



# KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

22 July 2024

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

**Friday 26 July 2024 commencing at 10:00 am**

## Membership

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

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

[www.huttcity.govt.nz](http://www.huttcity.govt.nz)

# Wellington Water Committee

## Terms of Reference

### Purpose

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

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

### Status

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

### Specific responsibilities

The Committee's responsibilities are:

Governance oversight responsibilities

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

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

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

### **Membership**

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

### **Chairperson**

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

### **Quorum**

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

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

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

### **Alternates**

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

### **Other Shareholder attendee**

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

### **Decision-making**

The Committee will strive to make all decisions by consensus.

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

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

### **Secretariat services**

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

### **Standing Orders**

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

### **Remuneration**

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

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

### **Administration**

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

### **Duration of the Committee**

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

## **Appendix**

### **Common delegations by Shareholders**

#### Governance oversight responsibilities

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

#### Shareholders' responsibilities

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



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

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

**ORDER PAPER**

**PUBLIC BUSINESS**

**1. OPENING FORMALITIES - KARAKIA TIMATANGA**

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

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

**2. APOLOGIES**

L Ruahina-August and A Rutene

**3. PUBLIC COMMENT**

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

**4. CONFLICT OF INTEREST DECLARATIONS**

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

**5. MINUTES**

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

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

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

**7. COMPANY AND GOVERNANCE UPDATE 26 JULY 2024**

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

8. **INDEPENDENT REVIEW OF ESTIMATION ERROR**

*Report to be circulated separately*

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

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

10. **ACUTE WATER SHORTAGE RISK**

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

11. **ANNUAL GENERAL MEETING**

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

12. **INFORMATION ITEM**

**Wellington Water Committee Forward Programme 2024**

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

13. **QUESTIONS**

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

14. **EXCLUSION OF THE PUBLIC**

**CHAIR'S RECOMMENDATION:**

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

15. **MINUTES**

24 May 2024

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

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

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

Jack Kilty  
**Democracy Advisor**  
**Hutt City Council**

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

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

**Friday 24 May 2024 commencing at 10:00 am**

---

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

**APOLOGIES:** Helmut Modlik, Te Rūnanga O Toa Rangatira

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

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

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

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

2. **APOLOGIES**

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

**Minute No. WWC 24201**

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

3. **PUBLIC COMMENT**

There was no public comment.

4. **CONFLICT OF INTEREST DECLARATIONS**

There were no conflict of interest declarations.

5. **CHAIR'S STATEMENT**

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

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

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

6. **MINUTES**

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

**Minute No. WWC 24202**

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

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

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

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

**Minute No. WWC 24203**

*"The Committee receives and notes the update."*

## 8. COMPANY AND GOVERNANCE UPDATE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Minute No. WWC 24204**

*"That the Committee:*

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

**9. ACUTE WATER SHORTAGE UPDATE 24 MAY 2024**

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

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

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

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

**Minute No. WWC 24205**

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

**10. REPORTING OF ANNUAL MEASURES TO TAUMATGA AROWAI**

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

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

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

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

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

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

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

**Minute No. WWC 24206**

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



## 11. MEETING SCHEDULE FOR 2024/25

Memorandum dated 17 May 2024 by the Democracy Advisor

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

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

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

**Minute No. WWC 24207**

*"That the Committee:*

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

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

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

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

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

## 12. INFORMATION ITEM

### Wellington Water Committee Forward Programme 2024

Memorandum dated 7 May 2024 by the Democracy Advisor

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

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

**Minute No. WWC 24208**

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

### 13. QUESTIONS

There were no questions.

### 14. EXCLUSION OF THE PUBLIC

RESOLVED: (Mayor Barry/Cr Connelly)

**Minute No. WWC 24209**

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

#### 15. *Appointment of Directors to Wellington Water Limited*

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

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

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

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

Mayor Barry  
**CHAIR**

**CONFIRMED as a true and correct record**  
**Dated this 26<sup>th</sup> day of July 2024**

# Wellington Water Committee

**Item 7: Local water  
done well**

**Legislation and water  
service delivery plan  
update**

22 May 2024  
Dougal List, Programme Director



## Key updates – policy and legislation

### Legislative change

**Bill 1** - passed

**Bill 2** – expected in May

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

**Bill 3** - late 2024 to early 2025

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

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

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



**2** ESTABLISH FRAMEWORK AND TRANSITIONAL ARRANGEMENTS  
INTRODUCED AND ENACTED MID-2024

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

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

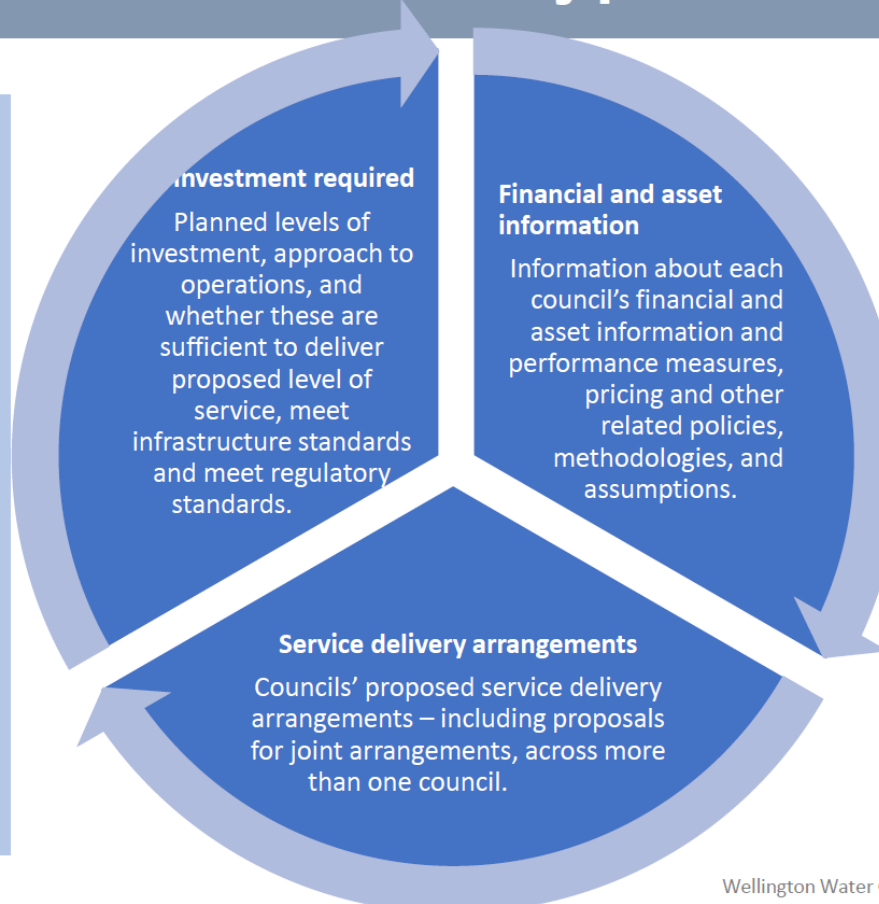
- Set long-term requirements for financial sustainability.
- Provide for a range of structural and financing tools, including a new class of financially independent council controlled organisations.
- Consider the water regulator's empowering legislation to ensure the regulatory regime is efficient,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

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

### Nb. Purpose and requirements will be confirmed by Bill 2

#### Purpose

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



### Key information

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

# Agreed approach for the Wellington region and Horowhenua

## Joint Water Service Delivery for the Wellington Region

Private and confidential

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

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

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

- Supported by all councils and iwi/Maori partners
- Supported by the Government and enabled through legislative change
- Based on a sustainable funding model that is workable, affordable, and meets the needs of communities and the environment

The plan will enable commitment from councils and the Government to establish a new model for delivery.

### Government support

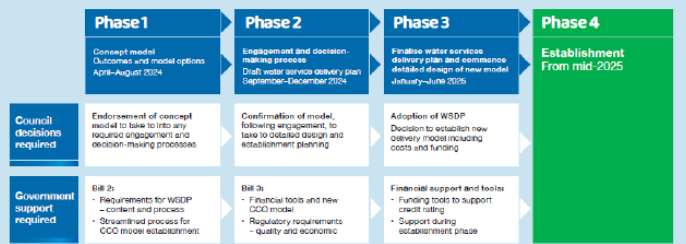
#### Enabling legislation

- Streamlined requirements for water services delivery plans
- Enable phased in meeting of regulatory requirements
- New COO model and financial tools to enable debt headroom and financial separation from councils
- Streamlined consultation and establishment processes for COOs

#### Financial support and tools

- Use of current transition grant funding during planning phase
- Funding tools for the new delivery model to enable a strong credit rating
- Support during the establishment phase to set up the new model and to ensure affordable transition for communities

### Phases of delivery



### The Councils

Nine territorial authorities and Greater Wellington Regional Council



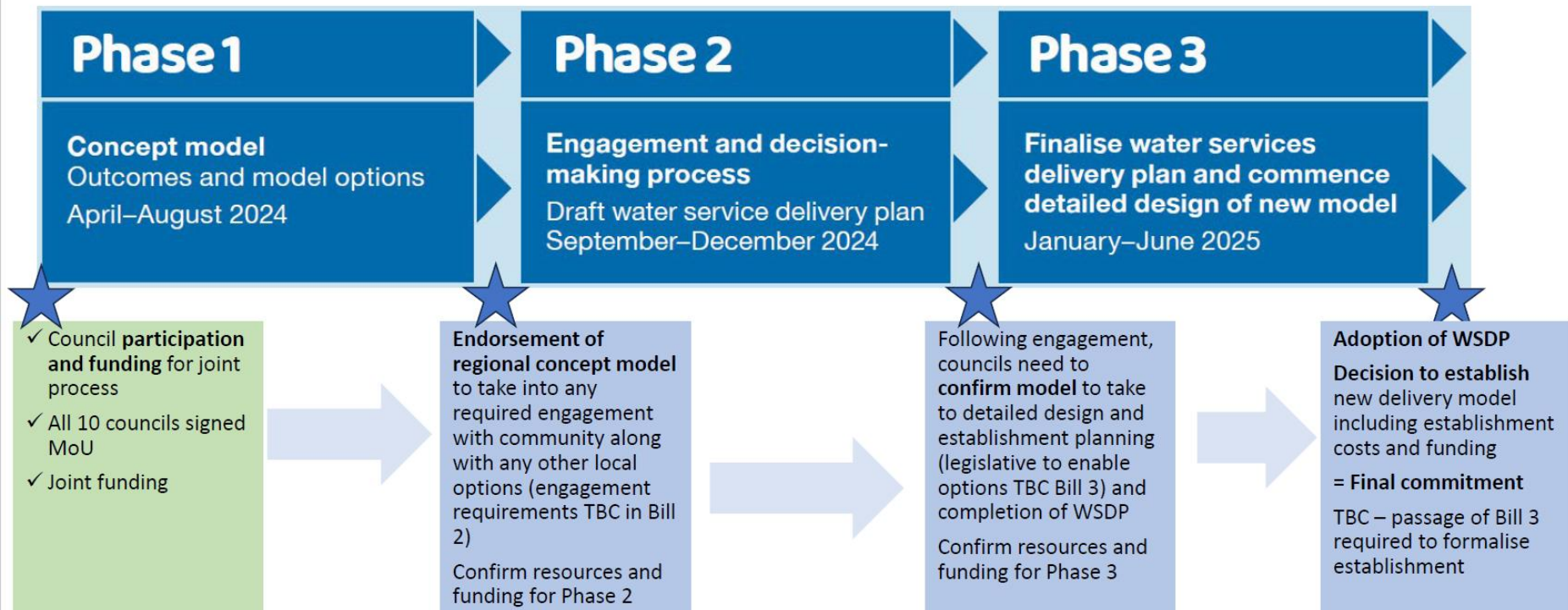
### Key progress to date

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





## Key Phases and decision points



# Komiti Ngā Wai Hangarua | Wellington Water Committee

10 July 2024

Report no: WWC2024/3/73

## Company and Governance Update 26 July 2024

### Appendices

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

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





# Wellington Water Committee | Komiti Ngā Wai Hangarua

26 July 2024

File: ()

---

Report no:

## Company and Governance Update

---

### Purpose of Report

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

### Recommendations

That the Committee receives and notes the report.

### How to read this report

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

### Governance Update

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

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

#### *Statement of Intent for 2024-27*

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

#### *Summary of Quarter 4 Performance*

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

## The Water Committee Priorities

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

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

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

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

### *Sustainable water supply and reducing consumption*

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



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

### *Regulatory performance*

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

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

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

## **Operational Achievements and Issues**

### *People*

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

### *Wellington Water corporate budget*

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

### *Opex Delivery*

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

### *Capex Delivery*

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

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

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

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

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

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

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

#### *Wastewater Treatment Plants*

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

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

#### *Growth update*

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

#### *Environmental Water Quality update*

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

*Net Zero Carbon update*

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

*Technology Systems*

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

**Connecting the Water Committee to Individual Councils**

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

**Climate Change Impact and Considerations**

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

**Appendices**

There are six appendices for this report.

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



**Author: Tonia Haskell**

External Author (Wellington Water Ltd)

---

## APPENDIX 1: Draft SOI Portfolio reporting dashboard template

July 2024



Current progress status for the SOI initiatives:

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

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



**Outcome**  
 Add the outcome from your project brief here.

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

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

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

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

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

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

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

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



## Wellington Water Quarterly Overview

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

Quarter 4, 2023-24: April – June 2024



Our water, our future.

## About this document

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

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

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

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

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

[wellingtonwater.co.nz](https://www.wellingtonwater.co.nz)

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

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



Look after existing infrastructure



Support growth



Ensure sustainable drinking water supply for the future



Improve water quality of our rivers, streams and harbours



Reduce our carbon emissions and adapt to the impacts of climate change



Increase resilience to natural hazards

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

## Regional strategy and delivery

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

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

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

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

## Core delivery focus areas

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








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

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

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

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

## Delivery highlights for this Quarter

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

## Supporting long-term planning for 2024-34

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

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

### Our 2024-2034 Long-Term Planning advice

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

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

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

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

### Long-Term Plan advice – current status

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

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

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

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

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



# Providing a sufficient supply of drinking water

Our, and our councils', ability to provide a sustainable supply of drinking water remains at risk. The network is old with increasing leaks (around 44% water loss on average for the metropolitan councils), people are using a lot of water and population growth is adding to the issue.

## Water use reduction achieved during the 2023/24 summer

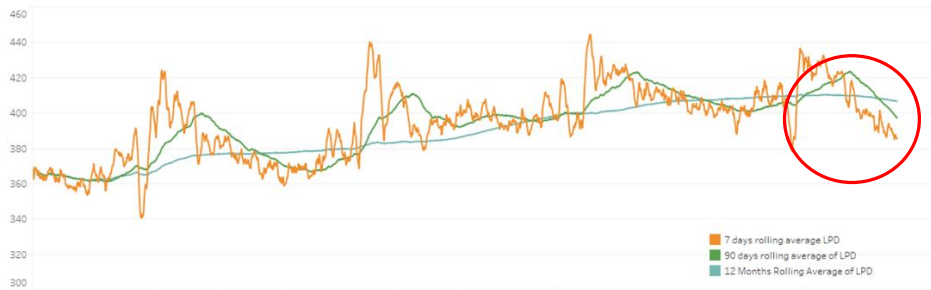
At the beginning of summer, Wellington Water warned the region that there was a risk that tighter water restrictions would be needed to prevent an acute water shortage. The combined efforts of residents and councils saved over 400 million litres of water over summer.

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

## Metering programme establishment

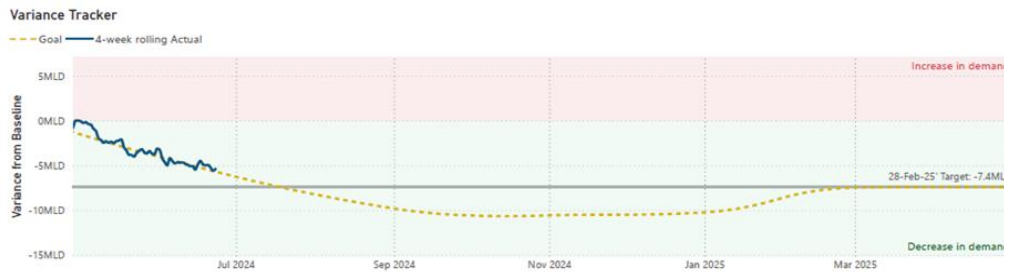
The residential metering programme is a core activity to achieve a sustainable water supply for the region. It supports and enables water loss reduction and customer water use efficiency. The programme is now in the establishment phase. We are currently recruiting a core team and have had a strong response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

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



## Water use reduction target for the 2024/25 summer

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



## Te Mārua Water Treatment Plant Capacity Upgrade

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

Quarter 4, 2023-24: April – June 2024

Our water, our future.

# Providing safe drinking water

## Drinking water compliance

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

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

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

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

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

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

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

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

Waterloo treatment plant



# Providing fluoridated drinking water

## Fluoridating the drinking water

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

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













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




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

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

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

## Fluoride compliance at the Wellington metropolitan water treatment plants – Q4

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

-  Compliant
-  Compliant but with noted issues
-  Not compliant

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

# Removing and treating wastewater

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

## Moa Point Wastewater Treatment Plant

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

## Western Wastewater Treatment Plant

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

## Seaview Wastewater Treatment Plant

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

























## Porirua Wastewater Treatment Plant




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

## South Wairarapa Wastewater Treatment Plants

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

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

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

 Compliant  
 Compliant but with noted issue  
 Not compliant

## Increasing transparency around network overflows

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

# Delivery of the region’s capital works programme

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

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

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

## KMs of pipe for this financial year

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

Figures are in Kilometres

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

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

Whakawhirinaki bridge



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

# Operational network maintenance


## Finding and fixing leaks

We continue with our programme of work to find and fix leaks across the region. This financial year, Wellington City Council, Upper Hutt City Council, Hutt City Council and Porirua City Council have provided us with additional funding to fix more leaks in their cities. This is having a positive impact on the backlog of leaks around the metropolitan region. Extra investment was made available to us in the second half of this financial year. Since January, the backlog has more than halved and has reduced from 3,366 to 1,601 as of 3 July 2024.

## Leaks by the numbers - across the region

**As at 30 June 2024:**

 **10,160** leaks fixed this financial year (from 1 July 2023) (8,042 total last year)

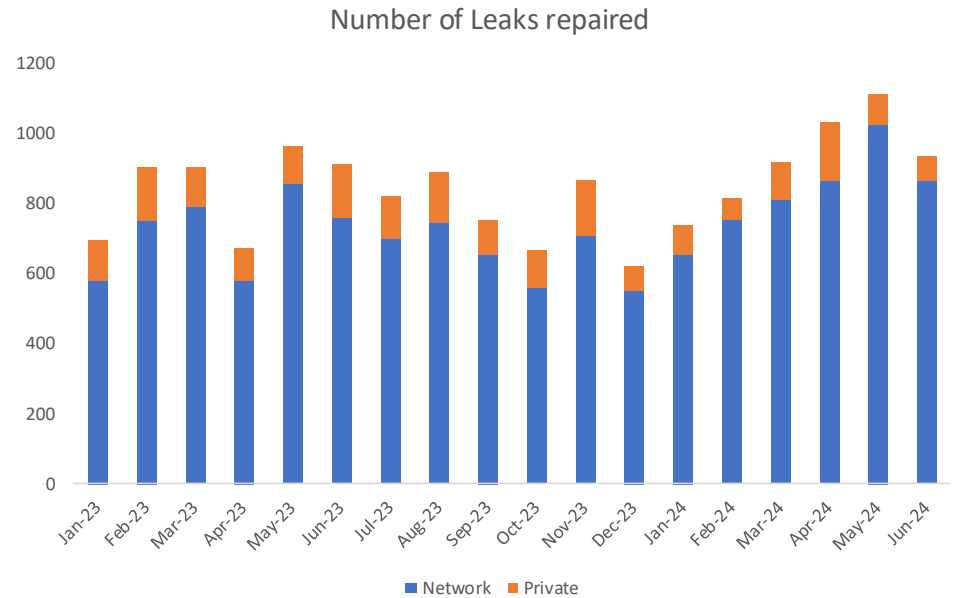
 **1,601** confirmed open leak jobs

 **2,173km** of the network proactively surveyed for leaks since 1 July 2023

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

## Public and private leaks repaired across the region

Overall, regionally we have seen an increase in the number of leaks (public network and private) that have been found and fixed this quarter. That correlates with the increased investment by councils in repairing more leaks.





# Ready to respond when needed

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

This quarter we mobilised our crews to respond to a total of **29 significant network outages** across the region, on behalf of our councils. So far this year we have responded to a total of 77 significant network outages of level 2 and above, and a total of 153 for the financial year.

## Jervois Quay, Wellington Central

A significant outage of note this quarter was when a drinking water pipe burst in central Wellington on Jervois Quay in June. The burst occurred on a Saturday morning just before the busy weekend period. Our teams responded to the incident quickly and were able to reduce the impact of the burst to a few buildings in the area. We were also able to limit traffic disruption to just a one lane closure, which allowed traffic to continue to flow in and out of the city. Crews worked through the early hours of the morning, and we completed the repair and restored services to residents and businesses at 12:15am on the Sunday morning.



Team arriving on scene






Pipe burst exposed



Post-repair

### Our response

-  **Four teams** responded to the incident covering coordination of resources through to the crews on the ground
-  The team received **only one customer call** for this job
-  Took **9 hours** to repair the burst with little traffic disruption

## Establishing Rōpū an important step towards Te Mana o te Wai



Jeremy McKibben, GM of Network Management Group, and Te Rūnanga o Toa Rangāira CEO Helmut Modlik



Our SLT and Tumuaki Māori Paul Clarke, with Kirsty Tamanui, Kaiwhakahaere Matua / General Manager of Taranaki Whānui, and Kara Puketapu-Dentice, Chairperson of Taranaki Whānui.

We continue our work to bring effect to Te Mana o te Wai and restoring the balance between the wai, environment, and people. We're looking at how we apply Te Mana o te Wai in our day-to-day operations and decisions.

This needs to happen not just for planned work but also for reactive emergency work where we continue to hold the value of protecting the wai at the forefront.

The concept of Te Mana o te Wai – where the wellbeing and health of our rivers, lakes, aquifers and estuaries is prioritised – is a strategic focus for Wellington Water and our mana whenua iwi partners.

Sharing knowledge and expertise is an important part. We've established a Rōpū, made up of representatives from Taranaki Whānui, Hikoiko Management, Te Rūnanga o Toa Rangāira, Hutt City Council and Upper Hutt City Council to collaborate on options to reduce or discontinue the intermittent discharge of treated wastewater to the Waiwhetū Stream, Lower Hutt.

The Rōpū meets monthly, and is also considering wider system level improvements that can be made. We're working toward pulling mana whenua iwi to the centre of conversations about wastewater, stormwater and drinking water. This is one of the ways we're currently doing this.



# Looking after our people

## Staff engagement

Our Employee Engagement Capital score was 60% (rolling average) for the 2023-24 year, however quarterly tracking shows a downward trend of 5 percentage points to 55% in Q4. This is still an increase of 2 percentage points from the previous year. We are continuing to work on our leadership and communication with our people to ensure they are engaged and their wellbeing is maintained.

In January 2024 we adopted a new Leadership Development Framework. The framework is designed to strengthen leadership capability, performance and accountability at every level of the organisation, and therefore serve our community and environment well.

## Recruitment

Organisational growth has slowed as it has for the wider sector. We have been more successful in filling harder-to-fill roles, although it remains a challenge to secure highly experienced frontline personnel. We are implementing new recruitment strategies.

Staff turnover continues to be low at around 11.4%.



## Health and Safety

This quarter we had four lost time injuries. However, these were minor and, in all cases, workers were supported and have returned to work.

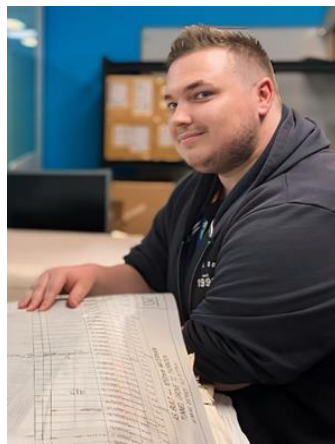
## Mental health and wellbeing

We have been delivering a number of Better Work by Design workshops, which are providing insights into the factors that can support, and hinder, good wellbeing at work. This programme of work is being gradually rolled out across the organisation, with the lessons shared and implemented into business practices.



# Celebrating our people

Wellington Water is made up of hard-working people who are dedicated to delivering good water outcomes for our councils and communities. We think it's important to celebrate our people so every week we profile a member of our team and shine a light on the important mahi they do and why they do it. We call these 'Mahi Monday' and every Monday we publish a profile on our social media channels to share our people's stories with the public. Follow us on Facebook and X to find out more.











*Mahi Monday posts celebrating our people, featuring from left to right: Jazz Parsons – Graduate Operations Engineer; Wade Gosper – Senior Analyst Data Quality (Asset Data); Alexander Pawson – Engineer; Wei Zeng – Technical Advisor – Drainage Investigations.*



Quarter 4, 2023-24: April – June 2024

Our water, our future.

## Wellington Metropolitan Water Treatment Plants – June 2024



Water Treatment plants	Comments	Safe drinking water	Fluoride
Waterloo*	Waterloo WTP is non-compliant with the Taumata Arowai bacterial compliance rules*. This issue does not affect drinking water safety. Waterloo has fluoridated the drinking water within MoH’s recommended levels 97.1% of the time. Work is currently underway to address the network configuration issue.		
Wainuiomata	Taumata Arowai are currently reviewing the Metropolitan Water Safety Plan. Wainuiomata has fluoridated the drinking water within MoH’s recommended levels 98.5% of the time.		
Te Mārua	Taumata Arowai are currently reviewing the Metropolitan Water Safety Plan. Te Mārua has fluoridated the drinking water within MoH’s recommendation levels 98.9% of the time. The DAF project is going well with partial commission expected in Oct 24.		
Gear Island	Taumata Arowai are currently reviewing the Metropolitan Water Safety Plan. Gear Island has fluoridated the drinking water within MoH’s recommended levels 88.7% of the time. The non-conformance was due to fluoride project work and planned maintenance.		

-  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 - June 2024

	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



Supply risk	Comments	Risk level
Short term supply	The Wellington Region shifted back to Level 1 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.	

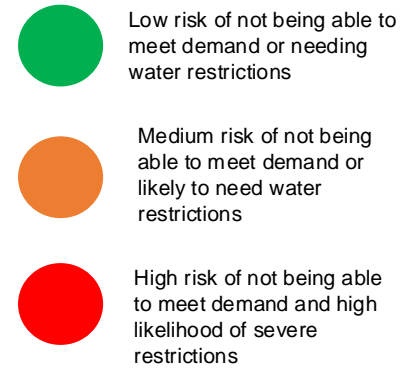
## South Wairarapa Water Treatment Plants – June 2024

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

Water Treatment plants	Comments	Safe drinking water	Fluoride
Waiohine	The Waiohine WTP is currently non-compliant with Taumata Arowai's new rules due to insufficient treatment to meet the source water risk, as well not having key monitoring instruments installed. Planning and physical works are underway to bring the plant into compliance.		Currently not yet mandated by the MoH
Memorial Park	The Memorial Park WTP is currently non-compliant with Taumata Arowai's new rules due to insufficient treatment to meet the source water risk, as well not having key monitoring instruments installed. Procurement of the instruments has been completed, however addressing the supply risk from the aging bore is still a high priority.		Currently not yet mandated by the MoH
Martinborough	The Martinborough WTP is currently non-compliant with Taumata Arowai's new rules due to not having key monitoring instruments installed. However, the required instruments have been procured and physical works are underway		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, and implementation of an asset maintenance recording system		Currently not yet mandated by the MoH

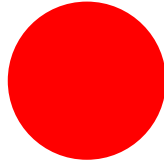
## Supply and long-term drought resilience June 2024

Supply risk	Comments	Risk level
Short term supply	A reduction in consumption has led to the South Wairarapa region being lowered to 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.	



# Moa Point Wastewater Treatment Plant performance

Update – June 2024



**Current status: Non-compliant**

## Commentary

The plant has returned to compliance for biochemical oxygen demand (BOD - all 90-day, 90th percentile limits) but remains non-compliant for suspended solids & faecal coliforms. Steps to fix this are being undertaken, however, breakdowns and planned maintenance work are delaying a return to compliance. The third clarifier coming back into service in July is expected to improve treatment processes.

## Discharges

No discharges in June.

## Please explain letter issued

GWRC issued a please explain letter in relation to the short outfall discharge that occurred on 1 May, a response was provided within the required timeframe.

## Odour

There were 6 odour complaints relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant. None were assessed to be offensive and objectionable by GWRC.

## Items of significance

### Clarifier #2 Renewal Project

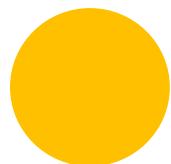
Excellent progress was made in June to repair the major mechanical components, including the main bearing drive and corrosion protection of the structural areas. The final minor mechanical works are now taking place.

The Clarifier is expected to be back in operation by late July 2024.



## Porirua Wastewater Treatment Plant performance

Update – June 2024



**Current status:** Compliant (with noted issue)

### Commentary

The plant is compliant for effluent quality. The treatment plant has higher levels of solids in the process than normal. This can cause partially treated discharges especially during heavy rain. Steps are being taken to address this.

### Discharges

There were 3 wet weather discharge events of biologically treated but undisinfected effluent in June. The event on 5 June was due to UV performance issues. Two discharges on 16 and 17 June were due to power outages within the vicinity of the plant.

### Please explain letters issued

GWRC issued 3 please explain letters in relation to UV performance issues in March and April, the partially treated discharge on 1 May and the undisinfected discharge event on 5 June. Responses to the letters will be provided within the required timeframe.

### Odour Complaints

No odour complaints in June

### Items of significance:

#### UV Performance Issues:

The project team continue to adjust the system to improve operations. The UV manufacturer is supporting this process. Changes made to date have improved UV performance during high volume flows, but occasional faults are still occurring. The system will continue to be closely monitored.

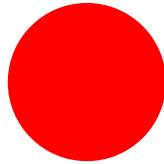
#### Sludge Handling Mitigating Measures:

Measures have been identified to return the solids at the plant to the optimum level. This includes increasing sludge disposal at the landfill during operating hours. Higher sludge disposal requires close consultation with landfill operations.



## Seaview Wastewater Treatment Plant performance

Update – June 2024



**Current status: Non-compliant**

### **Commentary:**

The plant remains non-compliant for faecal coliforms (90-day geomean, 80th percentile limit). Improvements have been observed in the biological process with the plant's daily effluent results currently within the consent requirements.

### **Discharges:**

No discharges in June.

### **Odour complaints:**

The plant received 16 odour complaints in June. None were assessed to be offensive and objectionable by GWRC.

### **Items of significance:**

#### **Odour Treatment Project**

The physical works related to the biofilter “plenum” structure replacement and improvement in cell isolation will start in August.

#### **UV System refurbishment**

Critical components of the current UV system will undergo refurbishment starting mid-July with expected completion by end of August. This should significantly improve the level of treatment required to reduce faecal coliforms in the effluent before it is discharged to the coastal marine area. A project to upgrade the UV system is planned.

## Seaview Wastewater Treatment Plant performance – Odour Treatment

Update – June 2024

### What has been completed:

A contractor has been selected to deliver the biofilter works due to start in the coming months.

The biofilter plenum replacement design independent peer review is now complete.

Public tours of the plant were held on 22 June – approximately 20 people attended.

The project webpage has been updated with current information to improve the user experience and better inform the public.

The wastewater screening room and dryer building have undergone 3D scan which will be used for ventilation design and screening room ducting replacement.

### What is currently in progress:

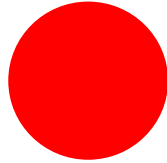
The odour scouting programme continues.

The independent peer review comments/actions are being addressed.

Design activities for the milliscreen ducting replacement and building air treatment continue.

## Western Wastewater Treatment Plant performance

Update – June 2024



**Current status: Non-compliant**

### Commentary

The plant remains non-compliant for biochemical oxygen demand\* 90-day geomean limit and daily BOD results remained above the geomean limit in June. Current sampling results show a trend towards compliance. Additional analysis and process adjustments continue to resolve this issue.

### Discharges

No discharges in June.

### Odour complaints

No odour complaints in June.

### Items of significance:

#### Outfall Repair:

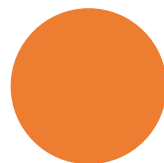
Repair work to the main outfall pipe resumed on 15 May, following the agreement with the landowners for access.

Repair work is progressing well and is expected to be completed before the end of July.

This work is required to be completed by 4 August 2024 under an abatement notice issued by GWRC.

## Greytown Wastewater Treatment Plant performance

Period – June 2024



**Current status:** Compliant, but with the risks identified below

### Commentary:

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

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

A compliance upgrade project is currently underway. However the scope of that does not currently allow for growth, and the plant is already operating beyond its design loading capacity. Funding is not 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 desludging funding is likely to be required within a 3-year window (can be incorporated into the regular, ongoing maintenance desludging programme).

### Items of significance:

Current plant design and processes are inadequate for the connected population, resulting in a risk of non-compliance (specifically related to ammonia concentration in the effluent) which is affected by seasonal weather patterns. The implications for growth are currently being discussed with SWDC.

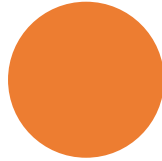
Wellington Water is planning a series of tests to determine the reason for a significant discrepancy between the inflow and the outflow measurements, including flow meter checking.

The discharge to stream is operating at a lower discharge rate as a trial (recommended by GWRC's ecologist) to mitigate discharge impacts at low Stream flows.

The 'Stage 1B Efficacy Report' will be updated at the end of the irrigation season. GWRC will then be able to decide what action to take at Greytown.

## Featherston Wastewater Treatment Plant performance

Period – June 2024



**Current status:** Compliant, but with the risks mentioned below

### Commentary:

**Major investment is required to achieve a new consent.**

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

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

### Items of significance:

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

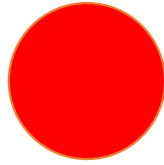
An updated set of draft consent conditions has been prepared for submission to GWRC, along with the s.92 response.

The Annual Report was submitted by June 30.

The Plant has had significant effluent non-compliance which occurred in May-June. This was due to the high volume of septic tank discharges (from Lake Ferry WWTP) being pumped into the pond via a nearby manhole.

## Lake Ferry Wastewater Treatment Plant performance

Period – June 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 Tanks 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.

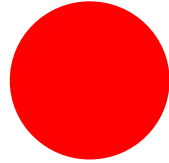
Plant valving automation is required to better comply with consent discharge requirements; however, it is **not funded**.

Projects underway:

Sodium Bicarbonate dosing improvements – optioneering  
Dripline leaks – some repaired, more require repair

## Martinborough Wastewater Treatment Plant performance

Period – June 2024



**Current status:** Non-compliant

### Commentary:

In June 2024, a new 'To Do Abatement Notice' was issued for Martinborough. 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 is planning to undertake a WWTP Growth-Capacity study, to determine how the plant can be upgraded to service new connections. The network growth study is nearing completion.

### Items of significance:

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

GWRC has issued an updated To Do Abatement notice, with a deadline of May 2025 to complete desludging.

Progress is being made on the desludging geobag laydown area consenting and tendering process, as well as UV optimisation.

## APPENDIX 4 - Recommended and adopted Capital Expenditure and Operational Expenditure by Council by Water Type

### Recommended and Council adopted Capital Investment levels, by Council and Water (uninflated, in millions)

Council	Water Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	TOTAL LTP	WWL Total Recommended
<b>GWRC</b>		<b>104.4</b>	<b>47.0</b>	<b>32.7</b>	<b>62.4</b>	<b>76.1</b>	<b>81.6</b>	<b>63.9</b>	<b>66.1</b>	<b>57.2</b>	<b>49.7</b>	<b>641.2</b>	1237.7
	Drinking Water	104.4	47.0	32.7	62.4	76.1	81.6	63.9	66.1	57.2	49.7	641.2	
<b>HCC*</b>		<b>79.5</b>	<b>100.8</b>	<b>140.3</b>	<b>131.3</b>	<b>131.4</b>	<b>127.9</b>	<b>151.0</b>	<b>131.8</b>	<b>163.4</b>	<b>148.3</b>	<b>1305.8</b>	2412.8
	Drinking Water	22.6	25.9	46.1	77.1	72.4	38.7	30.2	29.7	28.0	53.6	424.4	
	Stormwater	6.6	10.9	6.0	7.3	18.4	25.8	28.0	26.5	28.5	25.0	183.1	
	Wastewater	17.6	5.4	11.7	10.7	12.1	16.0	19.6	13.7	13.6	58.8	179.2	
	Wastewater JV	32.7	58.7	76.4	36.2	28.5	47.3	73.2	61.9	93.3	11.0	519.1	
<b>PCC**</b>		<b>70.5</b>	<b>44.4</b>	<b>47.5</b>	<b>47.4</b>	<b>50.7</b>	<b>53.1</b>	<b>49.9</b>	<b>50.6</b>	<b>51.4</b>	<b>49.6</b>	<b>515.0</b>	1686
	Drinking Water	12.3	10.8	14.6	23.6	22.1	14.4	11.8	11.4	11.3	11.7	144.1	
	Stormwater	3.6	3.1	4.2	8.3	5.3	6.1	11.2	12.5	12.7	13.3	80.3	
	Wastewater	5.5	6.7	8.6	11.4	17.1	20.5	22.3	24.2	25.9	22.6	164.9	
	Wastewater JV	49.1	23.8	20.0	4.1	6.1	12.1	4.6	2.5	1.5	2.0	125.7	
<b>SWDC***</b>		<b>12.7</b>										<b>12.7</b>	
	Drinking Water	8.7										8.7	
	Stormwater	0.4										0.4	
	Wastewater	3.6										3.6	
<b>UHCC*</b>		<b>19.8</b>	<b>9.4</b>	<b>9.8</b>	<b>7.9</b>	<b>14.7</b>	<b>19.4</b>	<b>18.4</b>	<b>11.5</b>	<b>12.2</b>	<b>13.0</b>	<b>136.1</b>	460.1
	Drinking Water	8.9	4.7	2.9	4.1	3.2	7.9	8.1	8.0	8.4	8.9	65.1	
	Stormwater	4.2	1.3	1.5	1.1	2.3	2.4	1.1	1.6	1.6	1.7	18.9	
	Wastewater	6.7	3.4	5.3	2.7	9.2	9.0	9.2	2.0	2.2	2.4	52.2	
<b>WCC****</b>		<b>61.8</b>	<b>60.2</b>	<b>68.6</b>	<b>105.2</b>	<b>94.8</b>	<b>128.7</b>	<b>149.8</b>	<b>147.7</b>	<b>90.5</b>	<b>119.5</b>	<b>1026.9</b>	1761.3
	Drinking Water	7.8	12.6	16.4	26.1	31.9	45.9	48.9	52.3	27.4	32.2	301.4	
	Stormwater	3.8	4.1	8.8	12.0	10.8	23.9	50.3	48.2	15.7	15.0	192.7	
	Wastewater	50.2	43.5	43.5	67.1	52.1	58.9	50.6	47.2	47.5	72.4	532.8	
<b>Grand Total</b>		<b>348.7</b>	<b>261.8</b>	<b>298.9</b>	<b>354.2</b>	<b>367.5</b>	<b>409.2</b>	<b>433.3</b>	<b>408.0</b>	<b>375.4</b>	<b>381.0</b>	<b>3637.9</b>	7557.9
Recommended Annual Total (excluding SWDC) *****		<b>384.5</b>	<b>410.7</b>	<b>506.4</b>	<b>656.5</b>	<b>961.3</b>	<b>961.3</b>	<b>961.3</b>	<b>961.3</b>	<b>961.3</b>	<b>961.3</b>	<b>7726</b>	

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

\*\*Awaiting confirmation from PCC on their adopted budget.

\*\*\*SWDC chose to develop an Annual Plan in 2024/25 and will develop a Long Term Plan next year.

\*\*\*\*WCC were not able to update their budgets before the adoption meeting to reflect our recommended changes for corporate charges and updates to programme. A revised programme built and socialised with them will be formally incorporated after adoption. The revised programme is what we will be planning to deliver to.

\*\*\*\*\*The Recommended Annual Total differs from the WWL Recommended as:

- Recommended Annual Total being a regional view of what WWL could deliver – growing the programme year on year, up to approximately \$1B per year.
- WWL Recommended view being a council-by-council programme view based on individual projects that could make up each council's programme. These were built to reach the regional Recommended Grand Total but due to the lumpiness of capital programmes does not match exactly.



**Recommended and Council adopted Opex Investment levels, by Council and Total (uninflated, in millions)**

Council (\$M)	Water Type	23/24 Budget	24/25 Recommended	24/25 Council adopted	25/26 Recommended	25/26 Council adopted	26/27 Recommended	26/27 Council adopted
<b>GWRC</b>	<b>Drinking Water</b>	<b>26.0</b>	<b>28.7</b>	<b>27.5</b>	<b>30.7</b>	<b>29.4</b>	<b>30.8</b>	<b>30.0</b>
HCC	Drinking Water	9.8	11.9	14.7	12.4	13.9	13.3	14.4
HCC	Stormwater	3.6	4.5	4.5	4.7	4.5	4.8	4.6
HCC	Wastewater	5.0	5.3	5.3	5.8	5.5	5.8	5.4
HCC	Wastewater JV	11.5	13.3	13.2	13.5	13.4	13.5	13.4
<b>HCC</b>	<b>Total</b>	<b>30.0</b>	<b>35.0</b>	<b>37.8</b>	<b>36.2</b>	<b>37.3</b>	<b>37.4</b>	<b>37.8</b>
PCC	Drinking Water	4.8	5.5	4.8	5.7	4.8	6.1	4.8
PCC	Stormwater	2.4	2.3	1.4	2.4	1.4	2.3	1.4
PCC	Wastewater	3.7	4.1	2.7	4.4	2.7	4.3	2.7
PCC	Wastewater JV	2.9	4.0	3.3	3.8	3.4	3.9	3.4
<b>PCC**</b>	<b>Total</b>	<b>13.8</b>	<b>15.9</b>	<b>12.3</b>	<b>16.4</b>	<b>12.3</b>	<b>16.5</b>	<b>12.3</b>
SWDC	Drinking Water	2.6	3.9	3.1				
SWDC	Stormwater	.2	.5	.4				
SWDC	Wastewater	2.7	3.6	2.9				
SWDC	Water Races	.2	.2	.2				
<b>SWDC ***</b>	<b>Total</b>	<b>5.8</b>	<b>8.2</b>	<b>6.4</b>				
UHCC	Drinking Water	2.9	4.1	3.2	4.2	3.2	4.5	3.2
UHCC	Stormwater	.8	1.4	.8	1.4	.8	1.5	.8
UHCC	Wastewater	1.8	2.4	1.8	2.5	1.8	2.5	1.8
UHCC	Wastewater JV	3.4	3.9	4.0	3.9	4.0	3.9	4.1
<b>UHCC</b>	<b>Total</b>	<b>9.0</b>	<b>11.7</b>	<b>9.9</b>	<b>11.9</b>	<b>9.9</b>	<b>12.3</b>	<b>9.9</b>
WCC	Drinking Water	17.5	24.3	28.1	22.4	23.0	23.4	22.7
WCC	Stormwater	4.1	7.1	4.4	6.0	4.4	6.1	4.3
WCC	Wastewater	26.0	31.1	27.6	32.4	27.8	32.7	27.7
WCC	Wastewater JV	3.9	5.6	5.6	5.6	5.6	5.6	5.6
<b>WCC</b>	<b>Total</b>	<b>51.5</b>	<b>68.0</b>	<b>65.6</b>	<b>66.3</b>	<b>60.7</b>	<b>67.8</b>	<b>60.3</b>
<b>Region</b>		<b>136.1</b>	<b>167.5</b>	<b>159.5</b>	<b>161.5</b>	<b>149.7</b>	<b>164.9</b>	<b>150.4</b>

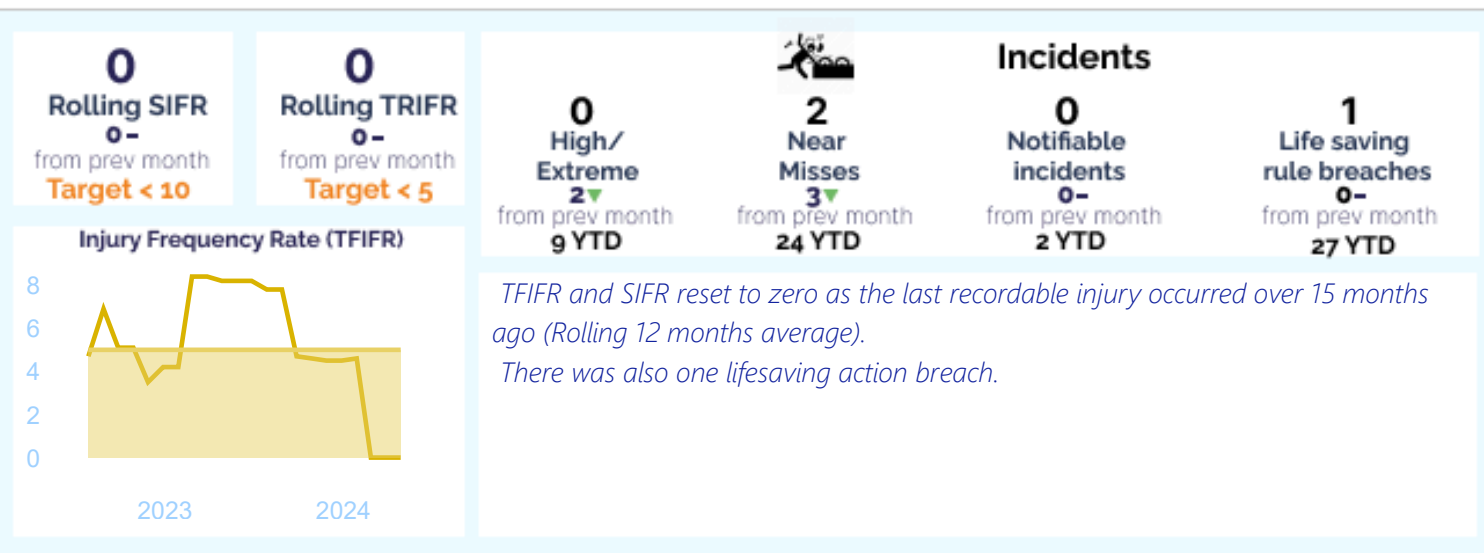
\* HCC budget includes post consultation additional budget of \$2.8m in 2024/25 and \$1.4m from 2025/26 – 2033/34 for drinking water leak repairs. Residential meters assumed to be fully implemented by 2027/28.

\*\*Awaiting confirmation from PCC on their adopted budget.

\*\*\*SWDC chose to develop an Annual Plan in 2024/25 and will develop a Long Term Plan next year. SWDC 2024/25 opex budget is subject to council confirmation.

\*\*\*\* WCC budget includes one off cost in Y1 \$2m and Y2 \$.4m for Residential meters business case & an additional \$3.3m in Y1 for Drinking Water to be used on leak repair before summer.

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

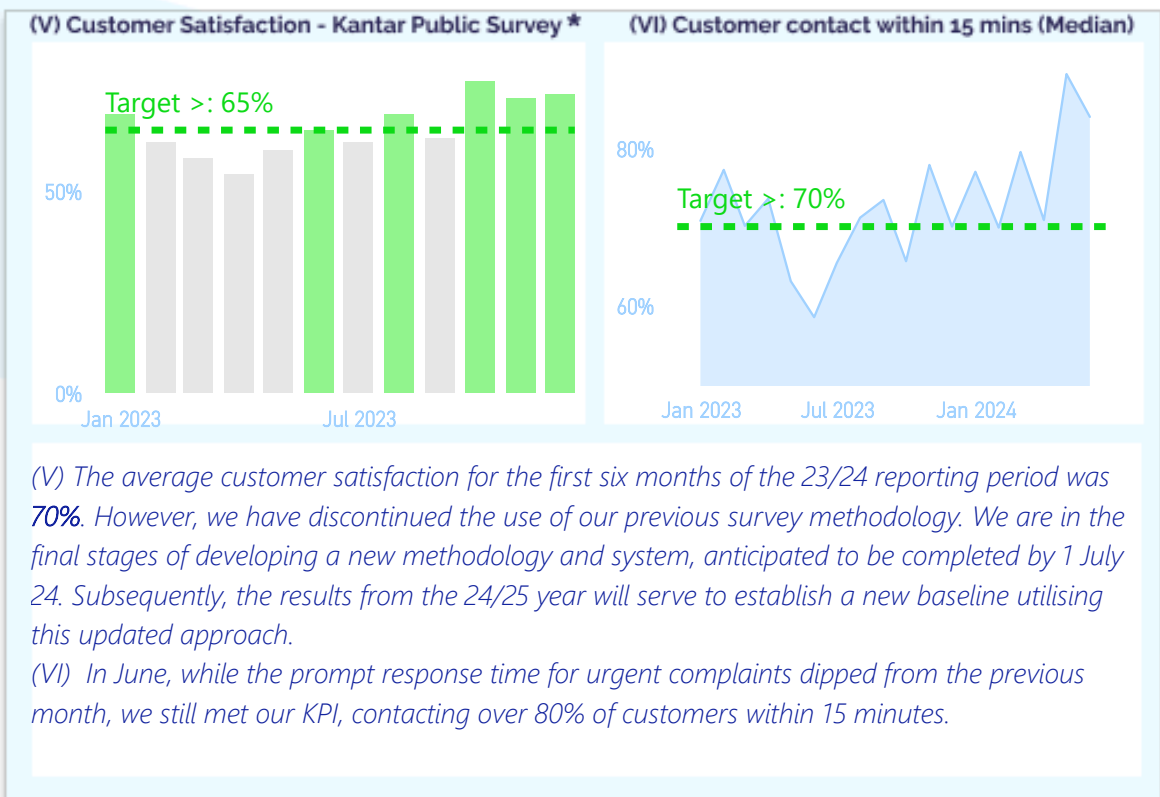
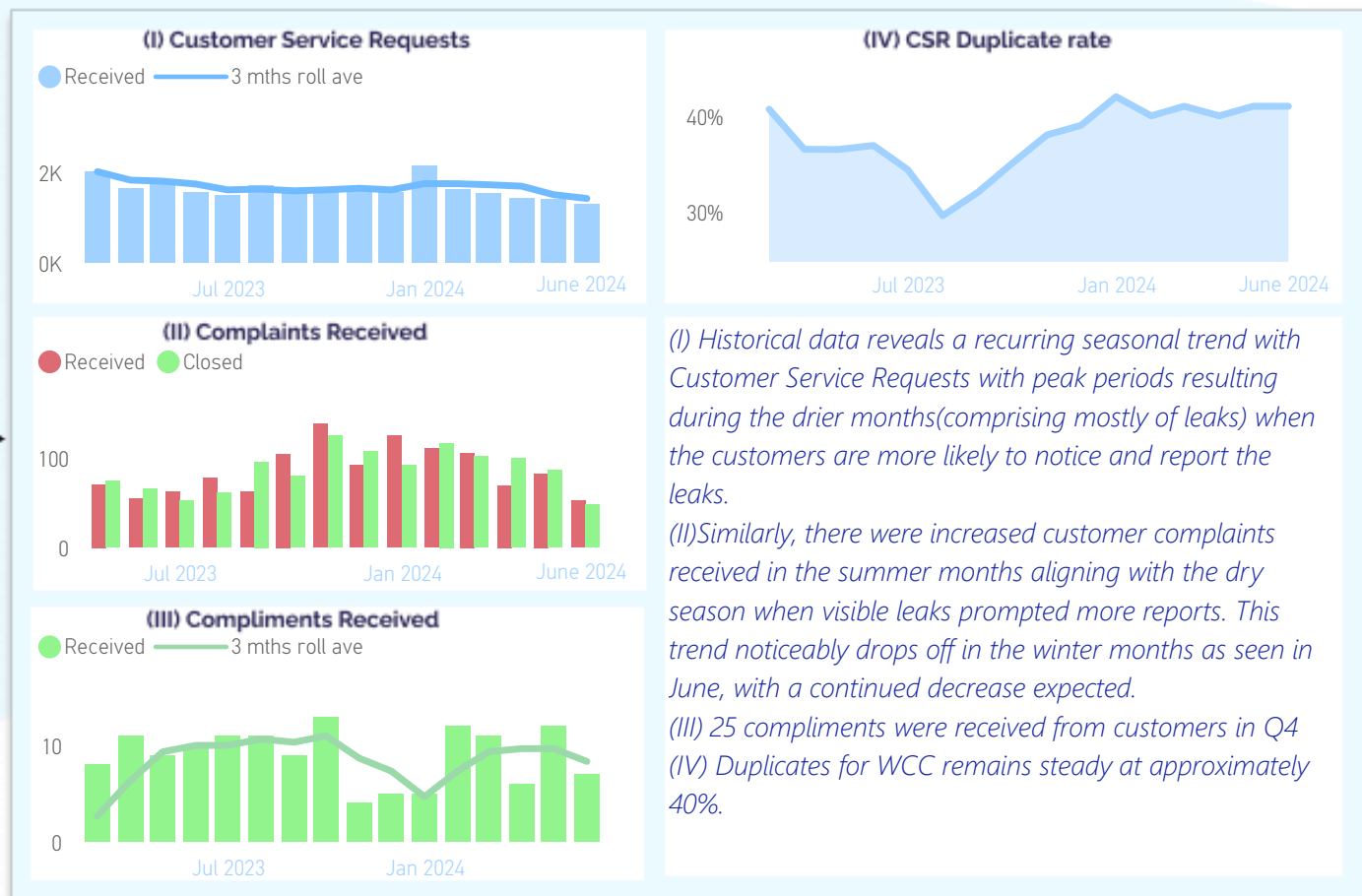


H & S LEAD INDICATORS \*



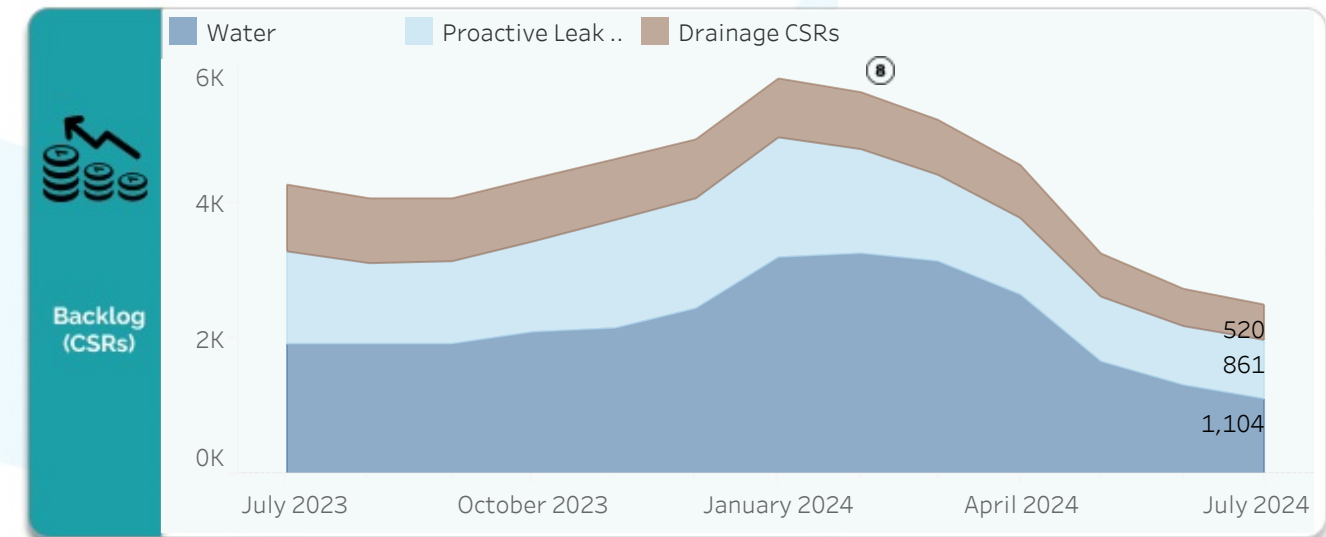
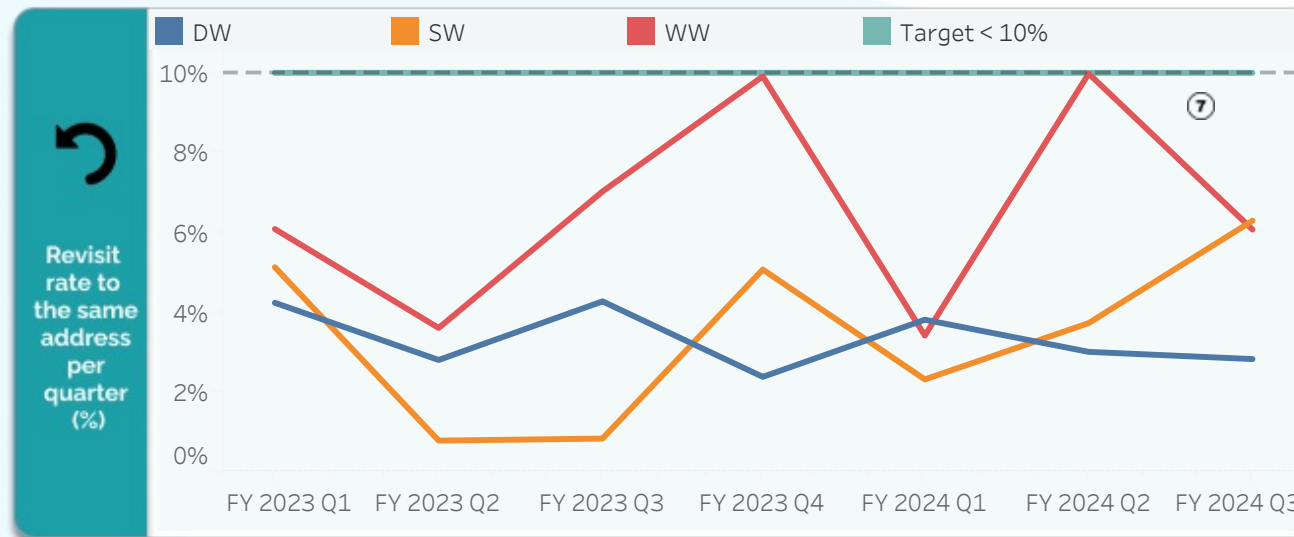
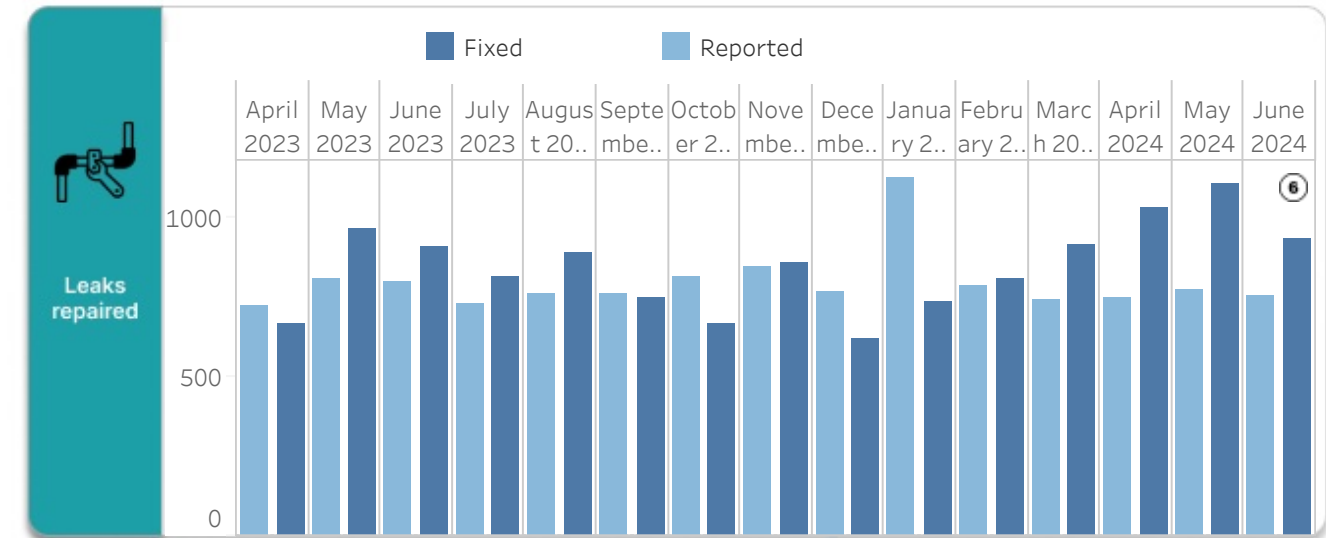
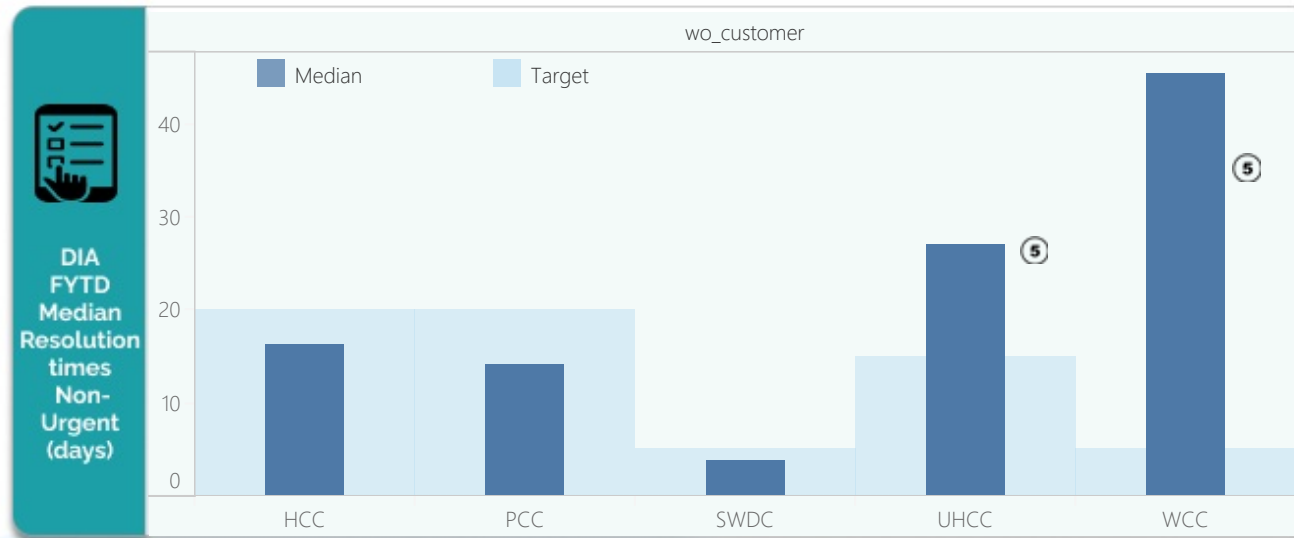
CUSTOMER SATISFACTION

CUSTOMER ACTIVITY





June Operations Report\* - Regional  
CUSTOMER OPERATIONS GROUP



- ⑤ Progress in resolving non-urgent water jobs in UHCC and 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. In April we fixed over 3000 leaks, an increase of 25% from the previous quarter
- 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 2500 - with a peak in January of approximately 5800. 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: 18/07/24

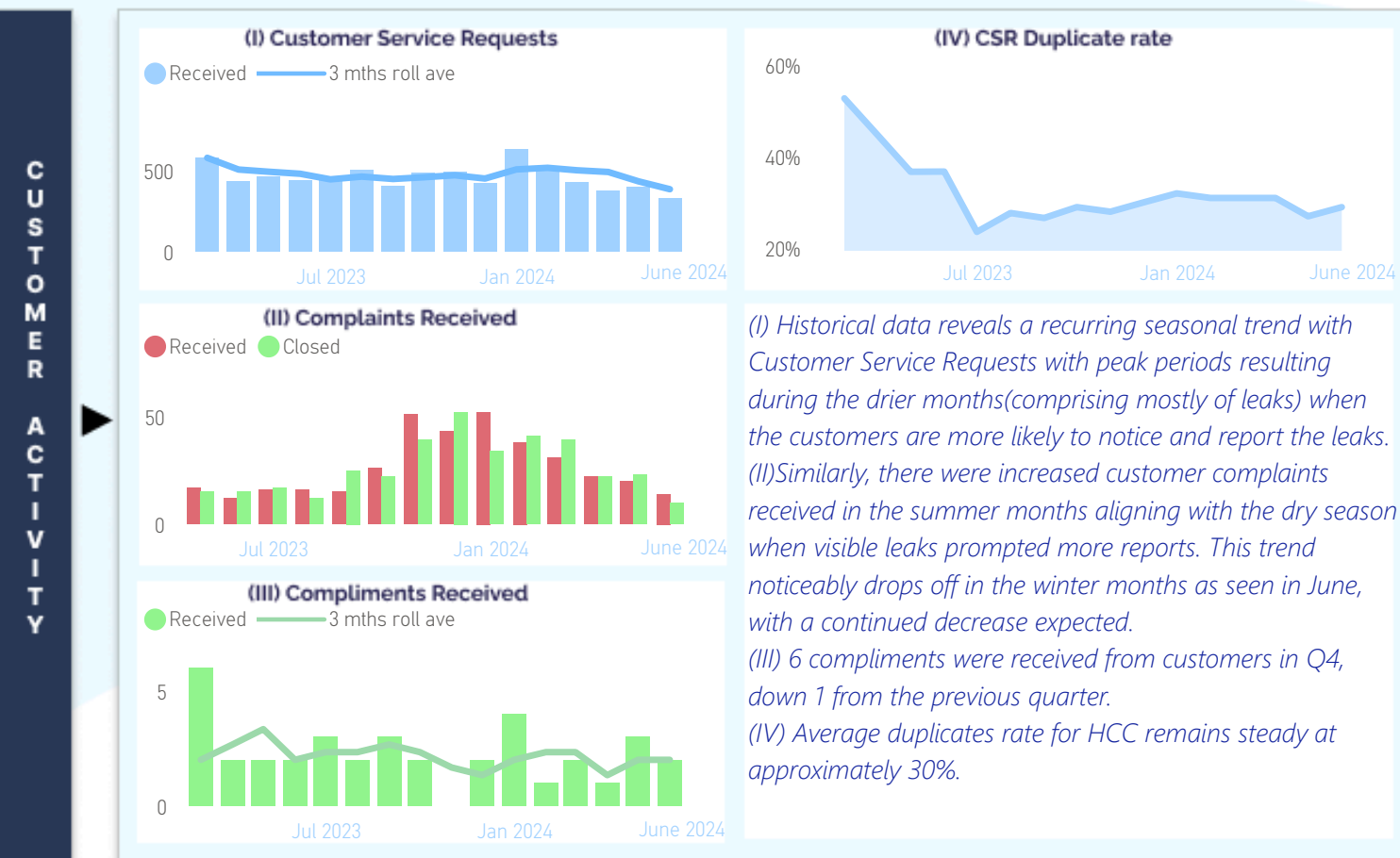
HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) \*



H & S LEAD INDICATORS \*



CUSTOMER SATISFACTION

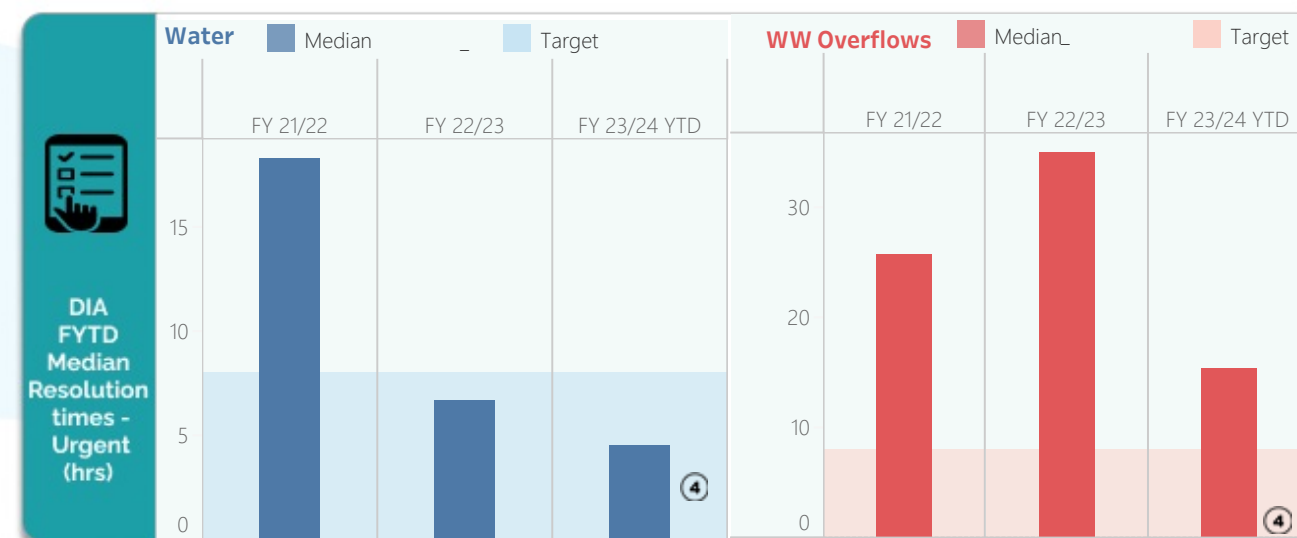
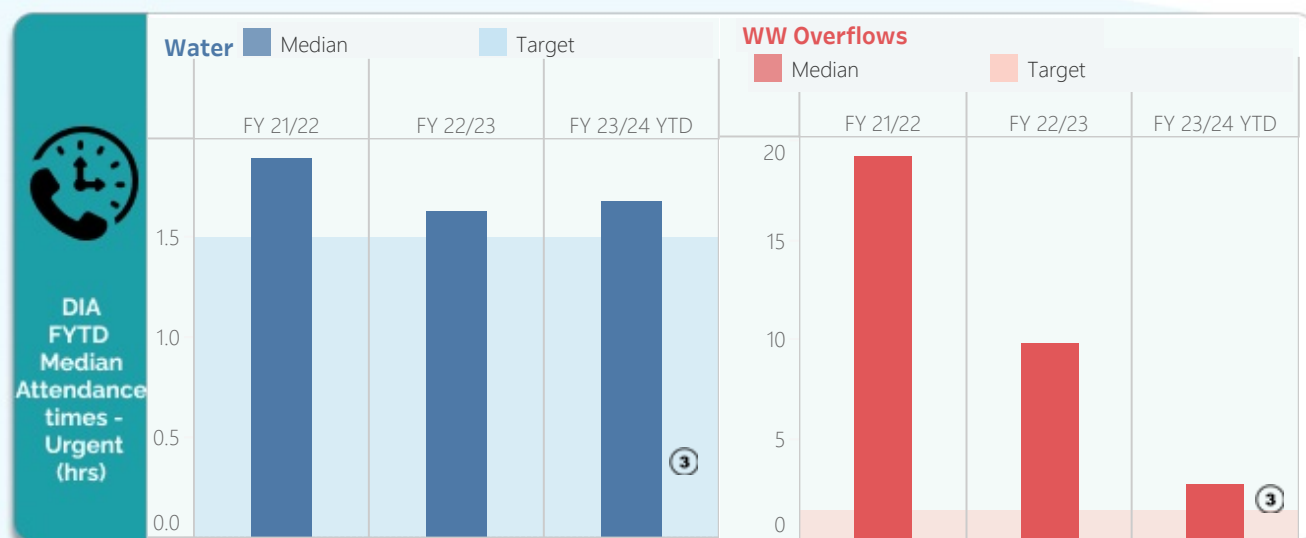
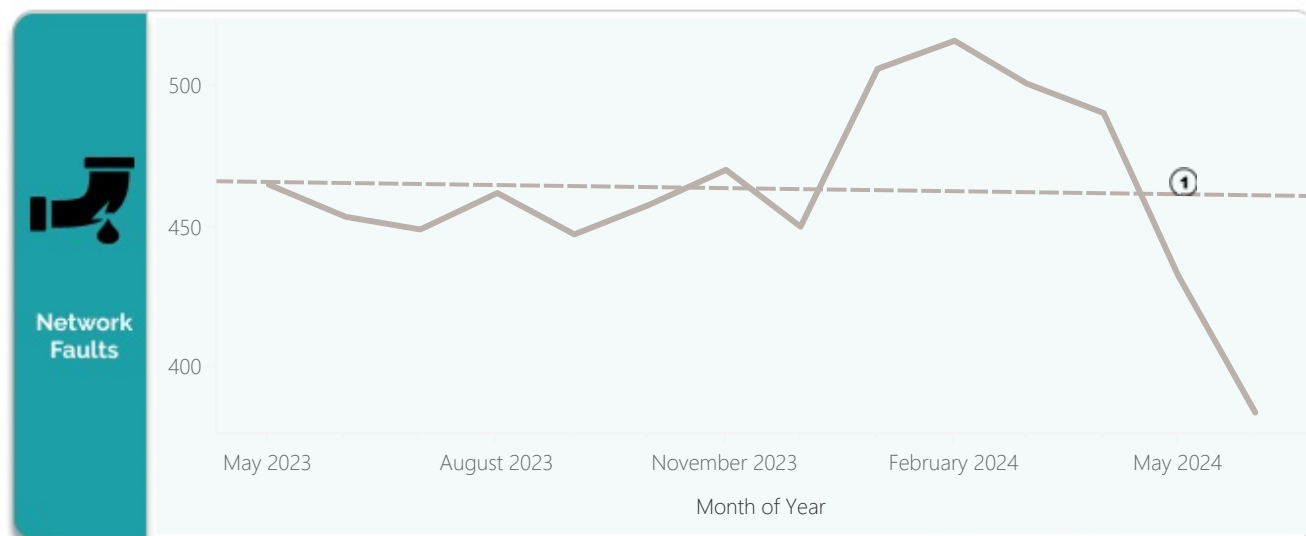


*(V) The average customer satisfaction for the first six months of the 23/24 reporting period was 70%. However, we have discontinued the use of our previous survey methodology. We are in the final stages of developing a new methodology and system, anticipated to be completed by 1 July 24. Subsequently, the results from the 24/25 year will serve to establish a new baseline utilising this updated approach. (VI) In June, while the prompt response time for urgent complaints notably dipped from the previous month, we still met our KPI, contacting over 70% of customers within 15 minutes.*





June Operations Report\* - HCC  
CUSTOMER OPERATIONS GROUP

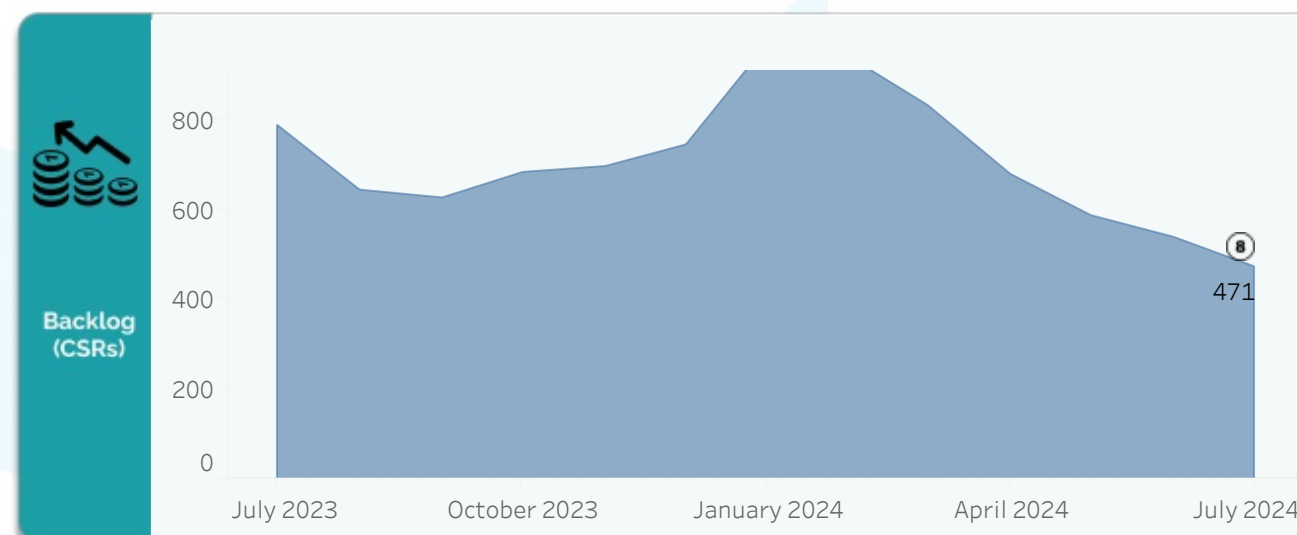
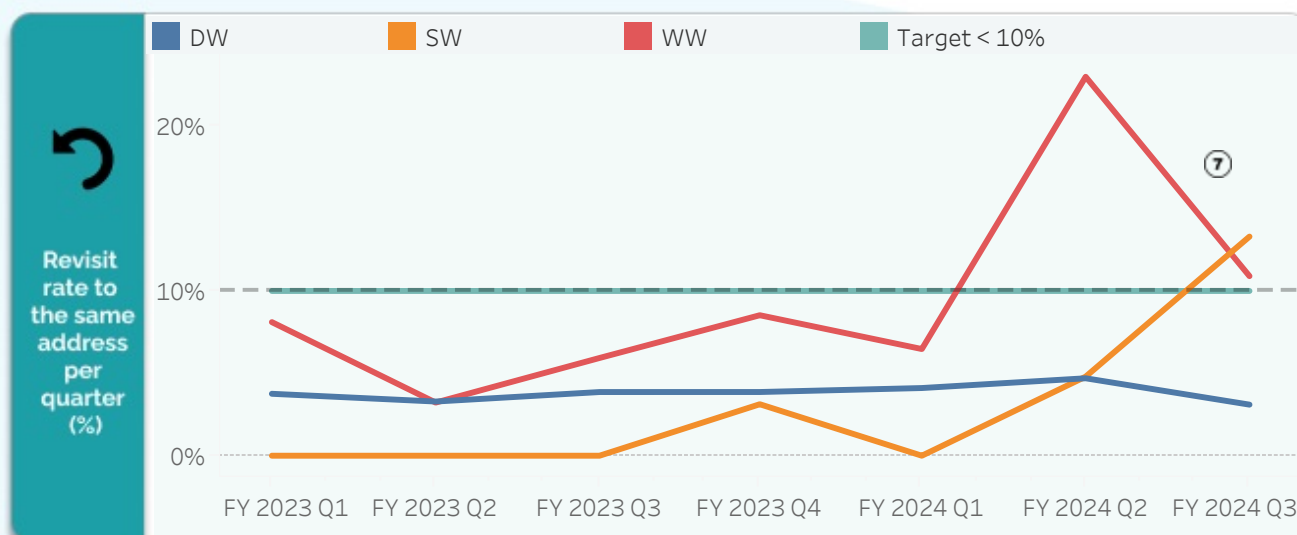
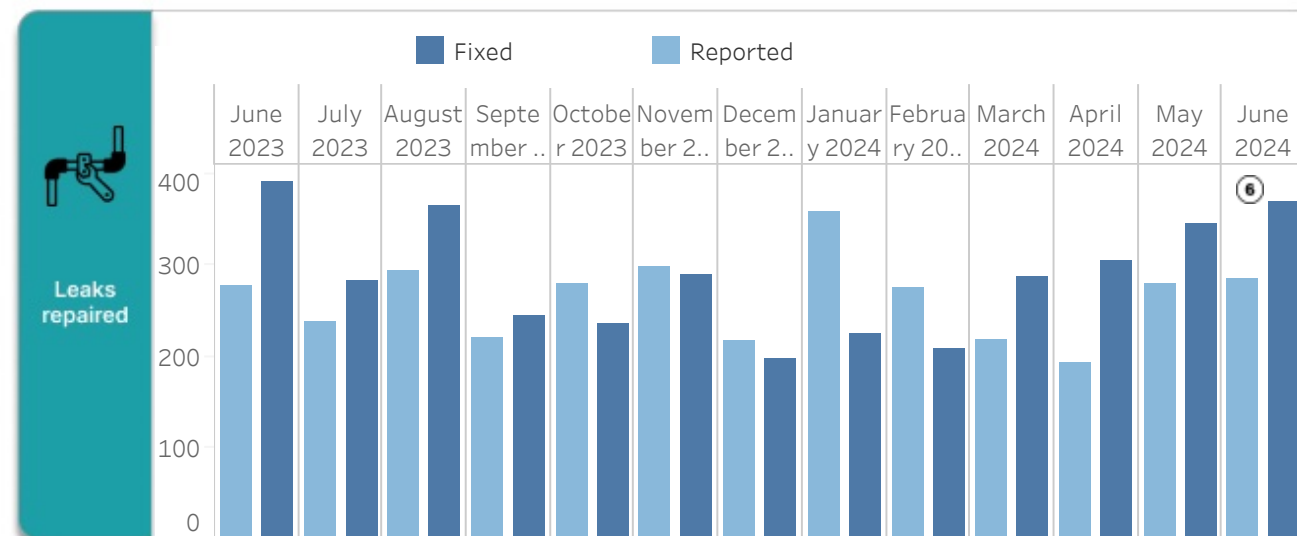
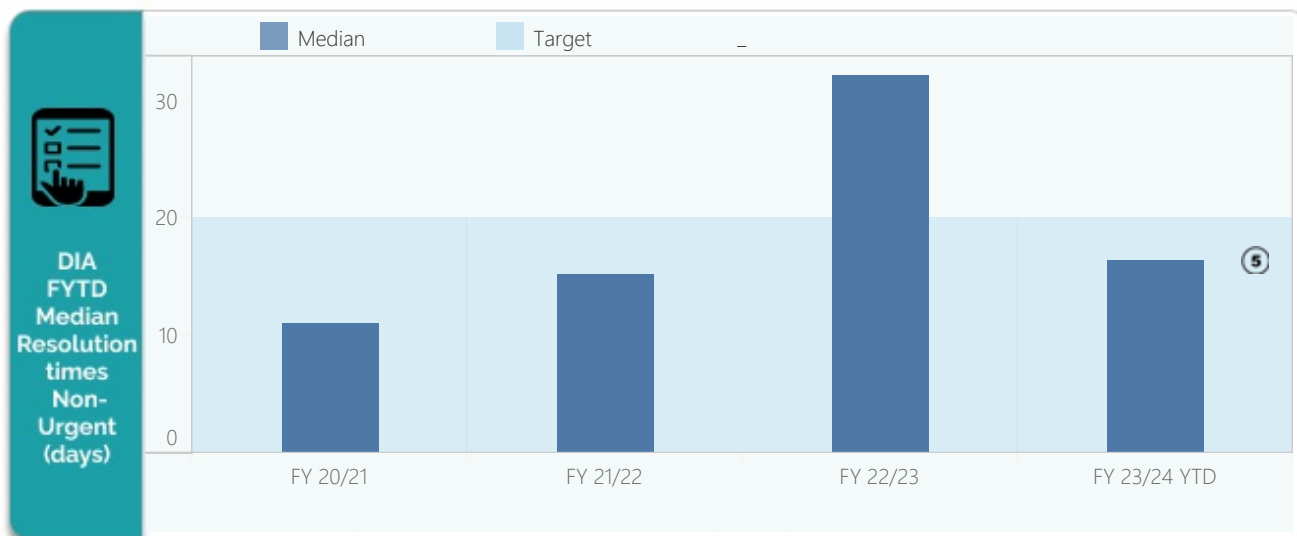


- Insights**
- ① Over the past 12 months, the trend shows a slightly downward momentum in Network Faults. Seasonal trends have shown over the years that the peak period of CSRs result during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks. .
  - ② Over the past 12 months, the trend shows a consistent downward momentum in Incidents reported
  - ③ Attendance within SLAs 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: 08/07/24



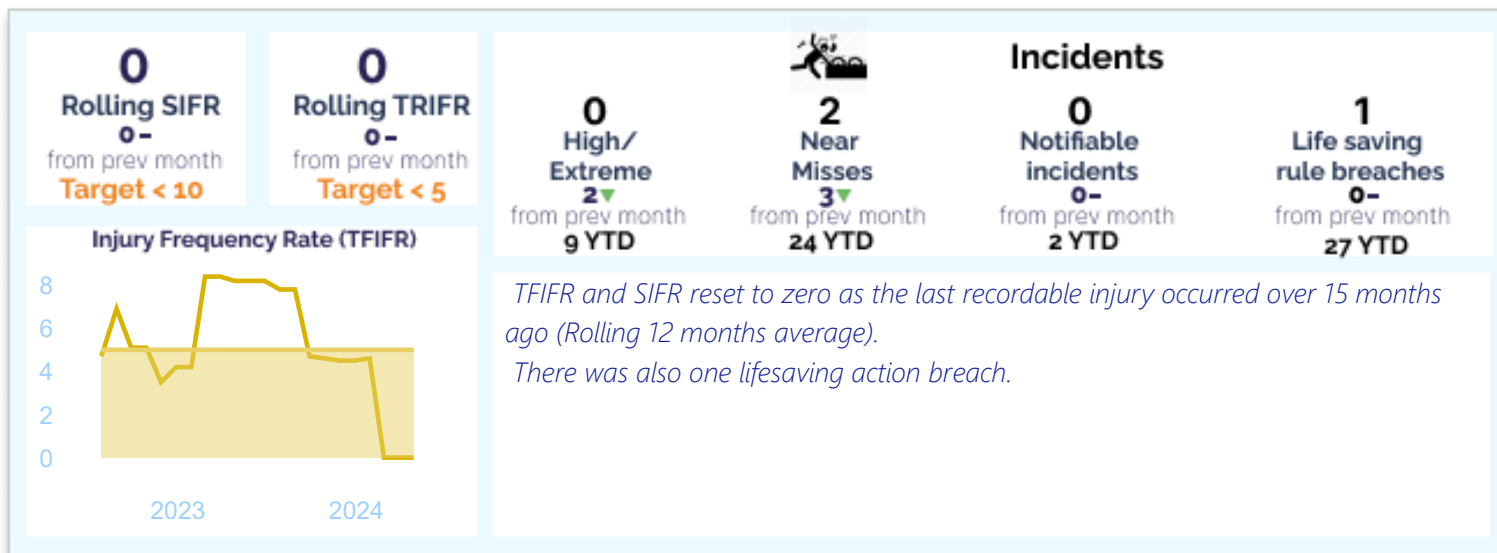
June Operations Report\* - HCC  
CUSTOMER OPERATIONS GROUP



- 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. In June, we fixed 369 leaks, this marks the highest number resolved in the FY 23-24.
- 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 500 - with a peak in January of approximately 1000. 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: 08/07/24

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

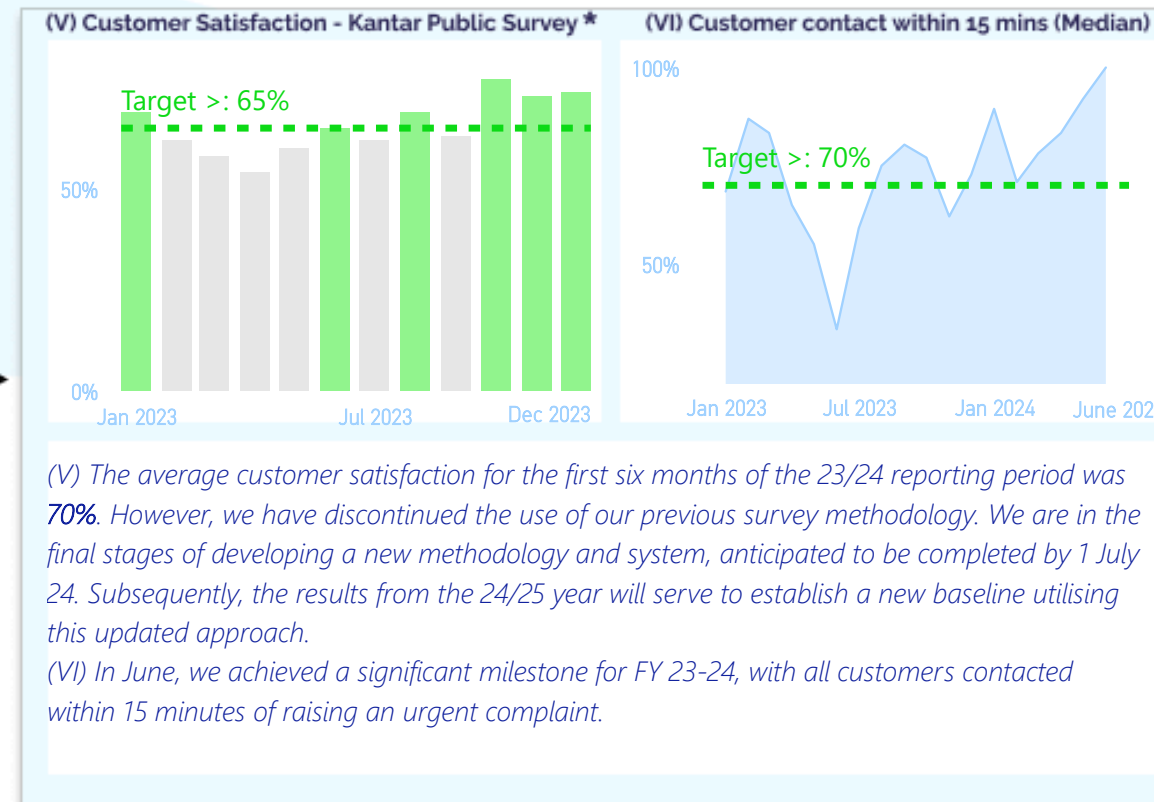
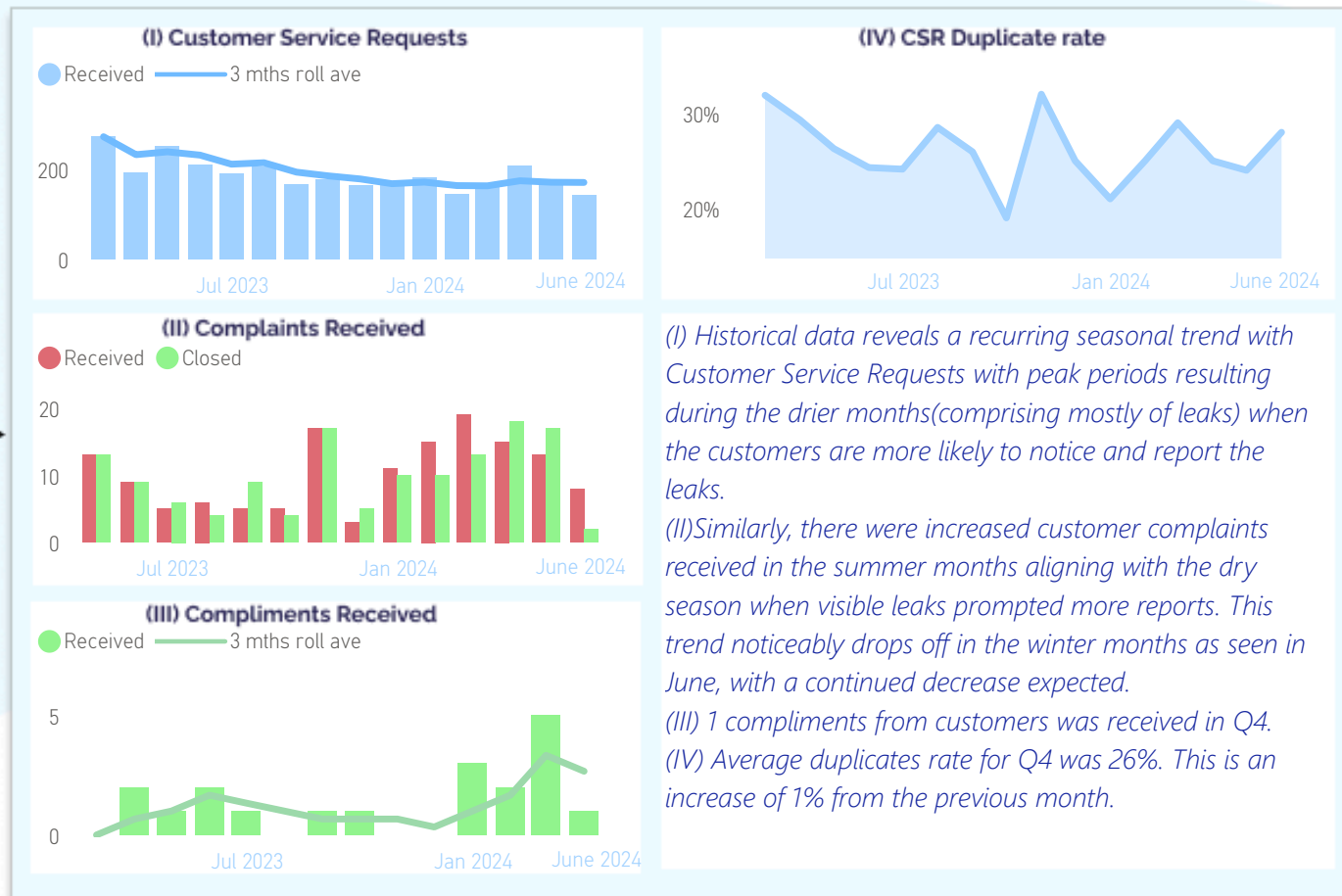


H & S LEAD INDICATORS \*



CUSTOMER SATISFACTION

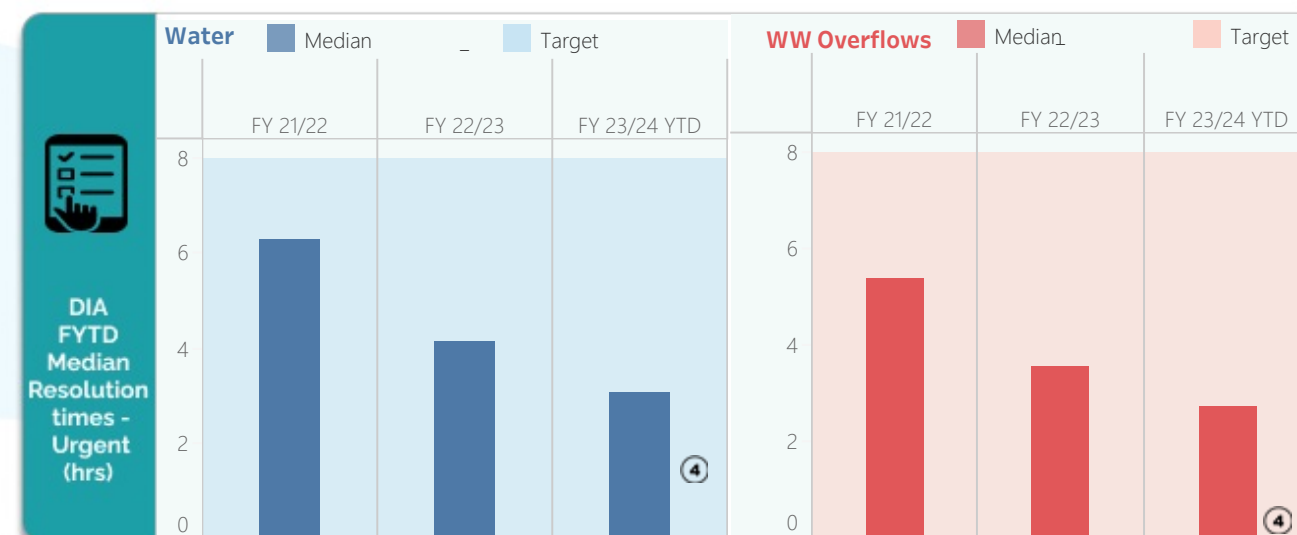
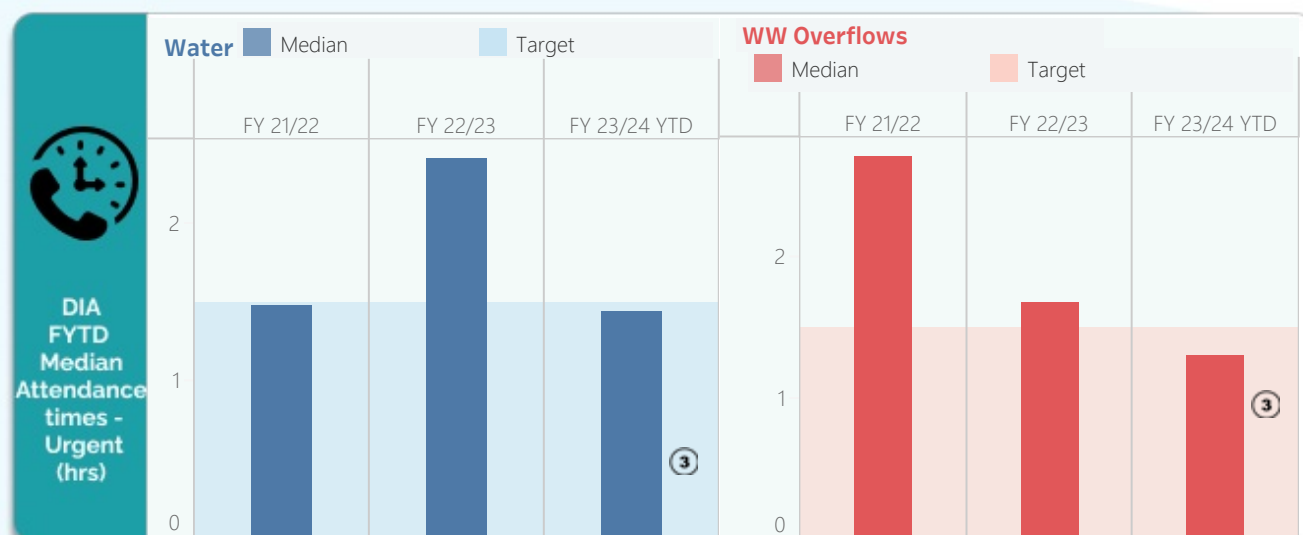
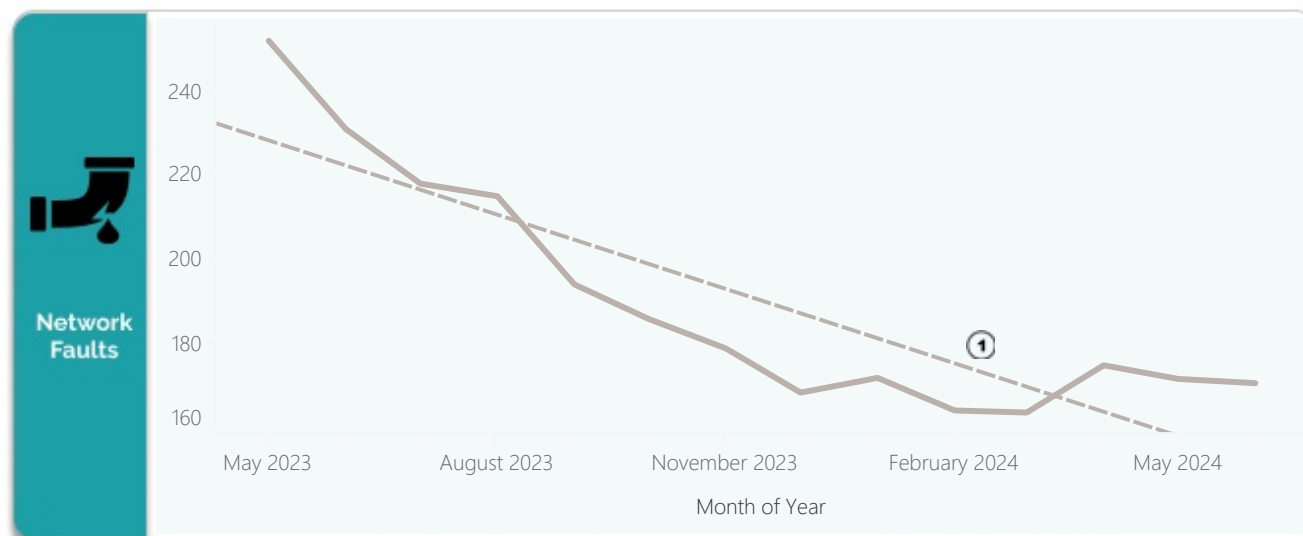
CUSTOMER ACTIVITY







June Operations Report\* - PCC  
CUSTOMER OPERATIONS GROUP



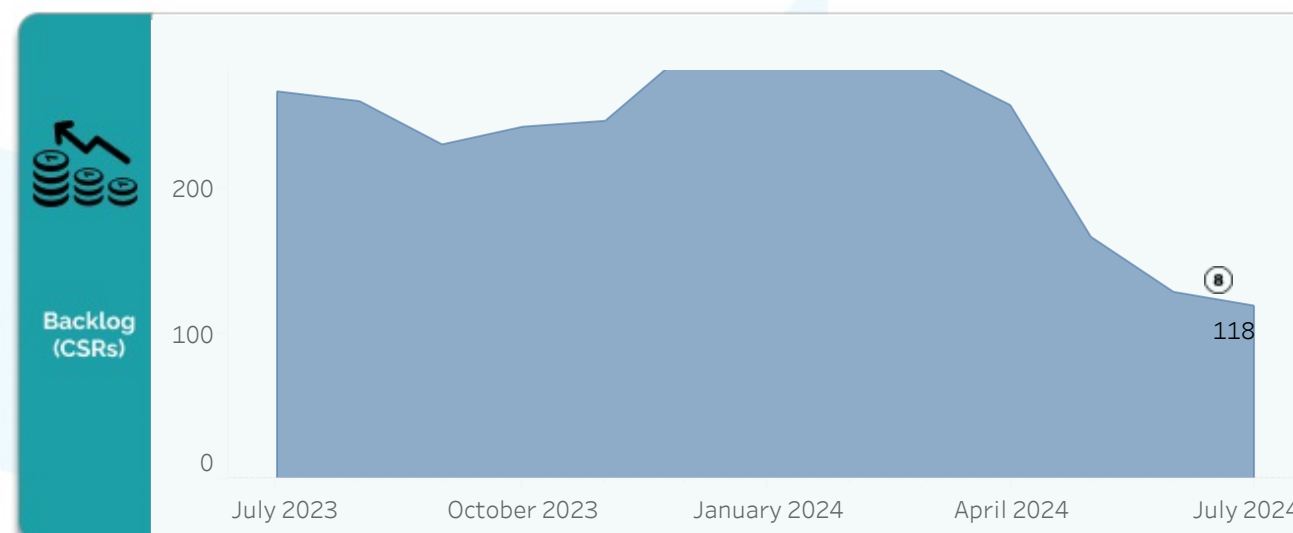
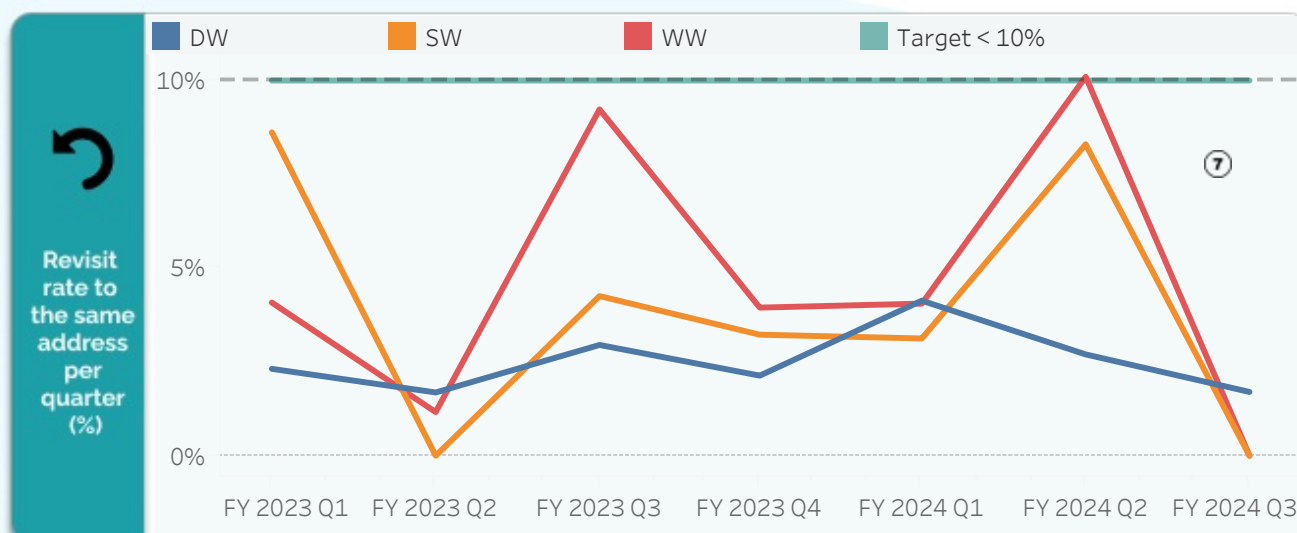
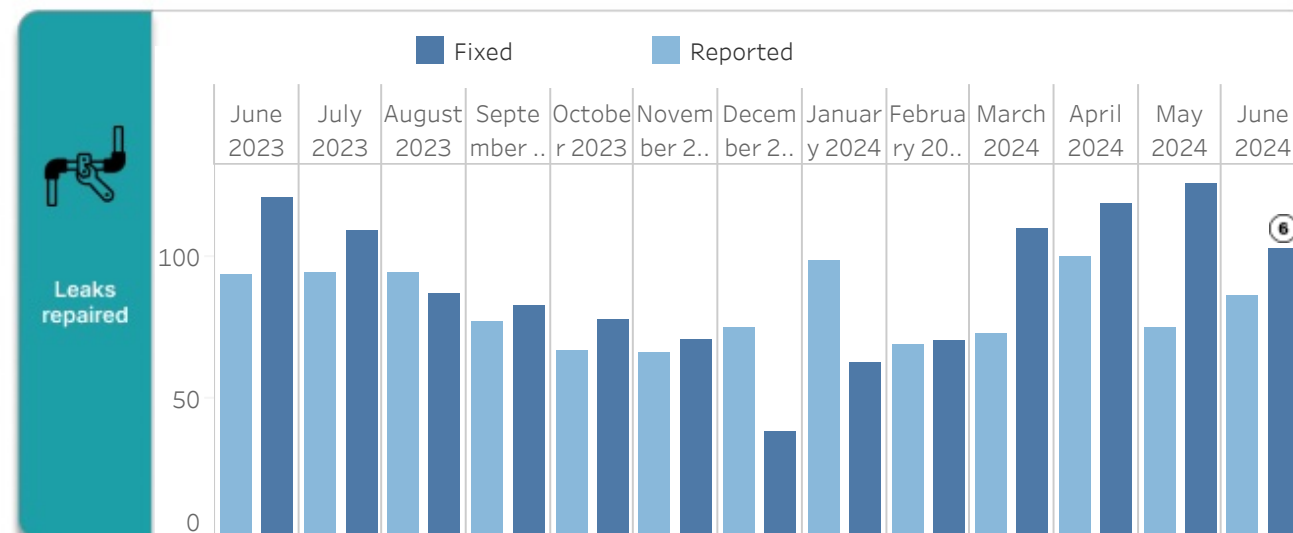
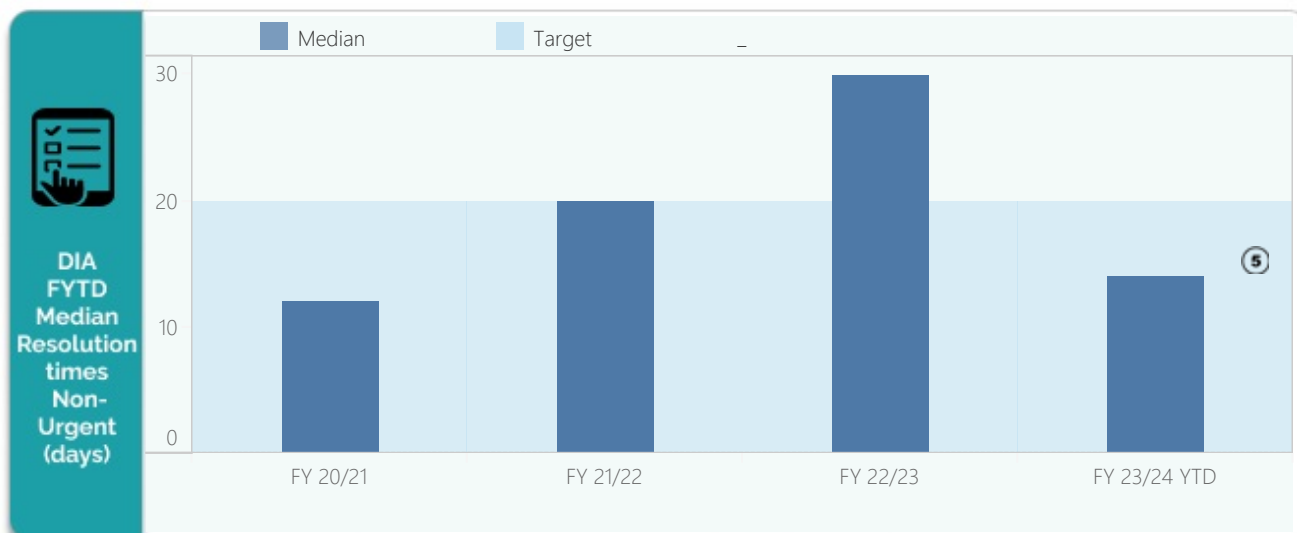
- Insights**
- ① Over the past 12 months, the trend shows a consistent downward momentum in Network Faults.
  - ② Over the past 12 months, the trend shows a slightly downward momentum in Incidents reported
  - ③ Progress in responding to urgent jobs is on track. In FY 23-24, we effectively responded to urgent jobs within the agreed SLAs.
  - ④ Progress in resolving urgent jobs is on track. In FY 23-24, we effectively resolved urgent jobs within the agreed SLAs.

\*Note that Report provides a snapshot in time. Analysis Date: 08/07/24





June 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, with 348 Leaks fixed in FY 23-24 Q4, an increase of 105 from the previous quarter.
- 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 120 - with a peak in January of approximately 300. 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: 08/07/24

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

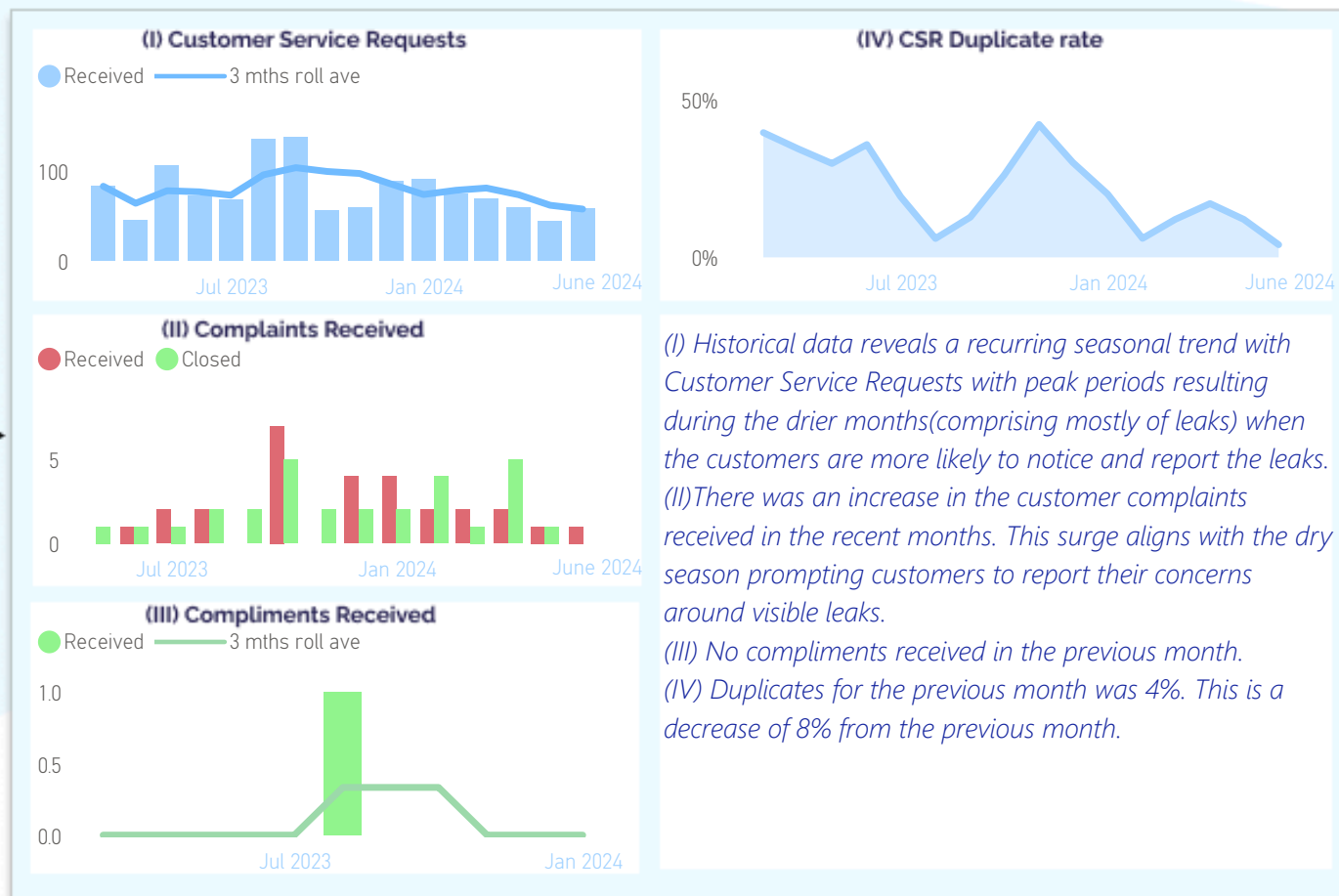


H & S LEAD INDICATORS \*

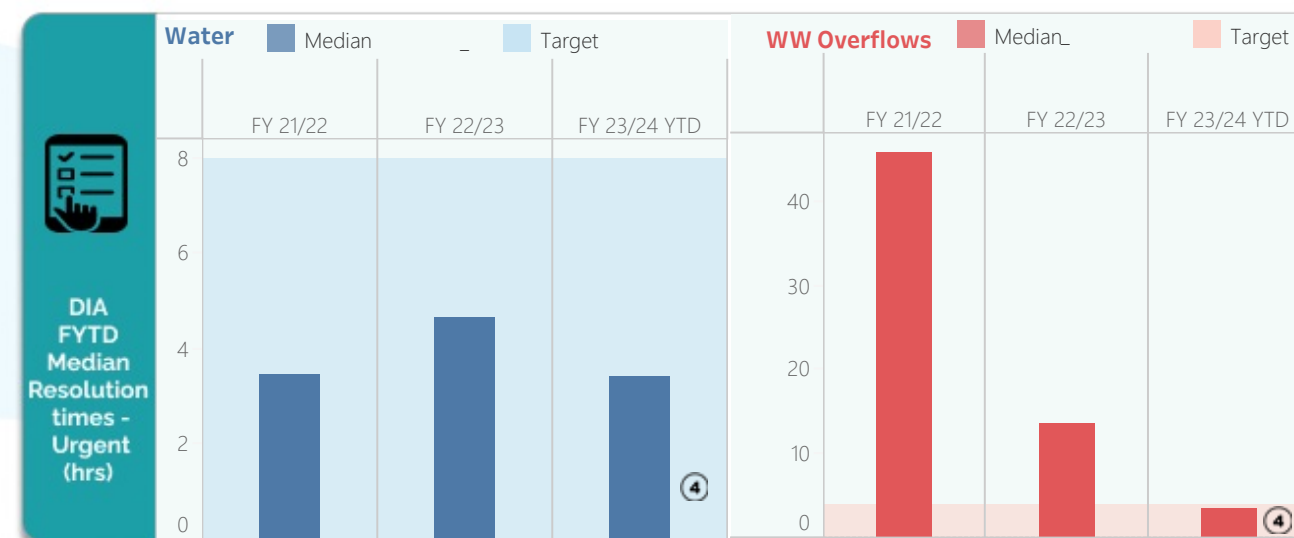
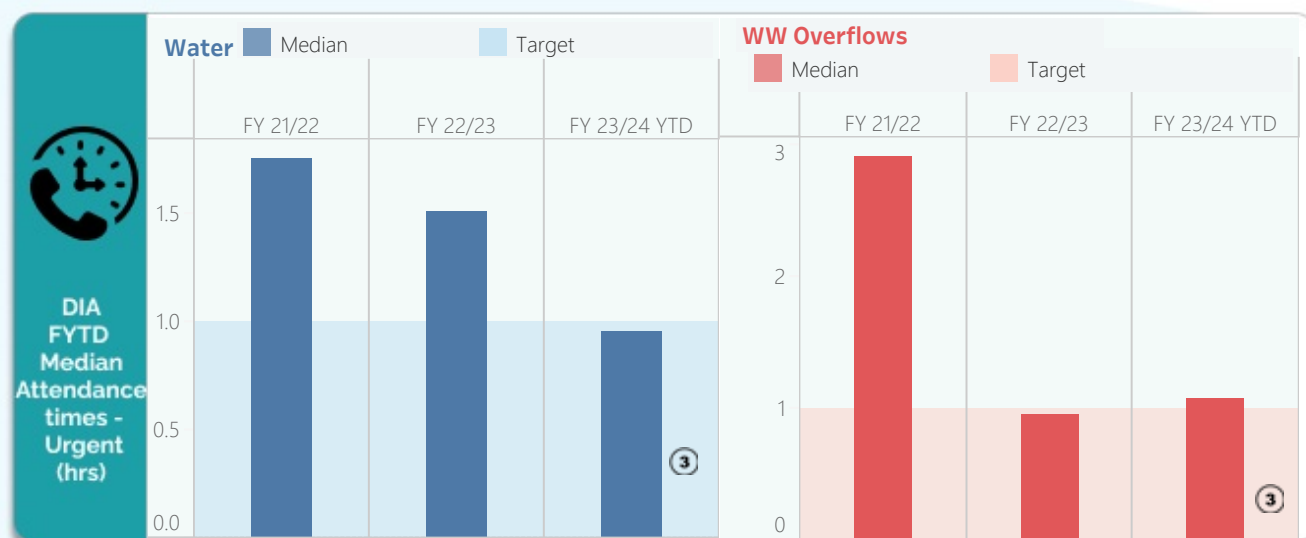
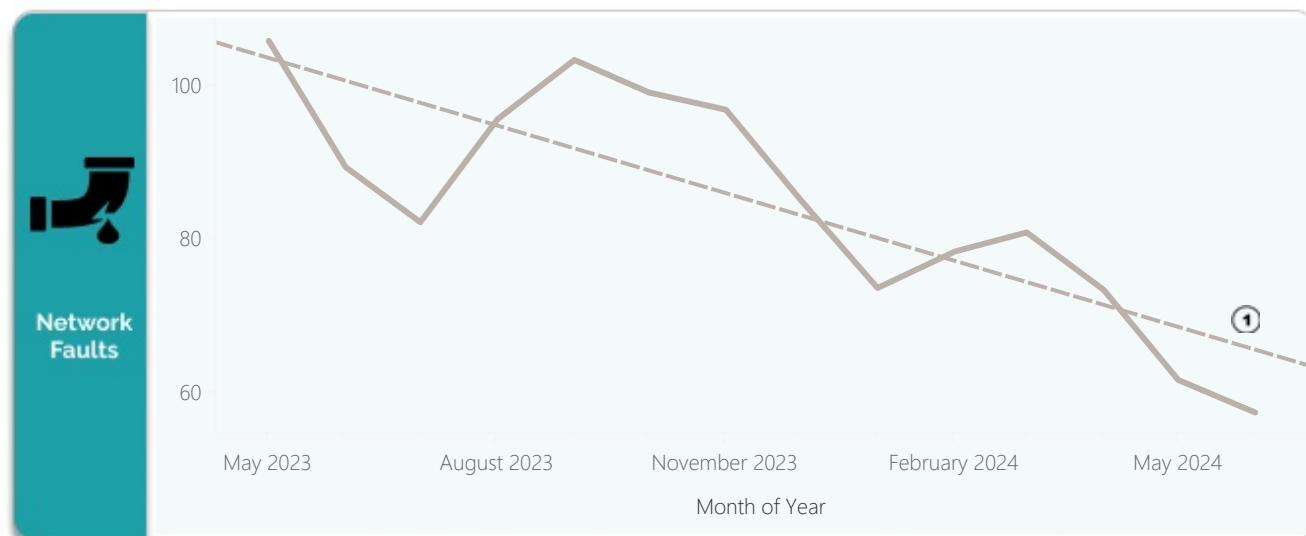


CUSTOMER SATISFACTION

CUSTOMER ACTIVITY



*(V) The average customer satisfaction for the first six months of the 23/24 reporting period was 70%. However, we have discontinued the use of our previous survey methodology. We are in the final stages of developing a new methodology and system, anticipated to be completed by 1 July 24. Subsequently, the results from the 24/25 year will serve to establish a new baseline utilising this updated approach.  
(VI) In June, we upheld our excellence in urgent complaint resolution by contacting all customers within 15 minutes of raising an urgent complaint.*



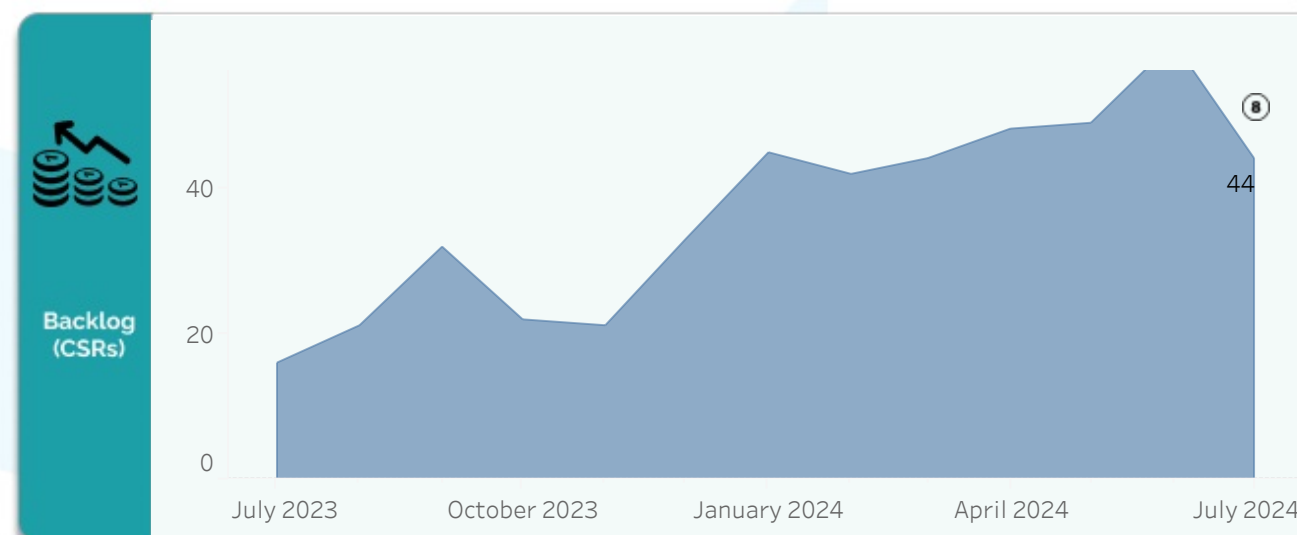
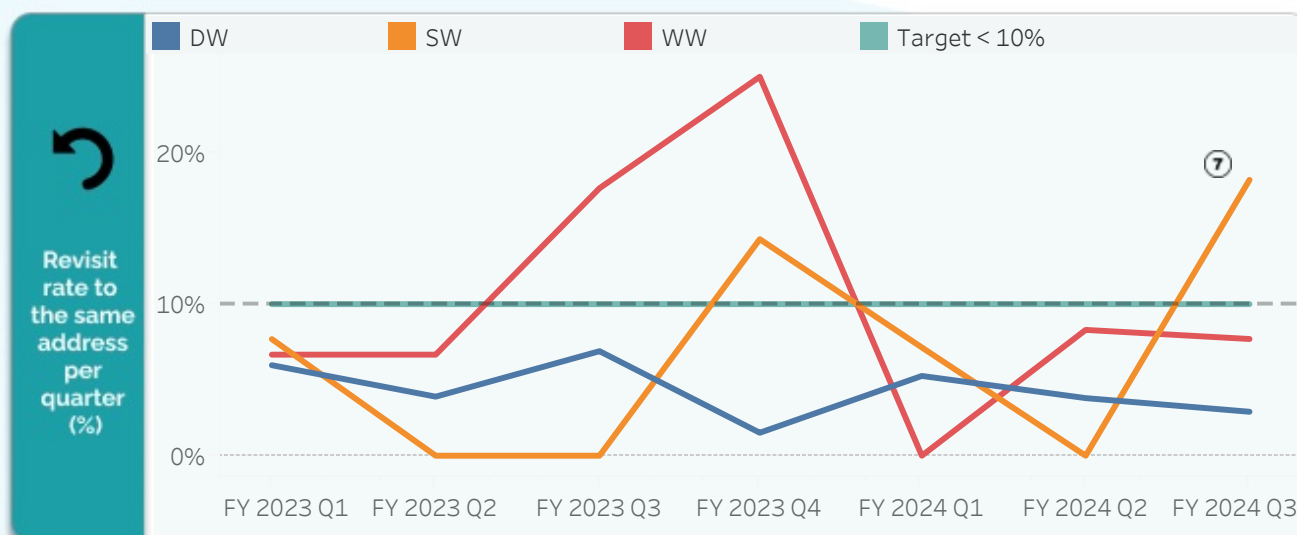
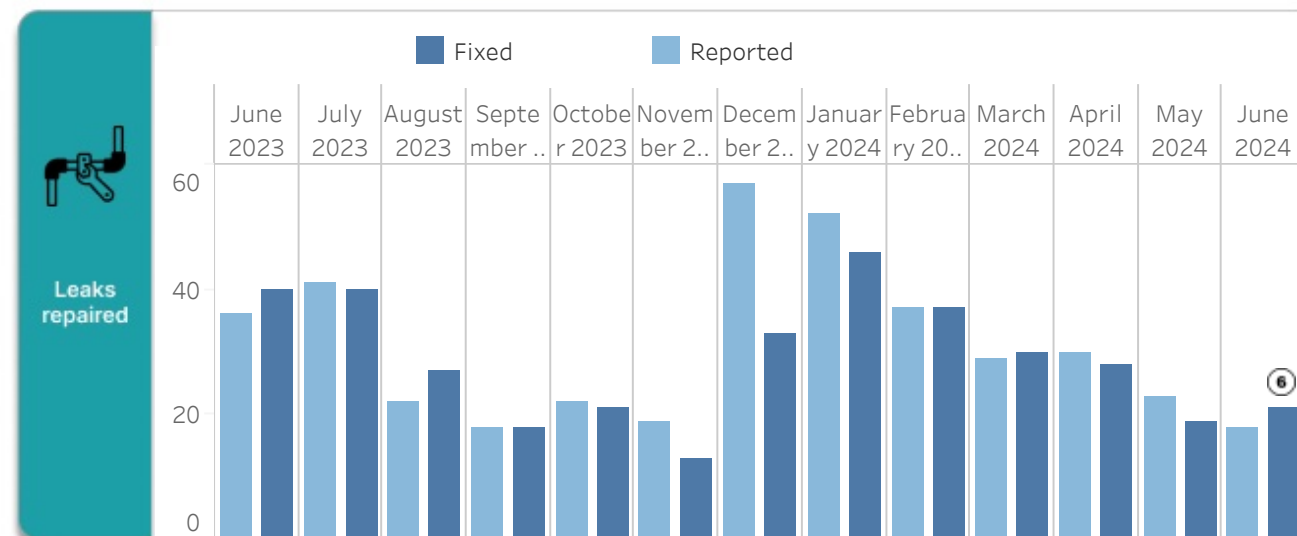
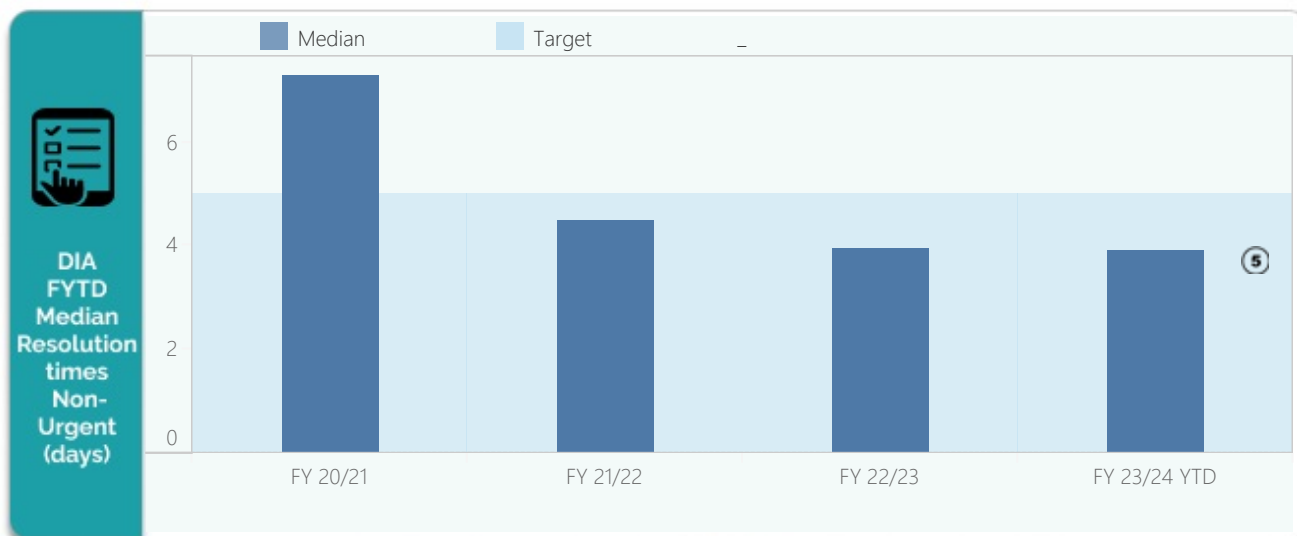
- Insights**
- ① Over the past 12 months, there is a downward trend in Network Faults. Seasonal trends have shown over the years that the peak period of CSRs result during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks.
  - ② No incidents to report on in FY 23-24
  - ③ In FY 23-24, we effectively responded to urgent water jobs within the agreed SLAs.
  - ④ Progress in resolving urgent jobs is on track with significant improvements over the past few years showcasing our unwavering commitment to customer safety and prompt resolution of high-priority concerns.

\*Note that Report provides a snapshot in time. Analysis Date: 08/07/24





June Operations Report\* - SWDC  
CUSTOMER OPERATIONS GROUP



- 5** Progress in resolving non-urgent water jobs is on track.
- 6** Our proactive leak detection approach has been crucial in identifying leak locations and targeting areas with the highest water loss. This has enabled us to optimize water-saving measures by targeting the areas with the highest potential for conservation with our available resources and striving to reduce our overall water demand.
- 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 45. We expect a downward trend to continue in the winter season.

\*Note that Report provides a snapshot in time. Analysis Date: 08/07/24

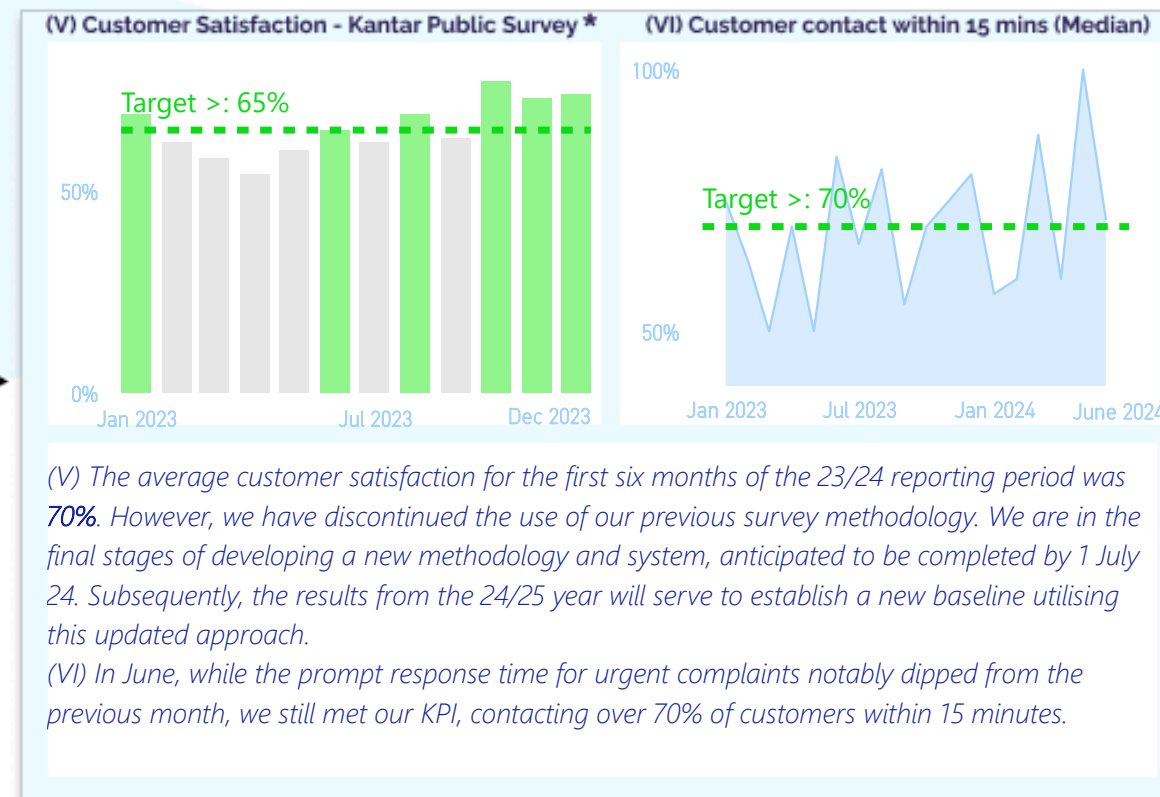
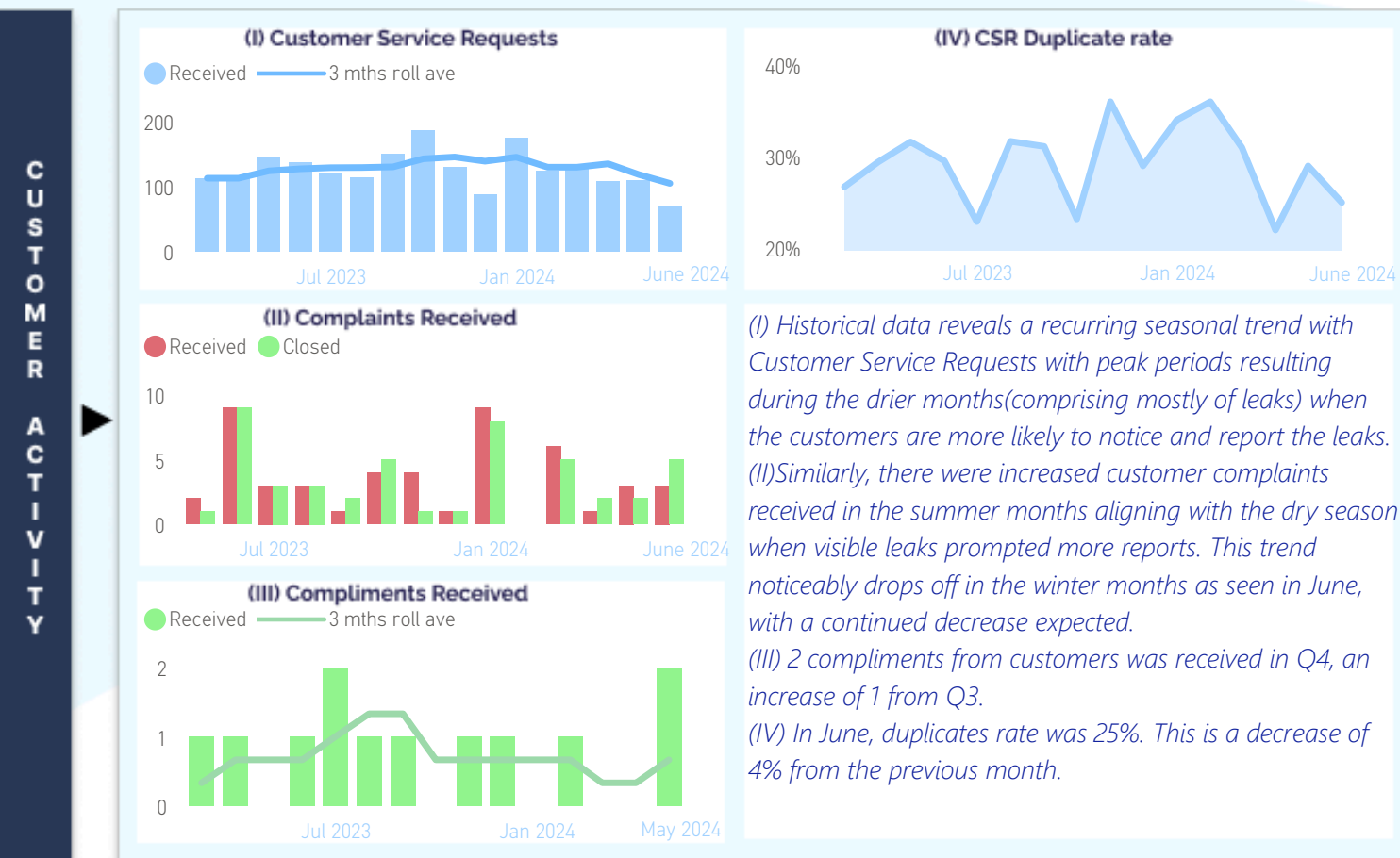
HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) \*

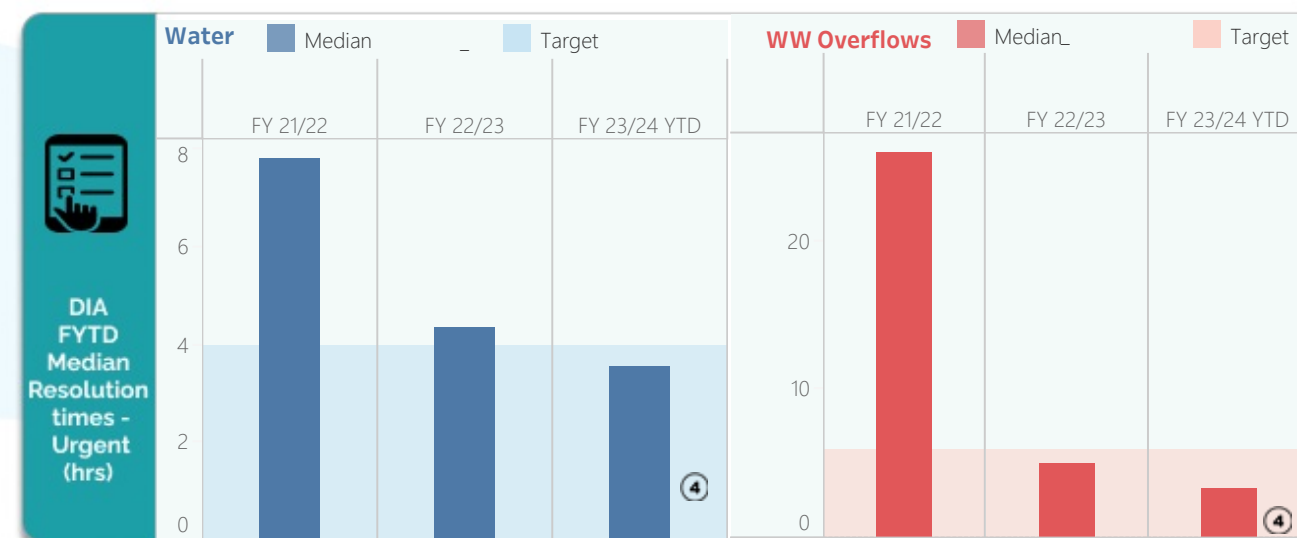
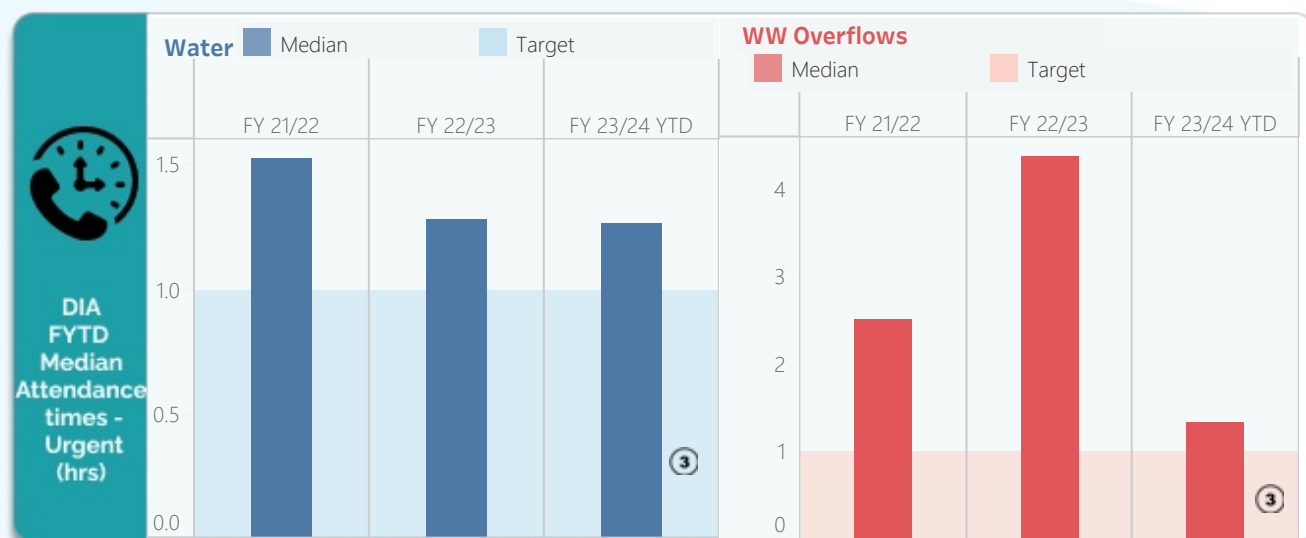
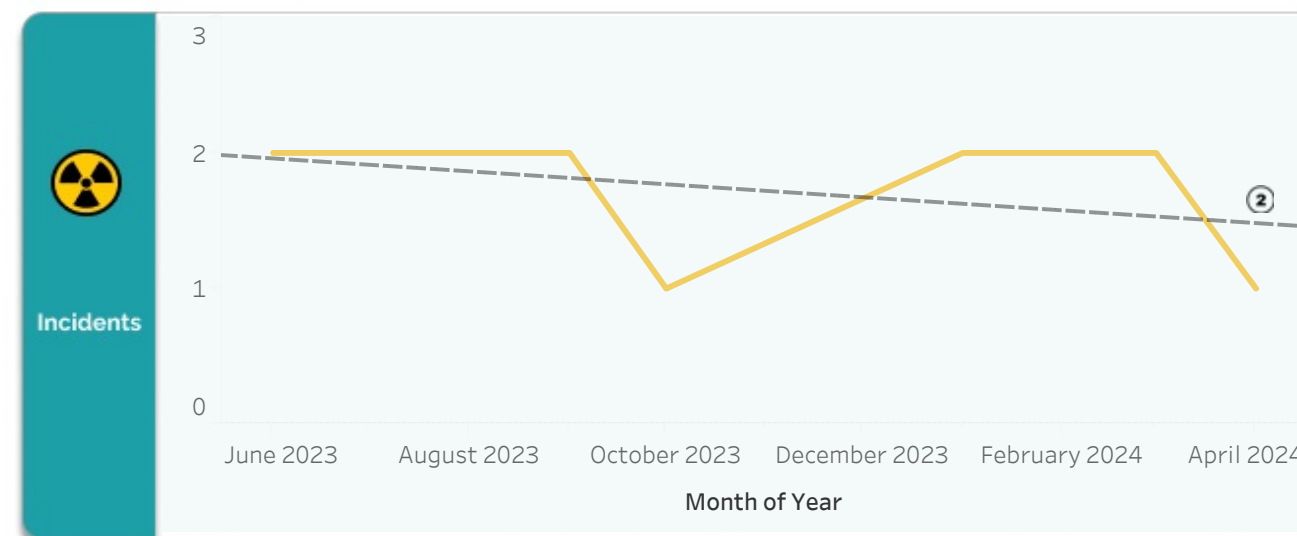
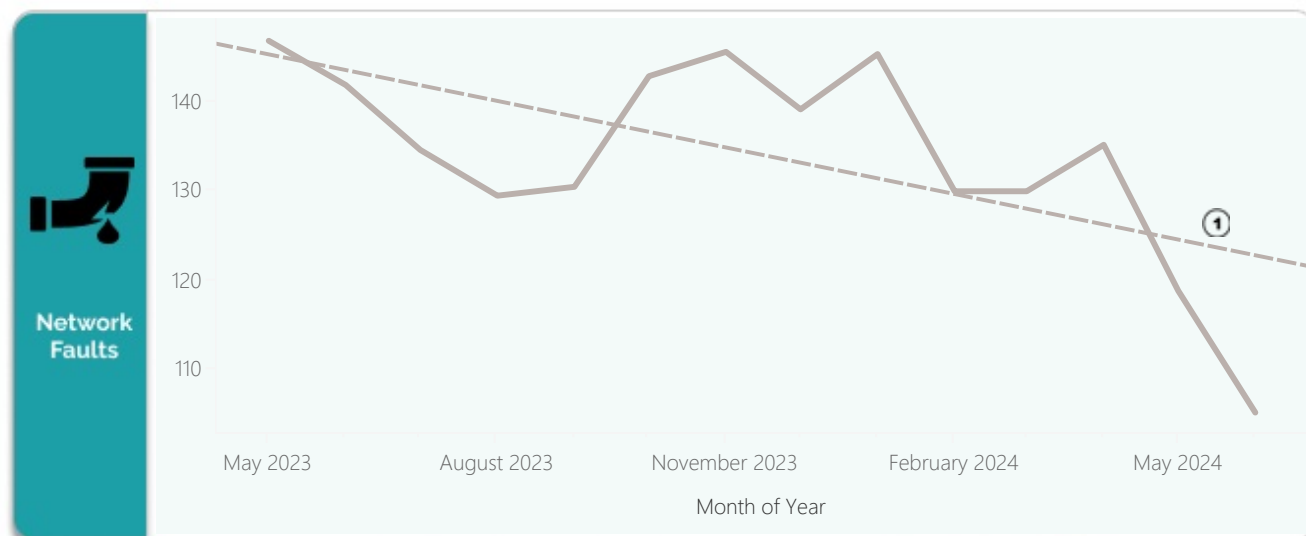


H & S LEAD INDICATORS \*



CUSTOMER SATISFACTION





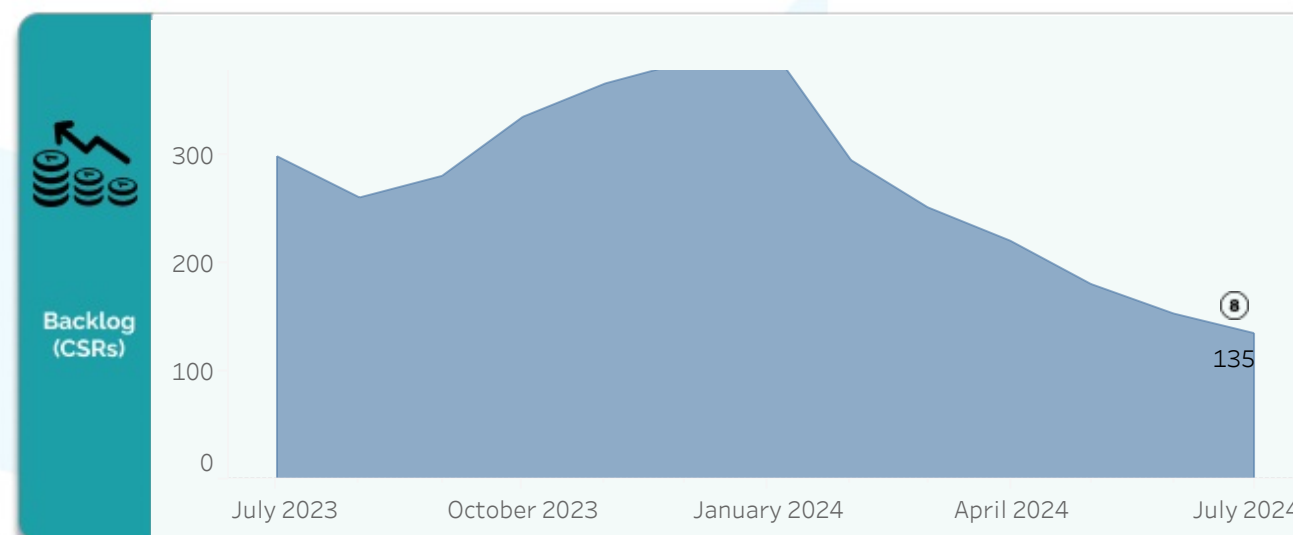
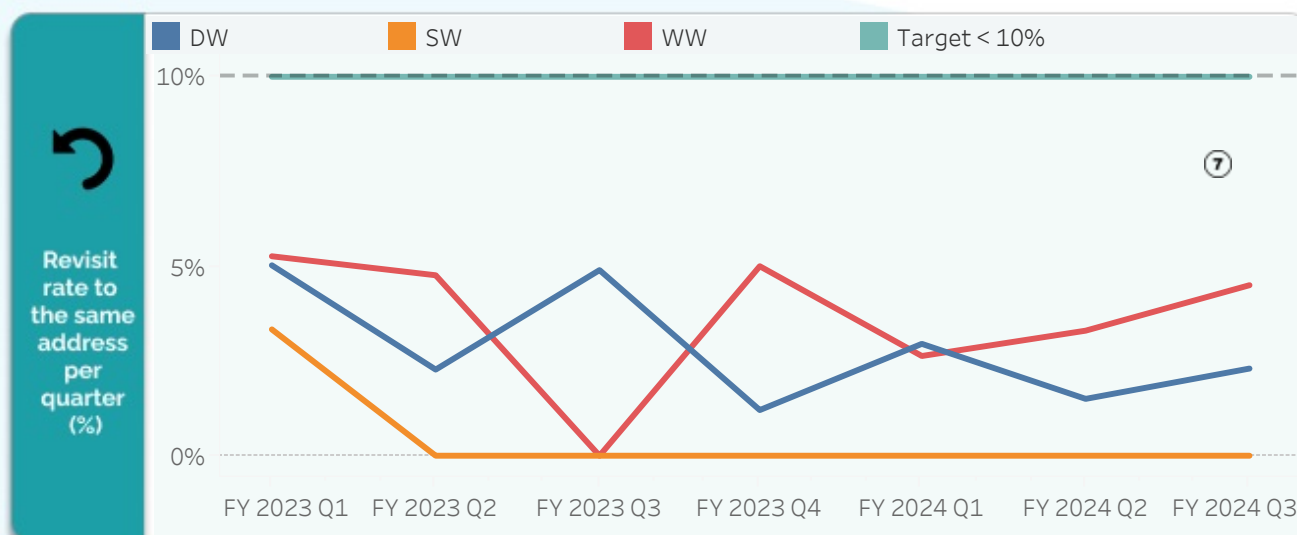
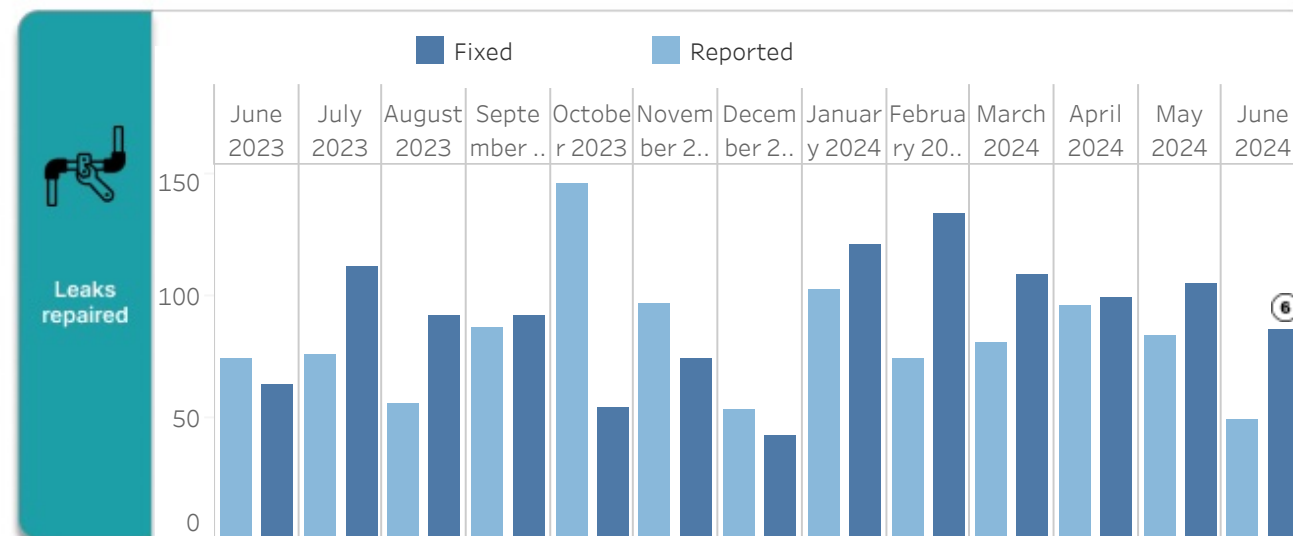
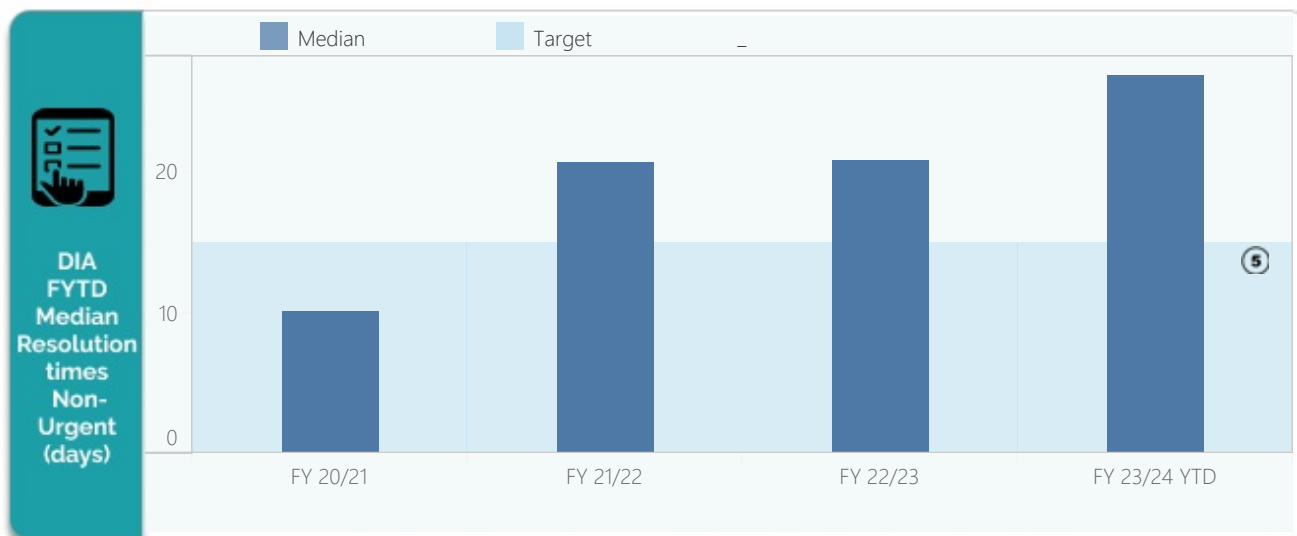
- Insights**
- ① Over the past 12 months, there is a downward trend in Network Faults. Seasonal trends have shown over the years that the peak period of CSRs result during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks.
  - ② 1 incident occurred in Q4, down 3 from the previous quarter.
  - 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 In FY 23-24, we effectively resolved urgent jobs within the agreed SLAs.

\*Note that Report provides a snapshot in time. Analysis Date: 08/07/24





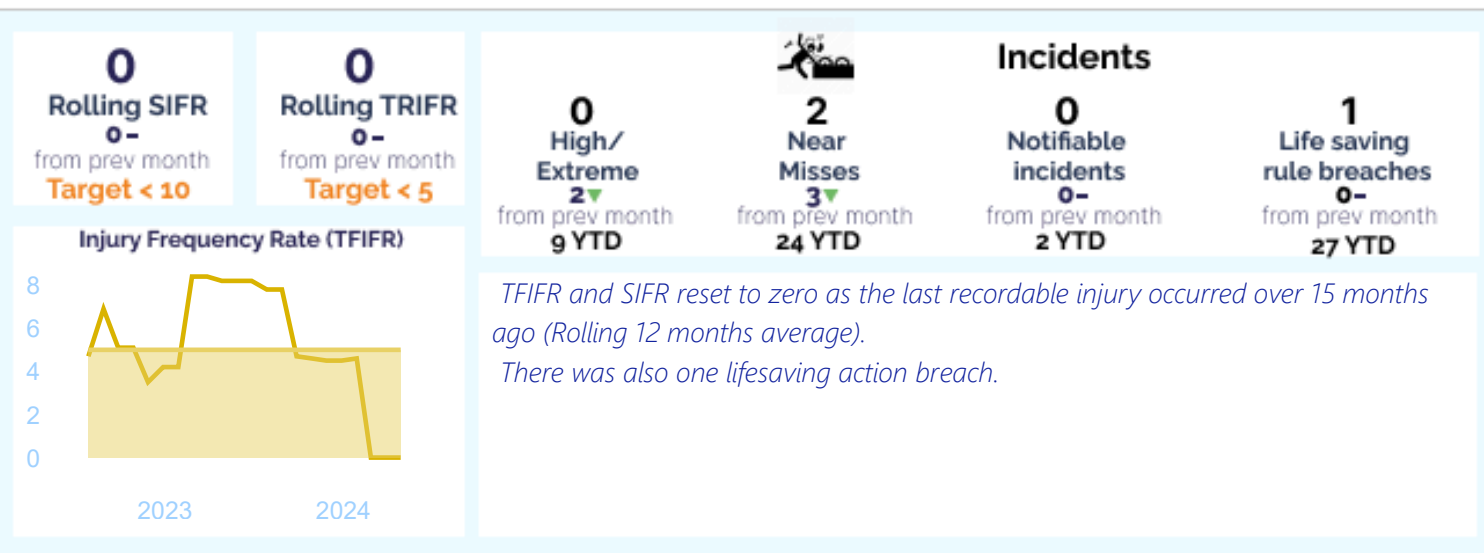
June Operations Report\* - UHCC  
CUSTOMER OPERATIONS GROUP



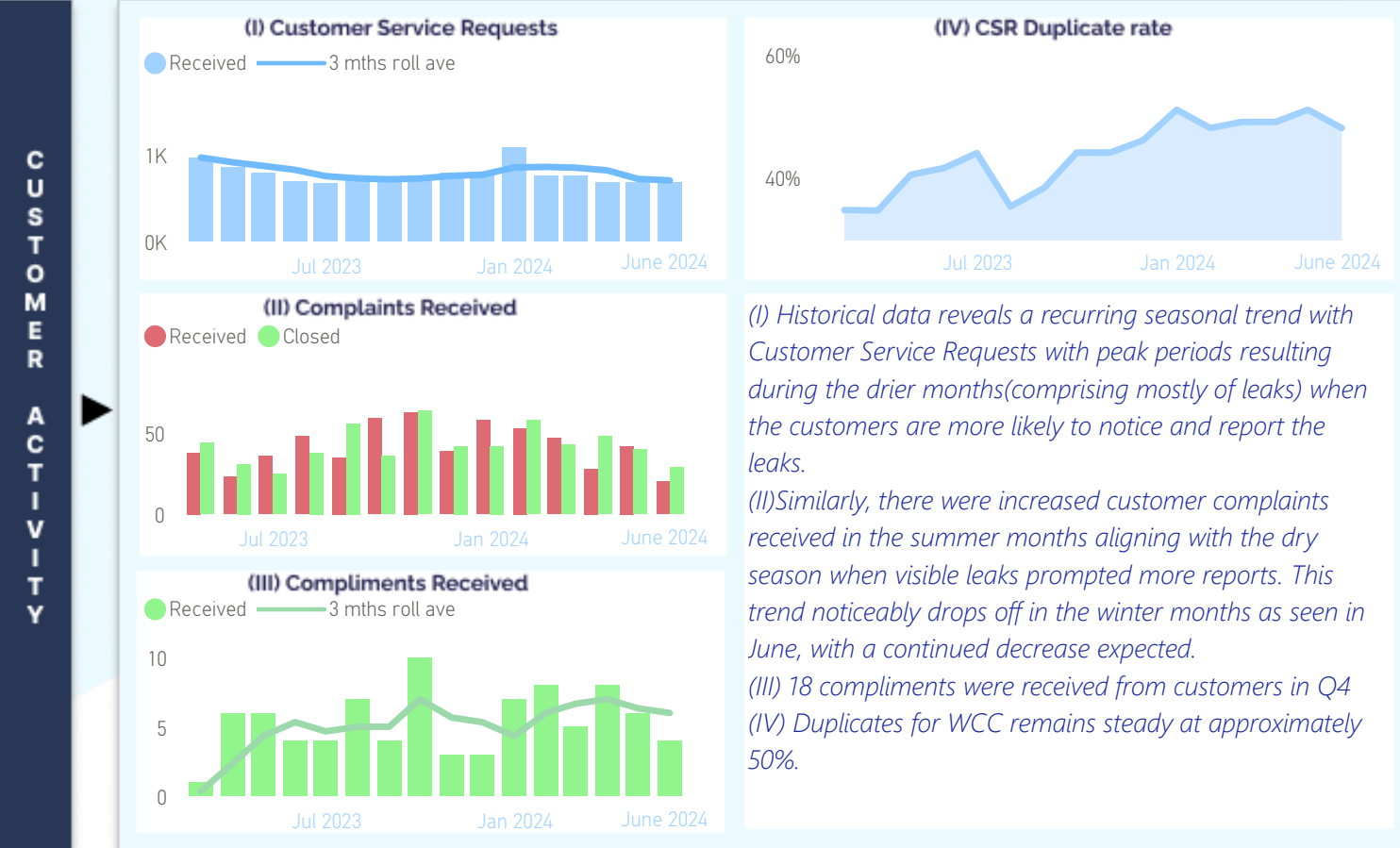
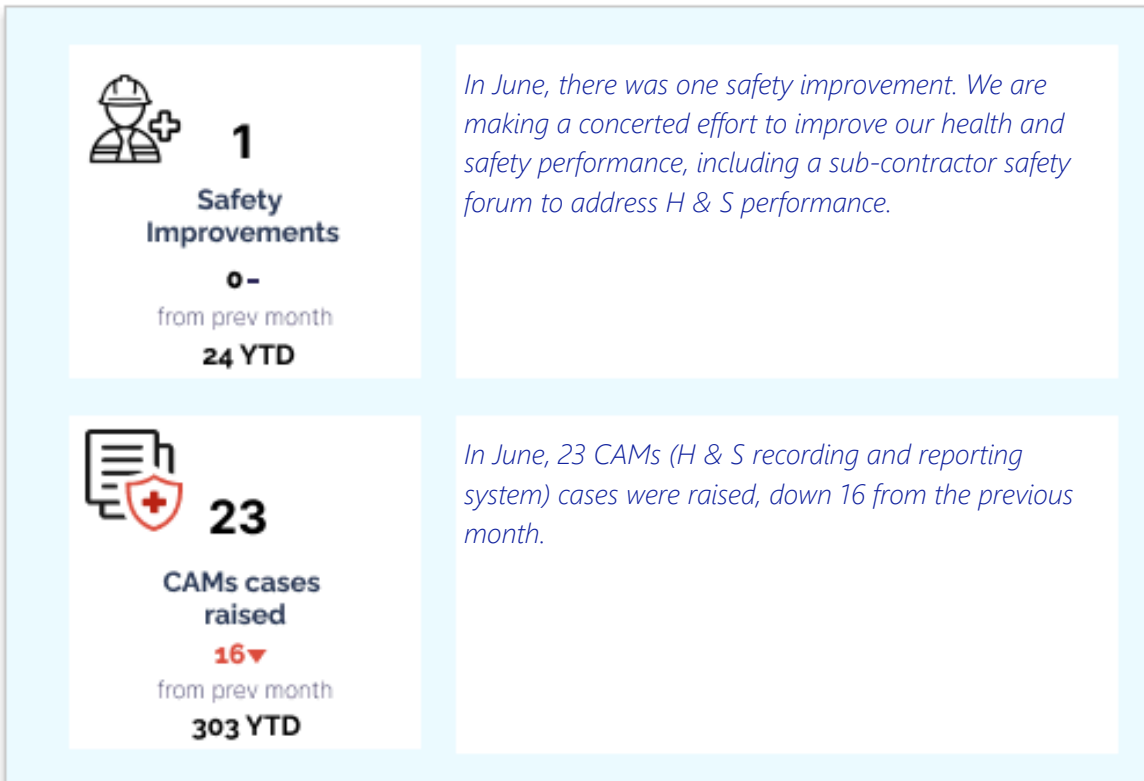
- 5** Progress in resolving non-urgent water jobs remains an issue. This is largely attributed to SLAs not being closely tied to the fiscal envelope, work volumes and process issues adversely impacting data accuracy. We have recognized that the ongoing process of onboarding new staff and our on-field 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 with 290 Leaks fixed in Q4.
- 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 140 - with a peak in January of approximately 400. 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: 08/07/24

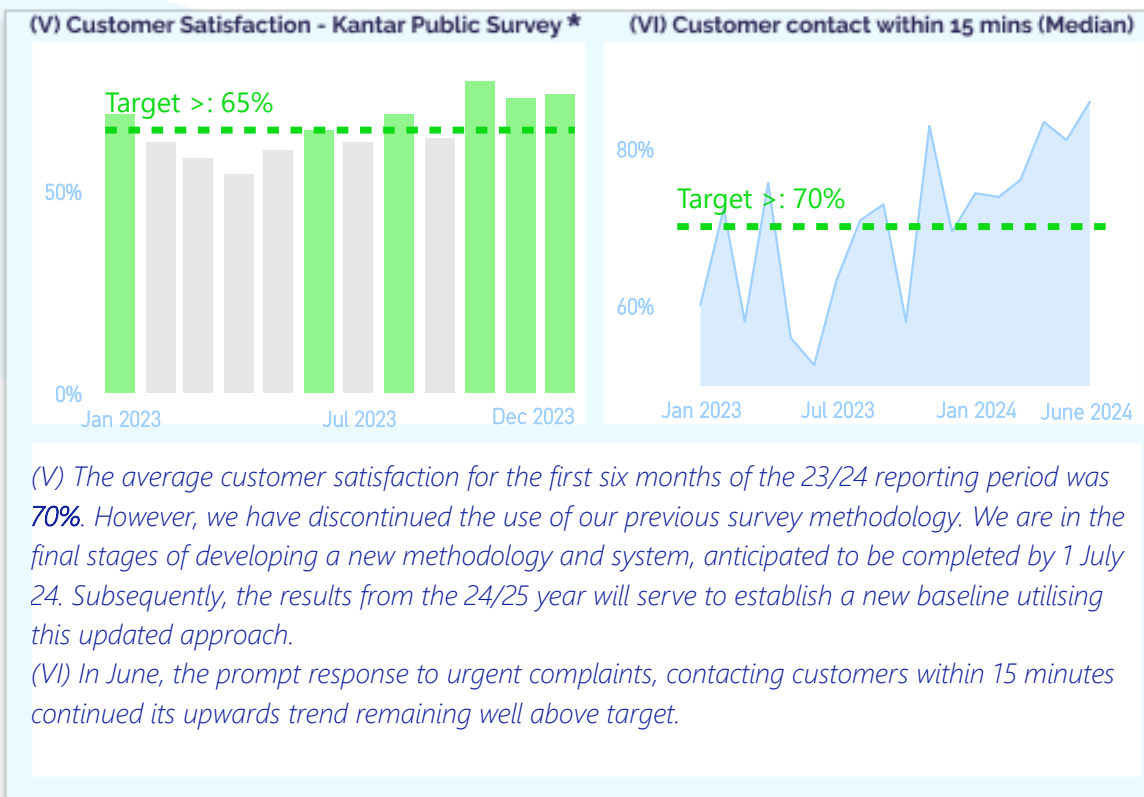
HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) \*



H & S LEAD INDICATORS \*



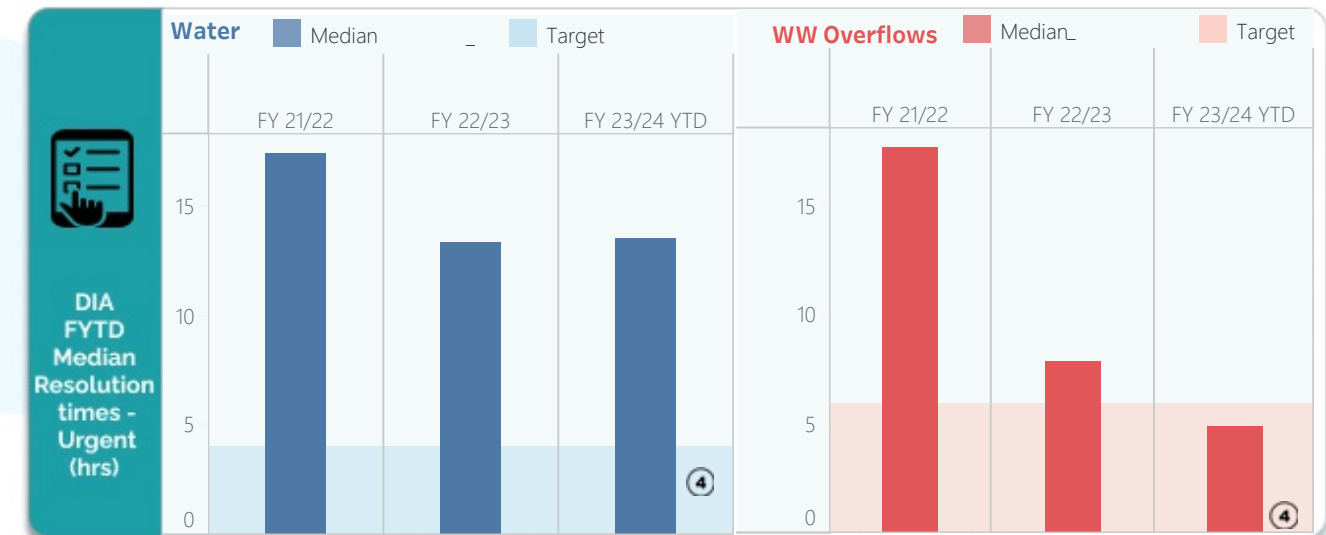
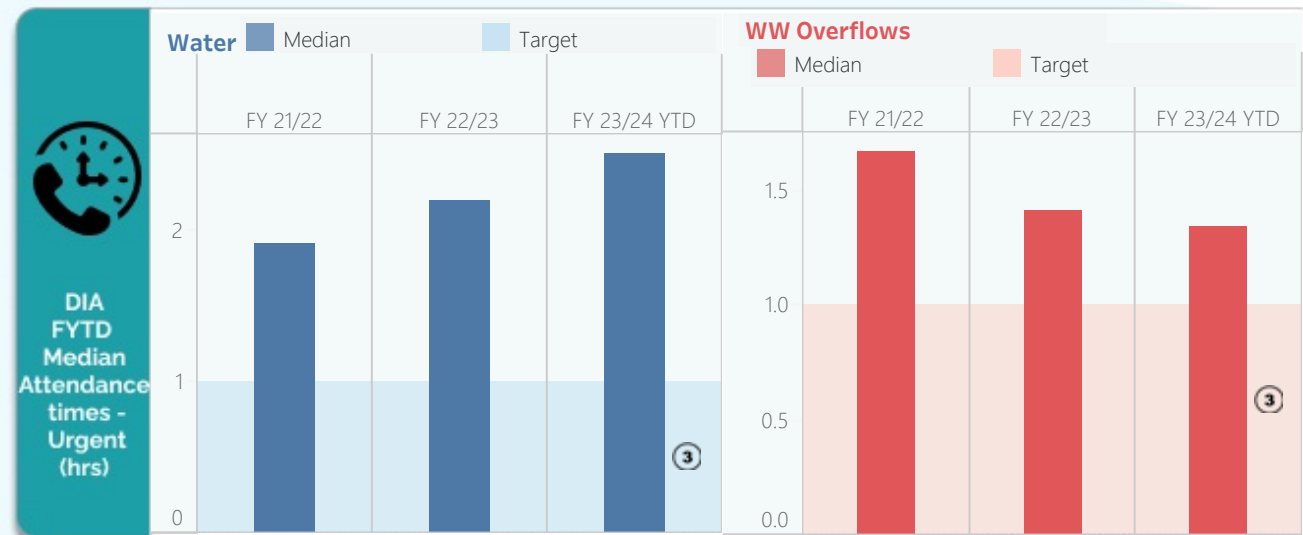
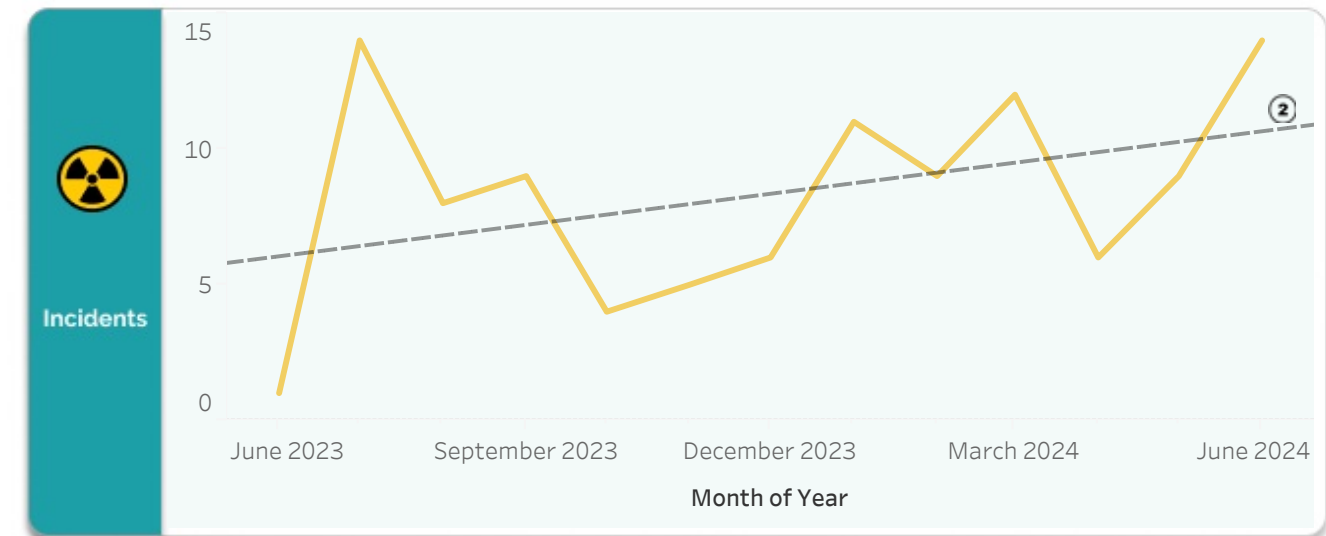
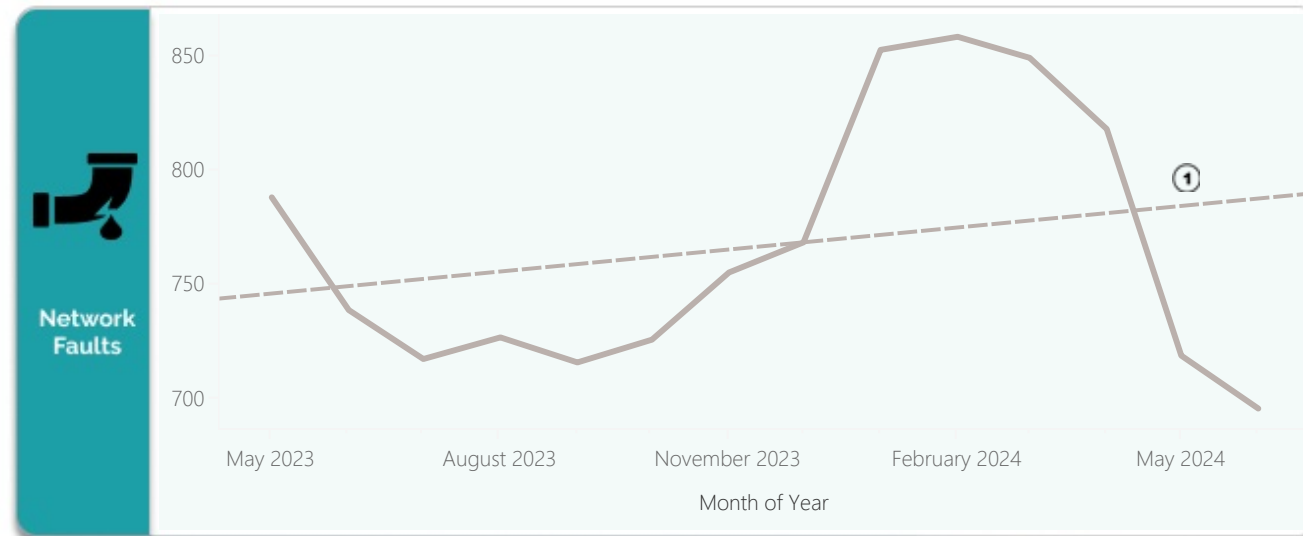
CUSTOMER SATISFACTION







June Operations Report\* - WCC  
CUSTOMER OPERATIONS GROUP

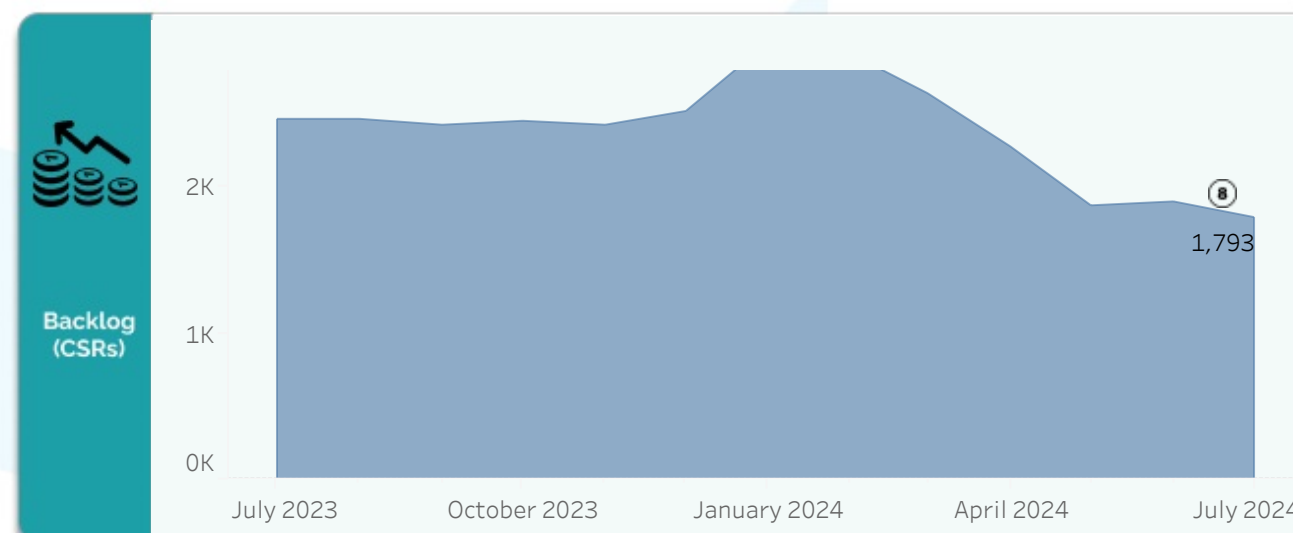
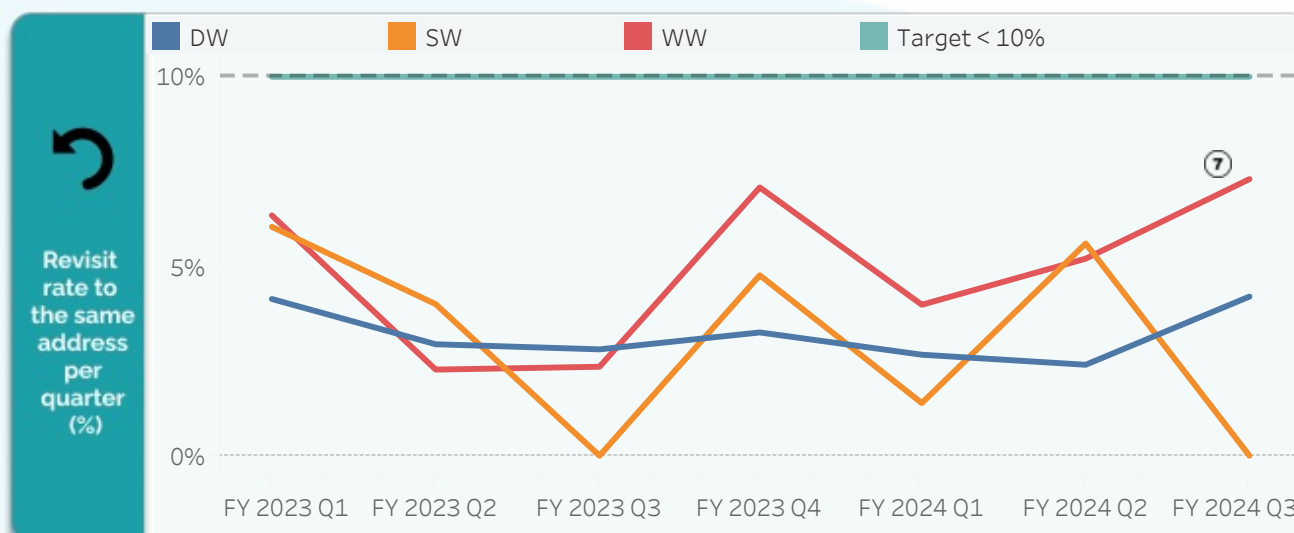
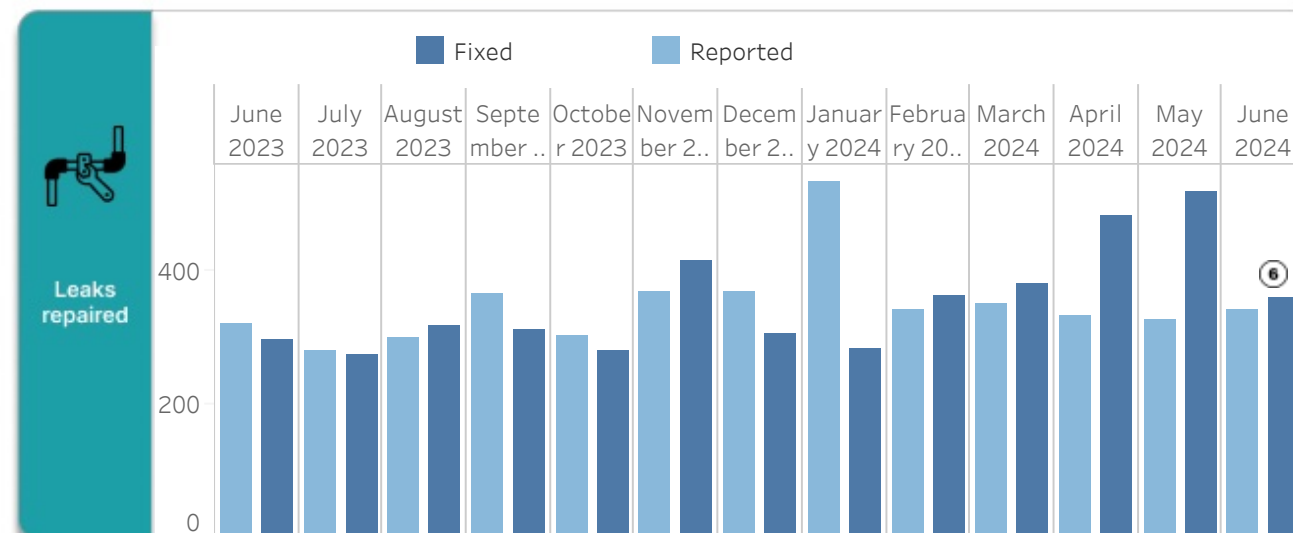
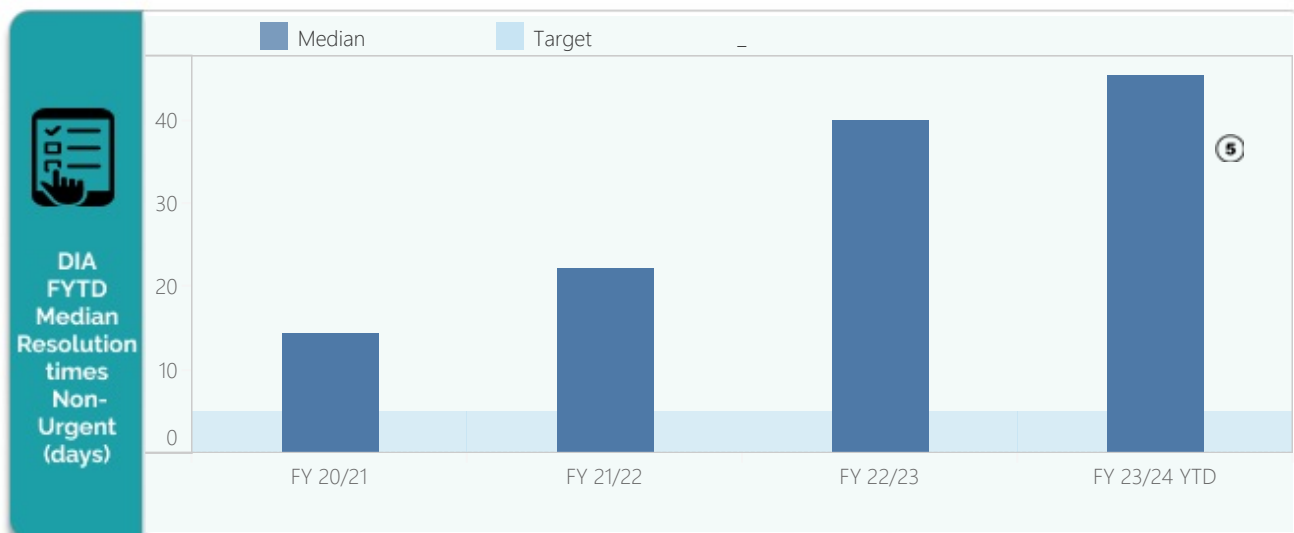


- Insights**
- ① Over the past 12 months, the trend shows a consistent upward momentum in Network Faults. Seasonal trends have shown over the years that the peak period of CSRs result during the drier months (comprising mostly of leaks) when the customers are more likely to notice and report the leaks.
  - 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.
  - ④ Wastewater resolution times has seen notable improvements over the past few years, currently meeting agreed-upon targets. Urgent water resolution remains a challenge. This is largely attributed to work volumes, the SLAs not being closely tied to the fiscal envelope, 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.

\*Note that Report provides a snapshot in time. Analysis Date: 08/07/24



June 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 don't impact reporting.
  - ⑥ Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. In Q4, we fixed over 1150 leaks, this marks the highest quarterly figure resolved so far this year.
  - 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 1800 - with a peak in January of approximately 3000. 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: 08/07/24

## Company and Governance Update

### Appendix 6: Summary for councillors of papers to the Wellington Water Committee meeting, Friday 26 July 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 third in the 2024 calendar year. The next meeting is scheduled for 27 September 2024.

#### Overview of papers

4. Wellington Water items presented to the Committee this meeting are:
  - a. Company and Governance Update
  - b. Independent review of Estimation error
  - c. Statement of Intent 2024-27
  - d. Acute Water Shortage Risk
  - e. AGM for 2023/24

#### *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. **Statement of Intent:** The paper notes the Board has reviewed the company's Statement of Intent 2023-26 and is recommending it be received by the Committee.
7. **Three Waters Investment Planning for 2024-34:** We have been working with all councils on the audit of their long-term plans, and finalisation of capital and operational programmes for each councils to align with LTP decisions.
8. **Sustainable water supply:** There is an update on progress with establishing the water metering programme.
9. **Regulatory performance:** The company is working closely with Taumata Arowai, and has finalised the Hygiene Code of Practice. Treatment plant dashboards (for drinking and wastewater) are attached to the report.
10. **People:** The paper notes our continuing focus on keeping our people and our supplier whanau safe, engaged and informed.
11. **Budgets:** We forecast being within approved budgets for council opex, council capex and WWL corporate budget.
12. **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.
13. **Capital delivery:** In Q4 we renewed 6.6 kilometres of pipes. For the full year this is 24.5km, against a target of 20km. There have been some significant milestones in major projects

### Company and Governance Update

including installation of the Whakawhirinaki Arch Bridge, and being several months ahead of schedule on the Kaitoke pipe bridge project and the Taranaki Street wastewater rising main programme.

14. **Treatment plants:** The report notes that four of the region's wastewater treatment plants are currently non-compliant for wastewater quality or odour. Details are provided in an appendix.
15. **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.
16. **Environmental Water Quality:** We are preparing for hearings on GWRC's Plan Change 1 to the Natural Resources Plan, and progressing activities that contribute to environmental water quality improvements.
17. **Carbon:** We are providing guidance to monitor embodied capital carbon, and are assessing alternative pathways for managing biosolids.
18. **Technology systems:** The paper notes the need for significant investment in core systems which had been deferred due to impending reforms.

#### ***Independent review of Estimation error***

19. The Independent reviewers will attend the Committee meeting to present their report. This will then be made available to councils and released to the public.

#### ***Statement of Intent 2024-27***

20. The Statement of Intent is presented to the Committee for adoption.

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

21. The paper provides an update on water loss reduction activities and notes that demand for water in the metropolitan region is declining for the first time since October 2020.

#### ***AGM for 2023/24***

22. The company is requesting that the company not hold an annual general meeting for the financial year 2023/24.

# Komiti Ngā Wai Hangarua | Wellington Water Committee

10 July 2024

---

Report no: WWC2024/3/74

## Statement of Intent 2024-27

---

### Appendices

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

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

---



# Wellington Water Committee | Komiti Ngā Wai Hangarua

26 July 2024

File: ()

---

Report no:

## Our water, our future: Statement of Intent 2024-27

---

### Purpose of Report

1. The purpose of this paper is to present Wellington Water Ltd.'s final Statement of Intent 2024-27 to the Wellington Water Committee.

### Recommendations

2. It is recommended that the Wellington Water Committee:
  - a. Notes that the Wellington Water Constitution requires:
    - i. the Wellington Water Board to deliver the completed Statement of Intent 2024-27 to the Committee, and
    - ii. the Wellington Water Committee to consider Wellington Water Ltd.'s final Statement of Intent 2024-27.
  - b. Notes the draft of the Statement of Intent was circulated to the Wellington Water Committee on 5 April and the subsequent feedback incorporated.
  - c. Receives the final Statement of Intent 2024-27.

### Background

3. Wellington Water (the Company), as a Council Controlled Organisation (CCO), is required to produce an annual Statement of Intent (SOI) that aligns with councils' Long-Term Plans (LTPs) and Annual Plans.
4. The purpose of a SOI is to outline for the public the activities and intentions of a CCO for

the year, and how these will contribute to the objectives or outcomes sought.

5. The SOI provides shareholders the opportunity to influence the direction of the organisation and provides a basis for the accountability of the directors to their shareholders for the performance of the organisation.
6. Each year in December the Chair of the Wellington Water Board receives a Letter of Expectations from the Chair of the Wellington Water Committee (the Committee) on behalf of the shareholding councils. This letter sets out the council and mana whenua priorities for the coming year and is used to form the Statement of Intent.

#### **Process for developing the Statement of Intent 2024-27**

7. This year, Wellington Water received the Letter of Expectations on 15 March 2024. This meant that Wellington Water was unable to provide shareholders a draft Statement of Intent that responded to this letter within statutory timeframes (by 29 February 2024).
8. The Letter of Expectations was used as the framework for preparing the draft SOI. Shareholders received a draft of the Statement of Intent on 5 April, and agreed to extend the time for delivery of the final SOI by one month to the end of July 2024.
9. Councils were asked to forward any comments they had on the draft document to the Committee Secretary Chief Executive, Porirua City Council by 30 April 2024.
10. The Company received feedback at this time that primarily dealt with finer details of the document of which the Board received at their 9 May meeting.
11. The Board approved the SOI at its meeting on 4 July 2024 and the final version is attached as Appendix 1.
12. The final Statement of Intent has few differences from the draft received by shareholders.
13. The financial statements reflect the agreed capital and operational expenditure programmes for the 2024-27 financial years as at 28 June 2024.

#### **Key themes**

14. The Statement of Intent reflects the themes of the Letter of Expectation – demonstrating effectiveness and efficiency, continuing our work with mana whenua, focusing on our core business in delivering the six strategic goals, working with the region to develop a single performance framework, and mitigating the risks of water shortage including through progressing water meters.
15. These were the priorities agreed by the Committee for this financial year 2024/25 as per the letter of expectation. We recognise that the context and environment is changing quickly and suggest these priorities be workshopped at the Committee's next meeting in September to determine if there needs to be any material shift in focus. This could also support the drafting of the 2025 Letter of Expectation which is due to be provided to the company from the Chair of the Committee by December 2024.

**Next steps**

16. The SOI will be forwarded to council officers and published on the Company's website. Shareholding councils are required to also publish the final version on their websites within one month of receiving the Statement of Intent.
17. The Water Committee will receive quarterly updates on how the Company is progressing against the SOI 2024-27.

**Appendices**

No.	Title	Page
1	Our water, our future - Statement of Intent 2024-27	

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



# Our water, our future

Statement of Intent 2024-27



## Contents

Foreword .....	3
Who we are and what we do .....	4
The next three years – our approach .....	5
Investment from our councils.....	7
Performance measures .....	10
Key expectations from our councils.....	16
Letter of Expectation .....	21
Department of Internal Affairs measures .....	26
Governance and shareholder information .....	36
Prospective financial statements .....	42

## Foreword

Welcome to our 2024-2027 Statement of Intent. This document outlines Wellington Water's direction and priorities, the expectations of our shareholding councils, how we intend to meet those over the next three years, and how we intend to measure and report our performance.

In our last Statement of Intent, we were working towards the establishment of a new Water Services Entity to take over delivery of water services from October 2024. With the 2023 change of government and direction, the responsibility for water services remains with our shareholding councils.

While our councils are working together to look at what a new model for delivering water services could be under the Government's Local Water Done Well policy, Wellington Water needs to plan for being in place in the current model for longer than expected.

Wellington Water's focus has been and remains on delivering our core services. Our job is to provide the region with safe and reliable water services and keep the assets in the best condition possible to hand over to any new water entity. We do this with the mana of the water in mind, and with a safe, capable, and engaged workforce.

The water infrastructure challenges we face as a region are well canvassed:

- Ensuring an adequate supply of drinking water over the short, medium, and long-term. This includes continued decreased drought resilience across the region.
- Reducing the risk of failure of critical assets in the network as well as treatment plants;
- Reducing the environmental impacts of discharges from the network and wastewater treatment;
- Ensuring the region can grow and this is not limited by capacity in water networks
- Addressing the growing backlog of work to renew and replace aging infrastructure;
- Meeting increasing regulatory requirements; and
- Meeting the expectations of mana whenua and customers.

We have worked with the shareholding councils to set out the costs to meet the challenges as part of the Long-Term Planning process. Stated plainly – the region needs an investment of \$10 billion over the next 10 years. We are conscious that this investment need comes at a time when cost of living and affordability are issues for ratepayers. Each of our councils have invested more funding, at various levels and timeframes, but it is still short of what the region needs.

Wellington Water's job is to now use that investment and achieve the best outcomes and value possible for our councils and the communities they serve. The gap between the investment and the need present risks for the region, so we will continue to provide councils with expert advice on their assets, the work we are doing to maintain and improve them and raise risks early and transparently.

The two most critical regional risks are ensuring sufficient water for the Wellington metropolitan region and the performance of the wastewater treatment plants throughout the region. These risks are under political and regulatory scrutiny, and importantly, are concerning to iwi and the community. Our operational focus will be to mitigate these risks as much as possible with available budgets over the next financial year.

We look forward to working with our councils, iwi partners, and regulators to meet councils' requirements for the years ahead and deliver services for communities.

## Who we are and what we do

Wellington Water's job is to deliver safe and healthy drinking water, collect and treat wastewater, and ensure the stormwater network is well managed.

We are owned by Wellington City Council, Hutt City Council, Porirua City Council, Upper Hutt City Council, Greater Wellington Regional Council, and South Wairarapa District Council.

Councils own the water assets in the region and set the level of funding and investment. They then task us to manage the infrastructure and deliver water services to communities.

### Our governance structure

Wellington Water is governed by a Board of Directors. We receive overall leadership and direction from the Wellington Water Committee. The Committee is made up of representatives from our shareholding councils and mana whenua.



### Our values

We are a values-driven organisation, and the value of water sits at our heart. Every day Wellington Water people come to work and strive to deliver services and build infrastructure in a way that provides the best outcomes for communities and the environment.

We are on a journey to embedding Te Mana o te Wai and prioritising the health and wellbeing of water into the way we work. This is reflected in our strategic priorities, our planning, and the advice we give.

Our values reflect this and set out what we stand for and how we behave:

- Tangata tiaki: together we protect our most precious taonga;
- Whānau: united we support, connect with and respect each other; and
- Mana: we recognise, respect, and value the mana of others and seek to build mana-enhancing relationships.



## The next three years – our approach

The Wellington Water Committee has been clear in its direction to us – to give effect to Te Mana o te Wai (placing the health and wellbeing of water first) in the way that we manage the water assets and deliver three water services.

The context in which we operate requires us to deliver those services effectively and efficiently alongside supporting the region to establish a new water services entity.

To meet our councils' expectations, we remain focused on core services and making sure we do these as well as we can.

### Strategic focus

We work to the regional strategic priorities for water set by the Wellington Water Committee. These are:

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

Funding to achieve these priorities varies by council, and our ability to meet these priorities will vary as a result.

### Our organisational strategy

To meet the strategic priorities, our organisational strategy is to focus on our core functions and build and maintain trust with our councils, stakeholders, and communities.

To do that, we put the safety, wellbeing, and growth of our people first. In all our relationships we are values led and strive to be honest, open, transparent, and accountable.

We always look to ways to be more effective (do the right thing at the right time) and efficient (do things right). For example, last summer we recognised the need to find savings and reduced our corporate operating expenditure, directing it to the council operating expenditure and fixing as many leaks as possible.

The next three years sees a reduced and fixed corporate operating expenditure. We need an effectiveness and efficiency mindset in everything we do to deliver our services with a reduced corporate budget.

We will:

- keep our people safe and well;
- increase the capability and capacity of our people and our wider supplier whānau;
- keep embedding Te Mana o te Wai into how we plan and operate;
- have a strong delivery focus on our core services and functions (drinking water, wastewater, stormwater) and do these well;
- focus on the customer;
- work on continuous improvement and demonstrating cost-saving initiatives;
- be transparent and report on our performance – when our outcomes are not met, we let our councils and the public know; and
- build strong partnerships with iwi mana whenua.

We measure our success through the performance measures outlined in this Statement of Intent.

## Investment from our councils

The shareholding councils have consulted their communities on proposed three waters investment (capital and operating expenditure) for the 2024-34 Long-term Plan (LTP) period.

Wellington Water advised councils that regional capital investment in the order of \$10 billion is required over the next 10 years to deliver on all the region's strategic priorities. This level of investment is unaffordable and currently undeliverable.

Based on delivery to date, Wellington Water recommended that councils (excluding South Wairarapa District Council) invest \$7.6 billion in capital expenditure over the 2024-34 LTP period. This level of funding is the maximum that can be delivered in the region.

Some councils have invested more in water infrastructure than ever before. However, the councils have been clear to Wellington Water that \$7.6 billion is still unaffordable due to council debt headroom constraints and impact on ratepayers.

The capital investment programmes agreed by councils collectively totals \$3.6 billion, around half of what Wellington Water recommended as being deliverable. Funding is particularly constrained in the first three years of the 2024-34 LTP period.

Wellington Water recommended a regional 10-year operating expenditure budget totalling \$1.7 billion (excluding South Wairarapa District Council). Councils have provided a 10-year operating expenditure budget of approximately \$1.5 billion.

The level of funding set by councils for the 2024-34 LTP period means we cannot achieve a balanced programme that delivers on all the region's strategic priorities.

Investment has been prioritised to look after existing infrastructure, but this is still not enough to address the pipe renewals backlog in 30 years or prevent it from increasing. Working towards sustainable water supply and demand has been prioritised in the capital and operating programmes, but this too (for some councils) is still not sufficient to address the risk of an acute water shortage or reduce the ongoing risk of water shortage. There is minimal activity to support growth, achieve net carbon zero and improve resilience in all council programmes.

South Wairarapa District Council (SWDC) has deferred adopting a LTP and instead will be undertaking an annual planning process as enabled by the Water Services Acts Repeal Act. SWDC will consult on an enhanced 2024/25 Annual Plan, then follow with a nine-year 2025-34 LTP in 2025.

This document focuses on the next three financial years, 2024-2027. Below are investment figures for each of our council owners (excluding SWDC) for this three-year period.

**Table 1: Council by council capital expenditure 2024-27**

Council	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total	WWL Recommended
GWRC	\$104.4 M	\$47.0 M	\$32.7 M	\$62.4 M	\$76.1 M	\$81.6 M	\$63.9 M	\$66.1 M	\$57.2 M	\$49.7 M	\$641.2 M	\$1,237.7 M
HCC*	\$79.5 M	\$100.8 M	\$140.3 M	\$131.3 M	\$131.4 M	\$127.9 M	\$151.0 M	\$131.8 M	\$163.4 M	\$148.3 M	\$1,305.8 M	\$2,412.8 M
PCC**	\$70.5 M	\$44.4 M	\$47.5 M	\$47.4 M	\$50.7 M	\$53.1 M	\$49.9 M	\$50.6 M	\$51.4 M	\$49.6 M	\$515.0 M	\$1,686.0 M
SWDC***	\$12.7 M	--	--	--	--	--	--	--	--	--	\$12.7 M	--
UHCC*	\$19.8 M	\$9.4 M	\$9.8 M	\$7.9 M	\$14.7 M	\$19.4 M	\$18.4 M	\$11.5 M	\$12.2 M	\$13.0 M	\$136.1 M	\$460.1 M
WCC****	\$61.8 M	\$60.2 M	\$68.6 M	\$103.1 M	\$94.8 M	\$128.7 M	\$149.8 M	\$147.7 M	\$90.5 M	\$121.6 M	\$1,026.9 M	\$1,761.3 M
<b>Grand Total</b>	<b>\$348.7 M</b>	<b>\$261.8 M</b>	<b>\$298.9 M</b>	<b>\$352.1 M</b>	<b>\$367.5 M</b>	<b>\$409.2 M</b>	<b>\$433.3 M</b>	<b>\$408.0 M</b>	<b>\$375.4 M</b>	<b>\$383.1 M</b>	<b>\$3,637.9 M</b>	<b>\$7,557.8 M</b>
Recommended Annual Total (excluding SWDC)	\$384.5 M	\$410.7 M	\$506.4 M	\$656.5 M	\$961.3 M	\$961.3 M	\$961.3 M	\$961.3 M	\$961.3 M	\$961.3 M	\$7,726 M	--

\*\*\*\*\*

\*All Wastewater Joint Venture costs are captured in HCC budgets. Thus, UHCC figures are understated by \$155M and HCC's figures overstated by the equivalent.  
 \*\*Awaiting confirmation from PCC on their adopted budget.  
 \*\*\*SWDC chose to develop an Annual Plan in 2024/25 and will develop a Long Term Plan next year.  
 \*\*\*\*WCC were not able to update their budgets before the adoption meeting to reflect our recommended changes for corporate charges and updates to programme. A revised programme built and socialised with them will be formally incorporated after adoption. The revised programme is what we will be planning to deliver to.  
 \*\*\*\*\*The Recommended Annual Total differs from the WWL Recommended as:  
 - Recommended Annual Total being a regional view of what WWL could deliver – growing the programme year on year, up to approximately \$1B per year.  
 - WWL Recommended view being a council-by-council programme view based on individual projects that could make up each council's programme. These were built to reach the regional Recommended Grand Total but due to the lumpiness of capital programmes does not match exactly.

**Table 2: Council by council operating expenditure 2024-27**

Council	Water	23/24 Budget	24/25 Recommended	24/25 Council	25/26 Recommended	25/26 Council	26/27 Recommended	26/27 Council
<b>GWRC</b>	<b>Drinking Water</b>	<b>\$26.0 M</b>	<b>\$28.7 M</b>	<b>\$27.5 M</b>	<b>\$30.7 M</b>	<b>\$29.4 M</b>	<b>\$30.8 M</b>	<b>\$30.0 M</b>
HCC	Drinking Water	\$9.8 M	\$11.9 M	\$14.7 M	\$12.4 M	\$13.9 M	\$13.3 M	\$14.4 M
HCC	Stormwater	\$3.6 M	\$4.5 M	\$4.5 M	\$4.7 M	\$4.5 M	\$4.8 M	\$4.6 M
HCC	Wastewater	\$5.0 M	\$5.3 M	\$5.3 M	\$5.8 M	\$5.5 M	\$5.8 M	\$5.4 M
HCC	Wastewater JV	\$11.5 M	\$13.3 M	\$13.2 M	\$13.5 M	\$13.4 M	\$13.5 M	\$13.4 M
<b>HCC*</b>	<b>Total</b>	<b>\$30.0 M</b>	<b>\$35.0 M</b>	<b>\$37.8 M</b>	<b>\$36.2 M</b>	<b>\$37.3 M</b>	<b>\$37.4 M</b>	<b>\$37.8 M</b>
PCC	Drinking Water	\$4.8 M	\$5.5 M	\$4.8 M	\$5.7 M	\$4.8 M	\$6.1 M	\$4.8 M
PCC	Stormwater	\$2.4 M	\$2.3 M	\$1.4 M	\$2.4 M	\$1.4 M	\$2.3 M	\$1.4 M
PCC	Wastewater	\$3.7 M	\$4.1 M	\$2.7 M	\$4.4 M	\$2.7 M	\$4.3 M	\$2.7 M
PCC	Wastewater JV	\$2.9 M	\$4.0 M	\$3.3 M	\$3.8 M	\$3.4 M	\$3.9 M	\$3.4 M
<b>PCC**</b>	<b>Total</b>	<b>\$13.8 M</b>	<b>\$15.9 M</b>	<b>\$12.3 M</b>	<b>\$16.4 M</b>	<b>\$12.3 M</b>	<b>\$16.5 M</b>	<b>\$12.3 M</b>
SWDC	Drinking Water	\$2.6 M	\$3.9 M	\$3.1 M	--	--	--	--
SWDC	Stormwater	\$0.2 M	\$0.5 M	\$0.4 M	--	--	--	--
SWDC	Wastewater	\$2.7 M	\$3.6 M	\$2.9 M	--	--	--	--
SWDC	Water Races	\$0.2 M	\$0.2 M	\$0.2 M	--	--	--	--
<b>SWDC ***</b>	<b>Total</b>	<b>\$5.8 M</b>	<b>\$8.2 M</b>	<b>\$6.4 M</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
UHCC	Drinking Water	\$2.9 M	\$4.1 M	\$3.2 M	\$4.2 M	\$3.2 M	\$4.5 M	\$3.2 M
UHCC	Stormwater	\$0.8 M	\$1.4 M	\$0.8 M	\$1.4 M	\$0.8 M	\$1.5 M	\$0.8 M
UHCC	Wastewater	\$1.8 M	\$2.4 M	\$1.8 M	\$2.5 M	\$1.8 M	\$2.5 M	\$1.8 M
UHCC	Wastewater JV	\$3.4 M	\$3.9 M	\$4.0 M	\$3.9 M	\$4.0 M	\$3.9 M	\$4.1 M
<b>UHCC</b>	<b>Total</b>	<b>\$9.0 M</b>	<b>\$11.7 M</b>	<b>\$9.9 M</b>	<b>\$11.9 M</b>	<b>\$9.9 M</b>	<b>\$12.3 M</b>	<b>\$9.9 M</b>
WCC	Drinking Water	\$17.5 M	\$24.3 M	\$28.1 M	\$22.4 M	\$23.0 M	\$23.4 M	\$22.7 M
WCC	Stormwater	\$4.1 M	\$7.1 M	\$4.4 M	\$6.0 M	\$4.4 M	\$6.1 M	\$4.3 M
WCC	Wastewater	\$26.0 M	\$31.1 M	\$27.6 M	\$32.4 M	\$27.8 M	\$32.7 M	\$27.7 M
WCC	Wastewater JV	\$3.9 M	\$5.6 M	\$5.6 M	\$5.6 M	\$5.6 M	\$5.6 M	\$5.6 M
<b>WCC****</b>	<b>Total</b>	<b>\$51.5 M</b>	<b>\$68.0 M</b>	<b>\$65.6 M</b>	<b>\$66.3 M</b>	<b>\$60.7 M</b>	<b>\$67.8 M</b>	<b>\$60.3 M</b>
<b>Region</b>		<b>\$136.1 M</b>	<b>\$167.5 M</b>	<b>\$159.5 M</b>	<b>\$161.5 M</b>	<b>\$149.7 M</b>	<b>\$164.9 M</b>	<b>\$150.4 M</b>

\* HCC budget includes post consultation additional budget of \$2.8m in 2024/25 and \$1.4m from 2025/26 – 2033/34 for drinking water leak repairs. Residential meters assumed to be fully implemented by 2027/28.

\*\*Awaiting confirmation from PCC on their adopted budget.

\*\*\*SWDC chose to develop an Annual Plan in 2024/25 and will develop a Long Term Plan next year. SWDC 2024/25 opex budget is subject to council confirmation.

\*\*\*\* WCC budget includes one off cost in Y1 \$2m and Y2 \$4m for Residential meters business case & an additional \$3.3m in Y1 for Drinking Water to be used on leak repair before summer.

### Risks associated with current levels of investment (for the next three years)

The risks below are key risks that all our councils across the region face. The likelihood of these risks occurring is dependent on the level of investment each council provides and, some therefore, will vary by council:

- Severe water restrictions or an acute water shortage in future summers;
- Continued risk to drought resilience across the region with current supply capacity only able to meet unrestricted water demand in a 1 in 13 year drought as opposed to 1 in 50 years;



- Wastewater treatment plants are not reliable and do not comply with consent conditions with limited ability to bring the wastewater treatment plants back to compliance reliably in the next three years;
- Not meeting communities' and mana whenua expectations due to wastewater overflows from network and treatment plants;
- Assets fail more regularly due to lack of investment in proactive activities such as renewing and replacing assets, planned maintenance, leak detection and condition assessments;
- Customers face more disruption and longer waits for repairs on the wastewater and stormwater networks;
- Disruption and repair times on the drinking water network will initially improve, but begin to worsen from July 2025; and
- Additional population growth puts pressure on the capacity of the network and treatment plants, leading to impacts on customers and the environment.

#### Corporate risks associated with current levels of investment (for the next three years)

As well as council risks, Wellington Water has key corporate risks that we manage and mitigate as best we can. These are:

- Staff leave Wellington Water because of the uncertainty with water sector reform;
- Our contractors and suppliers are unable to invest in people and equipment due to uncertainty and lack of sufficient future work;
- We continue to operate in a highly reactive manner, which leads to diversion of staff resource, inefficiencies, and unexpected costs; and
- Our corporate systems and processes are no longer fit for purpose, at the end of their technical life, and don't meet the needs and expectations of our shareholding councils and customers.

## Performance measures

To meet the direction set by the Wellington Water Committee, we have set ourselves 17 performance measures that focus on delivering core services. Our councils and the Wellington Water Committee have also set some key expectations for us to deliver. These are listed in the following sections along with how we will deliver the measures.

In the year ahead we will work with our councils to introduce a single regional reporting framework. We will review how we measure and report on outcomes in this document as part of this, with an eye towards a new regional water entity and economic regulation.

We have up to 35 mandated performance measures set by the Department of Internal Affairs (DIA) for each council. Each council sets the targets for the DIA performance measures. In some cases, these don't always align with the funding or the state of the network. More information can be found on page 24.

As a water services provider we meet a wide range of water safety standards and rules under the Water Services Act 2021, which is regulated by Taumata Arowai. These rules are in place to ensure we also provide safe drinking water to our communities. We report annually to Taumata Arowai on our compliance against these standards.

You can find a consolidated view on page 19 of all the Statement of Intent 2024-27 performance measures.

### Delivery of core services

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

- Sufficient and safe drinking water for our communities;
- Removing and treating wastewater before returning it to the environment; and
- Stormwater risks and impact are managed.

In a time where all our councils are facing rising costs and tight budgets, we are acutely aware of every dollar we are provided by councils and ratepayers. We prioritise our work to ensure that we are applying resources and people to the right things (eg our core services) and to the areas needed most.

Key to this is having maturing knowledge of the state of councils' assets. Understanding the condition of water assets in the region helps us to prioritise future maintenance and renewal work, as well as analysing risk and evaluating whether urgent repair or replacement work is required. We then use this information to provide councils with advice on what to prioritise their investment on. We have an ongoing programme of condition assessment work, which has been underway since 2020.

The relationship with the customers is important. While the main interface to report issues remains with our councils, it is important that we measure customers' experience when they interact with Wellington Water. How we measure satisfaction has changed in 2024 to align with privacy rules and to receive richer feedback.

We have changed our methodology from a one-on-one phone survey of a sample of customers to an online survey that all customers are invited to complete. Research shows that potential biases can occur in when responding to surveys and this can be amplified depending on the methodology used. For example, some studies shed light on survey takers having what is referred to as social desirability bias where respondents are more likely to

provide positive answers to appear more socially desirable or acceptable to the interviewer. Simply having an interviewer conduct the survey can also sometimes skew results and affect how a person responds to a survey. Because of this, we had anticipated a decline in reported results for satisfaction when moving to an online survey.

The change in methodology has had the expected impact on the result, with customer satisfaction decreasing from 70% under the phone survey to around 50% with the online survey. While we are not happy with this level of customer satisfaction, we will take our new result as a baseline and will aim to improve. Once fully implemented, the new method may allow us to gauge impacts of negative or positive media activity, environmental or economic issues.

Wellington Water is responsible for the delivery of fluoride into the drinking water network at the levels set out in the Ministry of Health guidelines. We will keep focusing on delivery and provide regular reporting and transparency of fluoride levels. The South Wairarapa network is not fluoridated.

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

We know the measures below for safe drinking water and wastewater treatment plant consent compliance are not achievable with the current levels of funding. As an example, the lack of chlorine contact-time affecting up to 800 customers in the Hutt City drinking water network will mean we will not achieve the compliance level until the requisite network upgrades are complete. However, to place lower targets than 100% for drinking and wastewater treatment is not acceptable to Wellington Water or our governance, so we will continue to measure and report with the 100% target firmly in our sights for the medium term.

There is an increasing need for renewals of pipes to meet the risk of drinking water loss and wastewater infiltration and exfiltration issues. Each year Wellington Water establishes a pipe renewal target by council and will measure its delivery against that target.

Our ability to deliver hinges on our people. We continue to take care of our people during a time of change and ensure that our staff and the people in our supplier whānau are engaged, informed and supported. We are committed to ensuring that our people remain engaged with the organisation, particularly in a further period of uncertainty over water reform. Our health and safety measure is a leading indicator of a good safety culture.

We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
1	We deliver a level of service that our customers expect.	The percentage of our customers that report being "Satisfied or Very Satisfied" with our services	≥ 55%	≥ 57.5%	≥ 60%
2	The yearly average level of fluoride leaving each Metropolitan Water Treatment Plant is within the Ministry of Health guidelines 95% of the time.	The yearly average level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million 95% of the time.	Achieved at all plants	Achieved at all plants	Achieved at all plants

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
3	We will deliver safe drinking water to metro Wellington.	We comply with Drinking Water Quality Assurance Rules (Treatment)*	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
4	We will deliver safe drinking water to South Wairarapa.	We comply with Drinking Water Quality Assurance Rules (Treatment)*	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
5	Our metropolitan Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
6	SWDC Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
7	Annual target kilometres of pipe met.	Percentage of pipe replacement/ renewal completed.	≥9.1 kilometres	To be set in 25-28 Statement of Intent	To be set in 26-29 Statement of Intent
8	We will deliver our capital programme within the expected range.	Total capital delivery is between \$297m and \$347m	\$297m - \$347m	To be set in 25-28 Statement of Intent	To be set in 26-29 Statement of Intent
9	Our people remain engaged with our company and its purpose.	Our overall engagement score remains stable or increases.	Overall engagement greater than 60%	Overall engagement greater than 60%	Overall engagement greater than 60%
10	We will monitor and address critical health and safety risks for our people.	Health and Safety critical risks will be reviewed, and improvements implemented.	Two or more	Two or more	Two or more

\*Measured separately at each Water Treatment Plant. The Metro Wellington drinking water treatment plants are Gear Island, Te Mārua, Wainuiomata and Waterloo. South Wairarapa treatment plants are Waiohine, Memorial Park, Martinborough and Pirinoa.

Note: that we are unable to meet the contact time requirements for chlorine at the Waterloo plant as the first customers serviced are too close to the plant.

## Te Mana o te Wai

Water has mana, it has power, authority, and influence. Water sustains life, enables and enriches a flourishing natural environment, and is an essential element to the wellbeing and health of people and communities. The mana of water is multi layered and is derived from its mauri, its lifeforce, and its connection to people through whakapapa.

The phrase 'I am the water, and the water is me / ko au te awa ko te awa ko au' states clearly the importance and significance of water to us as people and the depth and strength of the relationship and personal connection we have with it. This points to the way we give effect to the idea of Te Mana o te Wai as a water services entity. A relational approach to the way we care for, protect, manage, use, and reuse water is the key to our success.

Embedding Te Mana o te Wai into the way we work is a multi-faceted endeavour. This includes the ways we plan for a variety of purposes, manage and navigate the regulatory environment, and manage and pursue operational activities. It begins with early and meaningful engagement.

**We will:**

- develop a clear organisational understanding of Te Mana o te Wai and what this means for our work;
- look at how we can apply Te Mana o te Wai in core areas of our work; and
- work with our iwi and mana whenua partners, shareholders, and communities to develop this understanding.

**We measure success by:**

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
11	Give effect to Te Mana o te Wai.	Give effect to Te Mana o te Wai by defining what this means for Wellington Water and provide direction on where and how it will be applied to our planning, regulatory and operational activities.	Develop a strategy to give effect to Te Mana o te Wai.	Implement and review strategy.	Implement and review strategy.

**Partnering with iwi and mana whenua**

We value relationships with mana whenua iwi including Taranaki Whānui ki te Upoko o te Ika, Ngāti Toa Rangatira, Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua, and Rangitāne o Wairarapa.

Having mana whenua iwi at the centre of discussions and decisions about drinking water, wastewater and stormwater is critical to our future success. This must be at the highest-level including engagement and agreement on what we will invest in and when and how we prioritise investment in one thing over another. We value these diverse contributions. We're working to build and maintain trust and confidence in the way we work.

We have made good progress in how we work with mana whenua iwi. We have developed mutual respect and are strengthening our trust with one another. We are better informed about mana whenua iwi needs and priorities and aspirations for water.

In 2023, we signed new partnership agreements with Te Rūnanga o Toa Rangatira and Taranaki Whānui. The agreements demonstrate our commitment with mana whenua iwi to realise the benefits of working together to advance Te Mana me Te Mauri o te wai i te Ūpoko o te Ika a Maui. They acknowledge the deep whakapapa connection that both iwi have to the rohe and the commitment we have to early and meaningful engagement. We would like to extend the same partnering arrangements to mana whenua iwi in the Wairarapa.

**We will:**

- honour our agreements in place with Te Rūnanga o Toa Rangatira and Taranaki Whānui and undertake an annual hui to discuss progress;
- work with Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua and Rangitāne o Wairarapa to develop ways of working together and potentially to develop partnership agreements;
- build our understanding about Te Ao Māori;
- involve mana whenua iwi in our planning and delivery of projects including through procurement; and
- engage with mana whenua iwi on Resource Management Act related activity.

We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
12	To demonstrate our commitment to partnering with mana whenua iwi	We regularly check with Te Rūnanga o Toa Rangatira and Taranaki Whānui that we are honouring our partnership agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements
13	To demonstrate our commitment to partnering with mana whenua iwi	We offer partnership agreements to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua and Rangitāne o Wairarapa	Partnership agreements offered to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua Rangitāne o Wairarapa	Annual hui to review the relationships	Annual hui to review the relationships

## Mitigating the risks of a water shortage

### Reducing the risk of water restrictions and water shortages

Our focus for future summers is to work with our councils to reduce the risk of more severe water restrictions and water shortages and reduce the impact on communities as much as possible.

Over previous years we've seen this risk rise. We managed the region through a tricky summer last year and we are now focused on managing the risk for future years.

Wellington Water's approach to this work is driven by three key outcomes: keeping the water in the pipes, reducing water demand, and adding more water supply. We have recommended to our councils that the following activities be undertaken over the 2024/34 period as the initial actions to address this risk:

- continue to increase investment into finding and fixing leaks, managing water loss, and replacing old infrastructure;
- continue to encourage customers to reduce water use;
- investment in water meters across the metropolitan Wellington region; and
- build additional storage lakes.

For the immediate term, we have a clear plan in place. We have outlined our actions and the councils' actions for the 2024/25 summer to Taumata Arowai. Some of these actions are already underway and others will need further analysis and council decision-making.

In looking at our plan and the level of investment councils can afford, removing the risk of Level 3 and 4 Water Restrictions is not realistic. Instead, we're aiming to reduce the risk of entering Level 4 Water Restrictions for the 2024/25 summer.

We will:

- complete work on the Te Mārua Water Treatment Plant upgrade;
- continue operational activities to reduce water loss and leaks, including advancing pressure reduction and targeted renewals activities (such as on service connections)
- work with our councils and Taumata Arowai over the next year and provide regular updates on our progress; and

- engage with the public early and consistently about water restrictions, getting prepared for a potential water shortage and the importance of conserving water.

We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
14	There is sufficient water to meet customer needs	Wellington Water and councils do not implement Level 4 Water Restrictions	Achieved	Achieved	Achieved



## Key expectations from our councils

In the Letter of Expectation 2024 (refer to page 21), the Wellington Water Committee set out a number of activities that require collaboration between Wellington Water and shareholding councils.

Wellington Water supports the outcomes intended by these activities and have set out below the activities we intend to undertake to deliver on these.

### Single integrated water meter implementation plan

The installation of residential volumetric water meters in the region and maximising their benefit to reduce water loss and drive water conservation behaviour is a critical tool to address the region's water shortage risk in the medium to long term.

All metropolitan councils have indicated they will support work towards water metering and will progress this on varying timeframes. South Wairarapa District Council already have residential meters.

A consistent and regional roll out across all our council areas is needed to get the desired benefits from meters. Our councils have asked us to work with them to produce a regionally integrated implementation plan for water meters.

This roll-out will include an end-to-end system that reads the meters and provides information on usage to the manager of the network and for customers. This information will enable Wellington Water or a new entity and councils to more effectively address leakage on both public and private networks, as well as identify high use customers.

Investment in this system will require councils to have a common approach and policy positions with regards to charging (e.g. volumetric or service charges), and how to ensure equitable outcomes for communities. Consultation with communities will be critical and we anticipate that this will be a key workstream in the plan.

#### We will:

- engage with councils to facilitate a common approach and policy positions across the region to establish common business needs;
- develop a project plan that supports those business needs that includes community engagement, stakeholder management, communications, procurement and implementation of the physical meter and the supporting technology systems and processes;
- finalise the scope and provide investment support as required by each council; and
- undertake trials.

#### We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
15	We manage the region's water shortage risk in the medium to long term	Prepare a regionally consistent plan for roll out of residential water meters across our metropolitan council areas.	A single integrated implementation plan is in place, procurement strategy is in place and detailed business case completed.	Procurement commenced, funding agreed, roll out of water meters has commenced.	Roll out of water meter installation continues.

## Compliance, assurance, and performance reporting

### Remaining transparent

We ensure the public are aware of incidents and outages that impact their water services and any work we are doing in their local community. We also keep the public informed of areas in our operations of high public interest.

We regularly publish information on our website that includes:

- monthly average fluoridation levels and compliance performance at the metropolitan water treatment plants;
- service outages;
- monthly compliance performance reports of the treatment plants in the region;
- wastewater discharges from the wastewater treatment plants and overflows from the wastewater network; and
- key advice to councils, and responses to Local Government Official Information and Meetings Act requests.

### Reporting on our performance

We report to our councils and regulators on a range of activities and performance throughout the year, to provide them with assurance we're maintaining a focus on delivery, value for money, and putting in place improvements where we can.

Our current and regular reporting includes:

- monthly finance, operational, and capital delivery reports by council;
- monthly water (including fluoride) and wastewater treatment plant performance and compliance;
- quarterly and annually on the measures set out in this Statement of Intent and Department of Affairs mandatory measures;
- reporting to Taumata Arowai on our level of water safety compliance; and
- reporting to Greater Wellington Regional Council on our level of compliance with our resource consents.

### We will:

- work with councils on how we improve our regular reporting;
- deliver timely reporting to councils on our financial, non-financial, and compliance performance;
- raise issues around current and potential non-compliances of the treatment plants with our councils – we take a 'no surprises' approach; and
- be transparent with the community around non-compliances of the treatment plants, particularly the issues that have a direct impact on public health and safety and the environment.

## Demonstrating value for money

The Wellington Water Committee has asked Wellington Water to provide assurance that it has an absolute focus on delivery and sustainable operational gains.

Ensuring that we are delivering value and being as efficient and effective as we can be within current funding levels is important to us, and our communities deserve to know that their rates are being spent wisely.

Delivering the efficiency and effectiveness that our councils and communities expect will require significant investment in people and systems to deliver. We will refocus efforts on scoping up what this will look like for councils and more information on this is provided below.

#### Single performance framework for the region:

The Wellington Water Committee has asked us to improve efficiency, effectiveness, transparency, and oversight by working with shareholding councils to produce a single integrated performance framework for the region.

Wellington Water's current reporting framework has grown organically as a response to issues or as practice has matured. We acknowledge councils are financially constrained and are investing heavily in water infrastructure. It is timely to review how we provide assurance to the Wellington Water Committee and our councils to give better oversight of how value is being driven.

Wellington Water will develop a set of key performance indicators that demonstrate to councils, customers, and iwi mana whenua that Wellington Water is operating effectively and efficiently within its current context and constraints.

This will require regular and ongoing collaboration between councils, led by Wellington Water. Early engagement and understanding of council needs and Wellington Water's current performance framework is an important first step to this.

#### We will:

- engage with councils and stakeholders to understand their needs;
- develop an integrated project plan;
- produce a roadmap for the next three years and an implementation plan; and
- report back to the Wellington Water Committee for consideration, indicative costs and how these costs will be met.

The success of this work is dependent on regional collaboration and agreement across all our councils. Measures could be introduced earlier if appropriate and resourced and funded. Any work on a performance framework needs to be enduring and must consider the longer term needs of any model used by councils in the future for the delivery of water services in the region.

In the meantime, we will continue with our current regional reporting and review any bespoke reporting to ensure it is sustainable.

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
16	Create a single regional performance framework	Lead work with our shareholding councils to develop a single regional performance framework	Single regional performance framework in place for reporting from 1 July 2025	Implementation	Implementation

While this work is underway, it is important that we are accountable and transparent about our delivery and where improvements are needed. We will continue to assess our operations and our key contracts to ensure we continue to deliver value to our councils and communities.

#### We will:

- work to continuously improve our efficiency throughout the organisation;
- ensure we set performance targets for ourselves and our suppliers that drive behaviour that enhances effectiveness (e.g. outcomes achieved, quality, timeliness, safety, and value for money);
- investigate options for benchmarking performance and cost comparisons against similar organisations (noting Water NZ no longer provides benchmarking for New Zealand and the Water Services Association of Australia only benchmarks every two years, the next being in 2025/26);
- undertake reviews of the operating Alliance and key contracting arrangements with suppliers over the next two years to ensure they are delivering value and make improvements if needed; and
- provide the Wellington Water Committee with examples of value for money activities.
- work with councils to review traffic management processes with the aim of simplifying and increasing efficiency within current Codes of Practice.

#### We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
17	Revisit supply chain to ensure efficiency and value for money	Review key contracting arrangements for maintenance and capital works	First review(s) completed and reported to Wellington Water Committee.  Agreed actions are implemented.	All reviews are completed and reported to Wellington Water Committee.  Agreed actions are implemented.	Agreed actions are implemented

## Systems and technology improvements

Significant investment is needed in our technology and asset management systems. This investment is needed for effective and efficient asset management. This would also allow us to produce detailed reporting on activity, associated costs, and fully meet our councils' and public expectations around efficient and effective operations.

This large programme of work was intended to be delivered through the previous government's Affordable Water Reform programme and was therefore not included in our investment advice to councils. This means that this work is currently not funded for the upcoming 2024/2025 financial year. With the change in government direction, we're working with our councils to look at how we can deliver this programme with the intent to provide councils with investment advice for this work as part of the 2025/26 financial year. Although major systems and technology improvements are not funded in 2024/25, we will seek to make improvements on critical areas within available budgets.

#### We will:

- scope the asset management improvements required for a high-performing organisation;

- develop investment and implementation options and provide these to shareholders for consideration as part of the 2025/26 Annual Plans.

## Summary of Statement of Intent 2024-27 measures

The following is a summary of the performance measures from this Statement of Intent 2024-27 that we will be reporting to the Wellington Water Committee on a quarterly basis. We will report against the other activities outlined in this document alongside this.

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
1	We deliver a level of service that our customers expect.	The percentage of our customers that report being "Satisfied or Very Satisfied" with our services	≥ 55%	≥ 57.5%	≥ 60%
2	The yearly average level of fluoride leaving each Metropolitan Water Treatment Plant is within the Ministry of Health guidelines 95% of the time.	The yearly average level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% of the time.	Achieved at all plants	Achieved at all plants	Achieved at all plants
3	We will deliver safe drinking water to metro Wellington.	We comply with Drinking Water Quality Assurance Rules (Treatment)*	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
4	We will deliver safe drinking water to South Wairarapa.	We comply with Drinking Water Quality Assurance Rules (Treatment)*	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
5	Our metropolitan Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
6	SWDC Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
7	We will deliver our planned pipe renewals.	Percentage of planned pipe replacement/ renewals completed.	≥ 9.1 kilometres	To be set in 25-28 Statement of Intent	To be set in 26-29 Statement of Intent
8	We will deliver our capital programme within the expected range.	Total capital delivery is between \$297m and \$347m	\$297m - \$347m	To be set in 25-28 Statement of Intent	To be set in 26-29 Statement of Intent
9	Our people remain engaged with our company and its purpose.	Our overall engagement score remains stable or increases.	Overall engagement greater than 60%	Overall engagement greater than 60%	Overall engagement greater than 60%
10	We will monitor and address critical health and safety risks for our people.	Health and Safety critical risks will be reviewed, and improvements implemented.	Two or more	Two or more	Two or more
11	Give effect to Te Mana o te Wai.	Give effect to Te Mana o te Wai by defining what this means for Wellington Water and provide direction on	Develop a strategy to give effect to Te Mana o te Wai.	Implement and review strategy.	Implement and review strategy.



#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
		where and how it will be applied to our planning, regulatory and operational activities.			
12	To demonstrate our commitment to partnering with mana whenua iwi	We regularly check with Te Rūnanga o Toa Rangatira and Taranaki Whānui that we are honouring our partnership agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements
13	To demonstrate our commitment to partnering with mana whenua iwi	We offer partnership agreements to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua and Rangitāne o Wairarapa	Partnership agreements offered to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua Rangitāne o Wairarapa	Annual hui to review the relationships	Annual hui to review the relationships
14	There is sufficient water to meet customer needs	Wellington Water and councils are not required to implement Level 4 Water Restrictions	Achieved	Achieved	Achieved
15	We manage the region's water shortage risk in the medium to long term	Prepare a regionally consistent plan for roll out of residential water meters across our metropolitan council areas .	A single integrated implementation plan is in place, procurement strategy is in place and detailed business case completed.	Procurement commenced, funding agreed, roll out of water meters has commenced.	Roll out of water meter installation continues.
16	We will create a single regional performance framework	Lead work with our shareholding councils to develop a single regional performance framework	Single regional performance framework in place for reporting from 1 July 2025	Implementation	Implementation
17	We will revisit supply chain to ensure efficiency and value for money	Review key contracting arrangements for maintenance and capital works	First review(s) completed and reported to Wellington Water Committee.  Agreed actions are implemented.	All reviews are completed and reported to Wellington Water Committee.  Agreed actions are implemented.	Agreed actions are implemented

\*Measured separately at each Water Treatment Plant. The Metro Wellington drinking water treatment plants are Gear Island, Te Mārua, Wainuiomata and Waterloo. South Wairarapa treatment plants are Waiohine, Memorial Park, Martinborough and Pirinoa.

Note: that we are unable to meet the contact time requirements for chlorine at the Waterloo plant as the first customers serviced are too close to the plant.

# Letter of Expectation



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

29 February 2024

Nick Leggett  
Chair  
Wellington Water Limited  
Private Bag 39804  
WELLINGTON

Kia ora Nick

## Letter of Expectation 2024 - 2027

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

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

### Context

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

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

For shareholding Councils, this raises two key considerations:

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

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

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

### **Te Mana o te Wai – the korowai for water services**

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

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

### **Key Expectations of Wellington Water Limited for 2024-25**

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

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

2. Provide assurance that WWL has an absolute focus on delivery, value for money and sustainable operational improvements.
3. WWL will review its contracting arrangements around maintenance and capital works and provide assurance that the procurement model is best practice and is delivering the best value for shareholding Councils.
4. Compliance with all regulatory requirements with clear, no surprises advice to shareholders around the risk of non-compliance where appropriate. This is especially relevant – but not limited - to the performance of wastewater treatment plants.
5. WWL will work with shareholders to produce a single integrated water meter implementation plan across the shareholding Councils.
6. Where smart investment can produce asset management improvements that can benefit a new water services model, these will be costed and reported back to the Wellington Water Committee.
7. For the next year, drinking water investments and maintenance should be oriented around mitigating the risk of an acute water shortage for the summer of 2025 and beyond.
8. The shareholding Councils endorse the five existing priority areas for WWL:

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

9. WWL must ensure that local Mana Whenua priorities are understood and are incorporated into operations.

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

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

Staff are available to provide further details if required. 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

## Department of Internal Affairs measures

The DIA has the power to make rules specifying non-financial performance measures (the Rules) for local authorities. These Rules are consistent across the country, and therefore across all of our councils. Each council is responsible for setting targets for each Rule, and then Wellington Water reports against the targets throughout the year.

In 2021 as part of our advice on council 2021-31 LTPs, we provided our councils with a set of recommended targets based on investment levels and the state of the assets. The level of uptake across our councils on this advice was limited, and overall, most council DIA targets have remained unchanged for many years.

The first two performance measures, relating to Safety of Drinking Water, refer to compliance with Part 4 and Part 5 of the Drinking Water Standards for New Zealand which were revoked as of 13 November 2022. Taumata Arowai has taken over as the Water Services regulator for New Zealand and has set new measures. Reporting is now done directly to the regulator on a monthly basis. The DIA rules have not been updated to reflect the change in regulation, so we report compliance with the closest approximation of these rules under the new framework.

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Part 2: Sub-part 1 - Water supply	<p><b>(1) Performance measure 1 (safety of drinking water)</b></p> <p>The extent to which the local authority's drinking water supply complies with:</p> <p>(a) part 4 of the drinking-water standards (bacteria compliance criteria).</p>	Compliant	Compliant*	Compliant	Compliant*	Compliant	Compliant*
Part 2: Sub-part 1 - Water supply	<p><b>(1) Performance measure 1 (safety of drinking water)</b></p> <p>The extent to which the local authority's drinking water supply complies with:</p> <p>(b) part 5 of the drinking-water standards (protozoal compliance criteria).</p>	Compliant	Compliant	Compliant	Compliant*	Compliant	Compliant*

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Part 2: Sub-part 1 - Water supply	<p><b>(2) Performance measure 2 (maintenance of the reticulation network)</b></p> <p>The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).</p> <p><sup>1</sup> Calculated as a regional mean value</p>	+/- 0.25%	< 20% <sup>1</sup>	< 20% <sup>1</sup>	< 30%	< 17% <sup>1</sup>	< 20% <sup>1</sup>
Part 2: Sub-part 1 - Water supply	<p><b>(3) Performance measure 3 (fault response times)</b></p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured</p> <p>(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site,</p>	≤ 90 min	≤ 90 min	≤ 60 min	< 75% attendance in < 1 hour	≤ 60 min	≤ 90 min
Part 2: Sub-part 1 - Water supply	<p><b>(3) Performance measure 3 (fault response times)</b></p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured</p>	≤ 8 hours	≤ 8 hours	≤ 4 hour	< 90% resolution in 8 hours	4 hours	8 hours



DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
	(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.						
Part 2: Sub-part 1 - Water supply	<p><b>(3) Performance measure 3 (fault response times)</b></p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured</p> <p>(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site</p>	≤ 72 hours	≤ 20 working days	≤ 36 hours	≥ 75% attendance in < 2 working days	≤ 36 hours	≤ 72 hours
Part 2: Sub-part 1 - Water supply	<p><b>(3) Performance measure 3 (fault response times)</b></p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured</p> <p>(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption</p>	≤ 20 days	≤ 20 working days	≤ 15 days	≥ 75% resolved in < 5 working days	5 days	20 working days

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Part 2: Sub-part 1 - Water supply	<p><b>(4) Performance measure 4 (customer satisfaction)</b></p> <p>The total number of complaints received by the local authority about any of the following:</p> <p>(a) drinking water clarity</p> <p>(a) drinking water taste</p> <p>(b) drinking water odour</p> <p>(c) drinking water pressure or flow</p> <p>(d) continuity of supply, and</p> <p>(e) the local authority's response to any of these issues</p> <p>expressed per 1000 connections to the local authority's networked reticulation system</p>	< 20 complaints per 1000 connections	< 20 complaints per 1000 connections	< 20 complaints per 1000 connections (Except (e))	< 75 per 1000 connections (Except (e))	< 20 complaints per 1000 connections	< 20 complaints per 1000 connections
Part 2: Sub-part 1 - Water supply	<p><b>(5) Performance measure 5 (demand management)</b></p> <p>The average consumption of drinking water per day per resident within the territorial authority district</p>	375L	320L	415L	400L	365L	385L
Sub-part 2 – Sewerage and the treatment and	<p><b>(1) Performance measure 1 (system and adequacy)</b></p> <p>The number of dry weather sewerage overflows from the territorial authority's</p>	N/A	< 20 per 1000 connections	< 20 per 1000 connections	< 10 per 1000 connections	Zero	< 20 per 1000 connections

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
disposal of sewage	sewerage system expressed per 1000 sewerage connections to that sewerage system.						
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<p><b>(2) Performance measure 2 (discharge compliance)</b></p> <p>Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <p>(a) abatement notices received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	< 2	Nil	Nil
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<p><b>(2) Performance measure 2 (discharge compliance)</b></p> <p>Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <p>(b) infringement notices received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	Nil	Nil	Nil
Sub-part 2 – Sewerage and the treatment and	<p><b>(2) Performance measure 2 (discharge compliance)</b></p> <p>Compliance with the territorial authority's resource consents for discharge from its</p>	N/A	Nil	Nil	Nil	Nil	Nil

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
disposal of sewage	sewerage system measured by the number of:  (c) enforcement orders  received by the territorial authority in relation to those resource consents						
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<b>(2) Performance measure 2 (discharge compliance)</b>  Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:  (d) convictions received by the territorial authority in relation to those resource consents	N/A	Nil	Nil	Nil	Nil	Nil
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<b>(3) Performance measure 3 (fault response times)</b>  Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:  (a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site	N/A	≤ 60 min	≤ 60 min	≥ 70% resolved in < 1 hour	≤ 1 hour	≤ 90 min

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<p><b>(3) Performance measure 3 (fault response times)</b></p> <p>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:</p> <p>(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.</p>	N/A	≤ 6 hours	≤ 6 hours	≥ 75% resolved in < 4 hours	≤ 6 hours	8 hours
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<p><b>(4) Performance measure 4 (customer satisfaction)</b></p> <p>The total number of complaints received by the territorial authority about any of the following:</p> <p>(a) sewage odour</p> <p>(b) sewerage system faults</p> <p>(c) sewerage system blockages, and</p> <p>(d) the territorial authority's response to issues with its sewerage system,</p> <p>expressed per 1000 connections to the territorial authority's sewerage system</p>	N/A	< 30 total	< 30 complaints per 1000 connections	< 60 per 1000 connections	< 30 complaints per 1000 connections	< 30 complaints per 1000 connections

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Sub-part 3 – Stormwater drainage	<p><b>(1) Performance measure 1 (system adequacy)</b></p> <p>(a) The number of flooding events that occur in a territorial authority district</p>	N/A	2	Zero	0**	2	2
Sub-part 3 – Stormwater drainage	<p><b>(1) Performance measure 1 (system adequacy)</b></p> <p>(b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)</p> <p>The regional consistency for habitable floors affected in a flooding event is 10 per event, however as the DIA measure is per 1000 properties connected, we have calculated this based on connections in 2020/21.</p>	N/A	0.57	Zero	0**	0.13	0.24
Sub-part 3 – Stormwater drainage	<p><b>(2) Performance measure 2 (discharge compliance)</b></p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>(a) abatement notices received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	Nil	Nil	Nil*

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Sub-part 3 – Stormwater drainage	<p><b>(2) Performance measure 2 (discharge compliance)</b></p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>(b) infringement notices received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	Nil	Nil	Nil*
Sub-part 3 – Stormwater drainage	<p><b>(2) Performance measure 2 (discharge compliance)</b></p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>(c) enforcement orders received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	Nil	Nil	Nil*
Sub-part 3 – Stormwater drainage	<p><b>(2) Performance measure 2 (discharge compliance)</b></p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of</p> <p>(d) convictions</p>	N/A	Nil	Nil	Nil	Nil	Nil*



DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
	received by the territorial authority in relation to those resource consents						
Sub-part 3 – Stormwater drainage	<b>(3) Performance measure 3 (response times)</b> The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	N/A	≤ 8 Hours	≤ 60 minutes	95% within 5 hours	≤ 60 minutes	8 hours
Sub-part 3 – Stormwater drainage	<b>(4) Performance measure 4 (customer satisfaction)</b> The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	N/A	< 20 per 1000 connections	< 20 per 1000 connections	Zero**	< 20 per 1000 connections	< 20 per 1000 connections

\*These targets are worded significantly differently in the councils' LTP, but are measuring substantially the same level of service

\*\*SWDC does not have a stormwater system as defined by the DIA

## Governance and shareholder information






### Wellington Water Committee

The Wellington Water Committee is a joint committee of our councils under the Local Government Act 2002 and provides governance oversight of Wellington Water.




It does this by considering the company's Half-Year and Annual Reports, monitoring performance, recommending directors for appointment, and providing recommendations to shareholders on proposals.

Each shareholder holds an equal percentage of the voting shares ('A' shares) of Wellington Water.

The Wellington Water Committee writes an annual Letter of Expectations to Wellington Water's Board of Directors, which outlines key priorities and areas of focus. It is used to guide the development of our Statement of Intent. The Committee comprises:

Wellington Water Committee		
	<b>Mayor Campbell Barry</b>	Wellington Water Committee Chair Hutt City Council
	<b>Ros Connelly</b>	Wellington Water Committee Deputy Chair Greater Wellington Regional Council
	<b>Mayor Anita Baker</b>	Porirua City Council
	<b>Mayor Tory Whanau</b>	Wellington City Council
	<b>Mayor Wayne Guppy</b>	Upper Hutt City Council
	<b>Deputy Mayor Melissa Sadler-Futter</b>	South Wairarapa District Council

The Wellington Water Committee has space for three appointments of iwi partners. Lee Rauhina-August is the representative of Taranaki Whānui ki te Upoko o te Ika, Andrea Rutene is the representative of Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua and Helmut Modlik is the representative of Te Rūnanga o Toa Rangatira.

	Lee Rauhina-August	Taranaki Whānui ki te Upoko o te Ika
	Andrea Rutene	Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua
	Helmut Modlik	Te Rūnanga o Toa Rangatira

### Information to be provided to shareholders

In each year, Wellington Water will comply with the reporting requirements of the Local Government Act 2002 and the Companies Act 1993 and regulations. In particular, Wellington Water will provide:

- A Statement of Intent, detailing all matters required under the Local Government Act 2002, including financial information for the next three years;
- Within two months after the end of the first half of each financial year, a report on the operations of Wellington Water to enable an informed assessment of its performance, including financial statements (in accordance with section 66 of the Local Government Act 2002); and
- Within three months after the end of each financial year, an annual report, which provides a comparison of its performance with the Statement of Intent, with an explanation of any material variances, audited consolidated financial statements for that financial year, and an auditor's report (in accordance with sections 67, 68, and 69 of the Local Government Act 2002). Note that the LGA has been amended to temporarily extend the timeframe for this financial year to 30 November 2022 (s67(5)(b)).

### Share acquisition

There is no intention to subscribe for shares in any other company or invest in any other organisation.

### Compensation from local authority

It is not anticipated that the company will seek compensation from any local authority other than in the context of management services agreements and the shareholders' agreements with client councils.

### Equity value of the shareholders' investment

The total shareholders' equity is estimated to be valued at \$1 million as at 31 December 2022. This value will be assessed by the directors on completion of the annual accounts or

at any other time determined by the directors. The method of assessment will use the value of shareholders' funds as determined in the annual accounts as a guide.

### Ratio of consolidated shareholders' funds to total assets

The ownership of infrastructural assets is retained by the shareholders (or other clients). The business returns all benefits to shareholders; the ratio of shareholders' funds to assets is provided in Appendix 4.

### Board of Directors of Wellington Water




All directors must be independent and are selected by the Wellington Water Committee in accordance with the Board's skill matrix. Each director can serve a maximum of two terms, or six years, unless agreed by the Wellington Water Committee.



The Board is responsible for the direction and control of Wellington Water Limited. The Chair of the Board reports to the Wellington Water Committee. The Board approves strategy, ensures legal compliance, and monitors Wellington Water's performance, risks, and viability.

The Board's approach to the governance of the company is to establish with management (and in consultation with shareholders) clear strategic outcomes that drive performance. The Board is mindful of the significant investment by its shareholder councils in its operations, and of the need to preserve, grow, and demonstrate shareholder value and regional prosperity through the provision of its three waters services.

The Board will ensure that the company focuses on the priorities set out in the shareholders' Letter of Expectations. More broadly, it will ensure the company is mindful of the councils' strategic priorities set out in their long-term plans and focuses on those that are relevant to the company's objective to provide leadership to the region. The Board is also mindful of its relationship with the Wellington Water Committee and how both the Board and the Wellington Water Committee influence the company in different ways.

Our Board supports and empowers our management team to deliver and report on performance using a 'no surprises' approach, by creating an environment of trust where information is freely available, decision-making is transparent, and strategic conversations provide insights and guidance for the company. Consistent with a high-performance organisation, Board members challenge management (and other Board members) to keep a healthy culture of inquiry and openness.

Board of Directors	Appointed to
 <b>Nick Leggett (Chair)</b>	1 September 2025
 <b>Leanne Southey</b>	30 June 2025
 <b>Mahina Puketapu</b>	1 September 2025

	<b>Bill Bayfield</b>	1 September 2025
	<b>Pat Dougherty</b>	1 September 2025

## Wellington Water Limited

Wellington Water is a council-controlled organisation as defined by section 6 of the Local Government Act 2002. Wellington Water is also covered by the Companies Act 1993 and governed by law and best practice. The Shareholders' and Partnership Agreement relating to Wellington Water outlines the way the shareholders manage their shareholdings in Wellington Water and their respective relationships with each other.

The principal objectives of Wellington Water as set out in our Constitution are to:

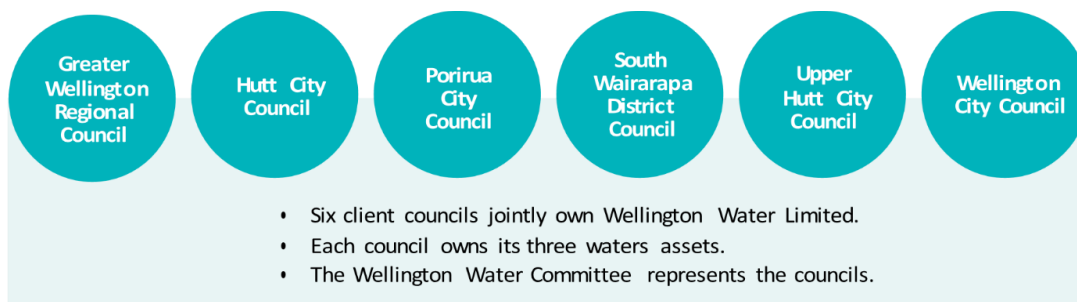
- Manage drinking-water, wastewater, and stormwater services in the greater Wellington region for local authority shareholders;
- Achieve the objectives of its shareholders;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the company operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

We employ around 400 staff and provide drinking water, stormwater, and wastewater services to customers on behalf of our shareholders.

To do this, we manage annual expenditure of approximately \$510 million (based on the 2024/25 budget) to maintain and develop water assets with a replacement value upwards of \$12.3 billion. We also provide investment advice on the future development of the three waters assets and services.

Each shareholding client council owns its own three waters assets (pipes, pump stations, reservoirs, and treatment plants), and decides on the level of service it will purchase from us, the policies it will adopt, and the investments it will make (after considering our advice) in consultation with its community.






We operate under the Companies Act 1993 and the Local Government Act 2002 and comply with the Health Act 1956, requirements of the Drinking Water Regulator Taumata Arowai under the Water Services Act, and other legislation such as the Resource Management Act 1991, the Wellington Regional Water Board Act 1972 and the Health and Safety at Work Act 2015.




↕ Service level agreements, pricing and policies ↕

### Wellington Water Limited

- **Network Strategy and Planning:** asset planning, information management, education.
- **Network Development and Delivery:** project design, work programme management.
- **Customer Operations:** network operations, service delivery, customer service.
- **Network Management:** treatment facilities, quality control, innovation.
- **Business Services:** financial, procurement, business support, communications, planning, performance.
- **Regulatory Services:** legal, regulation, risk, assurance.
- **Chief Executive Office:** company strategy, leadership.

Senior Leadership Team		
	<b>Tonia Haskell</b>	Chief Executive
	<b>Julie Alexander</b>	Group Manager Network Strategy and Planning
	<b>Susannah Cullen</b>	Group Manager Network Development and Delivery
	<b>Jeremy McKibbin</b>	Group Manager Network Management
	<b>Mark Ford</b>	Group Manager Business Services

<b>Vacant</b>	Group Manager Customer Operations
 <b>Charles Barker</b>	Director of Regulatory Services



## Prospective financial statements

Wellington Water receives annual management fees from its six client councils. These cover operating expenses such as employee costs, vehicle costs, directors' fees, and depreciation.

Funding is also received for the council work programme. This work programme (capex and opex) is managed by Wellington Water employees. The planned spend in the next three years is \$944 million on three waters capital projects and \$403 million on three waters infrastructure maintenance and operation.

Wellington Water adopts a 'no surprises' approach. Regular forecasting and ongoing communication with our client and shareholder representatives enable us to achieve this.

The summary financials below support the delivery of our three customer outcomes: safe and healthy water; respectful of the environment; and resilient networks that support our economy.

The financials in this SOI are draft and include a number of assumptions that are subject to change. Final council approved budgets were not available at the time of publishing.

## Prospective Statement of Comprehensive Revenue and Expenses

	Budget 2025 \$000	Projection 2026 \$000	Projection 2027 \$000
Council work programme	485,403	407,363	457,005
Management & advisory services	22,814	22,814	22,814
Other revenue	1,600	1,600	1,200
<b>Total revenue</b>	<b>509,817</b>	<b>431,777</b>	<b>481,019</b>
Council capex expenditure	(348,740)	(275,096)	(323,184)
Council opex expenditure	(136,663)	(132,266)	(133,821)
Salaries and wages	(51,062)	(53,346)	(55,479)
Direct costs charged to capex programme	27,542	29,101	30,265
Direct costs charged to opex programme	18,191	18,654	19,400
Superannuation	(1,609)	(1,681)	(1,748)
Directors' fees	(210)	(210)	(210)
Audit - financial statements	(303)	(315)	(328)
Operating leases	(2,450)	(2,548)	(2,650)
Other personnel costs	(2,201)	(2,145)	(2,221)
Other expenditure	(13,758)	(11,664)	(9,130)
Depreciation and amortisation	(2,270)	(2,165)	(1,913)
<b>Total expenses</b>	<b>(513,533)</b>	<b>(433,681)</b>	<b>(481,019)</b>
<b>Surplus/(deficit) before tax</b>	<b>(3,716)</b>	<b>(1,904)</b>	<b>-</b>
<b>Attributable to:</b>			
Wellington City Council	(1,487)	(762)	-
Hutt City Council	(743)	(381)	-
Upper Hutt City Council	(297)	(152)	-
Porirua City Council	(446)	(228)	-
Greater Wellington Regional Council	(557)	(286)	-
South Wairarapa District Council	(186)	(95)	-
<b>Total comprehensive revenue and expenses</b>	<b>(3,716)</b>	<b>(1,904)</b>	<b>-</b>

The financials in this SOI are draft and include a number of assumptions which are subject to change. Final council approved budgets were not available at the time of publishing.

## Prospective Statement of Changes in Equity

	Retained Earnings \$000	Issued Capital \$000	Total \$000
Balance at 1 July 2024	7,644	1,000	8,644
<b>Comprehensive revenue and expenses</b>			
Net surplus/(deficit) for the year	(3,716)	-	(3,716)
<b>Projected balance at 30 June 2025</b>	<b>3,928</b>	<b>1,000</b>	<b>4,928</b>
Balance at 1 July 2025	3,928	1,000	4,928
<b>Comprehensive revenue and expenses</b>			
Net surplus/(deficit) for the year	(1,904)	-	(1,904)
<b>Projected balance at 30 June 2026</b>	<b>2,024</b>	<b>1,000</b>	<b>3,024</b>
Balance at 1 July 2026	2,024	1,000	3,024
<b>Comprehensive revenue and expenses</b>			
Net surplus/(deficit) for the year	-	-	-
<b>Projected balance at 30 June 2027</b>	<b>2,024</b>	<b>1,000</b>	<b>3,024</b>

The financials in this SOI are draft and include a number of assumptions which are subject to change. Final council approved budgets were not available at the time of publishing.

## Prospective Statement of Financial Position

	Budget 2025 \$000	Projection 2026 \$000	Projection 2027 \$000
Cash and cash equivalents	39,885	38,874	39,515
Receivables and prepayments	56,646	47,975	53,447
<b>Total current assets</b>	<b>96,531</b>	<b>86,849</b>	<b>92,962</b>
Intangible assets	124	132	132
Property, plant and equipment, vehicles	3,971	3,070	2,429
<b>Total non-current assets</b>	<b>4,095</b>	<b>3,202</b>	<b>2,561</b>
<b>Total assets</b>	<b>100,626</b>	<b>90,051</b>	<b>95,523</b>
Payables and provisions	92,837	83,961	89,310
Employee entitlements	2,836	3,041	3,163
<b>Total current liabilities</b>	<b>95,673</b>	<b>87,002</b>	<b>92,473</b>
Employee entitlements	25	25	25
<b>Total non-current liabilities</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Total liabilities</b>	<b>95,698</b>	<b>87,027</b>	<b>92,498</b>
<b>Net assets</b>	<b>4,928</b>	<b>3,024</b>	<b>3,024</b>
Issued capital	1,000	1,000	1,000
Retained earnings	3,928	2,024	2,024
<b>Total equity</b>	<b>4,928</b>	<b>3,024</b>	<b>3,024</b>
<b>Shareholder equity ratio</b>	<b>5%</b>	<b>3%</b>	<b>3%</b>

The financials in this SOI are draft and include a number of assumptions which are subject to change. Final council approved budgets were not available at the time of publishing.

## Prospective Statement of Cash Flows

	Budget 2025 \$000	Projection 2026 \$000	Projection 2027 \$000
Receipts from customers	514,570	430,177	479,819
Interest received	1,600	1,600	1,200
Employees and suppliers	(511,263)	(431,516)	(479,106)
<b>Net cash flow from operating activities</b>	<b>4,907</b>	<b>261</b>	<b>1,913</b>
Purchase of intangibles	(165)	(165)	(165)
Purchase of property, plant and equipment, vehicles	(1,407)	(1,107)	(1,107)
<b>Net cash flow from investing activities</b>	<b>(1,572)</b>	<b>(1,272)</b>	<b>(1,272)</b>
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash flow</b>	<b>3,335</b>	<b>(1,011)</b>	<b>641</b>
Add: cash at the beginning of the year	36,550	39,885	38,874
<b>Cash at the end of the year</b>	<b>39,885</b>	<b>38,874</b>	<b>39,515</b>
Comprising:			
Cash at bank and on hand	39,885	38,874	39,515

The financials in this SOI are draft and include a number of assumptions which are subject to change. Final council approved budgets were not available at the time of publishing.

# Komiti Ngā Wai Hangarua | Wellington Water Committee

10 July 2024

---

Report no: WWC2024/3/75

## Acute Water Shortage Risk

---

### Appendices

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

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

---



## Wellington Water Committee | Komiti Ngā Wai Hangarua

July 24

File: ()

---

Report no:

### Metropolitan Acute Water Shortage Risk

---

#### Purpose of Report

1. This report provides the Wellington Water Committee with an update on:
  - the acute water shortage risk in the Wellington metropolitan region over the summer of 2024/25, and
  - the associated reporting to Taumata Arowai.

#### Recommendations

2. That the Committee notes this report.

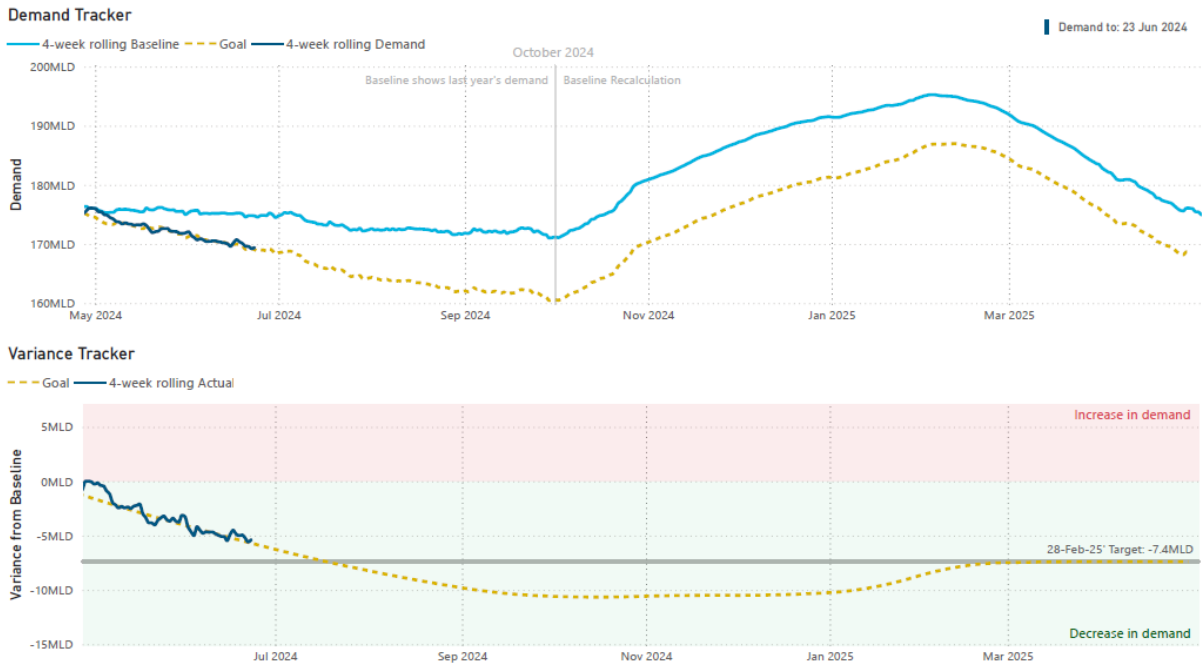
#### Background

3. At the May 2024 meeting Wellington Water outlined the reporting requirements of Taumata Arowai and that the company is now focused on the risk for the summer of 24/25.
4. Taumata Arowai has agreed a regional reduction in demand target of 7.4 Megalitres per day (MLD) and is now receiving monthly updates as part of a wider suite of reporting on the Acute Water Shortage Risk.

#### Summary

5. A range of water loss reduction activities continue across the region, enabling overall demand to remain in line with the goal set for the metropolitan region. The yellow dotted line on the graph below indicates the goal pathway for demand reduction, while the dark blue line shows the actual demand.
6. As water demand traditionally increases during summer, to achieve the goal of a 7.4 MLD reduction in summer demand we need to exceed that demand reduction during winter. This is built into the graphs below, where the goal pathway dips beneath the target and then rises as we enter summer.

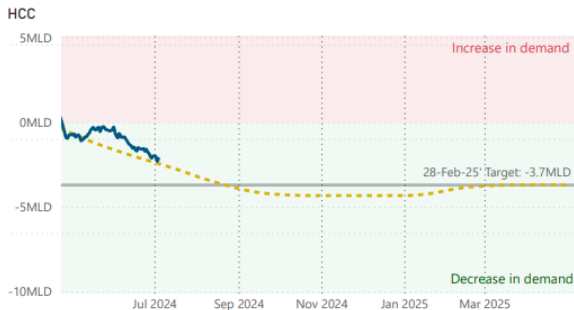




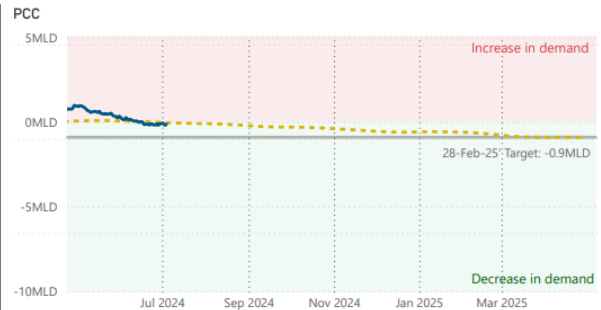
- Achieving the reduction of 7.4 MLD will significantly reduce the likelihood of an acute water shortage and/or Level 4 restrictions being required and the progress by council is shown below.

Variance Tracker by City

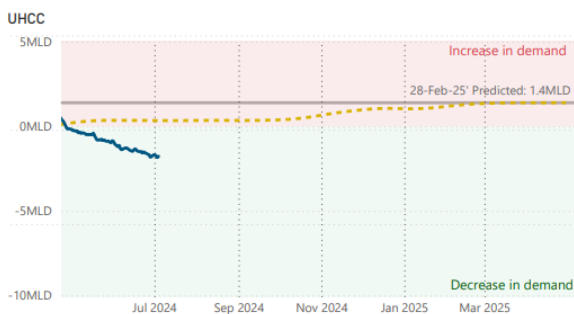
Legend: Goal (dashed yellow), 4-wk rolling Actual (solid blue).



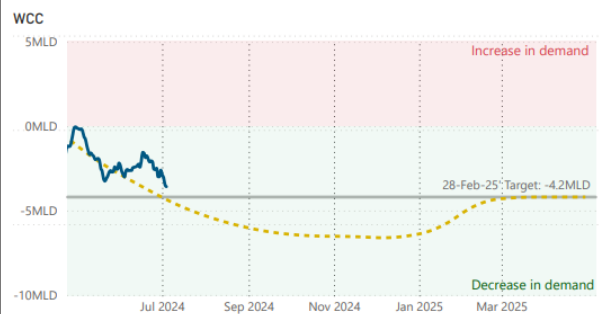
Demand now tracks in line with the goal. We are continuing a high level of water loss reduction activities, and expect this trend to continue.



Demand tracks in line with the goal, as leak repair work in the region continues.



Encouragingly, demand has continued to decrease at a better than forecast rate. We are continuing to work to reduce water loss to ensure that this is sustained.



Demand is now drawing closer to the goal, and we expect this trend to continue in the new financial year as water loss reduction activities are accelerated.

- 8. In October 2024 the modelling will be run to provide the likelihood of the water restrictions heading into summer 24/25. This work is completed in October as it requires specific NIWA forecast data and the previous year’s demand data to be cleaned and verified.
- 9. It is important to note that leak repair activities are the quickest way to bring down high water loss, which is evident in the recent data, but investment in water main renewal is required to sustain low levels of water loss in the longer term. If not, continued higher levels of investment in leak repair will need to be maintained which becomes an increasingly inefficient way to manage water loss.
- 10. Te Mārua DAF Project will have a significant impact on the risk for 24/25 and had a target date of bringing 20 MLD additional supply into the network by November 2024. The revised date of January 2025 now allows for critical path delivery risk (e.g. weather) and still provides the additional supply before the peak demand period in February/March.

**Twelve Month Rolling Average Water Use**

- 11. Further evidence that the demand for water in the metropolitan region is the twelve-month rolling average declining for the first time since around October 2020.
- 12. This is due to a combination of factors including residents and businesses efforts to manage and reduce water use through the peak summer period, and the increased investment in leak repairs in the second half of FY 23/24 bearing fruit. This shows the impact that sufficient operational funding to increase can have on the network.



- 13. Wellington Water continues to engage with our partners and stakeholders in the metropolitan area to ensure a shared understand of the mitigations being applied to the Acute Water Shortage Risk.

**Appendices**

No.	Title	Page
1		

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

# Komiti Ngā Wai Hangarua | Wellington Water Committee

10 July 2024

---

Report no: WWC2024/3/76

## Annual General Meeting

---

### Appendices

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

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

---



# Wellington Water Committee | Komiti Ngā Wai Hangarua

26 July 2024

File: ()

---

Report no:

## Wellington Water Annual General Meeting

---

### Purpose of Report

1. The purpose of this paper is to seek approval from the Wellington Water Committee for Wellington Water Limited (WWL) not to hold an Annual General Meeting (AGM) for the 2023/24 financial year.

### Recommendations

2. That the Wellington Water Committee signs the Shareholders' resolution in lieu of an Annual General Meeting for the 2023/24 Financial Year.

### Summary

3. Under section 120 of the Companies Act 1993, the board of a company must call an AGM of shareholders to be held no later than six months after the balance date of the company. However, it is unnecessary for the company to hold a meeting if everything required to be done at that meeting is done by written resolution of the shareholders, passed in accordance with section 122 of the Companies Act 1993.
4. The main purpose of an AGM is for the directors to report on the performance of the company. It provides an opportunity for the shareholders to question the directors about the company and their conduct of its affairs, and for members to vote on resolutions that have to be put before the meeting. These matters are usually dealt with via the meetings of the Wellington Water Committee.
5. The other purpose of holding an AGM would be for the shareholders to reappoint Audit New Zealand on behalf of the Auditor General as the Company's auditors and to pass a

resolution regarding the auditor's fees and expenses. However, as a council controlled organisation, the Auditor General is the auditor for Wellington Water under section 70 of the Local Government Act 2002, so no appointment of the auditor is required.

6. The annual report will be published and received by the Wellington Water Committee later in the year, within the required six month period. The audit will be complete by the end of September 2024. At that time, the directors will adopt the financial statements of the company for the year ended 30 June 2024.
7. The annual report contains the annual financial statements and all other information required to be reported to shareholders.
8. As there is no requirement to appoint an auditor and the annual report will be received by the Wellington Water Committee, Wellington Water considers no AGM is necessary. The shareholders may, however, wish to meet for another reason.

### Appendices

No.	Title	Page
1	Shareholders' resolution in lieu of AGM	

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



## Wellington Water Limited

### Shareholders' Resolution in lieu of Annual General Meeting

In accordance with s 122 of the Companies Act 1993, the shareholders of Wellington Water Limited resolve that no annual general meeting is required for the 2023/24 financial year.

**Signed**

**Date**

**Campbell Barry**

Chair Wellington Water  
Committee

Mayor  
Hutt City Council

**Ros Connelly**

Deputy Chair Wellington Water  
Committee

Councillor  
Greater Wellington Regional  
Council

**Anita Baker**

Committee Member

Mayor  
Porirua City Council

**Tory Whanau**

Committee Member

Mayor  
Wellington City Council

**Wayne Guppy**

Committee Member

Mayor  
Upper Hutt City Council

**Melissa Sadler-Futter**

Committee Member

Deputy Mayor  
South Wairarapa District  
Council

**TO:** Chair and Members



Komiti Ngā Wai Hangarua | Wellington Water Committee

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

**DATE:** 10 July 2024

**SUBJECT:** WELLINGTON WATER COMMITTEE FORWARD PROGRAMME 2024

### Purpose of Memorandum

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

### Recommendation

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

### Background

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

### Forward Programme

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

### Appendices

No.	Title	Page
<a href="#">1</a>	Forward Programme to 13 December 2024	140

**Author:** Jack Kilty  
Democracy Advisor

**Approved By:** Kathryn Stannard  
Head of Democratic Services



## Draft Wellington Water Committee Forward Programme 2024

26 July	27 September	13 December
<i>Hutt City Council</i>	<i>Hutt City Council</i>	<i>Hutt City Council</i>
<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>• Receive Final Statement of Intent</li> <li>• Water Supply Risk</li> <li>• Independent Review into Cost Estimation Error</li> </ul>	<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> <li>• Allan Pragnall to speak regarding Taumata Arowai</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>• Systems Investment – Proposal</li> <li>• Receive 2023/24 Annual Report</li> </ul>	<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> <li>• Draft Letter of Expectation 2025</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> </ul>
<p><b>Workshop</b></p> <ul style="list-style-type: none"> <li>• No workshop</li> </ul>	<p><b>Workshop</b></p> <ul style="list-style-type: none"> <li>• Placeholder. Water Committee, Priorities – check-in.</li> </ul>	<p><b>Workshop</b></p> <ul style="list-style-type: none"> <li>• Placeholder</li> </ul>

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