
Western Bay of Plenty District Council

Council

Amendment to the Terms and Conditions for the Supply of Water

Purpose

The purpose of this report is to consider the adoption of amendments to the Terms and Conditions for the Supply of Water, in relation to on-site water storage requirements for new rural connections.

Recommendation

- 1. THAT the Policy Analyst's report dated 1 November 2018 and titled Amendment to the Terms and Conditions for the Supply of Water be received.***
- 2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.***
- 3. THAT the proposed amendments to the Terms and Conditions for the Supply of Water as set out in Attachment A are adopted, coming into effect on 1 May 2019.***
- 4. THAT a public notice is issued as soon as practicable following this meeting regarding any approved amendments to the Terms and Conditions for the Supply of Water.***

Simon Stewart
Policy Analyst

1. Background

In December 2016, Council agreed to review the Water Supply System Bylaw 2008 as part of the 2017 Policy and Planning Work Programme. Since then there have been ongoing discussions at a national level relating to the potential for significant changes to legislation for public water supply. Consequently, Council has elected to defer its review of the bylaw until there is greater clarity at a national level. However, amendments can be made to the Terms and Conditions for the Supply of Water in the interim, by way of resolution publically notified.

Council's Water Supply System Bylaw 2008 seeks to preserve and protect Council's water supply system and to protect public health. The bylaw references the Terms and Conditions for Supply of Water (T&Cs). While the bylaw relates to the water supply system as a whole, the T&Cs relate to individual supply arrangements. The cover page of the bylaw states that the T&Cs do not form part of the bylaw, but are complementary and should be read in conjunction with the bylaw.

Several workshops have been held with Policy Committee members on potential amendments to the T&Cs, with one significant amendment being proposed to require on-site water storage and supply for all new rural water connections. In summary, the amendment would require a tank (with a minimum capacity of 5,000 litres) and pump system to be installed for a new rural water connections, with the level of service for that supply reduced to a controlled flow supply.

2. Issues and Options Assessment

There is one substantive matter on which staff have been given direction to include in the T&Cs, being the requirement for on-site storage for all new connections in rural areas. Other minor changes include corrections to legislation references, updating 'point of supply' figures (to be in line with Standards New Zealand NZS 9201.7:2007), references to the new section 3.5, and appropriate number changes.

Issue 1: On-site water storage for new rural connections

A water supply system is designed to transport water from a reservoir to a user, and meet a certain level of service in terms of pressure. As more users connect to water pipes, the level of service drops. If it drops too low then the pipe needs upgrading to a larger size, in order to convey more water and to continue to meet the agreed level of service.

The upgrade of reticulation in rural areas is particularly costly, given the length of the system and dispersal/limited number of users. Instead, users could fill on-site storage tanks at a low flow rate from Council supply, with the effect of the tanks acting as a buffer to provide large-volume demands when required. In some

circumstances, users would require a pump to enable water to be moved from the storage tank to the house at an acceptable rate.

It is proposed that water shall be stored on-site for all new residential properties connecting to the Council water supply network in Rural, Rural Residential and Lifestyle zones. The purpose of such storage would be similar to that of a 'detention pond', to meet high demand periods and allow recovery over time, from a lower level of supply than the maximum demand might require. This would allow Council to effectively reduce the level of service in terms of water pressure to meet an average demand, rather than building network capacity to meet maximum anticipated demand from all customers at any one time. This would significantly reduce the need to upgrade lengthy and expensive water reticulation in rural areas, and may provide the opportunity to extend the rural water supply network at a lower cost.

It is considered that such on-site water storage should include a minimum volume of 5,000 litres.

Proposed wording

To implement this, a proposed additional new clause for the Terms and Conditions is drafted as follows:

New rural connections must have on-site water storage

All connections to the Council water supply network made in the rural areas (including Rural, Rural Residential and Lifestyle zones) after 1 May 2019 must make provision for on-site water storage tanks, with a minimum capacity of 5,000L.

There shall be no minimum level of service to such properties in terms of water pressure, other than a controlled flow supply.

The water supply network shall be deemed as a private network from the point of supply. As such, Council is not responsible for water pressure beyond the point of supply; water pressure shall be maintained by way of gravity feed or pump system at the owner's discretion.

A non-return valve shall be installed on the client-side of the water meter to prevent backflow into the Council water supply network.

Option A: Adopt the amendments to the Terms and Conditions	
Assessment of option for advantages and disadvantages taking a sustainable approach	<p>Advantages</p> <ul style="list-style-type: none"> • Reduces operational expenditure in terms of network pressure, as the new connections would have a reduced impact on peak demand water pressure; • Reduced capital expenditure by reducing the need to upgrade rural water networks to a higher capacity for new developments, given that new developments are assessed to have a low impact on the capacity demand when their level of service is controlled flow supply; and • Water storage tanks provide natural hazard resilience, in terms of water supply in an emergency. <p>Disadvantages</p> <ul style="list-style-type: none"> • New developments will need to pay for storage and pump reticulation system; and • Development costs (for new connections) will be higher in Rural, Rural Residential and Lifestyle zones due to the requirement to install the tank, pump system and associated reticulation.
Costs (including present and future costs, direct, indirect and contingent costs) and cost effectiveness for households and businesses	<p>There will be some increased staff time incurred to deal with enquiries about the new requirement.</p> <p>The requirement will increase the cost of developments in the Rural, Rural Residential and Lifestyle zones.</p>
Option B: Status Quo – Do not adopt the amendments to the Terms and conditions	
Assessment of option for advantages and disadvantages taking a sustainable approach	<p>Advantages</p> <ul style="list-style-type: none"> • Staff and elected members will not incur time dealing with queries about the new requirement; and • Development costs in the rural zones are not increased as a result of the proposal. <p>Disadvantages</p> <ul style="list-style-type: none"> • Upgrades to rural water reticulation (capital expenditure) to meet increases in water demand (particularly peak demand pressure) will continue to increase in cost with additional rural developments; and • Maintenance (operational expenditure) of rural water reticulation will continue to increase in cost with additional rural developments.
Costs (including present and future costs, direct, indirect and contingent costs) and cost effectiveness for households and businesses	<p>While there would be no immediate impact on rates for not adopting the amendment, costs will increase significantly when a rural water supply needs upgrading in capacity to serve additional houses at the current level of service.</p>

3. Significance and Engagement

The Local Government Act 2002 requires a formal assessment of the significance of matters and decisions in this report against Council’s Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.

The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.

In terms of the Significance and Engagement Policy this decision is considered to be of **low** significance overall, with the largest impact being on developers seeking new water connections in the Rural, Rural Residential and Lifestyle zones. This impact will be minimised if there is a reasonable length of time between adoption and the date to which the changes come into effect. As such it is proposed that the effective date be set to 1st May 2019, giving six months from the adoption of the amended Terms and Conditions.

Consultation is not required on this amendment, as the current Terms and Conditions specifically enable Council to vary the terms by way of ordinary resolution publicly notified.

4. Statutory Compliance

The amendments proposed to the Terms and Conditions are not inconsistent with Council’s other policies, strategies and plans. However, if the proposed amendment is adopted it is noted that for completeness that this matter should be reflected in the Water Supply Strategy in its next review.

6. Funding/Budget Implications

Budget Funding Information	Relevant Detail
Water supply operations	Implementation of policy undertaken within existing resource allocations.