:</b></p> <ul style="list-style-type: none"> <li>Lake Flushing scheduled for Dec 2024</li> <li>Real time and routine water quality monitoring</li> <li>Powder activated Carbon treatment for taste and odour</li> </ul> | <p><b>Leak repairs on track in all four metro councils</b></p> <ul style="list-style-type: none"> <li>Current public reported and detected backlog leaks are 528 (7-Oct-24). Down from 1069 leaks (1-Jul-24)</li> <li>Target sustainable backlog for public leaks is 325</li> <li>PCC at sustainable levels. HCC and UHCC are close to sustainable levels. WCC tracking towards sustainable levels</li> </ul> <p><b>Capital renewals for 24/25FY</b></p> <ul style="list-style-type: none"> <li>2.2km delivered out of target of 5.3km planned pipe renewals</li> <li>1500m of Galvanised Iron Rider mains are forecasted to be delivered by the Feb 2025</li> </ul> | <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Opex budgets expected to run out for UHCC Jan 2025 and for PCC Apr 2025.</li> </ul> <p><b>Mitigation:</b></p> <ul style="list-style-type: none"> <li>WWL has raised issue with councils via delivery plans and will monitor actual spend progress through monthly leak reports. Additional funding requests to be submitted.</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>No tangible consistent resolution agreed with councils to fix private leaks</li> </ul> <p><b>Mitigation:</b></p> <ul style="list-style-type: none"> <li>Discuss private leak resolution options with councils</li> </ul> | <p><b>Stage 1 completed and Stage 2 underway</b></p> <ul style="list-style-type: none"> <li>Non-residential top 20 customers have achieved 0.15 ML/d of measurable savings from 1-Jul-24 against this years target of 0.65 ML/d</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Network meter verification programme so far identified nearly 80 meters in need of replacement given their age</li> </ul> <p><b>Mitigation:</b></p> <ul style="list-style-type: none"> <li>Funding needs to be prioritised in 2025/26 to address this</li> </ul> | <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Non-Residential Customers choose not to participate in the efficiency programme.</li> </ul> <p><b>Mitigation:</b></p> <ul style="list-style-type: none"> <li>Target those who are willing and able and move on quickly when road-blocks</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Behaviour changes as the risk of Level 2+ restrictions reduces</li> </ul> <p><b>Mitigation:</b></p> <ul style="list-style-type: none"> <li>Ongoing monitoring and communications plan adjusted as required</li> </ul> |
| Communications  |  |  |  |  |  |
| Progress  |  |  | Risks and mitigation   |  |  |
| <ul style="list-style-type: none"> <li>Communications Strategy Approved (SLT, AWSD, Council Comms)</li> <li>Water restrictions communications are live</li> <li>Leaks and water loss communications are live</li> <li>Updated risk forecast communications are in progress</li> </ul> |  |  | <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>Decreased risk may dull the efficacy of our public call to action to save water over summer</li> </ul> <p><b>Mitigation</b></p> <ul style="list-style-type: none"> <li>While the campaign strategy was designed to be flexible, to mitigate this risk we are reviewing and fine-tuning our approach</li> </ul>   |  |  |

Our water. our future.

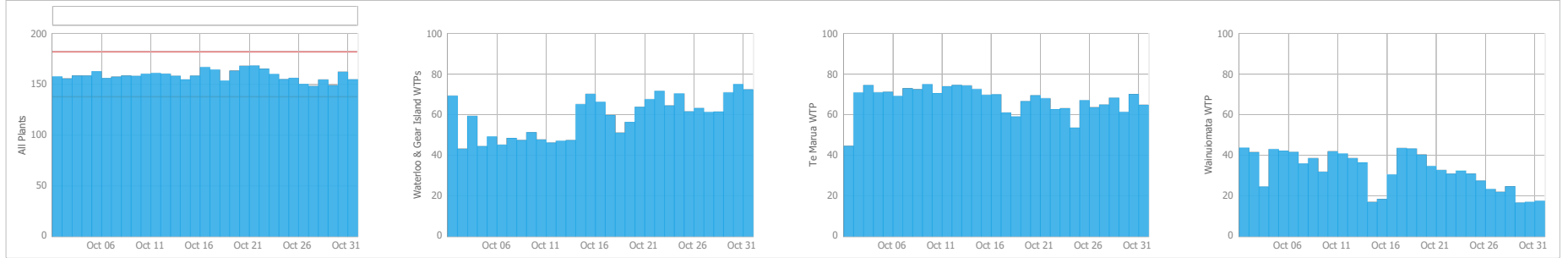
**Wellington Water** Report Period  
06-Oct-24 to 05-Nov-24

# Water Watch Dashboard

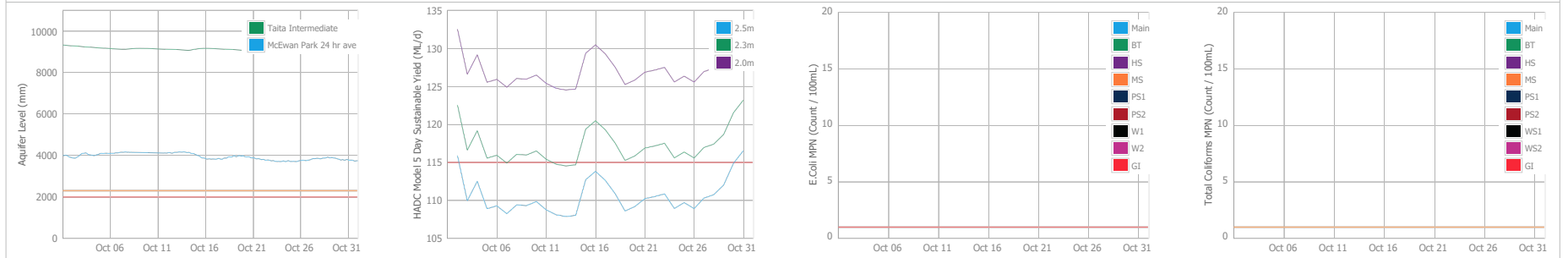


Covers the period of 01/10/2024 to 31/10/2024

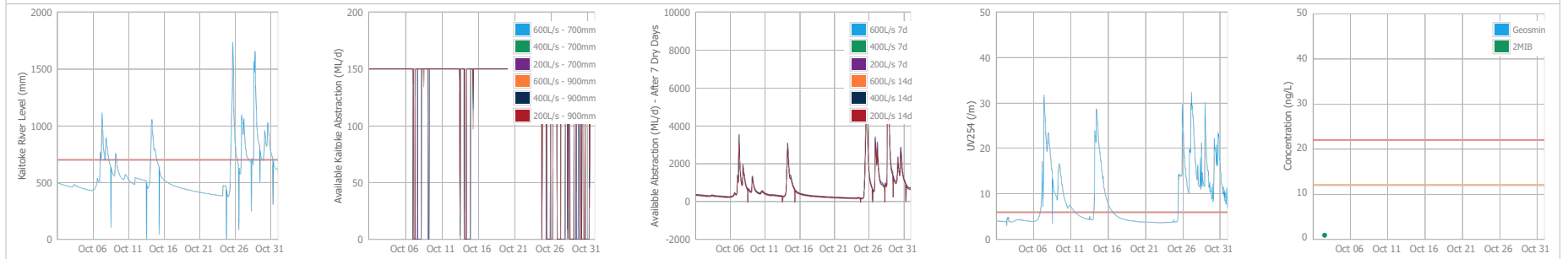
**2A - Daily Average Treated Water Production (ML/d) - faulty flow meter - use Total system demand**



**2B - Waterloo WTP - Potential Production Constraints**



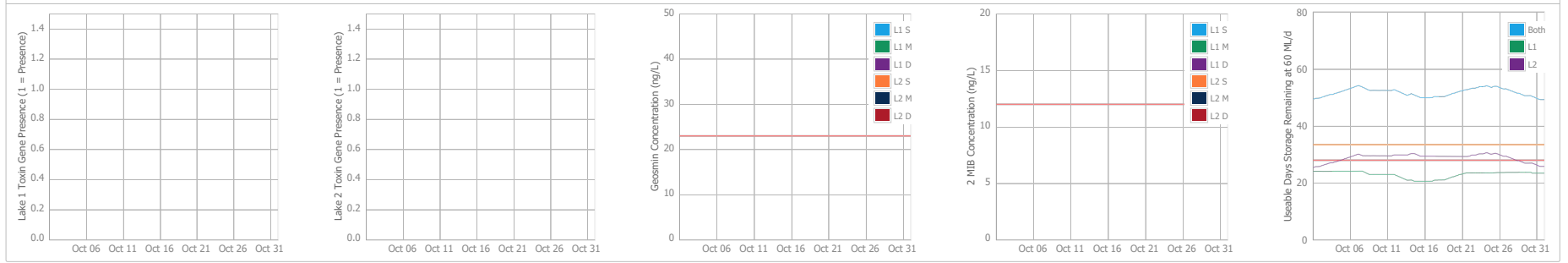
**2C - Te Marua WTP - Potential Production Constraints - River**



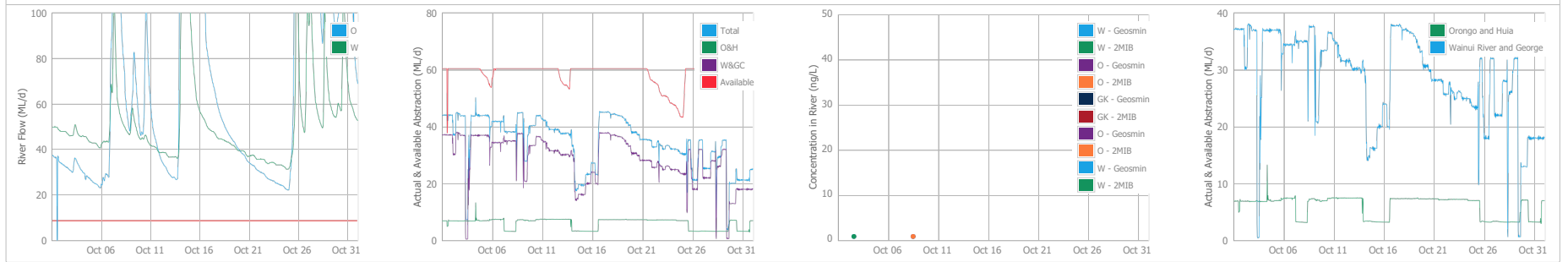


Covers the period of 01/10/2024 to 31/10/2024

**2D- Te Marua WTP - Potential Production Constraints - Lakes**



**2E - Wainuiomata WTP - Potential Production Constraints**



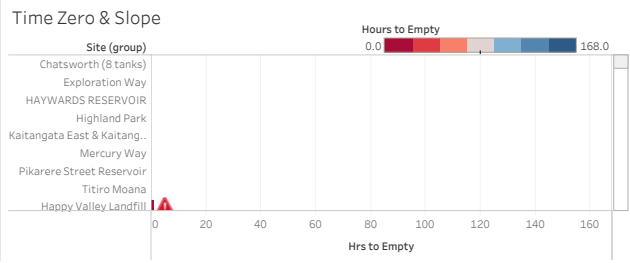
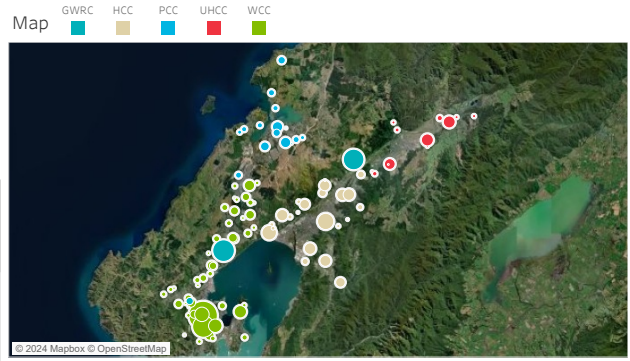
**Reservoirs Week View** Digital Products & Services

**Filters** 108 Reservoirs sites have been selected through the filters

- Council Filter**
- GWRC
  - HCC
  - PCC
  - UHCC
  - WCC

**Reservoir Name Filter**

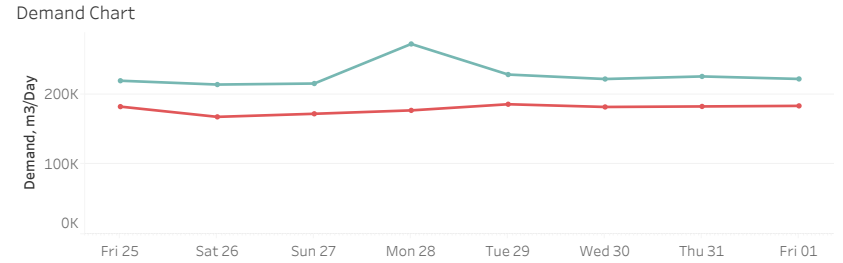
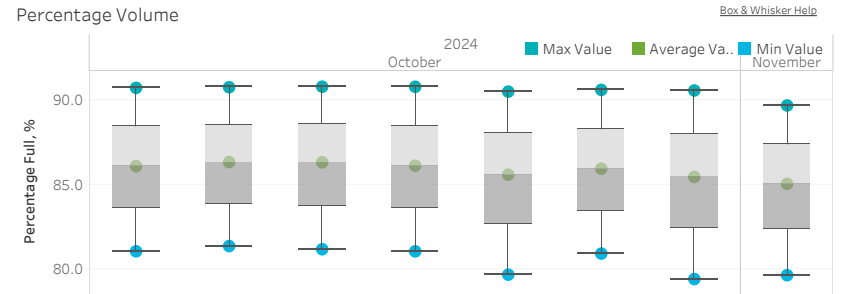
- Abattoir
- Aramoana
- Aro
- Ascot Park
- Beacon Hill
- Beacon Hill (HL)
- Bell Road
- Bradey
- Broadmeadow
- Broadmeadow (HL)
- Broken Hill
- Brooklyn
- Brooklyn West
- Carmichael
- Chatsworth (8 tanks)
- Chester
- Churton North
- Churton Park
- Croydon
- Cruickshank
- Delaney
- ECNZ / Haywards Sub



Vol % KPI **84.8 %**

Capacity KPI **305,255 m3**

Flow KPI **183628.2 m3/day**





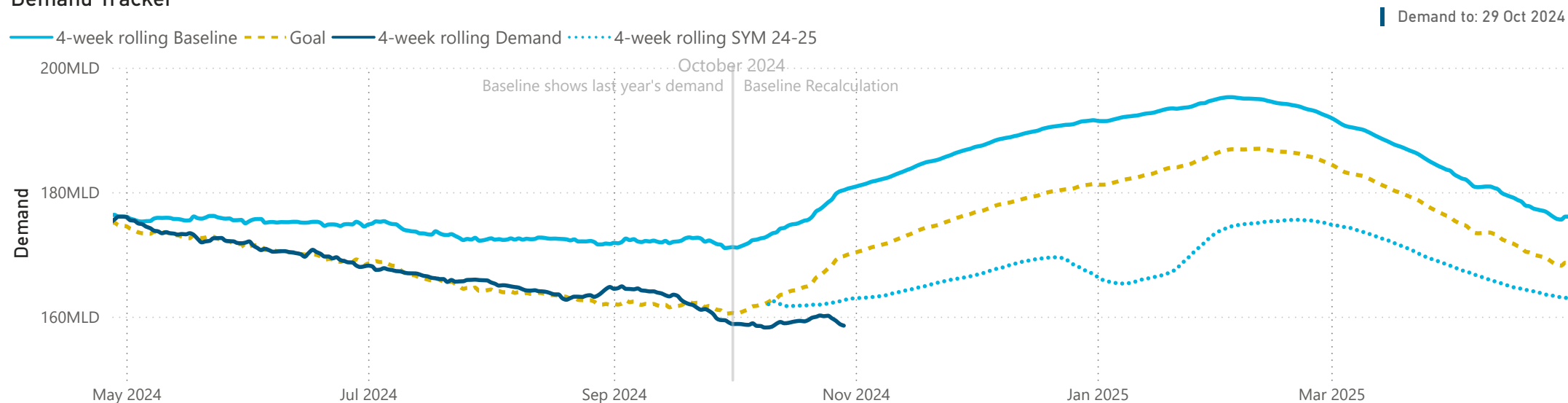
# Acute Water Shortage Risk - Demand Reduction Monitoring

## How is demand tracking?

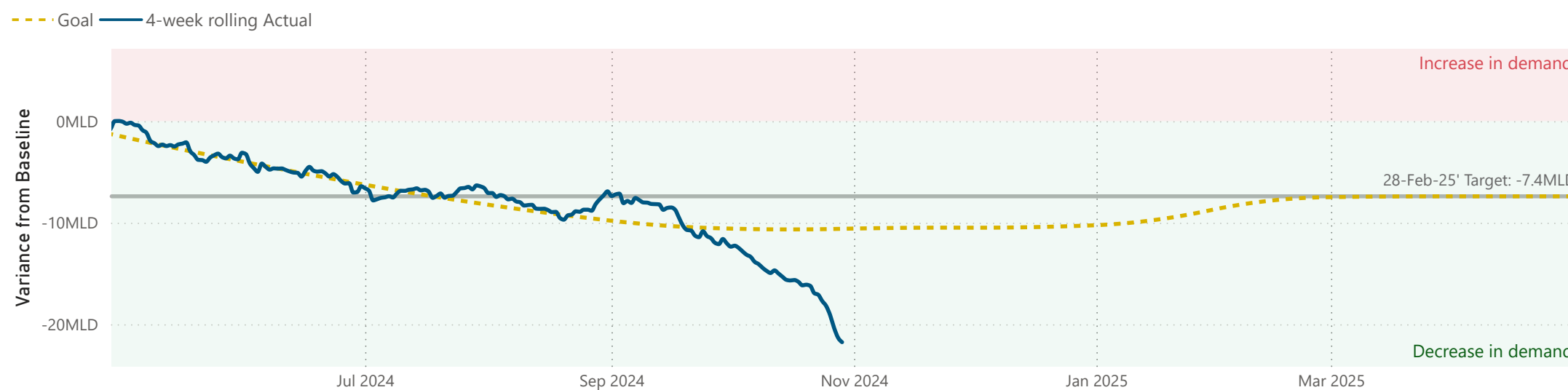
### Metropolitan view

These graphs measure demand as an indication of our progress towards achieving the 7.4 million litres per day (MLD) demand reduction needed to reduce the risk of an acute water shortage/water restriction Level 4 for the Wellington Metropolitan Region (Wellington City, Porirua, Lower Hutt and Upper Hutt). This target does not reduce the risk of water restriction level 3. The 7.4MLD demand reduction by February 2025 has been agreed upon by Taumata Arowai, Wellington Water and our council owners as a realistic goal. 'Demand' refers to water that is used by customers and water loss (ie. leaks). Wellington Water and our council owners are working to reduce demand through water loss reduction and increasing customer water conservation. Work is also being done to increase daily supply at Te Mārua Water Treatment Plant. We don't anticipate that the work at Te Mārua will be completed in time to reduce the risk for summer 2024/25. In order to reduce the risk, councils have increased their funding to find and fix more leaks. We are also looking at other operational activities to manage the network and reduce water loss e.g. pressure management. We expect our data to improve over time, and provide us with a more robust understanding of the efficacy of our demand reduction activities and analysis. We expect these graphs to show short-term fluctuations in actual demand, with the overall trend aligning with the goal.

### Demand Tracker



### Variance Tracker



Following a recent spike, overall demand is slowly drawing back inline with the goal pathway. The yellow dotted line indicates the goal pathway for demand reduction, while the blue line shows the actual demand. As water demand traditionally increases during summer, to achieve the goal of a 7.4MLD reduction in summer demand we need to exceed that demand reduction during winter. This is built into the graphs below, where demand dips beneath the target and then rises as we enter summer.



# Acute Water Shortage Risk - Demand Reduction Monitoring

## How is demand tracking?

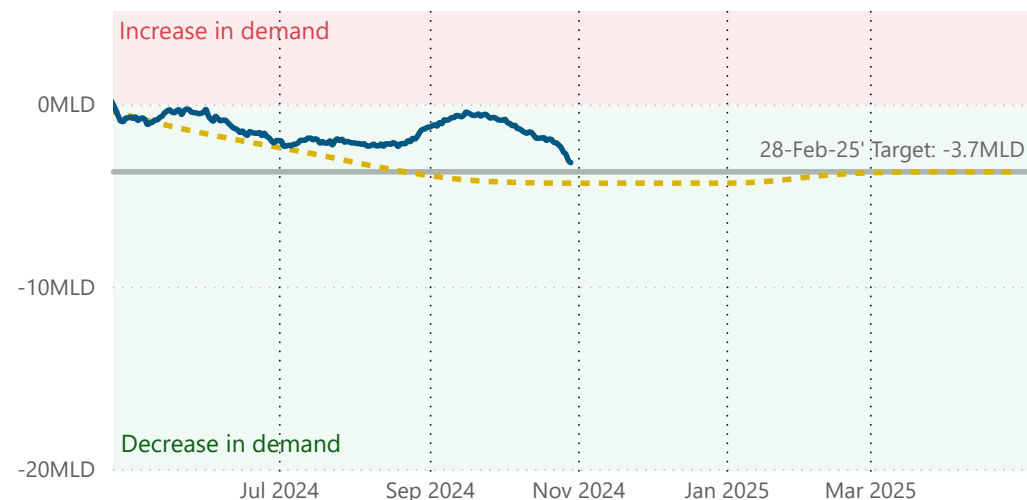
### Council by council

The graphs below track demand reduction, council by council. This is influenced by each council's investment in water loss reduction, activities like pressure management and network calming, and customer use. The yellow dotted line indicates the goal pathway for demand reduction, while the blue line shows the actual demand.

#### Variance Tracker by City

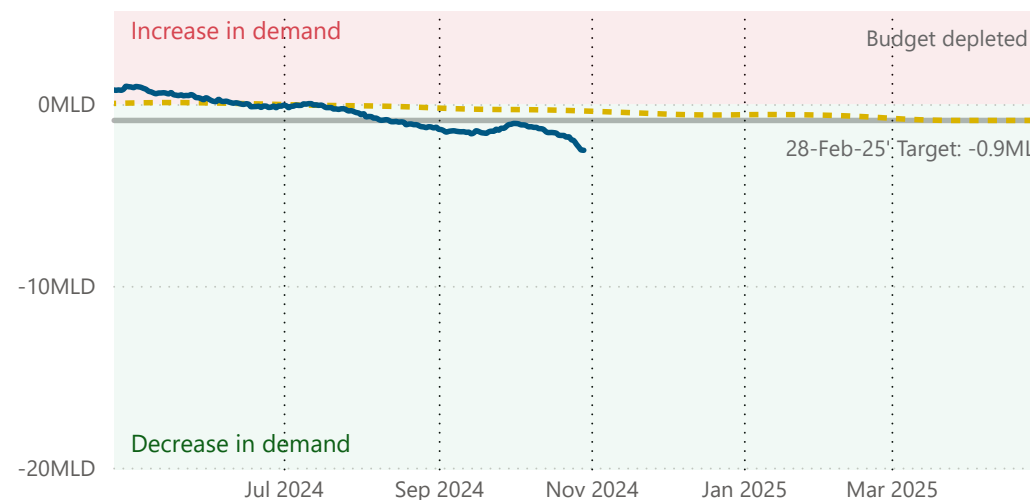
--- Goal — 4-wk rolling Actual

HCC



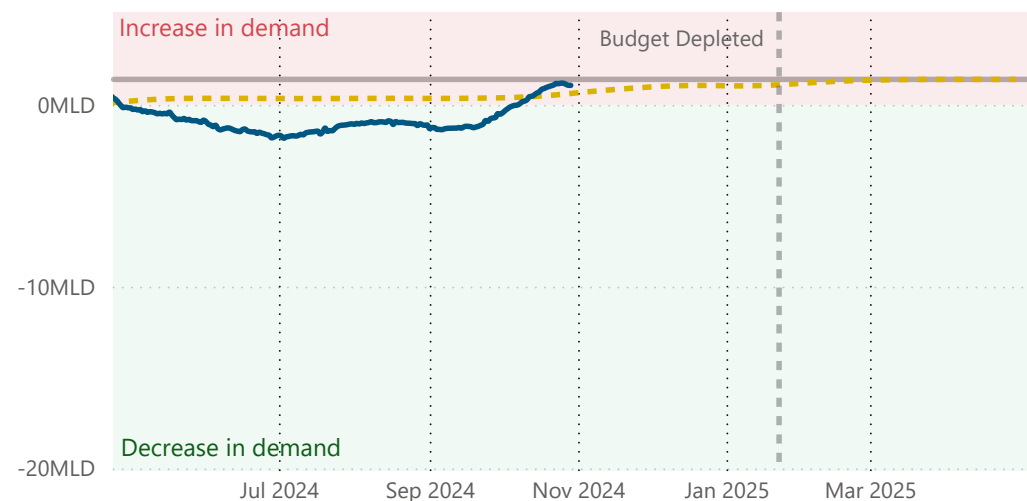
Increased water loss detection and repair activity in the CBD combined with our discovery of a significant private leak which was repaired by the owner are drawing demand back inline with the target. Further work is underway in the zone to ensure that high users are monitored and issues responded to with urgency.

PCC



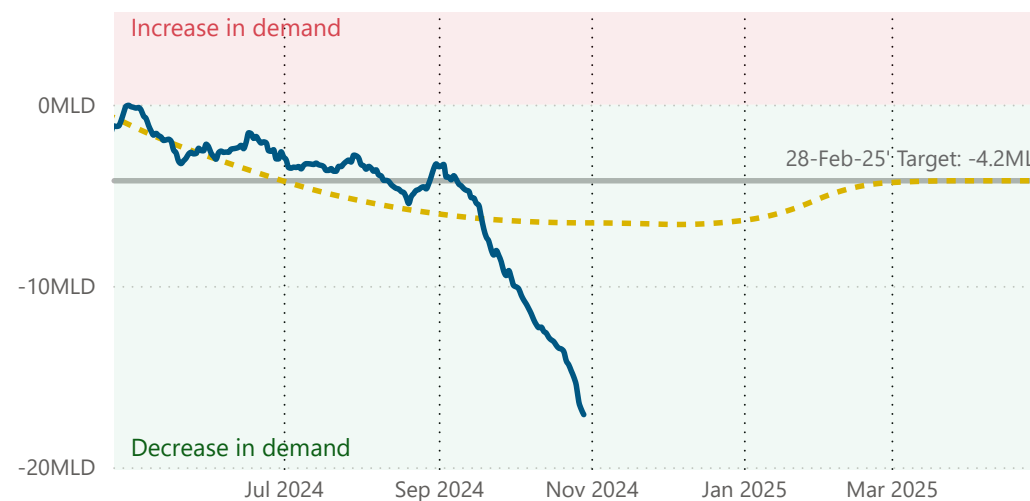
Public leak numbers are within sustainable levels and demand remains steady below the target.

UHCC



While public leaks remain at a sustainable level, consumption is up on the same time last year. There is no obvious single zone causing this and demand is being monitored closely.

WCC



Encouragingly, while demand was forecast to increase, it has instead plateaued and remains lower than the same time last year by approximately 9MLD. This accounts for the sharp dive in the variance tracker.

## Reduction Activities



### 4a. Pressure Management

Wellington Water have a pressure management programme which is contingent on funding. Once funding is confirmed by Council LTP budgets, Wellington Water will outline what zones will be constructed for pressure monitoring and management.

#### Commissioned zones (3) – post implementation outcomes under review

- WCC Brooklyn
- WCC Johnsonville
- WCC Melrose

#### In progress zones (3)

- HCC Wellington Road and Wise Street – Commissioning plan prepared and agreed with WWL Customer Operations Group. Commissioning planned to commence in November.
- HCC Hine Road and Main Road – Construction works complete. Commissioning planned late November into December.
- UHCC Gemstone Drive – Council funding (carryover) approval received. Physical works contract currently in procurement. Contract award forecast in November.

#### Future zones (15)

Zones to be investigated and planned implementation within next 7 - 8 years including:

- Hutt City Council (6)
- Upper Hutt City Council (4)
- Porirua City Council (3)
- Wellington City Council (2)

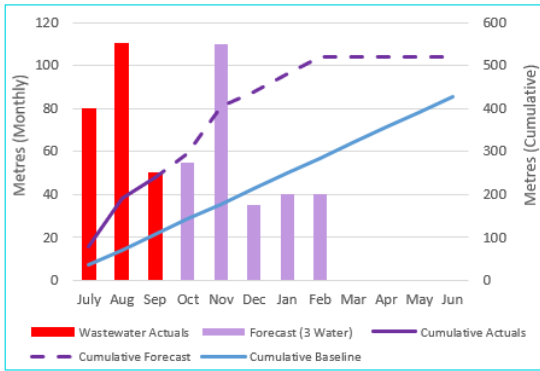
Savings theoretical, between 0.05 and 0.3 MLD per zone

# Reduction Activities

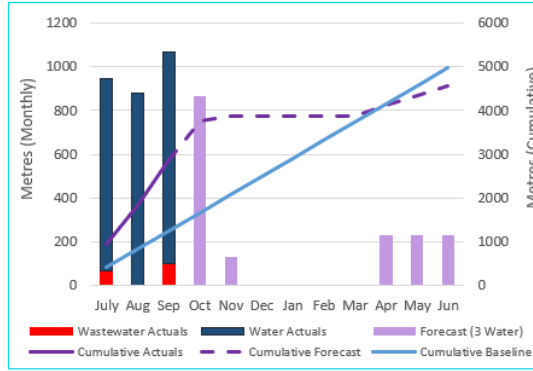
## 4b. Capital Renewals

### Metres of Pipe Renewed or Replaced - FY24/25 Major Projects & Programme Delivery

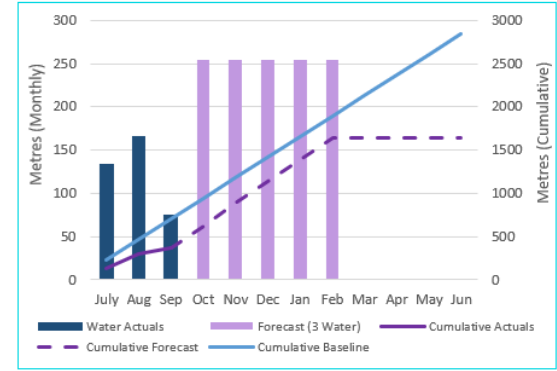
\*Information as of September 30<sup>th</sup> 2024



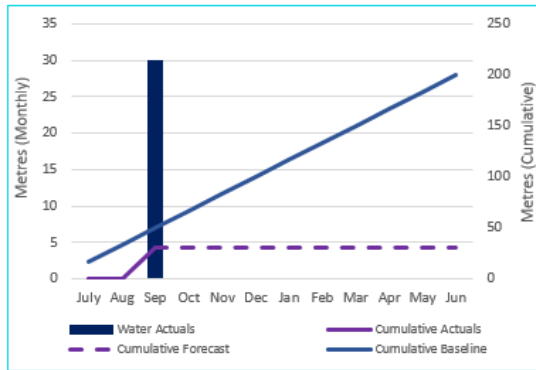
WCC



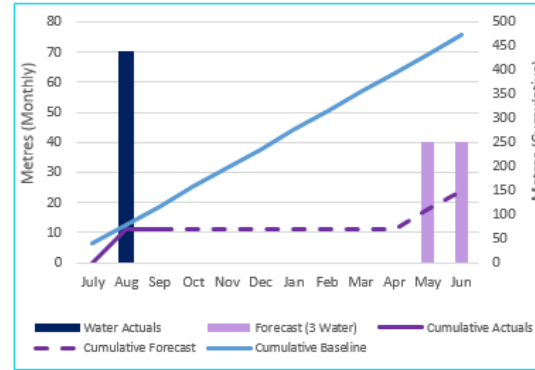
HCC



UHCC



GWRC



PCC

## Supply Activities

# 10. Key milestones and risks for Te Mārua DAF Project

| Key Scope and Milestones  | MLD Benefit | Target Date (April 2024) | Current Program Date (at Sept 2024) | Risks/Opportunities   | Comments   |
|---|-------------|--------------------------|-------------------------------------|---|--|
| DAF Tank Concrete Structures                                    |             | August 2024              | Complete                            |   | Completed  |
| DAF Train 1 Mechanical & Electrical, and 2 of 6 filters renewed |             | October 2024             | November 2024<br>On Track           | Complex commissioning in multiple areas of plant. Tying into existing plant while supplying water to the network carries higher risks to project delivery. Early commissioning planning, and lessons learned from previous packages help to decrease the residual risks | There are 11 different work packages, 4 commissioned to date. Electrical and Mechanical systems for Train 1 DAF currently being installed. Commissioning is underway and on track. |
| DAF Train 1 Commissioned  | 20MLD       | November 2024            | January 2025                        | Change to the programme date now allows for critical path delivery risk. e.g. Weather delays  | Change to the programme date now allows for critical path delivery risk.   |
| DAF Train 2/3 Commissioned                                      | 40MLD       | May 2025                 | June 2025                           | Opportunity and risk around next summer water supply, works could come earlier or later depending on how dry summer is. Current program allows for predicted raw water availability for commissioning.  |  |
| Renewal of 6/6 Filters  |             | End of 2025              | 2027                                | Very dry next summer, delays re-start of renewals   | Change in timing due to Council funding availability, not expected to impact supply  |

# Key Changes



- Winter baseline (starting point) much lower than last year – (163MLD vs 172MLD).
- September 2023 average demand was 171MLD, September 2024 average demand was 160MLD.
- Demand model re-trained and updated with latest demand and NIWA climate data.
- Improvement to modelling over Christmas and New Year's period to better reflect the historic trends over that period.
- NIWA latest climate outlook with river flow probabilities of 35:40:25 (Below:Near:Above average), which means river flows are most likely to be near normal or below normal from October to December. For the same period last year, the outlook was for below normal river flows.
- Model to be updated on a monthly basis to maintain alignment with unrestricted actual demand and changes in climate outlook.

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FINAL

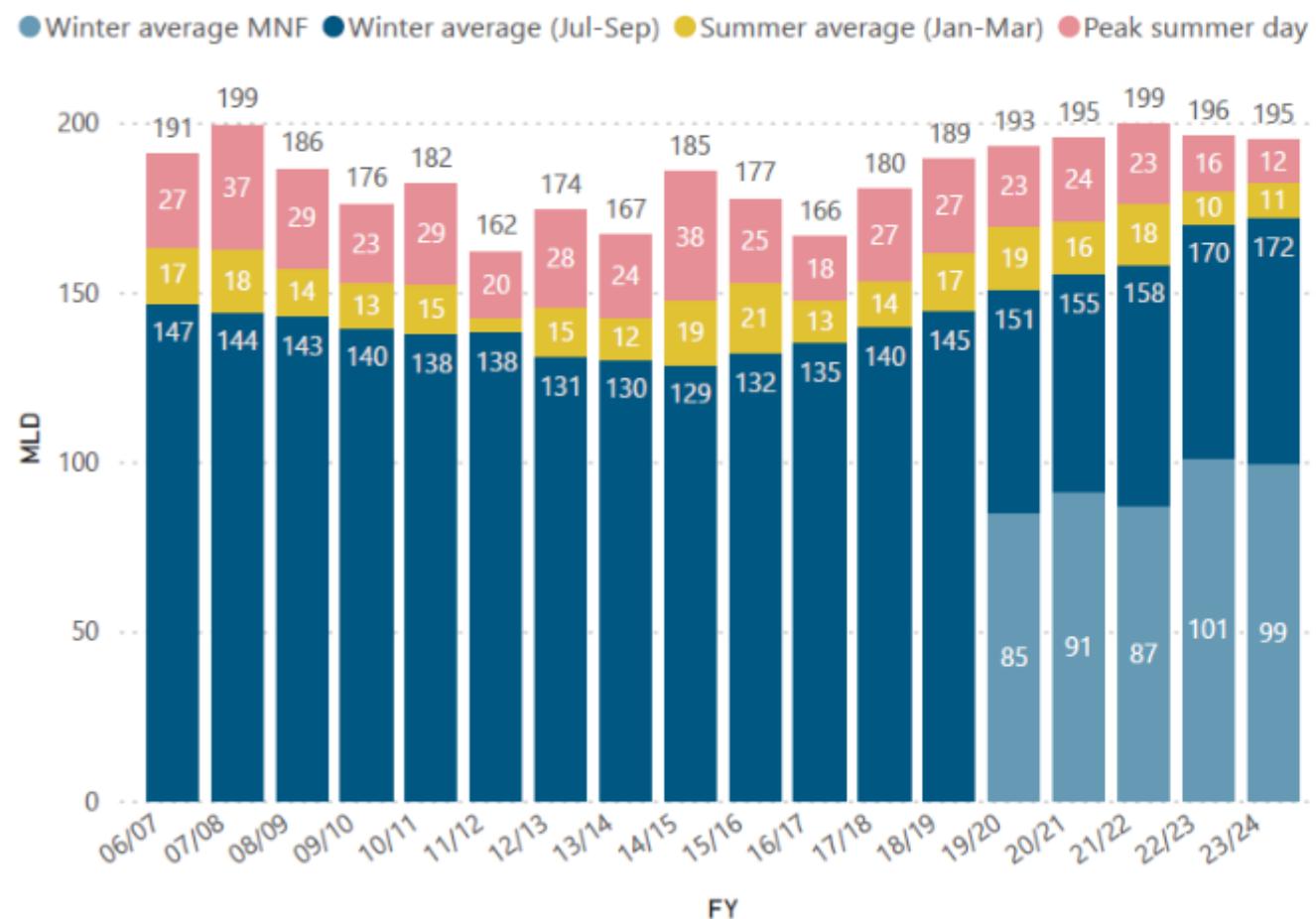
**Our water, our future.**



# Key Changes

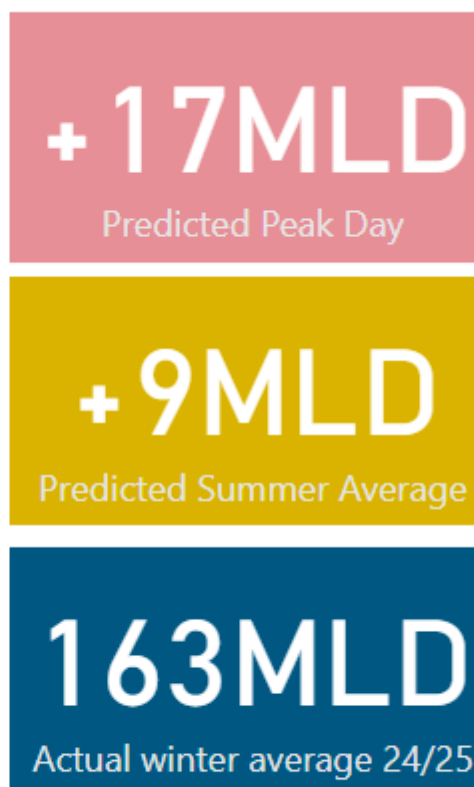


## Historical Figures

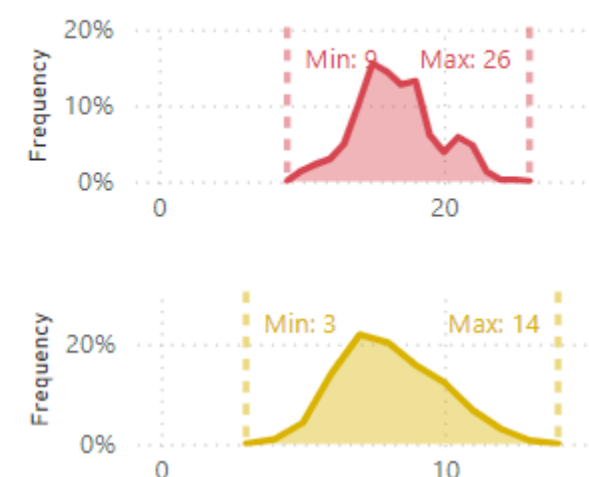


## October Model Results

### Model Averages



### Distribution



FINAL

Our water, our future.



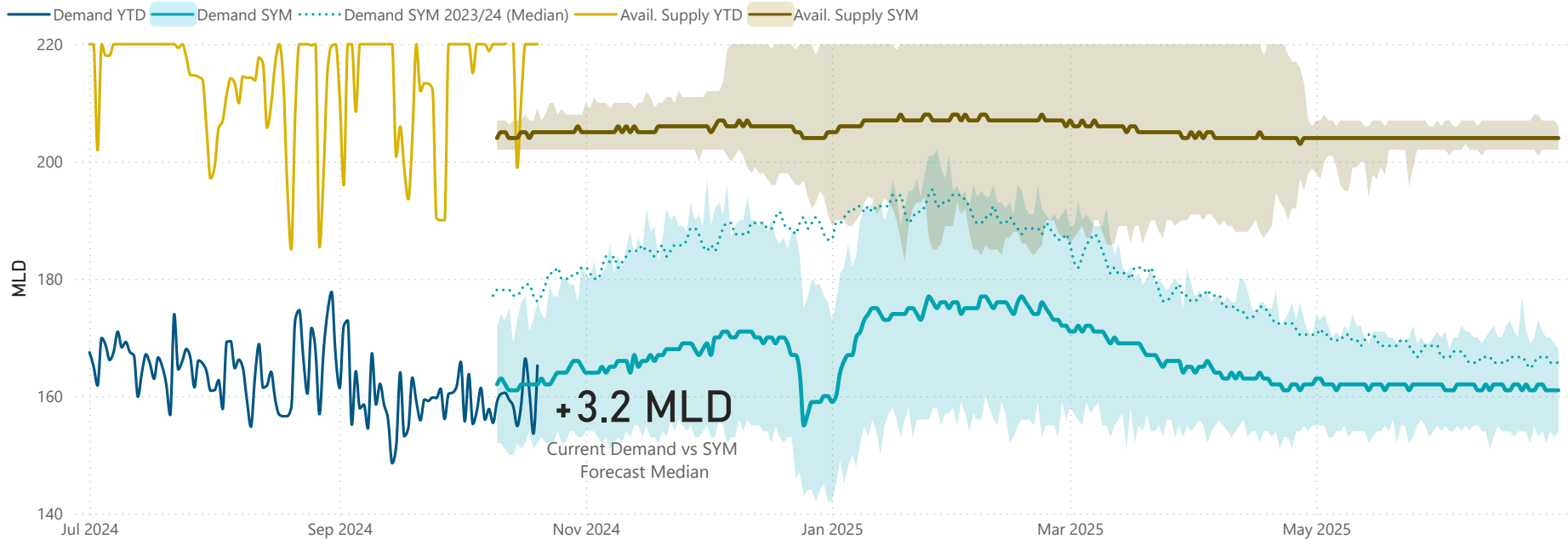
# Acute Water Shortage Risk Forecast

October Final Version 1.3 - 24 Oct 2024

## How are demand and available supply tracking so far?

The chart below shows demand and supply actuals, as well as forecasts using the Sustainable Yield Model (SYM). The Karaka run is shown, which is a run of the SYM incorporating NIWA's climate outlook for the summer. This was last updated at the start of October. Please note that future iterations of the Karaka forecast may change significantly given the rapidly changing demand levels this year.

### Demand Tracker



Model Run: 09 Oct 2024 | Demand To: 20 Oct 2024

Avail. Supply SYM: Line shows median, shaded areas represent 1%ile to 99%ile.

Demand SYM: Line shows median, shaded areas represent 0%ile to 100%ile.



# Acute Water Shortage Risk Forecast

October Final Version 1.3 - 24 Oct 2024

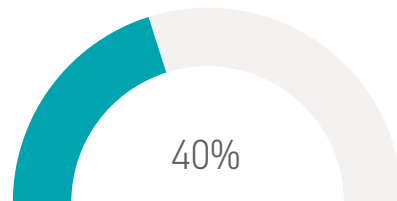
## Likelihood of Reaching Restriction Levels Guideline Values

The Karaka model is used to assess likelihood of reaching headroom guideline values for restriction levels.

Please note the following:

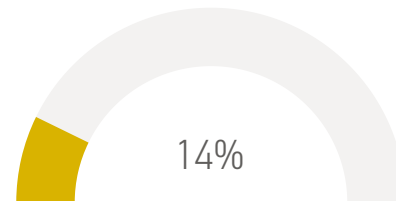
- The figures presented below provide the likelihood for the whole of the summer, and will decline as the summer progresses.
- The figures below simply represent the likelihood of reaching guideline values for headroom, whilst the decision to shift into a restriction level incorporates many more factors.
- The figures below are based on the current Karaka forecast. This may change significantly between iterations as demand levels continue to be variable and the model is recalibrated.

### Restriction Level 2



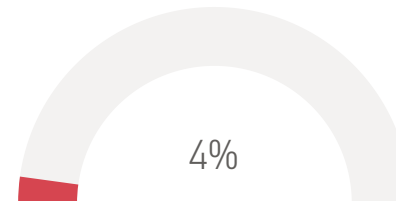
Likelihood for FY2024/25 Summer  
Headroom below 15%

### Restriction Level 3



Likelihood for FY2024/25 Summer  
Headroom below 10%

### Restriction Level 4



Likelihood for FY2024/25 Summer  
Headroom below 5%

### Regional State of Emergency



Likelihood for FY2024/25 Summer  
Headroom at 0%



# Acute Water Shortage Risk Forecast

October Final Version 1.3 - 24 Oct 2024

## What are the chances of headroom deficit for the FY2024/25 summer?

The **Sustainable Yield Model (SYM)** developed by WWL in partnership with NIWA provides a robust simulation engine for the water network. This is used to produce forecasts for the summer based on variability around climate. The model has as key inputs climate data since 1890 and current levels of demand, reservoir levels, etc.  
 The **Karaka model** is a SYM run which incorporates NIWA's 3-month climate forecast. Outputs past this are to be interpreted with caution as they fall outside the horizon of the climate outlook.

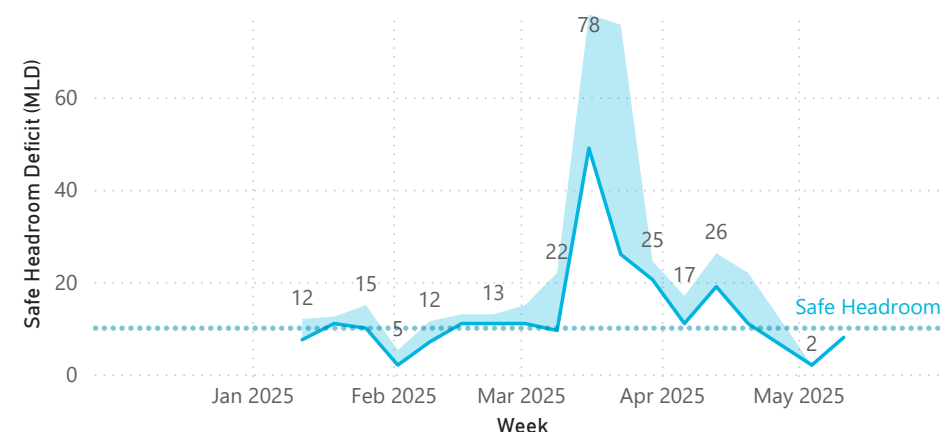
# 4%

Headroom deficit is defined as a headroom of less than 5% (~10MLD). Operating the network below this safety headroom is unsafe as any unplanned event on the day could trip demand over supply.

## If we faced headroom deficit...

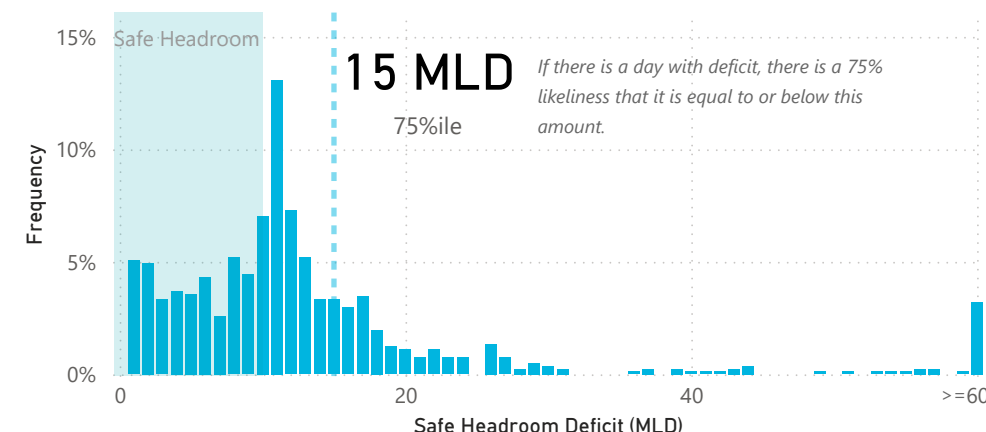
### What would be the likely scale of deficit?

Deficit magnitude by week



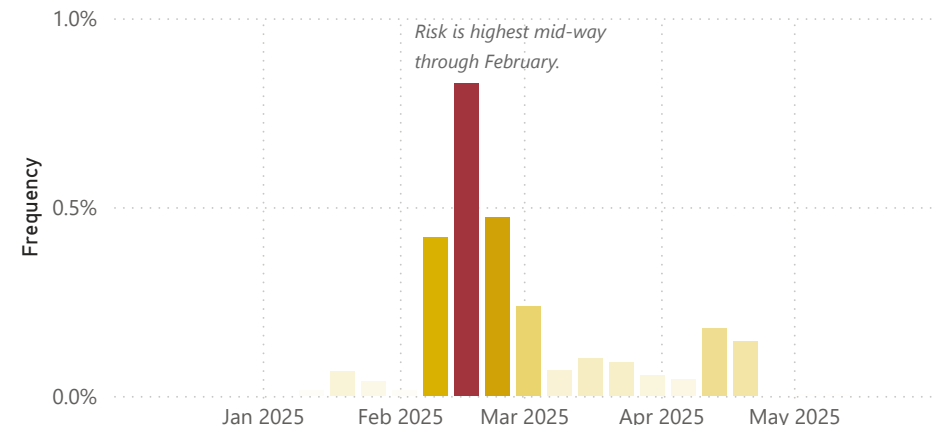
Line is median, shaded area shows 75%ile.

Deficit magnitude frequencies



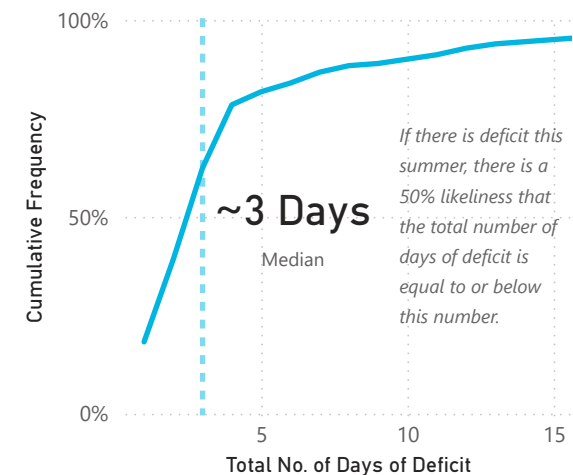
### When would risk be the highest?

Deficit likelihood by week

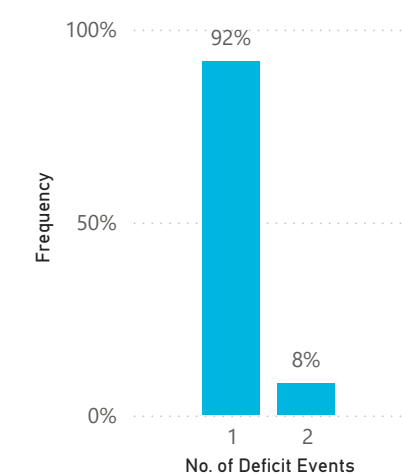


### How many days and separate events of deficit?

Total days of deficit over summer



Deficit events over summer





# Komiti Ngā Wai Hangarua Wellington Water Committee

05 December 2024

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Report no: WWC2024/5/118

## Water Metering Programme Update

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### Recommendation

That the Committee receives and notes the report.

### Appendices

| No. | Title                     | Page |
|-----|---------------------------|------|
| 1↓  | Metering Programme Update | 102  |

**Author:** Wellington Water Limited

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# Wellington Water Committee | Komiti Ngā Wai Hangarua

13 December 2024

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Report no:

## Metering Programme Update

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### Purpose of Report

1. This report provides the Wellington Water Committee with an update of progress on the development of a single integrated water meter implementation plan across shareholding councils. This involves the establishment of the Water Metering Programme to implement metering in the Wellington metropolitan region over multiple years of current Long-Term Plans (LTPs).

### Recommendations

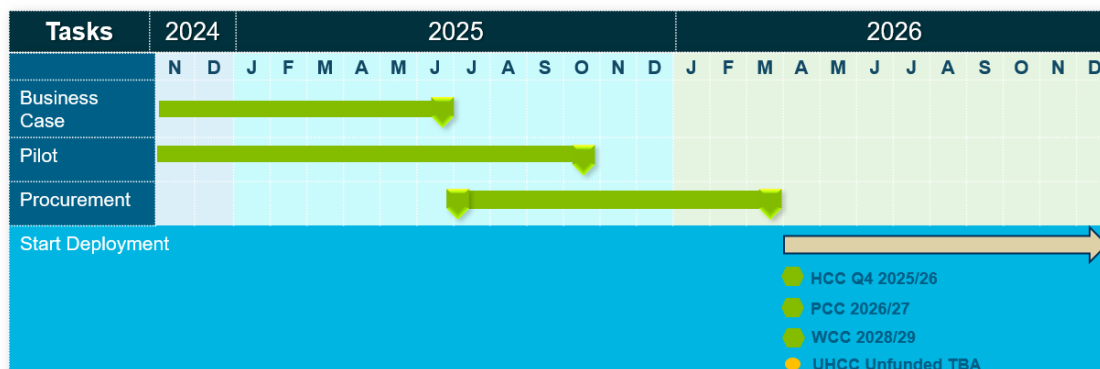
2. That the Committee:
  - notes this report.

### Background

3. The Water Shortage Summit in September 2023 highlighted the vulnerable situation the region is in with water security. To address this, the metropolitan councils endorsed three key investment pillars for achieving a sustainable supply of, and demand for, drinking water.
4. This involved implementing water metering in parallel with increasing investment in water loss reduction and progressing source capacity upgrades. As a result, the metropolitan councils included funding to progress water metering in their 2024/34 LTPs.
5. Implementation of water metering is critical for the region to make tangible progress with water conservation. Ultimately, we will need to maximise the benefits metering can provide if we are to prevent the need to progress additional more costly and difficult to deliver solution.
6. The 2024-2027 Letter of Expectation from the Water Committee requests Wellington Water to *work with shareholders to produce a single integrated water meter implementation plan across shareholding Councils.*

**Summary**

7. To meet the Committee’s request, we have established a Joint Programme Advisory Group with Council officers, Mana Whenua, an independent advisor and Wellington Water representation. This group’s role is to provide direction, support and guidance to the programme and enable an effective interface with the councils as the asset owners, funders, and policy holders. While noting final decisions lie with each individual council.
8. To effectively deliver the programme, Wellington Water has established a dedicated team with experience specific to the activities required. The programme is different to the work we normally deliver in its scale and complexity, so having this team in place means we are creating capability to be a smart buyer on behalf of councils. It also means we can work in an integrated way with Wellington Water and councils’ functions to get input where needed, while limiting the impact on normal business.
9. The focus of the programme in this financial year is on completing a Single Stage Business Case, which will build on the case for investment that Wellington Water has developed over a number of years. This will enable councils to make informed decisions and support successful implementation.
10. We are also looking at the feasibility of running a pilot in 2025 and are working with the metropolitan councils on an equitable approach to funding it. Running a pilot would be beneficial in providing valuable insights to inform full deployment and learnings on the effectiveness of smart meters while testing the end-to-end system.



**Climate Change Impact and Considerations**

11. 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:** External Author (Wellington Water Ltd)  
 WW

# Komiti Ngā Wai Hangarua | Wellington Water Committee |

06 December 2024

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Report no: WWC2024/5/125

## Wellington Water Committee Letter of Expectation

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### Purpose of the 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 Appendix 1 to the report); and
- (3) authorises the Wellington Water Committee Chair to sign the letter.

### Background

2. Committee members have delegated authority from each of the six shareholding councils to agree to 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 and subsequent discussions, including those on water reform.
5. The letter also reflects feedback from shareholding councils and some iwi partners after circulating an early draft.



### Communications

6. 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

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

### Significance of the decision

9. Part 6 requires the Committee to consider the significance of the decision. The term “significance” has a statutory definition in the Act.
10. Officers have considered the significance of the matter and consider it, on their 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 |
|-------------------|----------------------------------|------|
| <a href="#">1</a> | Draft Letter of Expectation 2024 | 106  |

**Author:** Wendy Walker  
Chief Executive, Porirua City Council

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

XXX 2024

Nick Leggett  
Chair  
Wellington Water Limited  
Private Bag 39804  
WELLINGTON

Kia ora Nick

### **Letter of Expectation 2025 - 28**

This letter sets out the priorities and expectations of the six shareholding Councils and Mana Whenua of Wellington Water Limited (WWL) for the period 2025-2028. 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 have been informed by discussions over the past year.

#### **Context**

Over the past year the pathway to water reform has become somewhat clearer with councils accountable for the development and adoption of Water Service Delivery Plans (WSDP) by 3 September 2025.

In our region five of the six shareholding councils remain committed to development of a joint WSDP and the establishment of a new regional water entity by 2026. In addition, South Wairarapa District Council is working with the other Wairarapa councils on a potential local CCO model.

The reform process and establishment of a new water entity will have implications for WWL. In particular:

1. This responsibility sits 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 intent is that this process will lead to the eventual disestablishment of WWL, however it is intended that significant operational aspects of WWL, including staff, contracts and relationships would transfer to the new entity. As a result, WWL needs to maintain ongoing alignment with the establishment planning to ensure that it is in a position to support this process.
3. 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 and in line with Organisational Capability Plan 2024-2026.

**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.

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 2025-26**

1. Within agreed funding, prioritisation and delivery of the Organisational Capability Plan 2024-2026 and respond to the key findings of recent reviews of WWL including the WWL Cost Estimation Error. In particular, provide regular quarterly reporting that demonstrates tangible progress in relation to:
  - Accountability – including organisational restructuring so that accountabilities are clear and capabilities can be enhanced in the lead up to a new entity, ensuring value for money
  - Assurance – establish effective risk management, align internal management with strategic goals, improve operational efficiency and compliance, and oversee the implementation of review recommendations
  - Controls – finance and process: Strengthen the overall control environment by creating and enhancing internal controls that support consistency and quality in financial and other capability, planning, process and systems
  - Improve programme and project governance including performance monitoring
  - Responsibilities to shareholders: rebuild the trust and confidence of shareholding councils in WWL
  - Transition to a new entity: Prepare, support and engage in the transition to a new entity
  - Ways of working: embed organisational values and behaviours into daily practices, defining clearer leadership expectations, and adapting performance management to ensure accountability and to support a positive workplace culture.
2. WWL will work with shareholders to deliver on a single integrated water meter implementation plan across the shareholding Councils.
3. Develop a prioritised programme of investment for key information technology systems that can be utilised by WWL in the short-medium term and passed to the new water entity in the longer term. This programme should be done in partnership with the intended shareholders of the new entity and will include finance, asset management and scoping of customer relationship management system (CRM).
4. For the next year, drinking water investments and maintenance should be oriented around mitigate the risk of an acute water shortage for the summer of 2026 while addressing the long term risks and solutions – including bulk water storage.
5. The shareholding Councils endorse the five existing priority areas for WWL, and note that these need to be balanced:
  - 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.
6. WWL must ensure that local Mana Whenua priorities are incorporated into operations.

This letter is communicated at a time where we are looking to a future delivery model in order to address the challenge that our assets continue to fail, with obvious and high-profile consequences across the network. 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 WWL Statement of Intent no later than 1 April 2025. Please contact [wendy.walker@porirua.govt.nz](mailto:wendy.walker@porirua.govt.nz) should you have any queries.

Yours sincerely

Campbell Barry  
Chair  
Wellington Water Committee

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

**FROM:** Jack Kilty. Democracy Advisor, Hutt City Council

**DATE:** 04 December 2024

**SUBJECT:** WELLINGTON WATER COMMITTEE FORWARD PROGRAMME 2025

### 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 2025.

### Recommendation

That the Committee receives and notes the attached draft Forward Programme and future workshop topics for the Wellington Water Committee for 2025, as detailed in Appendix 1 of 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 2025 is attached as Appendix 1 to the memorandum.

### Forward Programme

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

### Appendices

| No. | Title   | Page |
|-----|---|------|
| 1↓  | Wellington Water Committee Draft Forward Programme 2025 | 110  |

**Author:** Jack Kilty  
Democracy Advisor, Hutt City Council

**Approved By:** Kathryn Stannard  
Head of Democratic Services, Hutt City Council

## Draft Wellington Water Committee Forward Programme 2025

| 14 March   | 30 May   |
|--|--|
| <p style="text-align: center;"><i>Hutt City Council</i></p> <p><b>Wellington Water Committee</b></p> <ul style="list-style-type: none"> <li>• Chairperson’s Statement</li> <li>• Local water done well – legislation and water service delivery plan update</li> <li>• WWC Forward Programme</li> </ul> <p><b>Wellington Water</b></p> <ul style="list-style-type: none"> <li>• Company and Governance Update</li> <li>• Water Supply Risk</li> <li>• Receive draft 2025/26 Statement of Intent</li> <li>• Half Year Report – Quarter 1 and 2 Performance</li> <li>• Update on implementation of Organisational Capability Plan</li> </ul> | <p style="text-align: center;"><i>Hutt City Council</i></p> <p><b>Wellington Water Committee</b></p> <ul style="list-style-type: none"> <li>• Chairperson’s Statement</li> <li>• Local water done well – legislation and water service delivery plan update</li> <li>• WWC Forward Programme</li> </ul> <p><b>Wellington Water</b></p> <ul style="list-style-type: none"> <li>• Company and Governance Update</li> <li>• Water Supply Risk</li> <li>• Reporting of Annual Measures to Taumata Arowai (TBC)</li> <li>• Update on implementation of Organisational Capability Plan</li> <li>• Update on Annual Plans/LTPs</li> </ul> |
| <p><b>Workshop</b></p> <ul style="list-style-type: none"> <li>• Placeholder.</li> </ul>  | <p><b>Workshop</b></p> <ul style="list-style-type: none"> <li>• Placeholder</li> </ul>   |

**Pending:** Review of WWL Director's Fees