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## NOTICE OF MEETING

**Notice is hereby given of the Meeting of the  
Infrastructure and Projects Committee  
to be held in the Victoria Room, Civic Theatre,  
88 Tay Street, Invercargill on  
Tuesday 3 September 2024 at 3.00 pm**

Cr G M Dermody (Chair)  
Mayor W S Clark  
Cr A J Arnold  
Cr R I D Bond  
Cr P M Boyle  
Cr S J Broad  
Cr T Campbell  
Cr A H Crackett  
Cr P W Kett  
Cr D J Ludlow  
Cr I R Pottfingher  
Cr L F Soper  
Cr B R Stewart  
Rev E Cook - Māngai - Waihōpai  
Mrs P Coote - Kaikaunihera Māori - Awarua

MICHAEL DAY  
CHIEF EXECUTIVE

# Infrastructure and Projects Committee - Public

03 September 2024 03:00 PM - 05:00 PM

<b>Agenda Topic</b>	<b>Page</b>
1. Apologies	
2. Declaration of Interest	
a. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.	
b. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.	
3. Public Forum	
3.1 Proposed Trial of Mobility Taxi pick up and Bus drive-way to new hotel in Dee Street	
3.1.1 Ms Tracy Peters	
3.1.2 Ms Carolyn Weston	
4. <a href="#">Minutes of the Infrastructure and Projects Committee Meeting Held on 6 August 2024 (A5487077)</a>	5
5. <a href="#">Temporary Road Closures – Great South – Night Food Market Event – 28 September 2024 (A5490338)</a>	14
6. <a href="#">Backflow Prevention Policy and Draft Amendments to the Water Supply Bylaw for Consultation (A5446715)</a>	17
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6.2 <a href="#">Appendix 2 - Draft Amendment to the Water Supply Bylaw 2017 for Consultation (A5473216)</a>	46
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8. <a href="#">Primary Infrastructure Consenting Programme: Bluff Wastewater Consent, Alternate Water Supply and Clifton Wastewater Consent Update (A5521068)</a>	94
8.1 <a href="#">Appendix 1 - Bluff Wastewater Consent Dashboard Report (A5486890)</a>	97
8.2 <a href="#">Appendix 2 - Alternate Water Supply Dashboard Report (A5514170)</a>	99

9. [Tabled Item - Appendix 1 - Local Water Done Well - ICC Infrastructure Committee Briefing \(A5535866\)](#) 101
10. Public Excluded Session

**Public Excluded Session**

Moved , seconded that the public be excluded from the following parts of the proceedings of this meeting, namely:

- a) Minutes of the Public Excluded Session of the Infrastructure Committee Meeting Held on 6 August 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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
a) Minutes of the Public Excluded Session of the Infrastructure Committee Meeting Held on 6 August 2024	<b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

**MINUTES OF INFRASTRUCTURE AND PROJECTS COMMITTEE, HELD IN THE VICTORIA ROOM, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON TUESDAY 6 AUGUST 2024 AT 3.00 PM**

**Present:**

- Cr G M Dermody (Chair)
- Mayor W S Clark (via Zoom)
- Cr A J Arnold
- Cr R I D Bond (via Zoom)
- Cr S J Broad
- Cr T Campbell
- Cr A H Crackett
- Cr P W Kett
- Cr D J Ludlow
- Cr L F Soper
- Cr B R Stewart
- Rev E Cook – Māngai – Waihōpai
- Mrs P Coote – Kaikaunihera Māori – Awarua

**In Attendance:**

- Mrs T Topi – Bluff Community Board Member
- Mrs T Hurst – Acting Chief Executive
- Ms E Moogan – Group Manager – Infrastructure
- Mrs P Christie – Group Manager – Finance and Assurance
- Mr R Capil – Group Manager – Community Spaces and Places
- Mr M Morris – Manager – Governance and Legal
- Mr A Snow – Contractor – Senior Project Manager
- Mr D Rodgers – Manager – Strategic Asset Planning
- Mr R Hutton – Manager – Information Services
- Mr G Caron – Digital and Communications Advisor
- Ms M Sievwright – Senior Executive Support

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## 1. Apologies

Cr Pottinger, Cr Boyle.

Moved Cr Soper, seconded Cr Broad and **RESOLVED** that the apologies be accepted.

## 2. Declaration of Interest

Rev Cook declared a perceived conflict with the Bluff Wastewater item.

### 3. Public Forum

#### 3.1 Proposed Double Park Taxi Trial – Mr Jack Lovett-Hurst, Local Rep - CCS Disability Action Southland

Mr Jack Lovett-Hurst noted there was not enough wheelchair parks for taxis to drop people off as there was not enough space for the ramp to be lowered. When the ramp from the taxi was lowered it was usually lowered into the street and almost into the flow of the traffic with taxis usually double parking. It was suggested that the parallel parks needed to be made longer. Spey and Esk Streets would benefit from suitable disability parking spaces.

In response to a question regarding loading zone parking, it was noted that taxi drivers already used this space.

In response to a question regarding taxi spaces outside ICL where the buses parked, it was noted that maybe this could be utilised.

The Chair thanked the submitter for attending.

#### 3.2 Proposed Double Park Taxi Trial - Ms Mary O'Brien, Access Coordinator – CCS Disability Action Southland

Ms Mary O'Brien joined the meeting via Zoom. She supported around 5,000 disabled persons, with 150,000 mobility parking permit holders. There were no other trials like this in New Zealand and she welcomed and supported it.

Currently in Invercargill, there were 2,327 mobility park permit holders with a range of ages and disabilities. It was noted there was not enough disability parking available and people frequently abandoned their trips as there were no available parks. She was happy to assist Council with communication with disability members if required.

In response to a question regarding whether there was a town in New Zealand to be used as an exemplar to mobility parking, the response was the new mobility parks in George Street, Dunedin, as the footpaths were level with no kerbs giving more room to get out safely. There were certain parts in certain places which were good but overall there was nothing.

In response to a question regarding whether there was a need to separate disability parks from disability taxi parks, it was noted that the main issue was to have wider and longer parks. A survey would be a better gauge of this.

The Chair thanked the submitter for attending.

Staff advised that invitations for feedback on this trial had closed and a further paper would be brought back to the Committee to outline the scope of the trial and dates.

**4. Minutes of the Waste Advisory Group (WasteNet) Meeting held on Monday 10 June 2024**

A5442709

Moved Cr Ludlow (pro forma), seconded Cr Stewart and **RESOLVED** that the Minutes of the Waste Advisory Group (WasteNet) meeting held on Monday 10 June 2024 be received.

**5. Minutes of the Infrastructure and Projects Committee Meeting held on Tuesday 2 July 2024**

A5435793

Moved Cr Campbell, seconded Cr Soper and **RESOLVED** that the Minutes of the Infrastructure and Projects Committee meeting held on Tuesday 2 July 2024 be confirmed.

**6. Minutes of the Extraordinary Infrastructure and Projects Committee Meeting held on Tuesday 9 July 2024**

A5446785

Moved Cr Campbell, seconded Cr Stewart and **RESOLVED** that the Minutes of the Extraordinary Infrastructure and Projects Committee meeting held on Tuesday 9 July 2024 be confirmed.

Note: Cr Arnold left the meeting at 3.26 pm

**7. Temporary Road Closures – Burt Munro Challenge 2025**

A5460639

Mr Doug Rodgers presented the report.

Moved Cr Ludlow, seconded Cr Crackett and **RESOLVED** that the Infrastructure and Projects Committee:

1. Receives the report "Temporary Road Closures – Burt Munro Challenge 2025".
2. Resolve that the proposed event outlined in the report will not impede traffic unreasonably.
3. Approves the temporary road closures for:
  - Mason Street, Lagan Street, Flagstaff Road, Budd Street, Pearce Street, Theodore Street and Slaney Street, Bluff, from 12.00 pm Wednesday 5 February 2024, until 8.00 pm Thursday 6 February 2025
  - Oki Street, Dunns Road, and Oreti Beach (from Dunns Road entrance to 2km north of Dunns Road entrance), from 11.00 am until 5.00 pm Friday 7 February 2025 as permitted under the Local Government Act 1974 (Section 342 and Schedule 10).

## **8. Bluff Wastewater Consenting Programme – Multi-Criteria Analysis**

A5457676

Mr Alistair Snow and Mr Andrew Collins of Harrison Grierson presented the report.

Mr Collins noted the Bluff Wastewater consent was expiring next year and commended staff for getting started on this application early. This would be an entirely new resource consent and the Resource Management Act required an evaluation of options to be completed and an application for the new consent submitted six months before the expiry date. He was confident a good process was happening and an assessment of environmental effects would be undertaken during summer.

In response to a question regarding the legislative and regulatory change in the current government and how this would impact on an inflight project, it was noted there were two legislative pathways open, the Resource Management Act and the Fast Track Approvals. Council was one of a vast number of submissions to the Fast Track Process and the Bluff Wastewater Project and Alternative Water Project were being considered.

Comment was made regarding Waihōpai Rūnaka, Awarua Rūnanga and Te Ao Marama Inc noting they had been involved with this process as partners under the Ngai Tahu Claims Act Settlement 1998. The statement was made around their position on this paper being clear on not supporting discharging into river or ocean.

It was noted that there was \$7 million budgeted in the Long-term Plan, and of the selected options, how many could be done within that budget, it was noted that final costings had not been quantified. Early indications were that it was probably split 50/50 with the two land based over and the two water based options being under.

The question was asked why 1a and 1c had been eliminated. Staff advised 1a had been removed as part of the working group commitment to partnering with iwi and progress options that made improvement to cultural values. 1c had been eliminated due to the high cost of additional treatment and discharge quality already being quite high. There was a question on how much more expensive staff advised they would bring this information back to the Committee. Cr Campbell noted he would have expected a status quo option to be advanced. Considerations were given to affordable, practical, reliable, safe options.

In response to a question regarding the current Resource Management Act, it was noted options were open for either the Resource Management Act or the Fast Track Approvals pathways. The information requirements were still robust and there was still a requirement to consider alternatives and demonstrate how this was done.

It was raised there had been no mention of water meters, which would change the landscape when there was less water being treated in the system. It would be wise to wait and see what the Select Committee decided in this space.

In response to a question regarding what would happen with an expired consent, it was noted the Resource Management Act did provide for the existing consent to carry on provided a valid application to carry on was applied for six months before it expired.

Mr Snow took the meeting through a PowerPoint presentation.



Note: Cr Arnold re-joined the meeting at 3.54 pm.

Mrs Coote provided clarity around the cultural values and protection. This position was based on research around discharges associated with treatment plants. A number of learnings had been obtained since 2007. It was important on the impact of the water and risk to sea life and food.

Further discussion was held regarding 1a and 1c.

In response to a question regarding the workshop, it was noted that the costs of those different options would be presented.

In response to a question regarding the level of treatment of by-products and how a guarantee could be given, it was noted this was a question for the engineers.

In response to a question regarding the balance between public health and the other criteria, the project objectives and fatal flaws process meant the option selected needed to be safe for public health. There was no chance an option could be selected if those in the public health system were not convinced it was safe.

In response to a question regarding informing the councillors of what had progressed within legislation including RMA practice, it was agreed this should be covered at the workshop.

Moved Cr Ludlow, seconded Cr Broad and **RESOLVED** that the Infrastructure and Projects Committee:

1. Receives the report 'Bluff Wastewater Consenting Programme – Multi-Criteria Analysis'.
2. Receive the Resource Consenting Process and Roadmap presentation from Andrew Collins – Harrison Grierson Ltd.
4. Receives the Bluff Wastewater Consent - Affordability Assessment Report.

Note: Rev Cook abstained from voting.

Moved Cr Crackett, seconded Cr Soper and **RESOLVED** that the Infrastructure and Projects Committee:

3. Endorses the Best Practicable Option Multi-Criteria Analysis and Weightings Methodology for the Short List of Options.

Crs Broad, Soper, Ludlow, Crackett, Bond, Kett and Mrs Coote voted for this motion.

Mayor Clark, Crs Stewart, Campbell and Dermody voted against.

Note: Rev Cook abstained from voting.

## 9. Crash Reporting 2019-2023

A5171877

Mr Doug Rodgers presented the report.

Crashes in Invercargill were trending downwards however intersection crashes were going up.

In response to a question regarding mobile phone use, it was noted this was not a factor that had been examined in this report.

In response to the cost of crashes, it was noted the economic cost of a fatal crash was around \$1.8 million, these values came from NZTA.

In response to a question regarding incidents at Yarrow Street, it was noted there had been no incidents recorded since the lights had been installed.

In response to a question regarding the speed data, it was noted it was part of the long term strategy.

Moved Cr Ludlow, seconded Cr Kett and **RESOLVED** that the Infrastructure and Projects Committee:

1. Receives the "Crash Reporting 2019-2023".

## 10. Regional Public Transport Plan Review Scope

A5421152

Mr Doug Rodgers presented the report.

In response to a question regarding the bus strategy, it was noted the current plan was weighted this way but the review would address this and consultation would happen.

In response to a question regarding more event related transport, it was noted this was not something that had been specifically requested and would come at a cost to Council.

Moved Cr Crackett, seconded Cr Soper and **RESOLVED** that the Infrastructure and Projects Committee:

1. Receives the report "Regional Public Transport Plan Review Scope".

## 11. Strategic Capital Projects Report

A5478748

Mr Steve Gibbs presented the report.

In response to a question regarding the cost of the work to level 1 and 3, it was noted that this was not available but would be reported back at a later meeting.

In response to a question regarding the \$12.8 million shortfall for the museum, it was noted this was made of the additional costs for the building, experience, car park and Green Star elements. It did not include the external funding that was currently at risk on the project.

Moved Cr Campbell, seconded Cr Soper and **RESOLVED** that the Infrastructure and Projects Committee:

1. Receives the report "Strategic Capital Projects Report".
2. Receives the "ICC PMO Programme Dashboard".
3. Notes the current status of the projects, including project risk assessment.

## 12. CCTV Project Information Request

A5447717

Ms Erin Moogan and Mr Richard Hutton presented the report.

In response to a question regarding ongoing costs for licences and maintenance, and what that cost was, it was noted that the breakdown of costs had not been provided as it was part of the bidding process. The costs form a significant portion of the ongoing licensing fee.

In response to a question regarding the storage space of data, it was suggested that perhaps data was not stored for a long period of time, but 28 days which was in line with current Council policy.

In response to a question regarding hardware, it was noted that cloud based was consistent with the rest of Council's applications.

In response to a question regarding storage costs, it was noted there was still a cost for cloud based storage. The estimate would be 75 terabytes, and cost \$10 per terabyte per month, so \$750 per month.

Moved Rev Cook, seconded Cr Campbell and **RESOLVED** that Infrastructure and Projects Committee:

1. Receives the report "CCTV Project Information Request".

## 13. Public Excluded Session

Moved Cr Kett, seconded Cr Crackett and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- a. Minutes of the Public Excluded Session of the Waste Advisory Group (WasteNet) Meeting Held on 8 April 2024
- b. Minutes of the Public Excluded Session of the Infrastructure Committee Meeting Held on 7 May 2024

- c. Minutes of the Public Excluded Session of the Waste Advisory Group (WasteNet) Meeting Held on 10 June 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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
a. Minutes of the Public Excluded Session of the Waste Advisory Group (WasteNet) Meeting Held on 8 April 2024	<p><b>Section 7(2)(h)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities</p> <p><b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p><b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>
b. Minutes of the Public Excluded Session of the Infrastructure Committee Meeting Held on 7 May 2024	<p><b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p><b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>
c. Minutes of the Public Excluded Session of the Waste Advisory Group (WasteNet) Meeting Held on 10 June 2024	<p><b>Section 7(2)(b)(ii)</b> Protect the information where the making available of the information would be unlikely unreasonably to prejudice the commercial position of the person who supplier or who is the subject of the information</p>	<p><b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>

**Section 7(2)(h)**

Enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities

**Section 7(2)(i)**

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

There being no further business, the meeting finished at 4.56 pm.

## **TEMPORARY ROAD CLOSURES – GREAT SOUTH – NIGHT FOOD MARKET EVENT – 28 SEPTEMBER 2024**

<b>To:</b>	Infrastructure and Projects Committee
<b>Meeting Date:</b>	Tuesday 3 September 2024
<b>From:</b>	Doug Rodgers - Manager Strategic Asset Planning
<b>Approved:</b>	Erin Moogan - Group Manager - Infrastructure Services
<b>Approved Date:</b>	Tuesday 20 August 2024
<b>Open Agenda:</b>	Yes
<b>Public Excluded Agenda:</b>	No

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### **Purpose and Summary**

Council has received a request for temporary road closures for the Great South – Night Food Market Event to be held in Don Street on Saturday, 28 September 2024.

This event is a repeat of events previously well supported by the community with well organised traffic management that does not unreasonably impede traffic around the closure area.

Council is being asked to consider utilising its powers under Local Government Act 1974 (Section 342 and Schedule 10).

This Act allows Council to close a road for an event (after consultation with the NZ Police and NZTA) which it decides will not unreasonably impede traffic.

### **Recommendations**

That the Infrastructure and Projects Committee:

1. Receives the report titled "Temporary Road Closures – Great South – Night Food Market Event – 28 September 2024".
2. Resolve that the proposed event outlined in the report will not impede traffic unreasonably.
3. Approves the temporary road closures for Don Street, from Dee Street to Kelvin Street, on Saturday, 28 September 2024 from 3:00pm to 10:00pm, as permitted under the Local Government Act 1974 (Section 342 and Schedule 10).

## **Background**

On 6 August 2024 Council received a request from the City Centre Coordinator at Great South for a road closure of Don Street between Kelvin Street and Dee Street from Saturday, 28 September 2024 from 3.00pm till 10.00pm.

The Local Government Act 1974 Section 342 allows Council to close a road for an event (after consultation with the NZ Police and Waka Kotahi New Zealand Transport Agency), which it decides will not unreasonably impede traffic. Consultation with the public under this legislation is not required.

This event will have minimal impact on traffic movement.

Good traffic management will be provided and with the planned time of day, 3:00pm – 10:00pm, and the city grid roading network, there are alternative routes available.

A request has been made to the NZ Police and NZTA for support of this closure, and we are not expecting any objections. The event does not impact State Highway 6 – Dee Street.

## **Issues and Options**

### **Analysis**

This event will create only minor disruption to traffic flows. Business access will be managed by the event organisers. The closing of the street is necessary to ensure appropriate safety of participants in this community event.

### **Significance**

This request is not significant in terms of Council policy.

### **Options**

The options which exist are to approve or decline the request. The street planned to be closed is seen as appropriate to effect a safe area for the activities.

## **Community Views**

This legislation does not require community views to be sought however this is a public event which is being organised to activate the CBD.

## **Implications and Risks**

### **Strategic Consistency**

This report is consistent with good governance of our roads.

### **Financial Implications**

No direct financial implications.

### **Legal Implications**

This report looks to ensure that the legal process of temporarily stopping a road for an event is followed.

Council is considering how it manages its obligations under health and safety legislation.

### **Climate Change**

This report does not have a direct climate change impact.

### **Risk**

The key risk noted is to ensure that good traffic management is delivered by experienced contractors.

The NZ Police and Waka Kotahi are being consulted on this closure and expected to be supportive.

Council staff are working through the health and safety risks that may arise as a result of overlapping PCBU duties.

## **Next Steps**

If the closure is approved, the event organisers will be advised and a traffic management contractor engaged by the organiser. A public notice would be published in a local newspaper and information posted using various media outlets promoting the event.

## **Attachments**

None.



## BACKFLOW PREVENTION POLICY AND DRAFT AMENDMENTS TO THE WATER SUPPLY BYLAW FOR CONSULTATION

<b>To:</b>	Infrastructure and Projects Committee
<b>Meeting Date:</b>	Tuesday 3 September 2024
<b>From:</b>	Russell Keen, Manager – Three Waters Operations
<b>Approved:</b>	Erin Moogan - Group Manager - Infrastructure Services
<b>Approved Date:</b>	Thursday 29 August 2024
<b>Open Agenda:</b>	Yes

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### Purpose and Summary

The report brings to the Infrastructure and Projects Committee the proposed draft Backflow Prevention Policy 2024 and the adoption of the draft amendments to the Water Supply Bylaw 2017 (the Bylaw) for consultation.

### Recommendations

That the Infrastructure and Projects Committee:

1. Receives the report "Backflow Prevention Policy and Draft Amendments to the Water Supply Bylaw for Consultation".
2. Notes the draft Backflow Prevention Policy 2024 for consultation.
3. Notes the amendments to the Water Supply Bylaw 2017 for consultation with the following amendments:
  - a. Addition of definitions of key terms,
  - b. Replacement of references to the Health Act 1956 with the Water Services Act 2021 in section 8.10 of the Bylaw to reflect legislative change.
  - c. Addition of amendments to section 8.10 of the Bylaw to facilitate the application of the proposed Backflow Prevention Policy 2024.
  - d. Amend section 9.1 of the Bylaw to enable better coverage of the backflow prevention compliance requirements.
4. Approve the draft Backflow Prevention Policy 2024 ([A5446243](#)) and the draft amendments to the Water Supply Bylaw 2017 for consultation. ([A5473216](#)).
5. Delegates a hearings and deliberation panel (three Councillors and/or Mana Whenua representatives) for the hearings and deliberation to be held on 5 November 2024.

## **Background**

Backflow is an unintended condition which can allow drawn water to flow back into a water supply creating a pathway for contaminated or used water to enter the clean water supply. It is caused by the pressure differential in water supply networks. The outcome of a backflow event can range from discolouration through to death or other serious health issues.

Backflow events can be prevented by installing backflow prevention devices in line with the water supply network connected to properties.

The Water Services Act 2021 (the Act) and Taumata Arowai (the water regulator of New Zealand) set rules that require water suppliers to have appropriate measures to protect clean and drinking water supply from a backflow event. Council is a supplier for Invercargill and Bluff and must adhere to the requirements of the Act and Taumata Arowai.

Taumata Arowai via the Drinking Water Quality Assurance Rules 2022 requires Council to create and implement a backflow prevention programme to protect its water supply from contamination. It is identified that a policy document is the most appropriate mechanism to ensure compliance with this backflow prevention programme.

The proposed Backflow Prevention Policy 2024 will detail how Council will fulfil its obligations under the Act and Taumata Arowai's Drinking Water Quality Assurance Rules 2022. The proposed policy will also provide guidance around how Council will assess and scale backflow risks, the role of ownership, maintenance and testing of existing and new backflow prevention devices of Council and Customers.

The proposed Backflow Prevention Policy 2024 will be enabled through Council's Water Supply Bylaw. The current Bylaw sets the conditions for backflow prevention within the context of customer responsibilities under the Health Act 1956 and the Building Act 2004. The sections of the Health Act 1956 that relate to backflow prevention have been repealed and are now dealt with through the Water Services Act 2021. The Bylaw amendments must be made for the proposed policy to satisfy its intended outcomes under Council's Bylaw, the Water Services Act 2021 and Taumata Arowai. It is preferred to take this opportunity to amend the Water Supply Bylaw to reflect this legislative change and place it for consultation along with the proposed policy.

## **Issues and Options**

### **Analysis**

Adequate backflow prevention is a mandatory requirement under the Act, the Building Act 2004, the Drinking Water Quality Assurance Rules 2022 and Council's Water Supply Bylaw 2017.

Section 8.10 "Backflow Prevention" of Council's Water Supply Bylaw 2017 focuses on protecting the reticulated water supply networks from contamination, however, it does not outline the way in which Council will work to satisfy its backflow prevention obligations. Council is currently taking a reactive approach when dealing with backflow prevention issues under its current Bylaw.

The proposed Backflow Prevention Policy 2024 will outline Council's approach to satisfying its section 8.10 Bylaw obligations. The current Bylaw refers to the Health Act 1956 to enable the

backflow prevention requirements. The backflow prevention related sections of the Health Act 1956 have been repealed by the Water Services Act 2021 therefore, it is recommended to take this opportunity to make this amendment to the Bylaw to address the legislative change and add general improvements to its backflow prevention provisions.

The Building Act 2004 via the Building Code (G12) also creates backflow prevention responsibilities to Council to ensure building users are protected against any potential contamination to their water supply and the Council's water supply from a backflow event. Council is currently fulfilling these requirements through Building Consents and the annual Building Warrant of Fitness (BWof) processes.

At present backflow prevention device installation has been undertaken on a reactive basis and at Council's full cost. Nine non-residential units and 343 residential units have been installed within the Invercargill City District. The current approach requires new residential backflow prevention devices (including boundary backflow prevention devices) paid for by the customer and repairs to the existing ones paid for by Council. All residential units are owned and maintained by Council. Currently, non-residential properties are addressed through Council's Water Safety Plan 2022 which requires boundary backflow prevention devices to be installed on all new buildings and cost incurred by the customer. In addition, as required at the point of supply connection of the water supply, backflow prevention devices are being retrofitted.

At present there is no clear guidance around the extent to which costs would be appropriately shared with the customer and Council, particularly the more expensive non-residential units. The proposed policy will guide on this through the sections Council and Customer Responsibilities and Ownership of Boundary Backflow prevention devices.

### **Water Supply Bylaw - Amendments**

Section 8.10 of the Water Supply Bylaw describes customer and Council responsibilities within the context of Point of Supply which is defined in the Bylaw as:

*"Point of supply means the point where the responsibility for ownership and maintenance of the service pipe passes from Council to customer. Where the connection box is on public land, the point of supply is where the service pipe crosses the property boundary. When the connection box is on private land:*

- For connections off the Branxholme and Bluff supply mains, the point of supply is at the meter, or if none is fitted, the service valve.
- For connections off the urban distribution system, the point of supply is where the service pipe crosses the street property boundary."

With the potential adoption of the proposed Backflow Prevention Policy 2024, there is an opportunity to improve section 8.10 of the Bylaw to add further clarity to Council's and customer's backflow prevention obligations and strengthen the compliance provisions related to backflow in the Bylaw.

The improvements made to section 8.10 are in alignment with the proposed Backflow Prevention Policy 2024 as this improved section is intended to support the implementation of the proposed policy.

Section 9.1 of the Water Supply Bylaw describes what constitutes a breach if the Bylaw conditions are not met. This section in general also covers the creation of a breach if backflow prevention requirements (section 8.10) are not met. Along with the amendments made to section 8.10 of the Bylaw, it is recommended to add the two conditions worded below to section 9.1 to add clarity to what constitutes a breach within a backflow context.

- "Failure to have a backflow prevention device fitted when required by the WSA."
- "Tampering, modifying or circumventing any boundary backflow prevention device without written approval from the WSA."

These new provisions will be read as section 9.1 (e)(v) and (vi) in the amended Water Supply Bylaw.

The improvements made to the backflow prevention sections in the amended Bylaw involve the use of the terminologies "Backflow Prevention Device", "Essential works" and "Potable". These terms are recommended to be defined in the Bylaw to ensure that the implications of the amendments made are proper without leaving room for interpretations. These terminologies are defined in section 6 of the attached amended Bylaw as follows:

**"Backflow prevention device** means a valve installed on a water supply to prevent backflow from occurring and safeguard the water supply system."

**"Essential Works** means work required to be done under urgency and which is necessary for the continued and/or safe operation and protection of the public water supply."

**"Potable** means water that is safe to drink and that complies with the drinking water standards."

## **Proposed Backflow Prevention Policy**

### **Backflow prevention policy - Definitions**

The proposed Backflow Prevention Policy 2024 is a new policy for Council therefore it is important to define the terminologies used to communicate the intent and the applicability of the policy with its users and the general public without leaving room for interpretation.

The list of terminologies provided in under the definition section of the proposed policy (A5446243) is recommended to be considered to ensure the correct interpretation and applicability for the proposed policy.

### **Overarching Responsibilities And Obligations Under The Proposed Policy**

In accordance with section 8.10 of the proposed amended Water Supply Bylaw, Council will be responsible for ensuring the water supply networks are protected against contamination from a backflow event. Installation and testing of backflow prevention devices under the proposed policy will be dependent on the nature of the potential risk of backflow identified using Risk Hazards Categories Appendix 1-Risk Hazards Category of the proposed policy.

Depending on the risk category identified, Council may authorise the following options for action:

- a. Council may install the backflow prevention device itself and may undertake maintenance and ongoing testing, or
- b. Council may require the customer to install, maintain and test a backflow prevention device as advised by Council, or
- c. Council may use a hybrid of the two options above to achieve suitable protection of its water supply and the ongoing testing and maintenance of boundary backflow prevention devices.

These options for action will be utilised on a case by case approach at a property level dependent on the level of risk category identified under Appendix 1 of the proposed policy. Council will also consider the economic and financial nature of the required action and will work with all parties involved to meet an equitable outcome for both Council and the customer.

In practice, if Council requires the customer to take action to mitigate a backflow risk but the customer is unable to afford the action required as advised by Council, Council will do the required work on the customer's behalf. The customer will be liable for any such cost sent by Council and Council may recover those costs through appropriate debt recovery mechanisms, for example, registering a statutory land change on the title of the customer's property.

Council will only intervene with backflow prevention matters on residential properties on request, or, if Council identifies that intervention is required to prevent any potential backflow event that is identified as significant under Appendix 1, of the proposed policy.

It is important to note that under section 35 of the Act, Council will take immediate action to protect public health upon becoming aware of a high or medium backflow event risk or hazard. This includes notifying Taumata Arowai, investigating the source, and taking measures under the proposed policy and the Act to prevent, reduce, or remove the risk. Council will also inform affected customers and implement measures as appropriate per the options provided under the "Council and Customer responsibilities" section under the proposed policy. This requirement is seen as an in-house requirement for Council under the Act so it is not stated in the proposed policy.

### **Ownership Model For Boundary Backflow Prevention Devices**

Boundary backflow prevention devices are just backflow prevention devices that are installed at the boundary of a property to prevent backflow from a property from entering into the public water supply network. It is defined in the proposed policy as "any backflow prevention device located at or near the point of supply as defined by the Council, usually as close as is practical to the property boundary".

The proposed policy will enable Council to take ownership of all boundary backflow prevention devices within Invercargill City District located on public place (or Council-owned or operated land or reserve). Although the ownership sits with Council, the customer will be liable for the installation cost and for the initial commissioning of work needed to install the boundary backflow prevention device(s) connected to the water service pipe of a private property.

Boundary backflow prevention devices on private property will be owned by the customer (s). Customer will be required to test all backflow prevention devices inside the private property that they own as part of the annual Building Warrant of Fitness process.

Irrespective of the ownership all testing, maintenance, replacement and registration of all boundary backflow prevention devices must be in compliance with the Act, the proposed policy, the Building Act 2004, the Drinking Water Quality Assurance Rules 2022 and the Water Supply Bylaw.

This ownership model considered in this proposed policy is an option recommended by the Water New Zealand's Backflow Prevention Code of Practice in respect to the effect of the point of supply criterion defined under the Council's Water Supply Bylaw. This ownership model is preferred because Council is limited with its response with the budget allocated for backflow prevention device testing and maintenance.

The proposed policy delegates Council as the final authority for approving the type, location, and size of all boundary backflow prevention devices, after considering factors such as the nature of the potential hazard, metering arrangements, connection size, and maintenance access. There are two distinct categories of backflow prevention devices, testable and non-testable backflow prevention devices. As the name suggests testable boundary backflow prevention devices are those that can be tested to confirm their correct operations and functions. The other type is non-testable backflow prevention devices, these devices cannot be tested to check their operations and functions.

Council will install or request customers to install testable boundary backflow prevention devices to water supply pipes on a boundary where it has been identified that a potential backflow event can lead to significant public health risk. Non-testable backflow prevention devices in general, are required on all other water connections.

Irrespective of the ownership model established in the proposed policy, all testable boundary backflow prevention devices are to be tested at least once a year. Under special circumstances, Council may request more frequent testing of boundary backflow prevention devices on private properties following any maintenance or repair work done to a boundary device as seen appropriate by Council. This will only be requested if Council have a reason to believe that there is a likelihood for a backflow event to occur.

### **Risk Profile and Approach**

Building consent, resource consent, and other applications are the existing processes which enable Council to identify the risk that a building use presents to the water supply network.

The current approach is seen as effective in terms of individual hazards identified within buildings, however, there is a need for a standardised risk hazard category schedule that addresses backflow prevention risk at a property level. Appendix 1 of the proposed policy is developed to determine the nature of risks posed by backflow events on water supply network and scale them as being high, medium, low or very low in risk to assist Council to establish priority to its response to a backflow event.

A standardised risk hazard category schedule will enable Council to be proactive in identifying those properties that are at a higher risk of backflow based on the type of activities associated with those properties

### **Compliance, Enforcement and Monitoring of The Proposed Policy**

Council will administer the compliance and enforcement of the proposed policy in accordance with the amended Water Supply Bylaw presented along with this report. The amended Bylaw creates a breach or an offence if a customer fails to install a backflow prevention device as required under the Backflow Prevention Policy 2024 and water supply Bylaw. It also creates an offence if a customer(s) or any person(s) tamper, modify or circumvent any boundary backflow prevention device without written approval from Council.

The proposed Backflow Prevention Policy 2024 will enable a more proactive approach to identifying and monitoring properties that are in the high and medium risk categories identified under Appendix 1 of the proposed policy. This will entail Council undertaking an initial survey of all testable backflow prevention devices on public places and private property to identify those in high and medium risk categories. After completion, the properties in high and medium risk categories will be subject to a periodic survey once every 5 years. This is a requirement under Rule D3.2 of the Drinking Water Quality Assurance Rule 2022 to ensure appropriate backflow protection are implemented across all water supplies. Officers will work on a strategic approach to enable this survey and it is proposed to commence at an appropriate time following the adoption of the proposed policy, and the survey is intended to be recurring every five years. Council will also send reminders to the customer(s) where appropriate to test the testable backflow prevention devices connected to the water supply to their property.

This requirement under Rule D3.2 of the Drinking Water Quality Assurance Rule 2022 will have financial implications for Council as this proactive approach will require either Council officers to undertake the survey or Council must consult a contractor to undertake the initial survey and the recurring survey once every five years. Currently, Council have not budgeted to undertake this activity, however, this could be enabled through Council's next Long-term Plan 2027-2037.

Until the proactive approach is implemented, Council will continue with its current approach of monitoring through inspections, the annual Building Warrant of Fitness process and Request for services.

### **Non-Compliance Notice**

In the event of a breach under Part 9 of Council's Water Supply Bylaw, Council will notify the customer of the breach and the necessary steps to remedy it. If the breach persists for more than one week as per section 9.1 of the Bylaw, Council may reduce the water flow rate to the customer without further notice. Full water service will be restored only after the appropriate fee is paid and the breach is resolved to Council's satisfaction. Additionally, if the breach necessitates disconnection of the supply for health or safety reasons, Council will do so immediately. If Council needs to intervene or carry out remedial work, the cost will be borne by the customer. For essential works required to protect the public water supply, the Council is not obligated to notify the customer beforehand.

### **Backflow Prevention Device Registration**

The Act requires Council to maintain a register of all boundary backflow devices. This register will include both Council and customer owned boundary devices with recordings of both past

and regular testing results. It is recommended under the Backflow prevention code of practice<sup>1</sup> that test results are held for at least two years.

Council will utilise its existing asset management system (IPS) to meet the registration required of the Act. Each device will have a unique identification number (eg, use of the device's serial number), and these devices will be subjected to maintenance, replacement and/ or testing under the proposed policy.

### **Conditions on Fire Suppression Systems and Hydrants**

While Council has the final say on the type, size, location etc of boundary backflow prevention devices, when it comes to the provision of backflow prevention device(s) on fire suppression systems and hydrant systems the decision will be made in conjunction with the approval of the system designer (defined in the proposed policy). This is due to the fact that some backflow prevention device(s) reduce the pressure and flow through them and so the design needs to take this into account so that the system has sufficient water to perform its role if needed.

### **Wells and Bores**

A water supplier should ensure that all groundwater taken from an aquifer has adequate backflow protection. Council being the water supplier to Invercargill City District utilises Oreti River as the source of its water supply. No groundwater aquifers are utilised by Council for this purpose at this time.

Council advises any customer wanting to construct wells and bores to contact Environment Southland as this responsibility lies within their jurisdiction.

### **Significance**

The issue is seen as significant under Council's Significance and Engagement Policy. Consultation is recommended.

### **Community Views**

The draft Backflow Prevention Policy 2024 is a policy document that is new to Council, therefore community views can only be sought through consultation.

### **Implications and Risks**

#### **Strategic Consistency**

This proposed Backflow Prevention Policy 2024 and the amendments recommended to the Water Supply Bylaw align with the social well-being outcomes of Council's Long-term Plan, Section 27 of the Water Services Act 2021, Drinking Water Quality Assurance Rule 2022 and the Building Code under the Building Act 2004.

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<sup>1</sup> [Boundary Backflow Prevention for Drinking Water Supplies Code of Practice: Water New Zealand \(waternz.org.nz\)](https://www.waternz.org.nz)



## Financial Implications

Under the proposed policy the primary responsibility for costs for installing, maintaining and testing a boundary backflow prevention device(s) sits with the customer. Sections 27 of the Act enable Council to install any backflow prevention device on the customer's behalf and can require the customer to reimburse the cost of installation, maintenance, and ongoing testing of the device as appropriate. This cost can be recovered by Council through appropriate debt recovery mechanisms, this may be done by registering a statutory land change on the title of the customer's private property in which Council undertook the backflow prevention work, ensuring cost recoverability.

Council through the proposed policy will engage with the open market to obtain or ascertain appropriate prices for testable boundary backflow prevention devices. Council will undertake the installation of testable boundary backflow prevention devices where it deems it is required or that an existing boundary backflow device is non-compliant and requires replacement. The customer will be responsible for the cost of any such installations and replacements along with backflow prevention fees prescribed under Council's Fees and Charges and any consent fee if a building consent and/or a resource consent is required. It is important to note that the customer will also be liable for any additional cost spent by Council as part of this work.

Council currently have an annual fund of \$100,000 solely intended to be used for the installation of backflow prevention devices. In general, the cost of installations of testable backflow prevention devices on public land, private and residential properties are generally encouraged to be incurred by the customer(s) under the ownership model established in the proposed policy, however, if Council's intervention is required, Council may undertake the installation using the \$100,000 annual fund, but the cost spent from the annual fund will be recovered by Council from the owner(s) through appropriate debt recovery mechanisms. This is because the fund is created to facilitate the installation and/ or replacement of backflow prevention devices on Council owned or administered assets and to be used during emergencies, therefore priority will be given to Council's use and its response to emergencies where Council intervention is required.

All new build non-residential boundary backflow prevention devices are expected to be installed by the customer per Council's Water Safety Plan. Boundary backflow prevention device installations for new build non-residential construction are subject to building consent and device installation will be installed and paid for by the customer as part of the building consent process.

It is to be noted that the cost of a testable boundary backflow prevention device with a 50mm valve may range between \$5,000 and \$8,000 and for devices with 100mm valve width may range between \$20,000 and \$25,000, and non-testable residential ones are \$450. These figures are excluding service fees.

In the case of non-testable boundary backflow prevention devices, the cost of installation will be prescribed in Council's Fees and Charges and are to be incurred by the customer.

Council currently have installed nine non-residential testable boundary backflow prevention devices and 343 non testable residential ones within Invercargill City District. The installation figures are envisaged to be improved as backflow prevention installation is now supported by the \$100,000 annual fund activated through the Council's Long-term plan.

Rule D3.2 of the Drinking Water Quality Assurance Rule 2022 requires Council to undertake a periodic survey of all high and medium risk properties (per Appendix 1 of the proposed policy) within Invercargill City District will be conducted every five years to ensure protection against backflow.

This proactive monitoring approach, to be implemented following policy adoption, will have financial implications for the Council. The survey can be carried out by Council officers or a contractor but there are no specific budget allocated to undertake this action. Budget to enable this regulatory can be considered as part of the next Long-term Plan 2027-2037.

### Legal Implications

The Local Government Act 2002 give Council the ability to create a Bylaw to be able to regulate the supply of water through its reticulation network. Council's Water Supply Bylaw has regulatory measures pursuant to the Local Government Act 2002 with enforcement ability to issue infringement and undertake prosecution if an offence is created under this Bylaw for non-compliance.

The Water Supply Bylaw requires amendments in terms to reflect the recent legislative changes and to improve its prescribed backflow prevention provisions. The Bylaw amendments will support the draft Backflow Prevention Policy 2024 which is being created to fulfil Council's obligation to have a backflow prevention programme under the Drinking Water Quality Assurance Rule 2022, Water Services Act 2021 and the Buildings Act 2004.

It is important to note that the entire water industry is in a state of change there is a likelihood for continued amendments all Acts in this area.

### Climate Change

No identified implications

### Risk

The following risks have been identified.

Risk	Mitigation
Proposed amendments to section 8.10 of the Water Supply Bylaw.	<p>The amendments proposed to the Water Supply Bylaw are required to give effect to the proposed Backflow Prevention Policy 2024 if Council decides to adopt it.</p> <p>The proposed amendments will ensure the Bylaw refers to the current legislation, the Water Service Act 2021, to meet its backflow prevention obligations.</p>
Ownership model of boundary backflow prevention device.	As discussed in the financial and responsibilities sections of this report, Council will own backflow prevention devices in public places, but customers must cover the costs for installation, maintenance, testing, and repair of devices connected to their property's water supply.

	<p>This approach is recommended as per section 27 of the Water Services Act 2021 and the Backflow Prevention Code of Practice by Water New Zealand.</p> <p>Even though the liability to pay lies with the customer, and if the customer is unable to pay for the work required, the proposed policy enables Council to undertake the installation testing and maintenance of devices on customers behalf but the cost spend by Council must be reimbursed by the customer. When enabling this approach when required, Council will consider the financial capacity of the customer to result in a reasonable and equitable outcome for both Council and the customer.</p> <p>Any such cost recoverability maybe done through registering a statutory land charge on the customer's property or through other appropriate debt recover mechanisms.</p>
<p>Risk assessment approach</p>	<p>Appendix 1 of the proposed policy is developed to determine the nature and the severity of a backflow event to help Council prioritise its response to such events.</p> <p>Through the proposed policy Council will give priority to its response to backflow events that are scaled as high or medium risk compared to low risk and very low risk backflow events. This is to ensure public safety and to mitigate or prevent any potential contamination to the water supply network that could be detrimental to health and wellbeing.</p> <p>This proposed approach does not imply that Council will be unresponsive towards low and very low risks identified under Appendix 1 of the proposed policy. Council will perform its responsibilities accordingly under the Water Services Act 2021, the Building Act 2004, Council Water Supply Bylaw and the proposed Backflow Prevention Policy 2024.</p>

## Next Steps

Consultation on the draft policy and Bylaw will take place between 16 September 2024 and 18 October 2024. Hearings and deliberation are proposed for 5 November 2024.

The final version of the policy and Bylaw will then be brought back to Council for adoption, incorporating any changes and recommendations as a result of consultation.

## Attachments

1. Draft Backflow Prevention Policy 2024 ([A5446243](#))

2. Draft Amendments to the Water Supply Bylaw 2017 for Consultation ([A5473216](#))



# Backflow Prevention Policy 2024

Draft for consultation





# Backflow Prevention Policy 2024

## Background

Backflow is the term given to the unintended flow of water from a customer's connection back into the public drinking water supply owned and administered by Invercargill City Council (or Council). A backflow event can occur due to back-pressure or back-siphonage within a water supply system.

Council is a water supplier for Invercargill City District. Council is required to implement a backflow prevention programme under the Water Services Act 2021 (the Act) and Taumata Arowai's Drinking Water Quality Assurance Rules 2022 to protect Council's water supply against the risk of contamination. The Building Code clause G12, also requires Council to ensure the protection of its water supply from contamination that can cause death, injury and / or illness to the public.

## Purpose

This policy outlines Council's commitment to the protection of its drinking water supply and how this protection will be achieved to meet the requirements of the Act, the compliance to the Drinking Water Quality Assurance Rules 2022, the Building Act 2004 and Council's Water Supply Bylaw.

## Scope

This policy applies to all water supplies owned, operated and/or managed by Council and to those properties, companies and/or people who are supplied by or take water from Council's water supply, within Invercargill City District.





## Legislative compliance

All backflow prevention activities must comply with:

- the Water Services Act 2021;
- the Drinking Water Quality Assurance Rules 2022;
- the Building Act 2004;
- the New Zealand Building Code; and
- Council's Water Supply Bylaw.

## Definitions

**Air gap:** This is a permanent separation, measured vertically, between the lowest point of the water supply outlet and the flood level of the equipment, tank or fixture into which the outlet discharges. The gap is required to be the greater of 25mm or twice the supply pipe diameter.

**Backflow** is an unintended condition which can allow drawn water to flow back into a water supply creating a pathway for contaminated or used water to enter the clean system. This can be caused by back pressure or back siphonage.

**Backflow prevention device** means a valve installed on a water supply to prevent backflow from occurring and safeguard the water supply. These include:

- dual check valves (non- testable);
- double check valves (testable); and
- reduced pressure zone devices (testable).

**Back pressure** refers to a situation where the pressure in the downstream (customer's) plumbing is greater than the pressure in the Council's water supply resulting in a reversal of normal flow direction and thereby possible contamination of water supply.

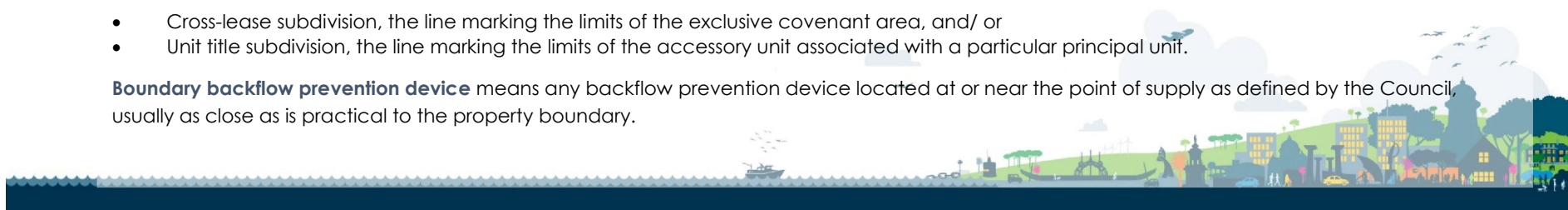
**Back siphonage** refers to a situation where the pressure in the Council's water supply is less than the pressure in the downstream (customer's) plumbing. This negative pressure results in a reversal of normal flow direction and potential contamination of water supply.

**Backflow tester** means any person(s) who is certified by the South Island IQP panel to test, repair, and maintain any backflow prevention devices.

**Boundary** means a line marking the outer limits of an area that may be a private property or a public place, comprising the entire or whole of the boundary and delimits and includes:

- Cross-lease subdivision, the line marking the limits of the exclusive covenant area, and/ or
- Unit title subdivision, the line marking the limits of the accessory unit associated with a particular principal unit.

**Boundary backflow prevention device** means any backflow prevention device located at or near the point of supply as defined by the Council, usually as close as is practical to the property boundary.





**Booster pump** is a device used to increase water pressure as a way to increase flow.

**Building Warrant of Fitness** is a building owner's annual statement confirming all specified systems (a backflow prevention device is a specified system) have been tested and are operating satisfactorily. This is required under the Building Act 2004.

**Customer** refers to the owner or occupier of the property who is responsible for the purchasing and/or use of water supplied.

**Council** means the Invercargill City Council.

**G12 - Water Supplies** is the New Zealand Building Code clause which relates to the safe supply, storage, reticulation and delivery of hot and cold water.

**Independent qualified person (IQP)** is a person approved by the South Island IQP panel (of which the ICC is a member of) to carry out testing of specified systems such as backflow prevention devices.

**Owner(s)** means the registered proprietor of the land.

**Potable** means water that is safe to drink and that complies with the drinking water standards.

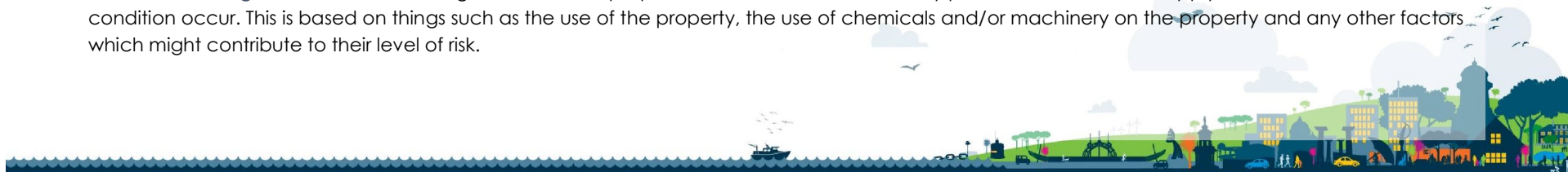
**Private property** means any parcel of land and/or building capable of being transferred, sold, rented, leased, or otherwise disposed of separately from any other parcel of land and/or building(s).

**Public place** means a place:

- that is under the control of Council; and/or
- that is open to, or being used by, the public, whether or not there is a charge for admission; and
- includes a road, whether or not the road is under the control of Council and
- any part of a public place.

**Residential property** is any property within a residential zone as defined under Council's district plan purposed around residential activities, recognising that there may be some non-residential activities associated with it.

**Risk hazard categories** are used to categorise individual properties in terms of the threat they pose to Council water supply should a backflow condition occur. This is based on things such as the use of the property, the use of chemicals and/or machinery on the property and any other factors which might contribute to their level of risk.







**System designer** for the purpose of this policy is a professional who specializes in creating systems to ensure the appropriate flow of water supply public places, private properties and residential properties in accordance with the Act, Drinking Water Quality Assurance Rules 2022, Building Act 2004 and Council's Water Supply Bylaw.

**Taumata Arowai** means Taumata Arowai—the Water Services Regulator established by section 8 of the Act of the Taumata Arowai—the Water Services Regulator Act 2020.

**Water supply** network means a network for reticulated distribution of potable water that is under the control of or maintained by Council.

**Hazardous material** are any substances that, if introduced into water supply through backflow, could pose a significant risk to health, safety, and the environment. These materials can contaminate potable water supply, making the water unsafe for consumption or use. These materials include but are not limited to chemicals, pharmaceuticals, industrial waste and by-products.

**Toxic environment** refers to conditions where the presence of hazardous material could result in severe health risks, contamination, and environmental damage if introduced into the potable water supply.

### Council and Customer Responsibilities

Council is responsible for ensuring water supplies owned and administered by Council are protected against backflow. Council where appropriate will be responsible for installing backflow prevention devices, and/ or request a customer(s) to install a backflow prevention device to prevent any potential contamination of water supply from a backflow event.

A boundary backflow prevention device is required to protect Council's reticulated drinking water supply from contamination caused by a backflow event within a property. This will mean a backflow prevention device is required to be fitted to the water supply at the boundary.

Where there is considered to be a potential risk of backflow (as per Appendix 1) into water supply, Council may, under this policy:

- install a boundary backflow prevention device and require the customer to reimburse Council for the cost of installation, maintenance and ongoing testing of the device; or
- require the customer to install, maintain, and test a boundary backflow prevention device that incorporates a verifiable monitoring system in accordance with any requirements imposed by the Council.
- use a combination or any hybrid of the two options above so as to achieve suitable protection of its water supply and the ongoing testing and maintenance of boundary backflow prevention devices.

In addition to the requirements of this policy, the customer must also ensure that the requirements of the Building Act 2004 are complied with for their property. This includes:

- notifying Council in writing of any change in use of the property supplied;
- obtaining building consent for plumbing work, including the installation or removal of any backflow prevention devices located within the private property; and
- maintaining and testing any backflow prevention devices within the private property in accordance with the compliance schedule/building warrant of fitness.





### ***Responsibilities specific to a customer***

Where a customer owns the boundary backflow prevention device, the customer must take responsibility for ensuring that it remains fully operational at all times and is made available to be tested annually or more frequently in accordance with the requirements of the Council.

The customer must ensure that any boundary backflow protection device is accessible at all times for inspection and maintenance purposes. Council reserves the right to charge a fee to the customers for any additional time spent making a device accessible if the customer has failed to do so.

The customer must not interfere with the device in any way. This includes raising the ground levels around the device that could compromise minimum clearances or access to test the device, or using the test ports as a bypass or temporary water supply.

There shall be no bypassing of any boundary backflow prevention device other than (with the Council's approval) with an equivalent device installed in parallel to ensure continuity of supply during testing or maintenance of the primary device. The customer must report leaks or any other problems observed upstream of the point of supply, or in the boundary protection device itself to Council as soon as practical but not exceeding 7 days. If Council requires the customer to undertake the work to remove any backflow risks, the customer must notify or inform Council prior to taking those actions required by Council.

The customer must report to Council any significant change or proposed change to which the water is to be used in relation to hazardous materials and toxic environments.

### ***Ownership of boundary backflow prevention devices***

The ownership and maintenance of all backflow prevention devices within Invercargill City District are as follows:

Council will own those boundary backflow prevention devices located outside the private property boundary on public land. Customers must pay the installation and initial commissioning costs for those devices on public places connected to the water supply of their property. Council will undertake annual testing and maintenance and charge the customer(s) for the work undertaken by Council as per Council Fees and charges.

Boundary backflow prevention devices on private property will be owned by the customer(s). The customer must obtain and pay for the necessary building consent, installation, required commissioning and ongoing maintenance. All backflow prevention devices inside the private property are required to be tested as part of the annual building warrant of fitness process.

Council will only intervene with backflow prevention matters on residential properties on request, or, if Council identifies that intervention is required to prevent any potential backflow event that is identified as significant under Appendix 1 of this policy.





## Council's risk assessment approach

Council will assess backflow risks in accordance with Appendix 1 to determine the Risk Hazard Category. The appropriate backflow prevention device to be installed will be based on the risk category a property poses.

There are four risk hazard categories:

- **High Risk:** Any condition, device or practice which, in connection with the potable water supply system, has the potential to cause death.
- **Medium Risk:** Any condition, device or practice which, in connection with the potable water supply system, has the potential to injure or endanger health.
- **Low Risk:** Any condition, device or practice which, in connection with the potable water supply system, would constitute a nuisance, by colour, odour or taste, but not injure or endanger health.
- **Very Low Risk:** All household units (i.e. residences)

### Council's approach for prioritisation and response

Council's approach under this policy will be to give priority to high risk properties, and those properties supplied by the bulk supply lines between Branxholme and Invercargill and Invercargill and Bluff, followed by medium, low and very low risk profile. They may also be done on an as-required basis as maintenance or replacement of connections on these is required or when new connections are requested.

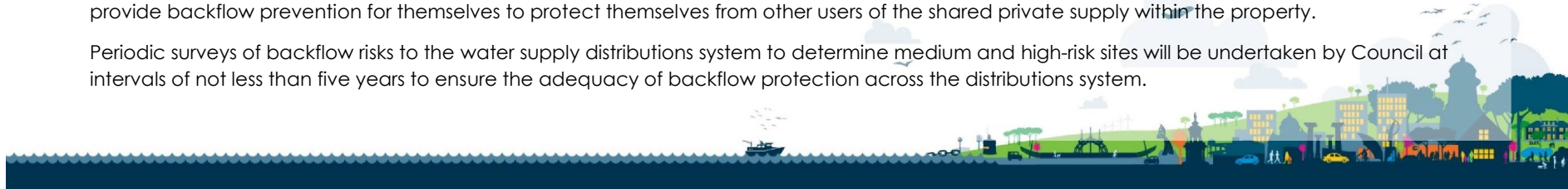
If identified as high, medium and low risks Council will require customer(s) to install the necessary backflow prevention device(s). If the customer fails to undertake action within a reasonable timeframe, then Council will action the work required to remove the risk. The customer(s) will be liable for all cost incurred by Council. Council will recover such costs through appropriate debt recovery channels.

Residential household units are in the very low risk category and as such non-testable dual check valves are to be used for these. Such a device is relatively inexpensive and provides basic protection against backflow. These will be installed by Council at the time of installation of a new or replacement of residential water connection(s) and incorporated into the normal charges for these.

The exception to the above will be where a residential property contains an identified or potential hazard or risk (including hazardous materials and toxic environments) in which case the level of protection will be determined by the risk hazard category. An example of this may be where there is a home-based business operating.

In the case of a residential development supplied by one water connection for multiple residences with a shared internal water supply, Council will supply one backflow prevention device on the incoming supply to protect the public water supply. It shall be the responsibility of each customer to provide backflow prevention for themselves to protect themselves from other users of the shared private supply within the property.

Periodic surveys of backflow risks to the water supply distributions system to determine medium and high-risk sites will be undertaken by Council at intervals of not less than five years to ensure the adequacy of backflow protection across the distributions system.



## Boundary Backflow Installations

Council through this policy will be responsible for approving the type, location and size of all boundary backflow protection device installations. The following installation details will be taken into consideration:

- the boundary backflow prevention device to be installed based on the risk hazard category;
- the nature of the hazard and the likelihood of future change of use;
- accessibility in terms of accessibility to the device and not impeding pedestrian access;
- the metering arrangement (if applicable);
- the size of the connection to meet anticipated flow rates;
- head losses through the device;
- manufacturer's recommendations;
- protection against frost;
- the need for continuous water supply to the premises;
- access for checking, maintaining and testing the device;
- drainage requirements including size of drains;
- protection from traffic, underlying hazards, vandalism, etc.; and
- the point of supply beyond which customer responsibility begins.

Boundary backflow prevention devices shall not be located more than one metre inside the property boundary and be downstream of the water meter where one is installed. The exception being on residential properties with a non-testable dual check valve where it will be located outside the property, in the berm. All boundary backflow prevention devices must comply with current version of AS/NZS 2845.1 Water Supply - Backflow prevention devices Part 1: Materials, design and performance requirements, and Council may, at its discretion, consider or require other relevant standards on a case-by-case basis.

With the exception of fire suppression and/or hydrant lines (refer to fire suppression and hydrant system section for these) all boundary backflow prevention devices are to be installed with an isolating valve and line strainer upstream, and an isolating valve downstream of the device. Where continuous supply is needed, two devices with isolating valves should be installed in parallel so that one is still available for use while the other is being tested or maintained.

Reduced pressure zone backflow prevention devices must be installed above ground (minimum 300mm above flood level) and be protected from vehicular traffic, frost and vandalism. They should be installed in a securely fenced or caged area with a concrete base and a lockable access gate, where possible with the gate located parallel to the property boundary. Council will provide protection to boundary backflow prevention devices if it is located in public places. It is the customer's responsibility if it is located on private property.





Where double check valve devices are installed in an underground chamber, the design must allow for servicing by top entry and the chamber must be well drained. (For larger sized double check valve devices it is good practice to install these above ground, for ease of access and possible future upgrading to reduced pressure zone devices).

Where double check valve devices are installed in an underground chamber, the design must allow for servicing by top entry and the chamber must be well drained. (For larger sized double check valve devices it is good practice to install these above ground, for ease of access and possible future upgrading to reduced pressure zone devices).

The boundary backflow device must be sited so that it can be readily maintained and tested in-line without compromising the health or safety of the individuals involved. It should be possible to access the device without the need to climb ladders or scaffolding or enter a confined space.

Installation, maintenance and testing of boundary backflow devices on public places must only be carried out only by persons authorised by Council. Where there is a need to undertake such work on devices on the customer's side of the point of supply that are covered by the Building Act 2004, this work must be carried out only by a certifying plumber licensed under the Plumbers, Gasfitters and Drainlayers Act 2006. Where testing or commissioning is being undertaken then this is to be done only by a person accepted as an IQP on the South Island IQP register.

On completion of the installation Council is to be provided with signed as-built drawings that clearly show detail about the boundary backflow protection device and the way it has been installed, together with the first test results. Where Council is not the owner of the device, the details of the owner and, where appropriate, their agent(s) are to be provided with the as-built information. Where there is a building consent in place this as-built information is to be supplied to the Building Services team at the time of inspection and a copy of this sent internally to the Council's Three Waters team for entering into their register.

## Testing Requirements

Irrespective of ownership (by Council or the customer), all testable boundary backflow prevention devices shall be tested at least annually.

Testing shall be carried out more frequently under special circumstances where required by Council and after any maintenance work is carried out on the device. All registered air gaps shall be inspected and verified annually. In the event of a suspected backflow incident, Council may require an additional test to be carried out.

The testing shall be undertaken only by an Independently Qualified Person (IQP) approved for backflow prevention device testing (SS7) by the South Island IQP Panel. All testing must be carried out as per the New Zealand Backflow Testing Standard 2019: Field testing of backflow prevention devices and verification of air gaps or AS/NZS 2845.3.





Backflow testers involved with fire lines must understand the protocols of isolating fire protection systems. These protocols address the need to notify Fire and Emergency New Zealand, building owners, and insurers before a system is isolated. For this reason, all backflow prevention devices associated with fire protection systems are to be checked and maintained under the building's warrant of fitness.

The backflow test kit used must have a maximum working pressure of 1200 kPa and have separately coloured hoses to minimise mistakes being made during use. The test kit used must be certified/recertified every 12 months by an ISO registered laboratory and a copy of the test certification kept with the kit.

It is recommended that securely fastened test tags be attached to the device after testing showing as a minimum:

- the serial number of the device;
- the due date of the next test; and
- the name of tester and contact phone number.

Where a device fails its test, the backflow tester should attempt to repair the device while on site and retest. Where it is not possible to repair the device on site, an equivalent substitute device shall be installed (and tested). The failed test report shall be provided along with the subsequent pass test report.

The backflow tester is to provide a test certificate that meets the requirements of the nominated testing standard. Unless they are being supplied with a building warrant of fitness the results of all tests shall be sent to Council within five working days of the test.

In addition to annual testing, backflow prevention devices installed in dedicated fire systems must be tested immediately after a fire, and after each full flow test.

Where an internal boundary backflow prevention device is not yet subject to the compliance schedule/building warrant of fitness regime, due to the non-completion of other building consent work, but is being used to supply water, the customer is required to still test the device not less than annually and shall forward these results to council for updating the register.

## Requirements for fire suppression systems or hydrants

Backflow prevention devices associated with fire suppression systems or hydrants need to be appropriately designed and installed so as to not impede the correct operation of the system. They must comply with the building code and be appropriately sized and specified by the system designer.







A fire suppression backflow preventer shall be installed in the sprinkler or suppression system's valve house, or other secure environment as approved by the Council. Where Council requires the backflow device on a line serving a fire suppression or hydrant system to be located at the boundary (because for instance there is a significant distance between the boundary and the valve house), the backflow prevention device type, size, location and arrangement is required to be approved by the designer of the fire suppression system or hydrant before being proposed to Council.

Particular attention shall be paid in the design of the boundary installation to pressure losses associated with the boundary backflow device and its security. *(It is recommended that the boundary installation is located in a secured enclosure and that counter clockwise closing valves are incorporated, to minimise the possibility that the backflow isolation valve is deliberately closed, or left closed accidentally after testing of the boundary backflow device).*

In accordance with NZS 4541: Automatic Fire Sprinkler Systems, all valves on a connection serving a sprinkler system (other than a residential sprinkler system) shall be alarmed and/or monitored for unauthorised operation. It is the customer's responsibility to ensure this is in place and is monitored.

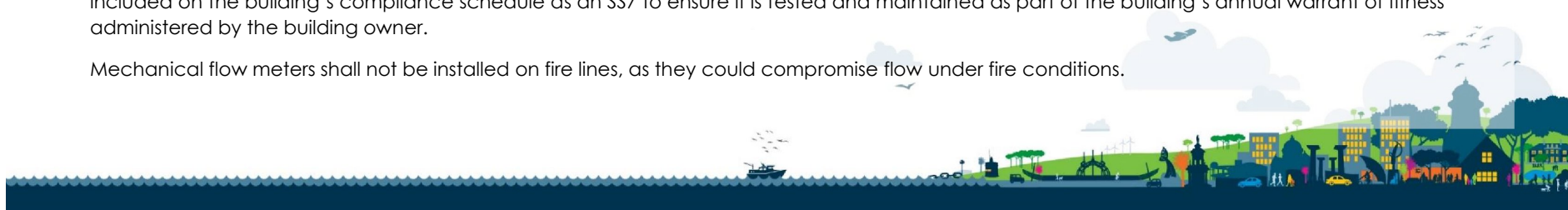
As per the Water New Zealand Code of Practice for boundary backflow prevention (2019) line strainers are not required to be installed upstream of backflow prevention devices installed on fire sprinkler lines with an expected demand of less than 2,300 litres per minute. When demand exceeds 2,300 litres per minute turbulence in the line could result in debris being transported and/or should Council deem it necessary due to high levels of debris in the water reticulation system, then only sprinkler system certifier listed strainers shall be fitted. This is to be approved by the sprinkler system designer.

Where a booster pump or similar is to be fitted to a fire sprinkler system this needs to be approved by Council as these can cause issues in the public water supply through the pump's action reducing the pressure in the supply pipes which could create back siphonage issues elsewhere. Conversely, they can create a pressure differential when they increase the pressure on the sprinkler system thereby creating a back pressure risk.

A backflow prevention device incorporating a bypass meter (sometimes known as a detector check assembly) to provide backflow protection and to detect any inappropriate use or possible leakage of the fire line may be incorporated on dedicated lines for fire sprinkler systems. Such assemblies shall have a producer statement from the supplier confirming that the device has been built and tested in compliance with relevant standards.

Due to the complexities associated with backflow prevention devices on fire suppression systems and the consequences if not installed or maintained correctly, the installation of these is to be done under a building consent obtained by the owner. The backflow prevention device is then to be included on the building's compliance schedule as an SS7 to ensure it is tested and maintained as part of the building's annual warrant of fitness administered by the building owner.

Mechanical flow meters shall not be installed on fire lines, as they could compromise flow under fire conditions.





## Standpipe hydrant access

Access to a water network through the use of a standpipe is not permitted except by Fire and Emergency New Zealand, other emergency services, fire certifiers assessing the availability of fire flows, Council, or Council authorised contractors where it is necessary to access the network for operation of the drinking water supply.

Bulk water carriers shall only access the water supply through a Council approved filling station for which they have been granted authorisation. These filling stations will have onsite backflow prevention measures in place.

## Non-compliance with the backflow requirements of the Water Supply Bylaw and this policy

In the event of a breach under Part 9 of Council's Water Supply Bylaw, Council shall serve notice on the customer advising the nature of the breach and the steps to be taken to remedy it. If, after one week, the customer persists in the breach, Council reserves the right to reduce the flow rate of water to the customer without notice. In such an event the full service of the water supply shall be re-established only after payment of the appropriate fee and remedy of the breach to the satisfaction of Council.

## Backflow Prevention Device Register

Council will hold and maintain a register of all boundary backflow prevention devices including the locations, device types, assessed risk level and the test results of each device. Amongst other things, Council will use this to separate out those devices and registered air gaps it is responsible for testing or verifying and those which fall under the property's building warrant of fitness and are tested by owner's IQPs.

## Removal of a Boundary Device

Where a customer considers that the type of boundary backflow prevention device in use is no longer necessary, they may put a request to Council by way of a building consent application for the device to be removed and another device type (e.g. a non-testable device) installed in its place.

Where the request is granted, the removal and replacement procedures must be approved by Council and all costs involved borne by the customer. Full and appropriate records of the change must be provided to Council.

Alternatively, Council may require the device to remain in place to mitigate future risks and may agree to suspend testing with a specified periodic review.





<b>Revision History:</b>	Nil
<b>Effective Date:</b>	1 December 2024
<b>Review Period:</b>	This policy will be reviewed every six (6) years unless an earlier review is required due to legislative change, or is warranted by another reason requested by Council.
<b>New Review Date:</b>	December 2030
<b>Associated Documents / References:</b>	
<b>Supersedes:</b>	Nil
<b>Reference Number:</b>	A5446243
<b>Policy Owner:</b>	Manager- Manager Three Waters Operations
<b>Relevant roles:</b>	Three Waters Operational Engineer



**Appendix 1: Risk Hazard Categories**

<b>HAZARD</b>	<b>COMMENTS</b>	<b>DEVICE REQUIRED</b>
<p><b>High</b>  <i>Any condition, device or practice which, in connection with the potable water supply system, has the potential to cause death.</i></p>	<p>Equipment used for handling, mixing, measuring and processing hazardous chemical or harmful microbiological substances</p>	<p>Reduced pressure zone device, Registered air gap                      Reduced pressure zone detector for fire systems</p>
<b>ACTIVITY EXAMPLES</b>	<b>EQUIPMENT</b>	
<p>Medical facilities (includes laboratories, hospitals, pharmacies)</p>	<p>Autoclaves, sterilisers, aspirators, haemodialysis machines, pan washers, bidets, sluice sinks, spittoons/cuspidors</p>	
<p>Fire or cooling systems with chemicals</p>	<p>Systems containing chemicals such as anti-freeze, anti-corrosion, biocides, or fungicides</p>	
<p>Industrial and trade waste customers</p>	<p>Boiler, chiller, steam calorifier and cooling tower make-up and recycled water; electroplating, degreasing, descaling, pickling, stripping and dipping tanks and vessels</p>	
<p>Vehicle and plant washing facilities</p>	<p>Chemical dispensers and chemical injectors (high toxicity)</p>	
<p>Water treatment facilities</p>	<p>Chlorinators, demineralising equipment using ion-exchange resins with acid/alkali regeneration. Plants with auxiliary supplies. Drinking water in reclaimed water plants.</p>	
<p>Dental clinics</p>	<p>Dental equipment</p>	
<p>Beauty salon and hairdresser's sinks</p>	<p>Hairdresser's backwash basins</p>	
<p>Commercial buildings</p>	<p>Direct heat exchangers (unsealed and toxic environment) Fire sprinkler systems and fire hydrant systems that use toxic or hazardous water.</p>	
<p>Commercial laundries</p>	<p>Recirculated or recycled water, venturi detergent and bleach dosing</p>	
<p>Mortuaries/Funeral homes</p>	<p>Embalming systems</p>	

Pest control businesses	Hose taps associated with High hazard situations like mixing of pesticides, aspirators, sprayers
Food preparation facilities	Clean in place tanks, vats and food storage vessels
Photography labs X-ray machines	Developer mixing facilities
Airports, piers and docks	Seawater cross-connections (ie, hoses on wharves, fire systems using seawater, primed by town supply)
Sewage pump stations and sump ejectors	Wash-down hoses and decontamination systems
Horticultural and commercial gardens	Irrigation systems with chemicals
Agriculture	Livestock water supply added chemicals/chemigation (ie, antibiotic injectors and bloat control), farm irrigation with fertigation systems and cow shed washdowns
Veterinary clinic	Veterinary equipment
Water filling stations	Water tankers and associated hoses
Schools, universities and polytechnics	Boilers and water based heating systems, laboratories, irrigation systems, swimming pools

HAZARD	COMMENTS	DEVICE REQUIRED
<p><b>Medium</b>  <i>Any condition, device or practice which, in connection with the potable water supply system, has the potential to injure or endanger health.</i></p>	<p>In general Commercial and residential water uses other than domestic sanitary fixtures.</p>	<p>Reduced pressure zone device,                      Registered air gap, Double check valve Double check detector for fire systems</p>
ACTIVITY EXAMPLES	EQUIPMENT	
<p>Commercial car washes or vehicle wash down</p>	<p>Appliances, vehicles or equipment wash-down facilities without chemical additives</p>	
<p>Water treatment systems</p>	<p>Deionised water, reverse osmosis units and equipment cooling without chemicals</p>	
<p>Auxiliary water supplies such as pumped and non-pumped fire sprinkler secondary water</p>	<p>Fire sprinkler systems and building hydrant systems Hose taps and fire hose reels associated with Medium hazard</p>	
<p>Horticultural and commercial gardens</p>	<p>Irrigation systems with underground controllers but without chemicals (includes residential irrigation)</p>	
<p>Rural water supply</p>	<p>Livestock water supply without added chemicals; milking sheds</p>	
<p>Rain water collection</p>	<p>Untreated water storage tanks</p>	
<p>Recirculated water systems</p>	<p>Water for equipment cooling and steam cleaning</p>	
<p>Residential and commercial premises</p>	<p>Swimming pools, spas and fountains</p>	
<p>Schools and Parks, etc</p>	<p>Drinking water fountains</p>	

HAZARD	COMMENTS	DEVICE REQUIRED
<b>Low</b> Any condition, device or practice which, in connection with the potable water supply system, would constitute a nuisance, by colour, odour or taste, but not injure or endanger health	In general this will be all other non-residential activities that do not have identified risks or uses associated with them.	Double check valve, Registered air gap Hose connection vacuum breaker (in the case of residential irrigation systems)
ACTIVITY EXAMPLES	EQUIPMENT	
Commercial premises with potential for change of use.	Residential sanitary fixtures only	
Cafes, restaurants and other facilities used for the storage or preparation of food and beverages	Drink dispensers with carbonators, coffee machines, dishwashers, garbage can washer, retractable hoses, urinal, auto vegetable peeler, ice maker	
Residential premises	Hose tap used for fixed residential irrigation systems	

HAZARD	COMMENTS	DEVICE REQUIRED
Very Low All household units (ie, residences).	Recommends a non-testable dual check valve to be part of meter assembly maintained by water supplier.	Non-testable dual check valve Air gap
ACTIVITY	EQUIPMENT	
Residential water connections	Residential sanitary fixtures only	

**Note:** The examples of premises listed above are not an exhaustive list. Where there is doubt, boundary backflow protection shall be selected to match the highest risk hazard identified within the property by making comparison to the hazard descriptions.

Invercargill City Council

# Water Supply Bylaw

(Draft Amendments for Consultation –  
August 2024)

2017



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**1. Title**

A Bylaw of the Invercargill City Council by way of Special Order pursuant to the provisions of the Local Government Act 2002 and all other Acts, powers and authorities enabling it in that behalf to make a Bylaw to be known as the Invercargill City Council Bylaw 2017/4 – Water Supply.

**2. Commencement**

This Bylaw comes into force on 7 November 2017.

**3. Application of Bylaw**

This Bylaw shall apply to the Invercargill City Council.

**4. Scope**

This Bylaw is made under the authority of the Local Government Act 2002 for the supply of water to its customers by the Water Supply Authority (WSA). The supply and sale of water by the WSA is subject to:

a. Statutory Acts and Regulations

- i. Building Act 2004.
- ii. Fire and Emergency Act 2017.
- iii. Water Services Act 2021.
- iv. Local Government Act 2002.
- v. Local Government (Rating) Act 2002.
- vi. Resource Management Act 1991.

b. Relevant Codes and Standards

- i. Water Service (Drinking Water Standards for New Zealand) 2022.
- ii. BS EN 14154-3:2005 Water meters. Test methods and equipment.
- iii. SNZ PAS 4509:2008 New Zealand Fire Service fire fighting watersupplies code of practice.
- iv. Water New Zealand Good Practice Guide: Water metering of Customers on Reticulated Supplies
- v. Water New Zealand Boundary Backflow Prevention for Drinking Water Supplies 2019
- vi. Invercargill City Council Code of Practice for Land Development
- vii. Invercargill Water Safety Plan 2022
- viii. Taumata Arowai Drinking Water Quality Assurance Rules 2022

**5. Interpretations**

When interpreting this Bylaw use the definitions set out in Section 6 unless the context requires otherwise. If you see a reference to a repealed enactment read that as a reference to its replacement.

For the purpose of this Bylaw, the word "shall" refers to practices that are mandatory for compliance with this Bylaw, while the word "should" refers to practices that are advised or recommended.

## 6. Definitions

For the purpose of this Bylaw, unless inconsistent with the context, the following definitions apply:

**Approved** means approved in writing by the WSA, either by resolution of the Council or by any Authorised Officer of the WSA.

**Backflow** means the unplanned reversal of flow of water or mixtures of water and contaminants into the water supply system.

**Backflow prevention device** means a valve installed on a water supply to prevent backflow from occurring and safeguard the water supply system.

**Connection Box or "Meter Box"** means the service valve, meter (when fitted) and associated fittings installed and maintained by Council on the service pipe.

**Council** means the Invercargill City Council or any officer authorised to exercise the authority of the Council and Council is the WSA.

**Customer** means a person who uses, or has obtained the right to use or direct the manner of use of, water supplied by the WSA.

**Detector check valve** means a check (non-return) valve which has a positive closing pressure and a metered bypass to measure flows typically associated with leakage or unauthorised use on a dedicated fire supply.

**Essential Works** means work required to be done under urgency and which is necessary for the continued and/or safe operation and protection of the public water supply.

**Extraordinary supply** means a category of on demand supply including all purposes for which water is supplied other than ordinary supply and which may be subject to specific conditions and limitations.

**Fees and charges** means the list of items, terms, and prices for services associated with the supply of water as adopted by the Council in accordance with the LGA 2002 and the Local Government (Rating) Act 2002.

**Level of service** means the measurable performance standards on which the WSA undertakes to supply water to its customers.

**On demand supply** means a supply which is available on demand directly from the point of supply subject to the agreed level of service.

**Ordinary supply** means a category of on demand supply used solely for domestic purposes.

**Person** means a natural person, corporation sole or a body of persons whether corporate or otherwise.

**Point of supply** means the point where the responsibility for ownership and maintenance of the service pipe passes from Council to customer. Where the connection box is on public land, the point of supply is where the service pipe crosses the property boundary. When the connection box is on private land:

- For connections off the Branxholme and Bluff supply mains, the point of supply is at the meter, or if none is fitted, the service valve.
- For connections off the urban distribution system, the point of supply is where the service pipe crosses the street property boundary.

**Potable** means water that is safe to drink and that complies with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022.

**Premises** means to include the following:

- a. A property or allotment which is held under a separate certificate of title or for which a separate certificate of title may be issued and in respect to which a building consent has been or may be issued; or
- b. A building or part of a building that has been defined as an individual unit by a cross-lease, unit title or company lease and for which a certificate of title is available; or
- c. Land held in public ownership (e.g. reserve) for a particular purpose.

**Public notice** means as defined in the Local Government Act 2002.

**Restricted flow supply** means a type of water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

**Restrictor** means a flow control device fitted to the service pipe to limit the flow rate of water to a customer's premises.

**Roading authority** means a territorial authority or Transit New Zealand.

**Service pipe** means the section of water pipe between a water main and the point of supply.

**Service valve (Toby)** means the valve at the customer end of the service pipe.

**Storage tank** means any tank having a free water surface.

**Supply pipe** means the section of pipe between the point of supply and the customer's premises through which water is conveyed to the premises.

**Water Supply Authority (WSA)** means the operational unit of the Council responsible for the supply of water.

**Water supply system** means all those components of the network between the point of abstraction from the natural environment and the point of supply. This includes but is not limited to: wells, infiltration galleries, intake structures, open raw water storage ponds/lakes, falling mains, treatment plants, treated water reservoirs, trunk mains, service mains, rider mains, pump stations and pumps, valves, hydrants, scour lines, service pipes, boundary assemblies, meters, backflow prevention devices and tobies.

**Water unit** means the basis of measurement for a restricted flow supply and equal to a volume of 365 m<sup>3</sup> delivered at the rate of 1 m<sup>3</sup> per day

## **7. Protection of Water Supply**

### **7.1. Water Supply System**

#### *7.1.1. Access to System*

No person other than the WSA and its authorised agents shall have access to any part of the water supply system, except to connect to the point of supply, subject to 8.1, and to operate the service valve.

#### *7.1.2. No Person to Connect To, or Interfere with a Water Supply System*

Except as set out in 7.1.1, 7.1.3 and 7.1.4, no person shall make any connection to, or otherwise interfere with, any part of the water supply system.

#### *7.1.3. Fire Hydrants*

Only the attending Fire Service/s shall gain access to, and draw water from fire hydrants for the purpose of fighting fires, training, and testing.

#### *7.1.4. Other Uses*

The right to gain access to, and draw water from the water supply for uses other than firefighting (for example, flow testing or pipe flushing) shall be restricted to:

- a. The WSA or its agents;
- b. Permit holders, being those persons who after having submitted an application to the WSA are subsequently approved to draw water from fire hydrants or tanker filling points. Such permits shall be valid only so long as the permit holder complies with the conditions endorsed on the permit. Without prejudice to other remedies available, the WSA may remove and hold any equipment used by an offender to gain access to, or draw water from a fire hydrant, and assess and recover the value of water drawn without authorisation and any other associated costs.

#### *7.1.5. Working Around Buried Services*

The WSA shall keep accurate permanent records ('as-builts') of the location of its buried services. This information shall be available for inspection at no cost to users. Charges may be levied to cover the costs of providing copies of this information.

Any damage which occurs to a WSA service shall be reported to the WSA immediately. The person causing the damage shall reimburse the WSA with all costs associated with repairing the damaged service, and any other costs the WSA incurs as a result of the incident.

## **8. Conditions of Supply**

### **8.1. Application for Supply**

#### *8.1.1. Initial Application*

Every application for a supply of water shall be made in writing on the standard WSA form accompanied by the prescribed charges. The applicant shall provide all the details required by the WSA.

On receipt of an application the WSA shall, after consideration of the matters in 8.4 and 8.5, either:

- a. Approve the application and inform the applicant of the type of supply, the level of service, the size of the connection and any particular conditions applicable; or
- b. Refuse the application and notify the applicant of the decision giving the reasons for refusal.

For the agreed level of service to the applicant, the WSA should determine the sizes of all pipes, fittings and any other equipment, up to the point of supply. The WSA shall supply and install the service pipe up to the point of supply at the applicant's cost or may allow the supply and installation of the service pipe to be carried out by approved contractors.

The applicant shall have the authority to act on behalf of the owner of the premises for which the supply is sought, and shall produce written evidence of this if required.

An approved application for supply which has not been actioned within six months of the date of application will lapse unless a time extension has been approved. Any refund of fees and charges shall be at the discretion of the WSA.

#### *8.1.2. Change of Use*

Where a customer seeks a change in the level of service or end use of water supplied to premises, and/or the supply changes from an ordinary to an extraordinary type (see 8.4) or vice versa, a new application for supply shall be submitted by the customer.

#### *8.1.3. Prescribed Charges*

Charges applicable at the time of connection may include:

- a. Payment to the WSA for the cost of the physical works required to provide the connection;
- b. A development contribution charge determined in accordance with the Local Government Act 2002;

- c. A financial contribution charge determined in accordance with the Resource Management Act 1991.

## **8.2. Point of Supply**

### *8.2.1. Responsibility for Maintenance*

The WSA shall own and maintain the service pipe and fittings up to the point of supply. The customer shall own and maintain the supply pipe beyond the point of supply.

### *8.2.2. Single Ownership*

For individual customers the point of supply, unless otherwise specified, shall be where the service pipe enters the premises at its street frontage or defined right of way to street frontage. Other positions shall require specific approval.

For each individual customer there shall be only one point of supply, unless otherwise approved.

### *8.2.3. Multiple Ownership*

For the different forms of multiple ownership of premises and/or land as described below:

- a. For Company Share/Block Scheme (Body Corporate) – as for single ownership;
- b. For Leasehold/Tenancy in Common Scheme (Cross Lease), Strata Title, Unit Title (Body Corporate) and any other form of multiple ownership – as for single ownership. They shall be treated collectively as one customer with one point of supply, unless otherwise proved.

## **8.3. Access**

### *8.3.1. Rights of Access*

Where a meter is on private property the customer shall allow the WSA access between 7.30 am and 6.00 pm on any day.

Outside these hours (such as for night time leak detection) the WSA shall give notice to the customer.

Where access is not made available for any of the above times and a return visit is required by the WSA, a rate may be charged as for 'Meter reading by appointment'.

Under emergency conditions the customer shall allow the WSA free access to, and about the meter at any hour.

#### 8.3.2. *Maintenance of Access*

The customer shall maintain the area in and around the point of supply meter keeping it free of soil, growth, or other matter or obstruction which prevents, or is likely to prevent convenient access.

### **8.4. Types of Supply**

#### 8.4.1. *General*

Connections to WSA water supply system shall be granted according to "Connecting to Water Supply Statement of City Policy" adopted 17 September 1990.

Supplies shall be classified as either 'on demand' or 'restricted flow' and the use of water from the supply shall be either 'ordinary' or 'extraordinary'.

#### 8.4.2. *On Demand Supply*

Every premises shall be entitled to an ordinary supply of water subject to the following conditions:

- a. The exclusion of its use for garden watering under any restrictions made by the WSA under 8.7.3;
- b. Payment of the appropriate charges in respect of that property;
- c. Any other charges or costs associated with subdivisional development; and
- d. Any other relevant conditions in section 8 of this Bylaw.

The WSA shall be under no obligation to provide an extraordinary supply of water (see also the provisions of 8.7 and 8.9.2).

#### 8.4.3. *Restricted Flow Supply*

Restricted flow supply shall be available to premises within a designated area only, or under special conditions set by the WSA.

The water supply shall be restricted so as to deliver the agreed number of water units at a steady flow rate.

The WSA shall charge for the restricted flow supply by either:

- a. The volume passing through a meter; or
- b. The agreed number of water units.

#### 8.4.4. *Ordinary Use*

Ordinary use is for domestic purposes (which may include use in a firesprinkler system to NZS 4517) and shall include:

- a. Washing down a car, boat, or similar;
- b. Garden watering by hand;
- c. Garden watering by a portable sprinkler (subject to the provisions of 8.7.3);



#### 8.4.5. Extraordinary Use

Extraordinary use includes:

- a. Domestic – spa or swimming pool, fixed garden irrigation systems,
- b. Commercial and business;
- c. Industrial;
- d. Agricultural;
- e. Horticultural;
- f. Viticultural;
- g. Lifestyle blocks (peri-urban or small rural residential);
- h. Fire protection systems other than sprinkler systems installed to comply with NZS 4517;
- i. Out of district (supply to, or within another local authority);
- j. Temporary supply.

### 8.5. Metering

Currently the Invercargill City Council does not universally meter all water supplies and so:

An ordinary use of water shall not normally be metered (subject to the WSA reserving the right to fit a meter and charge where it considers water use is excessive, or for a meter to be fitted at the customer's request), and the cost of such use shall be as prescribed in the Local Government (Rating) Act 2002, sections 9, 15 to 19, and sections 101 to 103.

An extraordinary use shall normally be metered and charged for in accordance with 8.15. Where the extraordinary use is for fire protection only, this supply shall not normally be metered.

If Invercargill City Council does adopt a policy to universally meter all supplies then:

Both ordinary and extraordinary use of water shall normally be metered and levied at rates, as prescribed in the Local Government (Rating) Act 2002, sections 9, 15 to 19, and sections 101 to 103.

### 8.6. Levels of Service

The WSA shall provide water in accordance with the level of service contained in the Long Term Council Community Plan. For those periods where the level of service allows noncompliance with the specified value(s), the WSA should make every reasonable attempt to achieve the specified value(s).

### 8.7. Continuity of Supply

#### 8.7.1. Supply

Due to practical and physical limitations the WSA cannot guarantee an uninterrupted or constant supply of water in all circumstances, or the continuous maintenance of any

particular pressure, but shall do its best to meet the continuity of supply levels of 8.6, subject to the exemptions contained in 8.7.3 and 8.7.4.

Where works of a permanent or temporary nature are planned which will affect an existing supply, the WSA shall consult with, or inform or give notice to all known customers likely to be substantially affected.

#### *8.7.2. Uninterrupted Service*

If a customer has a particular requirement for an uninterrupted level of service (flow, pressure, or quality), it shall be the responsibility of that customer to provide any storage, back-up facilities, or equipment necessary to provide that level of service.

#### *8.7.3. Demand Management*

The customer shall comply with any restrictions (including garden watering) which may be approved by the WSA to manage high seasonal or other demands. Such restrictions shall be advised by public notice.

Even when such restrictions apply the WSA shall take all practicable steps to ensure that an adequate supply for domestic purposes is provided to each point of supply.

#### *8.7.4. Emergency Restrictions*

During an emergency the WSA may restrict or prohibit the use of water for any specified purpose, for any specified period, and for any or all of its customers. Such restrictions shall be advised by public notice. The WSA may enact penalties over and above those contained in these conditions to enforce these restrictions. The decision to make and lift restrictions, and to enact additional penalties, shall be made by the Council, or where immediate action is required, by the manager of the WSA subject to subsequent Council ratification.

#### *8.7.5. Maintenance and Repair*

Wherever practical the WSA shall make every reasonable attempt to notify the customer of a scheduled maintenance shutdown of the supply before the work commences. Where immediate action is required and notification is not practical, the WSA may shut down the supply without notice.

### **8.8. Liability**

The WSA shall endeavour to meet the level of service requirements of 8.6, but shall not be liable for any loss, damage or inconvenience which the customer (or any person using the supply) may sustain as a result of deficiencies in, or interruptions to, the water supply. The WSA may, under certain circumstances and at its sole discretion, make payments for damage caused to equipment, appliances, processes, and materials as a direct result of a variation in the water supply, provided that any such equipment or appliances have been designed to cater for reasonable variations in the flow, pressure, and quality of the water supply.

## **8.9. Fire Protection Connection**

### *8.9.1. Connection Application*

Any proposed connection for fire protection shall be the subject of a specific application (on the standard WSA form) made to the WSA for approval. Any such connection shall be subject to the conditions specified by the WSA.

### *8.9.2. Design*

It shall be the customer's responsibility to ascertain in discussion with the WSA and monitor whether the supply available is adequate for the intended purpose.

### *8.9.3. Fire Protection Connection Metering*

Where the supply of water to any premises is metered the WSA may allow the supply of water for the purposes of firefighting to be made in a manner which bypasses the meter, provided that:

- a. The drawing of water is possible only in connection with the sounding of an automatic fire alarm or the automatic notification of the fire brigade; or
- b. A WSA approved detector check valve has been fitted on the meter bypass.

Any unmetered connection provided to supply water to a fire protection system shall not be used for any purpose other than firefighting and testing the fire protection system unless the fire protection system is installed in accordance with NZS 4517.

Where a fire connection has been installed or located so that it is likely or possible that water may be drawn from it by any person for purposes other than firefighting, the WSA may require the supply to be metered.

### *8.9.4. Fire Hose Reel*

Where the supply of water to any premises is metered, fire hose reels shall be connected only to the metered supply, not to the fire protection system. The water supply to fire hose reels shall comply with the requirements of NZS 4503.

### *8.9.5. Charges*

Water used for the purpose of extinguishing fires shall be supplied free of charge. Where the fire protection connection is metered and water has been used for firefighting purposes, the WSA shall estimate the quantity of water so used, and credit to the customer's account an amount based on such an estimate.

### *8.9.6. Ongoing Testing and Monitoring*

Customers intending to test fire protection systems in a manner that requires a draw-off of water, shall obtain the approval of the WSA beforehand. Water used for routine flushing and flow testing does not constitute waste but the quantity of water used may be assessed and charged for by the WSA.

## 8.10. Backflow Prevention

### 8.10.1. Responsibilities and Obligations

The WSA's must oversee and ensure measures are in place to protect water supply arrangements against the risk of backflow under section 27 of the Water Service Act 2021. This involves either:

- a. The WSA installs a backflow prevention device and requires the Customer to reimburse the WSA for the cost of installation, maintenance, and ongoing testing of the device; or
- b. The WSA requires the Customer to install, maintain, and test a backflow prevention device that incorporates a verifiable monitoring system in accordance with any requirements imposed by the WSA.

The customer must take all practicable measure under the WSA's Backflow Prevention Policy on the customer's side of the point of supply to prevent water which has been drawn from the WSA's water supply from returning to that supply. This includes but is not limited to:

- a. Backflow prevention either by providing an adequate air gap, or by the use of an appropriate backflow prevention device;
- b. The prohibition of any cross-connection between the WSA water supply and
  - i. Any other water supply (potable or non-potable)
  - ii. Any other water source
  - iii. Any storage tank
  - iv. Any other pipe, fixture or equipment containing chemicals, liquids, gases, or other non-potable substances.

At the WSA's request, the customer must provide any information about any use or activity at the customer's side of point of supply in relation to a backflow risk category, and/ or take any action(s) requested by the WSA in accordance with the WSA's Backflow Prevention Policy to ensure backflow prevention is achieved to the WSA's satisfaction.

Where there is a change of use or activity carried out at the Customer's side of the point of supply that may alter the risk hazard category<sup>1</sup>, the customer must:

- a. notify the WSA in writing of any change of use or activity; and
- b. demonstrate how backflow prevention will be achieved in relation to the change, to the WSA's satisfaction; and
- c. install a backflow prevention device if one is required, or comply with any requirement made by the WSA under section 27 of the Water Services Act 2021.

A customer must not bypass any Backflow Prevention Device unless the bypass line is also fitted with a Backflow Prevention Device deemed the equivalent of the device

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<sup>1</sup> Appendix 1 of the WSA's Backflow Prevention Policy

being bypassed and / or appropriate for the same hazard risk category and has been approved by the WSA.

The WSA may charge the customer for, but is not limited, to site audits, applications for changes in hazard category classification, and any remedial work and / or essential work. The WSA may recover costs for installing, testing and maintaining backflow prevention devices from the customer(s) where appropriate and / or if the WSA undertook installation, testing and maintenance of backflow prevention devices on the customer(s)'s behalf.

#### *8.10.2. Unmanaged Risk*

Notwithstanding 8.10.1 the WSA may fit a backflow prevention device on the WSA side of the point of supply where the customer cannot demonstrate that the risk of backflow is adequately managed. This will be enabled in accordance with the guidance provided under the WSA's Backflow Prevention Policy.

### **8.11. WSA Equipment and Inspection**

#### *8.11.1. Care of Water Supply System*

The customer shall take due care not to damage any part of the water supply system, including but not limited to pipework, valves, meters, restrictors, chambers, and backflow prevention devices.

#### *8.11.2. Inspection*

Subject to the provisions of the Local Government Act 2002, the customer shall allow the WSA with or without equipment, access to any area of the premises for the purposes of determining compliance with these conditions.

### **8.12. Meters and Flow Restrictors**

#### *8.12.1. Installation*

Meters for on demand supplies, and restrictors for restricted flow supplies, shall be supplied, installed and maintained by the WSA, and shall remain the property of the WSA. Where on demand supplies are not universally metered, the WSA where it considers water use is unusually high, reserves the right to fit a meter at the customer's cost, and charge accordingly.

#### *8.12.2. Location*

Meters and restrictors shall be located in a position where they are readily accessible for reading and maintenance, and if practicable immediately on the WSA side of the point of supply.

### 8.12.3. Accuracy

Meters shall be tested as and when required by the WSA or as prescribed in ISO 4064. The maximum permissible error for the upper flow rate zone ( $Q_2 < Q < Q_4$ ) is  $\pm 2\%$ , for temperatures from  $0.3^\circ\text{C}$  to  $30^\circ\text{C}$  and the maximum permissible error for the lower flow rate zone ( $Q_1 < Q < Q_2$ ) is  $\pm 5\%$ . This accuracy shall be applied to all water meters with  $Q_3 < 100 \text{ m}^3/\text{h}$  and may be applied to water meters with values of  $Q_3 > 100 \text{ m}^3/\text{h}$ . The flow restrictors shall be accurate to within  $\pm 10\%$  of their rated capacity.

NOTE – Where Q is the flow rate:

Q1 is the minimum flow rate; Q2 is the transitional flow rate;

Q3 is the permanent flow rate; and

Q4 is the overload flow rate as defined in ISO 4064-1.

Any customer who disputes the accuracy of a meter or restrictor may apply to the WSA for it to be tested provided that it is not within three months of the last test. If the test shows non-compliance with the accuracy above, the customer shall not be charged for the test. If the test shows compliance, the customer shall pay a fee in accordance with the WSA current fees and charges.

Meters shall be tested as prescribed in ISO 4064-2 and the test report shall be made available as prescribed in ISO 4064-3.

The variation in the error curve shall not exceed 3% for flow rates in the lower zone and 1.5% for flow rates in the upper zone. For the purpose of determining these requirements the mean values of the errors (of indication) at each flow rate, shall apply.

The curves shall not exceed a maximum error of  $\pm 6\%$  for flow rates in the lower zones and  $\pm 2.5\%$  for flow rates in the upper zones.

Restrictors shall be tested by measuring the quantity that flows through the restrictor in a period of not less than one hour at the expected minimum operating pressure. A copy of independent certification of the test result shall be made available to the customer on request.

### 8.12.4. Adjustment

If any meter, after being tested, is found to register a greater or lesser consumption than the quantity of water actually passed through such a meter, the WSA shall make an adjustment in accordance with the results shown by such tests, backdated for a period at the discretion of the WSA but not exceeding 12 months, and the customer shall pay a greater or lesser amount according to the adjustment.

Where a meter is under-reading by more than 20% or has stopped, the WSA reserves the right to charge for the amount of water assessed as having been used over the past billing period, taking into account any seasonal variations in demand.

Where a meter is over-reading, the WSA shall make appropriate adjustments to the customer's invoice(s), based on a period of similar use and backdated to when it is agreed the over-reading is likely to have occurred.

#### 8.12.5. *Estimating Consumption*

Should any meter be out of repair or cease to register, or be removed, the WSA shall estimate the consumption for the period since the previous reading of such meter, (based on the average of the previous four billing periods charged to the customer) and the customer shall pay according to such an estimate. Provided that when by reason of a large variation of consumption due to seasonal or other causes, the average of the previous four billing periods would be an unreasonable estimate of the consumption, the WSA may take into consideration other evidence for the purpose of arriving at a reasonable estimate, and the customer shall pay according to such an estimate.

The customer shall be liable for the cost of water which passes through the meter regardless of whether this is used or is the result of leakage.

Where the seal or dial of a meter is broken, the WSA may declare the reading void and estimate consumption as described above.

#### 8.12.6. *Incorrect Accounts*

Where a situation occurs, other than as provided for in 8.12.5, where the recorded consumption does not accurately represent the actual consumption on a property, the account shall be adjusted using the best information available to the WSA. Such situations include, but are not limited to, misreading of the meter, errors in data processing, meters assigned to the wrong account, and unauthorised supplies.

Where an adjustment is required, in favour of the WSA or the customer, this shall not be backdated more than 12 months from the date the error was detected.

### **8.13. Plumbing System**

Quick-closing valves, pumps, or any other equipment which may cause pressure surges or fluctuations to be transmitted within the water supply system, or compromise the ability of the WSA to maintain its stated levels of service shall not be used on any piping beyond the point of supply. In special circumstances such equipment may be approved by the WSA.

### **8.14. Prevention of Waste**

The customer shall not intentionally allow water to run to waste from any pipe, tap, or other fitting, nor allow the condition of the plumbing within the property to deteriorate to the point where leakage or wastage occurs.

The WSA provides water for consumptive use not as an energy source. The customer shall not use water or water pressure directly from the supply for driving lifts, machinery, eductors, generators, or any other similar device, unless specifically approved. The customer shall not use water for a single pass cooling system or to dilute trade waste prior to disposal, unless specifically approved.

### **8.15. Payment**

The customer shall be liable to pay for the supply of water and related services in accordance with the WSA fees and charges prevailing at the time.

The WSA may recover all unpaid water charges as prescribed in the Local Government (Rating) Act 2002, sections 57 to 82.

### **8.16. Transfer of Rights and Responsibilities**

The customer shall not transfer to any other party the rights and responsibilities set out in this Bylaw.

A supply pipe shall serve only one customer, and shall not extend by hose or any other pipe beyond that customer's property.

In particular and not in limitation of the above any water which the customer draws from the WSA supply shall not be provided to any other party without approval of the WSA.

### **8.17. Change of Ownership**

In the event of a premises changing ownership the WSA shall record the new owner as being the customer at that premises. Where a premises is metered the outgoing customer shall give the WSA five working days notice to arrange a final meter reading.

### **8.18. Disconnection at the Customer's Request**

The customer shall give 20 working days notice in writing to the WSA of the requirement for disconnection of the supply. Disconnection shall be at the customer's cost.

## **9. Breaches and Offences**

### **9.1. Breaches of Conditions of Supply**

The following are deemed breaches of the conditions to supply water:

- a. An incorrect application for supply which fundamentally affects the conditions of supply (section 8);
- b. Failure by the customer to meet and comply with the conditions of supply;
- c. Failure to meet any obligation placed on the customer under all current Acts and Regulations specified in section 4(a);
- d. Frustration of the WSA's ability to adequately and effectively carry out its obligations;
- e. An act or omission including but not limited to any of the following:
  - i. Failure to pay the appropriate charges by the due date
  - ii. Failure to repair a leak, or in any way wilfully allowing water to run to waste, or to be misused



- iii. The fitting of quick-closing valves, pumps, or any other equipment which may cause pressure surges or fluctuations to be transmitted within the water supply system, or compromise the ability of the WSA to maintain its stated levels of service
- iv. Failure to prevent backflow (see 8.10)
- v. Failure to have a backflow prevention device fitted when required by the WSA.
- vi. Tampering, modifying or circumventing any boundary backflow prevention device without written approval from the WSA.
- vii. Failure to comply with water use restrictions or prohibitions introduced by the WSA for any specified purpose
- viii. Using water or water pressure directly from the supply for driving lifts, machinery, eductors, generators, or any other similar device, unless specifically approved by the WSA
- ix. Using water for a single pass cooling or heating system, or to dilute trade waste prior to disposal, unless specifically approved
- x. Extending by hose or any other pipe a private water supply beyond that customer's property
- xi. Providing water drawn from the WSA supply to any other party without approval of the WSA.

In the event of a breach, the WSA shall serve notice on the customer advising the nature of the breach and the steps to be taken to remedy it. If, after one week, the customer persists in the breach, the WSA reserves the right to reduce the flow rate of water to the customer without notice. In such an event the full service of the supply shall be re-established only after payment of the appropriate fee and remedy of the breach to the satisfaction of the WSA.

In addition, if the breach is such that the WSA is required to disconnect the supply for health or safety considerations, such disconnection should be carried out forthwith.

## **9.2. Interference with Equipment**

Any tampering or interfering with WSA equipment, either directly or indirectly, shall constitute a breach. Without prejudice to its other rights and remedies, the WSA shall be entitled to estimate (in accordance with 8.12.5) and charge for the additional water consumption not recorded or allowed to pass where a meter or restrictor has been tampered with, and recover any costs incurred.

## **10. Offences and Penalties**

Every person who breaches the Bylaw commits an offence and is liable on conviction to a fine, pursuant to Section 242(4) of the Local Government Act 2002.

## 11. Appendix

### Referenced Documents

Reference is made in this document to the following:

#### New Zealand Standards

NZS 4503:2005	Hand operated fire-fighting equipment
NZS 4515:2009	Fire sprinkler systems for life safety in sleeping occupancies (up to 2000 square metres)
NZS 4517:2010	Fire sprinkler systems for houses
NZS 4541:2020	Automatic fire sprinkler systems
NZS 9201.1:2007	Model general bylaws - Introductory

#### International Publications

ISO 4064-1:2014	Water meters for cold potable water and hot water Part 1: Metrological and technical requirements.
ISO 4064-2:2014	Water meters for cold potable water and hot water Part 2: Test methods.
ISO 4064-3:2014	Water meters for cold potable water and hot water Part 3: Test report format.

#### Other Publications

Water New Zealand: Boundary Backflow Prevention for Drinking Water Supplies -Code of Practice 2019

Water New Zealand - Water metering of customers on reticulated supplies 2017

#### Related Document

AS/NZS 4020:2018	Testing of products for use in contact with drinking water
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## LOCAL WATER DONE WELL - UPDATE

<b>To:</b>	Infrastructure and Projects Committee
<b>Meeting Date:</b>	Tuesday 3 September 2024
<b>From:</b>	Andrew Strahan
<b>Approved:</b>	Erin Moogan - Group Manager - Infrastructure
<b>Approved Date:</b>	Thursday 29 August 2024
<b>Open Agenda:</b>	Yes
<b>Public Excluded Agenda:</b>	No

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### Purpose and Summary

The report provides an update on the Government's Local Water Done Well Policy and the work that is progressing at a regional level to respond to the Government's legislation program, through the Otago Southland Mayoral and CE Forum. With this context, the report provides a further update on ICC's response and an up-to-date view of the forward plan.

### Recommendations

That the Infrastructure and Projects Committee:

1. Receives the report "Local Water Done Well - Update".

### Background

The Infrastructure Committee, on 2 July 24, was provided with an assessment of the Local Government (Water Services Preliminary Arrangements) Bill (Bill 2), which was introduced to Parliament on 30 May 2024. The Committee was also provided with an update on the Otago Southland regional response, through the formation of the Otago Southland LWDW Working Group. Including an outline of the approach being followed to:

1. Define a Regional Delivery Model.
2. Scope and size four Regional Collaboration Wins.
3. Identify National Collaboration and Shared Service Opportunities.

## Analysis

1. On 8 August 2024, following Cabinet decisions, the DIA provided [information for Councils](#) on a range of LWDW Policy Decisions that have been made. These represent the 'enduring settings' for the new approach to water services delivery.
2. The enabling legislation for these policy decisions is:
  - a. The [Local Government \(Water Services Preliminary Arrangements\) Bill](#) (Bill 2) - was introduced to Parliament in May 2024 and is expected to be enacted by August 2024.
  - b. Local Government Water Services Bill (Bill 3) – anticipated to be introduced by December 2024 and enacted mid 2025.
3. To support the significant tranche of information released, on 12 August 2024, the DIAs' Executive Director for Water Services Policy, provided Council with a briefing on the Enduring Settings.
4. The attached paper provides a summary of the released material, highlights points of particular relevance for ICC and provides links to the DIA Fact Sheets (Refer Attachment 1 - Local Water Done Well - ICC Infrastructure Committee Briefing).
5. The attached paper also includes a status summary from the Otago Southland Local Water Done Well Working Group. To date, the Working Group has provided updates and sought direction through the Joint Otago Southland GM, CE and Mayoral forums.
6. The most recent update for participating Councils provides, proposed Investment Objectives and factors which determine the long list of available collaboration options.
7. A proposed medium list of options has also drafted and shared with Councils in order to gain an early indication of appetite for the range of collaboration models.
8. The Working Group has also provided an update on the wider collaboration activities and options that are being pursued through Selwyn District Council and Ngai Tahu.
9. The Working Group will be providing a similar update to the 3 September 2024 Otago Southland Joint Mayoral Forum.

## Next Steps

Continued participation in the Otago Southland Local Water Done Well Working Group and associated work plan.

Complete detailed planning for ICCs response to Local Water Done Well to align with the regional approach and places all options on the table for consideration. Complete detailed planning to provide ICC alone analysis and modelling, in addition to consultation, decision and Water Service Delivery Plan drafting timeframes.

Continue to provide updates to the ICC Infrastructure Committee, at least bi-monthly or more frequently as required.

## Attachments

1. Local Water Done Well - ICC Infrastructure Committee Briefing (A5522555).

# Local Water Done Well

ICC Infrastructure Committee Briefing

03 September 2024

A5522555



# Content

- Legislation Status
- LWDW Policy Decisions and DIA Guidance
- Otago Southland - LWDW Working Group Update
- Forming an ICC View

## Enabling Legislation Status

- The [Local Government \(Water Services Preliminary Arrangements\) Bill](#) (Bill 2) - was introduced to Parliament in May 2024 and is expected to be enacted by August 2024.
- Local Government Water Services Bill (Bill 3) – anticipated to be introduced by December 2024 and enacted mid 2025.

# LWDW Policy Decisions & DIA Guidance

Following Cabinet Decisions, on 8 August 2024, the DIA provided [information for Councils](#) on a range of LWDW Policy Decisions that have been made. These represent the 'enduring settings' for the new approach to water services delivery.

## PLANNING & ACCOUNTABILITY

- Water services delivery plans
- [Planning and accountability framework](#)

## WATER SERVICES DELIVERY ARRANGEMENTS

- [Streamlined Process for Water CCO Setup](#)
- [New water services delivery models](#)
- [Streamlined process for water CCO set-up](#)
- [Financing of Councils & Water Organisations](#)
- [Future arrangements for stormwater](#)

## ECONOMIC REGULATION & CONSUMER PROTECTION

- Information Provided via Water Services Delivery Plans
- [Full economic regulation & consumer protection regime](#)

## WIDER REGULATORY SYSTEM

- [Drinking water quality regulation](#)
- [Standards to help reduce water infrastructure costs](#)

### ENABLING LEGISLATION







White - LOCAL GOVERNMENT (WATER SERVICES PRELIMINARY ARRANGEMENTS) BILL (BILL 2)

Green - LOCAL GOVERNMENT WATER SERVICES BILL (BILL 3)



# Water Service Delivery Plans

- The Local Government (Water Services Preliminary Arrangements) 'Bill 2' sets out the WSDP content requirements, timeframe, and process for developing and accepting Plans.
- Plans contain information across three key areas:
  - financial and asset information
  - investment required
  - service delivery arrangements
- Status Quo Information from councils' existing public documents (e.g. long-term plans, financial accounts and asset management plans).
- Councils to assess current approach to water services delivery and whether it will be 'fit for purpose' into the future and meets minimum requirements (refer slide 8).
- **If status quo meets all requirements – no need to consider / assess other service delivery arrangements.**

	One-off, transitional documents
	Cover drinking water, wastewater and stormwater
	Have no regulatory function
	Can be developed by individual or joint councils
	Streamlined approach to consultation
	10-year timeframe; may cover up to 30 years, with detailed info on first three

# Water Service Delivery Plans

- One-off, transitional documents
- Covers 10-years, can choose to cover 30 years
- Plan must show financial sustainability -
  - Revenue applied to delivery of water services is sufficient to ensure long-term investment in delivering water services.
  - Financially able to meet all regulatory standards and requirements for the delivery of water services.
  - Ratepayer affordability is not included.
- Water revenue, assets, liabilities must be “ring fenced”
- Council must give effect to the Plan
- CE required to certify Plan is compliant. WSDP approved by the Minister.
- Minister can appoint a “Facilitator” if Plan doesn’t meet requirements, or Council doesn’t give effect to it.

# New Planning & Accountability Framework for Water Service Providers

- Aims to improve transparency and accountability
- Aims to support an enhanced focus on water services
- Applies to all local government water service providers
- Replaces the requirements under Part 6 and Schedule 10 of the LGA. Information on water services will not be in councils' long-term plans

## THREE CORE DOCUMENTS

1. Statement of expectations
2. Water services strategy
3. Water services annual report

*Together, these documents form the framework within which each water service provider's strategic and investment priorities, and performance settings, will be developed, explained and reported*

# Water Services Delivery Models

The legislation will look to establish a framework for water services delivery that includes:

- A set of minimum requirements that apply to water service providers (see opposite)
- Additional legislative requirements that apply to water organisations, focusing on the ownership, governance and structural arrangements for these organisations, and;
- Further provisions that would apply only to consumer trust-owned (and mixed council/trust owned) water organisations.

*The requirements will likely include that all water services providers:*



**Will be subject to economic, environmental and water quality regulation** – further information on economic, environmental and water quality regulation is available in the related factsheets: Economic regulation of water services (refer to the economic regulation factsheet for more information), Drinking water quality regulation, and Standards to help reduce water infrastructure costs.



**Will be subject to a new planning and accountability framework for water services, including the need to produce stand-alone financial statements for water supply, wastewater, and stormwater** – further information outlined in the factsheet: Planning and accountability for local government water services.



**Must be financially sustainable** – legislation will include an enduring objective for water service providers to be financially sustainable, including a requirement for the ringfencing of water services, an expectation of revenue sufficiency, and accommodating for maintenance, renewals and growth.



**Must act consistently with statutory objectives** – legislation will set out a list of statutory objectives that will apply to all water service providers. There will also be several additional statutory objectives that apply to water organisations.



**Will be subject to restrictions against privatisation** – legislation will include prohibitions on losing control, selling or disposing of significant infrastructure. Further, water services assets cannot be used as security.

# Water Services Delivery Models

- Range of delivery models provided for – designed to make it easier for Councils to enter joint arrangements to achieve cost savings, improve efficiency and affordability (see overview below)
- Councils can design their own delivery arrangements as long as the minimum requirements are met.
- Flexibility in providing individual water services through different delivery arrangements.
- DIA Guidance provided for the following:
  - Governance & Accountability
  - Finance & Credit Rating
  - Powers & Authorities available

1	<b>Internal business unit or division</b>	<ul style="list-style-type: none"> <li>• Status quo for many councils</li> <li>• Minimum requirements for water service providers will apply</li> <li>• New financial sustainability, ringfencing rules, and economic regulation will apply</li> </ul>
2	<b>Single council-owned water organisation</b>	<ul style="list-style-type: none"> <li>• New company established, 100% owned by the council</li> <li>• Financial sustainability rules will apply, but retains a financial link to the council</li> <li>• Councils with existing water council-controlled organisations will be required to meet minimum requirements</li> </ul>
3	<b>Multi-council owned water organisation</b>	<ul style="list-style-type: none"> <li>• New company established with multi-council ownership</li> <li>• Appointment of a Board through shareholder council (or similar body) is advisable but not a statutory requirement</li> <li>• Option to access Local Government Funding Agency finance with the provision of parent support or to create a more financially independent organisation</li> </ul>
4	<b>Mixed council/consumer trust owned</b>	<ul style="list-style-type: none"> <li>• Consumer trust established to own majority of shares</li> <li>• Mixed ownership, with one or more councils owning minority of shares</li> <li>• Structure enables financially independent organisation to be established while retaining minority council ownership</li> </ul>
5	<b>Consumer Trust owned</b>	<ul style="list-style-type: none"> <li>• Council transfers assets to consumer trust owned organisation</li> <li>• Consumers elect trustees to represent their interests in the organisation</li> <li>• Most financially independent of the available models</li> </ul>

# Financing options available

- The New Zealand Local Government Funding Agency (LGFA) Limited has confirmed that it will provide financing to support water council-controlled organisations (CCOs) established under Local Water Done Well and look to assist high growth councils with additional financing.
- LGFA will extend its existing lending to CCOs to new water organisations that are CCOs and are financially supported by their parent council or councils.
- LGFA will support leverage for water CCOs up to a level equivalent to 500 percent of operating revenues (around twice that of existing councils), subject to water CCOs meeting prudent credit criteria.
- LGFA will treat borrowing by water CCOs as separate from borrowing by their supporting parent council or councils.
- Councils will also retain the ability to borrow through LGFA should they choose to keep water services 'in house' rather than establish a water organisation.
- LGFA is also reviewing whether it can prudently provide additional flexibility to councils to meet the future challenges faced by the sector.





# Future arrangements for Stormwater

- Councils can choose to transfer some or all aspects of stormwater services to the Water Services Organisation
- Councils will still be responsible for determining the levels of service and performance targets, current funding arrangements remain
- Councils and private landowner roles and responsibilities in relation to the management of overland flow paths and urban watercourses will be specified
- Will need to develop Stormwater risk management plans addressing responsibilities of both Councils and private landowners – to support the integrated management of the stormwater network

# Economic Regulation

- New economic regulation regime for local government water service providers, implemented by the Commerce Commission.
- The Commerce Commission will have a range of regulatory tools, including mandatory information disclosure, to promote efficient practices and protections for consumers. Potential to include affordability considerations.
- The regime will ensure that revenue collected by local government water service providers through rates or water charges is being spent on the level of water infrastructure needed.
- Information disclosure & reporting from Water Service Providers in order to satisfy these regulations.
- Powers to set, for specific providers, maximum and/or minimum revenue allowances, prices and quality standards.

TOOLS
1. Information disclosure
2. Revenue thresholds
3. Financial ringfence
4. Quality standards and performance requirements
5. Price-quality regulation



# Changes to water quality regulation and adoption of wastewater standards

- Aim to reduce the cost and burden for drinking water suppliers associated with complying with the Water Services Act 2021.
- Designed to improve the efficiency and effectiveness of the drinking water regulatory regime, and the approach Taumata Arowai takes to regulating this regime.
- Support a regulatory response that is proportionate to the scale, complexity, and risk profile of each drinking water supply.
- Adoption of national wastewater environmental performance and engineering standards (no min or max) - Requires changes to the Water Services Act and RMA.

## KEY CHANGES

- How Taumata Arowai regulates drinking water suppliers
- Water Services Authority – Taumata Arowai
- Reducing the regulatory burden, particularly for small, low-risk suppliers
- Change in approach to Te Mana o te Wai
- New approach to wastewater standards – single, consistent standard

# What is all this happening?

**Local Water Done Well IMPLEMENTATION ROADMAP**

**This document provides an overview of key activities and milestones for the implementation of Local Water Done Well.**  
It outlines the key steps in the overall Local Water Done Well programme to help councils and other stakeholders understand the timing of the programme. It is not intended to be comprehensive or cover related agency workstreams. All information and timeframes are indicative and subject to change, in line with legislative processes.

August 2024

Workstream	Next 6 months (Jul-Dec 2024)	Jan -Jun 2025	Jul-Dec 2025	Jan-Jun 2026	Jul-Sep 2026
<b>LEGISLATION</b>					
Local Government (Water Services Preliminary Arrangements) Bill (Bill 2)	Bill 2 enacted (Aug 2024) Department of Internal Affairs (DIA) provides guidance for councils to support implementation of Bill 2				
Local Government Water Services Bill (Bill 3)	Bill 3 introduced (Dec 2024)	Bill 3 enacted (mid-2025)	DIA provides guidance for councils to support implementation of Bill 3		
<b>COUNCIL WATER SERVICE DELIVERY ARRANGEMENTS</b>					
Water service delivery arrangements	Councils can establish new water organisations allowed under existing legislation DIA/Crown Infrastructure Partners (CIP) supports councils on delivery model considerations	Councils can establish new water models provided through legislation Minimum requirements for local government water services providers in effect CIP and Local Government Funding Agency (LGFA) support councils on structuring and financing for new water organisations (Dec 2024-Feb 2025)			
Water Services Delivery Plans (WSDPs)	Councils develop WSDPs DIA supports councils to populate WSDP template (Sep-Nov 2024)	Councils finalise WSDPs, with DIA support as needed	Councils submit WSDPs to DIA for review and acceptance (Aug-Nov 2025) Final opportunity for councils to apply for WSDP extension (Jul 2025)	Councils publish accepted WSDPs (Nov 2025 or later for extensions) DIA shares accepted WSDPs with Commerce Commission and Taumata Arowai DIA monitor WSDPs Implementation Plan (Nov 2025 until complete)	

**KEY:** Mandatory activities

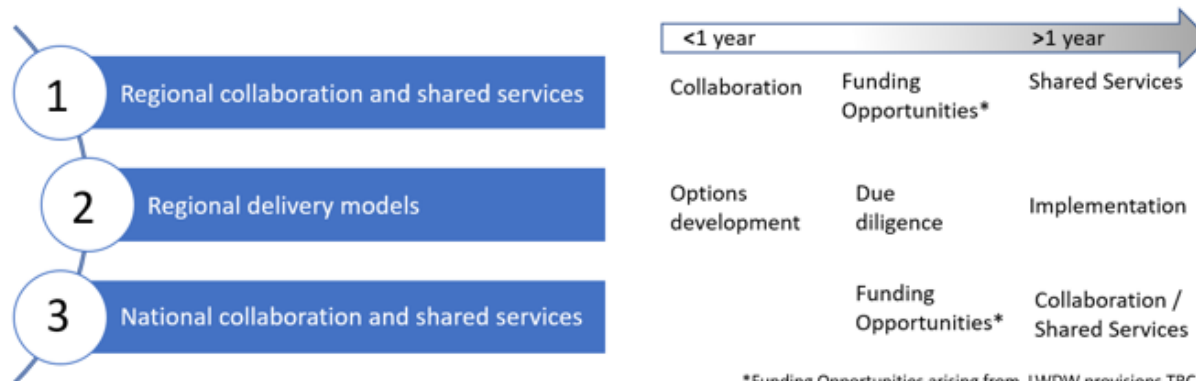
Given the number of moving pieces & interdependencies, the DIA has provided a useful [roadmap](#).

Workstream	Next 6 months (Jul-Dec 2024)	Jan -Jun 2025	Jul-Dec 2025	Jan-Jun 2026	Jul-Sep 2026
<b>ECONOMIC REGULATION</b>					
Crown monitor for Watercare (interim economic regulator for Watercare)	Crown monitor appointed Watercare submits business plan to Crown monitor Watercare Charter in place		Crown monitor quarterly reporting Crown monitor annual reporting (starting 30 Nov 2024)		
Ringfencing of water services	Councils must consider ringfencing as part of WSDPs		Consideration of ringfencing requirements and impacts on council operations, and implementation of financial controls to enable ringfencing of water services financial information		Water service providers prepare stand-alone financial statements for water supply, wastewater and stormwater, and in aggregate, for the period to 30 June 2026, as part of annual reporting (anticipated)
Information disclosure	Councils provide information as part of WSDPs (foundational information disclosure) Early information disclosure on assets and investments for some councils (subject to ministerial approval)		Commerce Commission consultation on potential information disclosure requirements		Information disclosure requirements in place (within 6 months of Bill 3 enactment)
Revenue thresholds					Revenue thresholds in place (if required)
Quality standards and performance requirements					Quality-only regulation and performance requirements can apply
Price-quality regulation					Price-quality regulation can apply
<b>ENVIRONMENTAL REGULATION</b>					
Drinking water			Regulatory changes to ensure regulation is proportional to risk for drinking water suppliers		
Wastewater					
Wastewater environmental performance standards	Taumata Arowai engages on development of wastewater standards	Taumata Arowai consultation on wastewater standards			Wastewater standards in place (mid-late 2025) Modular designs for treatment plants available (that meet wastewater standards)
Stormwater					New urban stormwater provisions take effect
Stormwater management roles and responsibilities					
Water service bylaw alternatives					Alternative options to bylaws available to councils (e.g. drinking water catchment plans, trade waste plans and rules, water supply and waste management enforcement)
Infrastructure					
National Engineering Design Standards (NEDS)					DIA develop NEDS regulations NEDS in place (early 2026)

# Otago Southland - Regional Response

## Three parallel activities

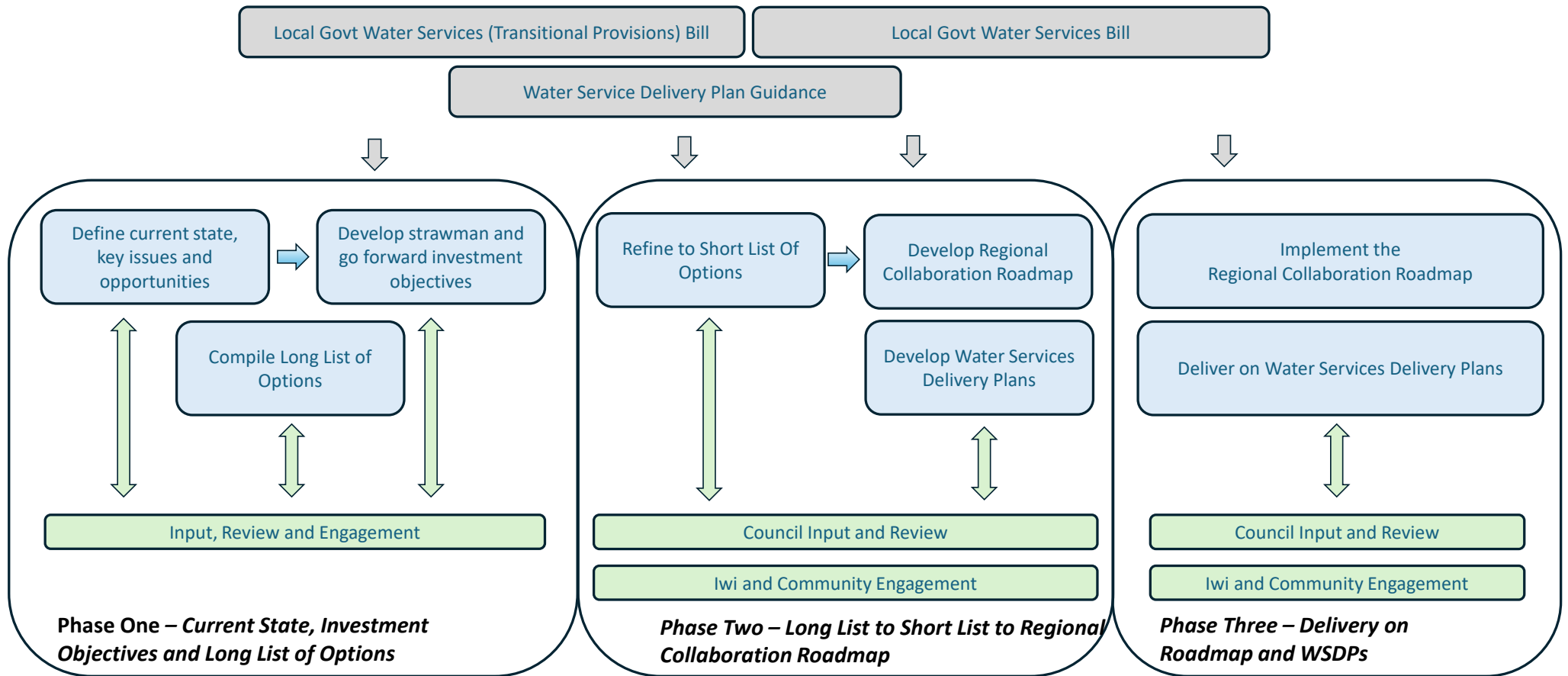
Three groups of activities are introduced in the figure below and detailed in the slides that follow



\*Funding Opportunities arising from LWDW provisions TBC



# Approach to defining a Regional Delivery Model



# Regional Delivery Model Status

- Phase 1 report containing current state analysis, investment principles and long list of Regional Delivery Model options all defined. Reviewed by CE's and to be presented to the 6 Sept Joint Mayoral Forum.
- Medium List to be used to provide an early view of cross council collaboration appetite and potential groupings.
- CE approval provided to progress with Phase 2 Regional Delivery Model short list of options, with supporting analysis and proposed roadmap with supporting financial modelling.
- Working to have draft Regional Delivery Model Outcomes presented for CE review by end Sept and to start of Nov Joint Mayoral Forum.
- Noted -
  - SDC proposed reorganisation of Southland Regional & District Councils. Tracking as a potential external dependency.
  - DCC assessing alternative structures and governance options. Tracking as a potential external dependency.

# Proposed Investment Objectives

	Deliver three waters services in a way that reflects the importance of water to the health of our residents, visitors, environment and economy	Deliver three waters services that sustainably respond to change in population, economic activity and climate change	Deliver three waters services through a model that is responsive to the local needs of our communities	Provide efficient and effective services through a model that supports robust decision making and the development of enduring capability and capacity	Ensure that three waters services are delivered through a model that is enduring and financially sustainable
<b>Economic Wellbeing</b>	<ul style="list-style-type: none"> <li>Three waters services and assets are resilient</li> <li>Provision of reliable, continuous services</li> </ul>	<ul style="list-style-type: none"> <li>Economic and population change is supported through the provision of infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Services provision recognises the diversity in need for three waters infrastructure across our communities</li> </ul>	<ul style="list-style-type: none"> <li>The delivery model is scalable and adaptable</li> <li>The model maximises available efficiencies and encourages effective investment planning</li> <li>The model supports improved retention and recruitment</li> <li>Systems and processes are robust and consistent across the regions</li> </ul>	<ul style="list-style-type: none"> <li>Enough funding is raised (through charges, grants, debt or other means) to invest in needed infrastructure</li> <li>The funding model allows for the ongoing, sustainable, provision of three waters services</li> <li>We meet the requirements of an economic regulator</li> </ul>
<b>Cultural Wellbeing</b>	<ul style="list-style-type: none"> <li>Services respect the cultural significance of water and receiving environments</li> <li>Service provision reflects our role as kaitiaki for the natural environment</li> </ul>	<ul style="list-style-type: none"> <li>The intergenerational impacts of investment are considered</li> </ul>	<ul style="list-style-type: none"> <li>A delivery model that allows for effective engagement with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Strong relationships are held with Runaka</li> <li>Runaka are provided meaningful opportunities to contribute to decision making</li> </ul>	<ul style="list-style-type: none"> <li>The financial capacity of councils to invest in community infrastructure is enhanced</li> </ul>
<b>Social Wellbeing</b>	<ul style="list-style-type: none"> <li>Public health is at the heart of decision making</li> <li>Services will be compliant with all consents, regulatory standards and drinking water standards</li> </ul>	<ul style="list-style-type: none"> <li>Communities are given access to three waters services that they need.</li> </ul>	<ul style="list-style-type: none"> <li>Investment in small communities is maintained</li> <li>No community is left out</li> </ul>	<ul style="list-style-type: none"> <li>The health and safety of our workforce and the public is protected</li> <li>The model supports a highly coordinated emergency management response capability</li> <li>The model supports the development of happy, high performing people</li> </ul>	<ul style="list-style-type: none"> <li>Three waters services are delivered in a way that is more affordable than the alternative.</li> </ul>
<b>Environmental Wellbeing</b>	<ul style="list-style-type: none"> <li>The health of marine, estuary and freshwater environments is reflected through our approach to network management and service provision</li> </ul>	<ul style="list-style-type: none"> <li>Investment decisions balance growth demands against environmental outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Investment planning and service delivery recognises differences in the local environments of our communities</li> </ul>	<ul style="list-style-type: none"> <li>Access to a broad range of skills and resources supports innovation and investment planning that produces good environmental outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Investments consider the long term environmental impacts to reduce whole of life costs</li> </ul>

Long list – BBC options framework template

	← Least Ambitious												→ Most Ambitious		
Service Scope <i>(what activities are included?)</i>	Agricultural water	Rural mixed use supplies	Rural drinking water supplies	Urban drinking water	All drinking water supplies	All water supplies	Water and Wastewater	Wastewater and stormwater	Water, wastewater and stormwater	Three waters plus community owned schemes	Three waters plus land drainage	All core infrastructure			
Service Solution <i>(what services are shared?)</i>	Develop consistent standards and bylaws	Regional operating strategy (after hours monitoring)	Pursue all regional quick wins	Joint procurement	Network O & M	Treatment O & M	Network and Treatment O&M	Funding/ Treasury support	Capital works delivery	Capital works planning/ design/ PMO	Engineering Centre of Excellence	Joint asset management and investment planning	Bulk water and wastewater treatment	All functions	All functions with asset transfer
Service Delivery <i>(what are the structural arrangements?)</i>	Informal arrangement	Memorandum of Understanding	Contractual arrangement	Shared arrangement	Joint venture	Joint committee			Community owned cooperative or trust	Single CCO or entity	Multiple CCOs or entities	Consumer trust	Regional Council		
Implementation <i>(when do we do it?)</i>	Long term (7 + years)			Medium Term (3 – 7 years post)				Short term (1 – 3 years post WSDP)			Phased or staged implementation (progression through scope, solution, or delivery options)				
Funding options <i>(how will we pay for it?)</i>	Cost lies where it falls			Contractual agreement			Set by each council (including upon receipt of advice from entity)			Determined by entity, reflecting local differences		Determined by entity with full regionalisation			

# Regional Collaboration Options – Medium

## List

Less



1. Informal arrangements or commitment to work together
2. Commitment through memoranda of understanding to work together and share information
3. Contractual agreements to provide some shared services between councils
4. Establishment of a shared arrangement across councils (such as the Waikato region's Regional Asset Technical Accord, or Northland regions Northern Transport Alliance)
5. Shared services provided through a legal entity of some description
6. Full water services delivery operations delivered through a CCO that does not own or control revenue, debt, assets, or risk
7. Full water services delivery operations delivered through a CCO that owns assets, carries debt, and has full control of revenue and risk
8. Full water services delivery operations delivered through a company owned by a community trust that owns assets, carries debt, and has full control of revenue and risk

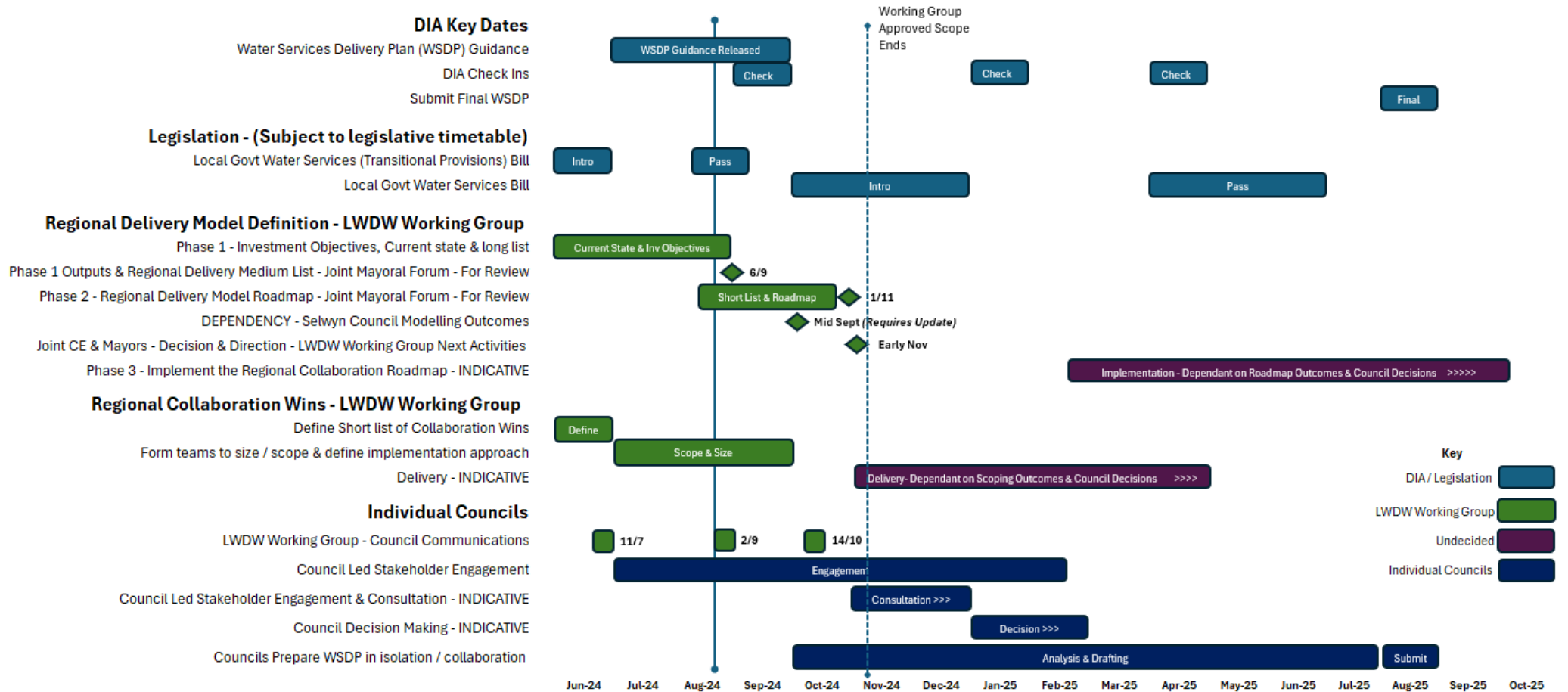
*Formality*  
*Service Scope*  
*Scalability*  
*Ambition*  
*Potential Efficiencies*  
*Independence*

More





# High Level Schedule



# Regional Collaboration Wins

- 1. Strengthening Our Regulatory Position through Creating Consistent Water Safety Plans**
- 2. Strengthening Our Regulatory Position through consistent approach to Drinking Water Quality Assurance Rules for Backflow Prevention.**
- 3. Managing and Operating our networks and facilities consistently.**
  - Review of Control systems, e.g. Scada
  - Review of Data Standards
- 4. Creating An Efficient And Consistent Position On Subdivision Planning.**

## Principles used to Identify Collaboration Wins

- Join up existing teams and foster collaboration
- No change to reporting lines / funding
- Each Council bears its own costs
- Good cost / effort efficiencies on offer e.g. through standardized approach / templates / interactions
- National standards exist and offer a template for Councils to implement to a common standard.
- No / minimal regret effort / spend - in the scenario of a future setup of a Regional / Sub Regional Collaboration model.

# Regional Collaboration Wins

## Status

- Four collaboration wins identified. CE approval provided to progress with sizing and scoping of these and to present outcomes back to the CE group to consider outcomes and decision whether to proceed.
- Cross Council representatives nominated for each team. Framework defined for the team to adopt to ensure consistency and structure.
- Kick off completed, team check-ins in place and targeting to have outcomes for first review by 2 Sept.

# National Collaboration & Shared Services

## Status

- Ngāi Tahu hosted a Takiwa wide meeting of individual Councils on 25/7. The Otago Southland LWDW Working Group presented the approach and work underway. The Working Group will continue to share progress with Ngāi Tahu and monitor the opportunity as it is further defined.
- Selwyn DC offer to Councils to partner as group within the Ngāi Tahu Takiwa including exploring non-contiguous options. The Working Group was provided a view of the modelling outputs and confirmation that these would be provided without cost. CE approval provide to deliver the collated council financial modelling data to the Selwyn team.

# Forming an ICC View & Way Forward

- Participating in Otago Southland Delivery model and Collaboration Win investigations provides the basis for comparing relative merits and drawbacks of an overall / subgroup approach to LWDW vs. ICC alone.
- Additional analysis and modelling likely to be required to assess the ICC status quo vs CCO options.

## **PRIMARY INFRASTRUCTURE CONSENTING PROGRAMME: BLUFF WASTEWATER CONSENT, ALTERNATE WATER SUPPLY AND CLIFTON WASTEWATER CONSENT UPDATE**

<b>To:</b>	Infrastructure and Projects Committee
<b>Meeting Date:</b>	Tuesday 3 September 2024
<b>From:</b>	Alistair Snow – Project Manager
<b>Approved:</b>	Erin Moogan - Group Manager - Infrastructure
<b>Approved Date:</b>	Thursday 29 August 2024
<b>Open Agenda:</b>	Yes
<b>Public Excluded Agenda:</b>	No

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### **Purpose and Summary**

This report is prepared to provide the Committee with updated information and progress of the Bluff Wastewater Consent, the Alternate Water Supply and Clifton Wastewater Consent Projects.

### **Recommendations**

That the Infrastructure and Projects Committee

1. Receives the report 'Primary Infrastructure Consenting Programme: Bluff Wastewater Consent, Alternate Water Supply and Clifton Wastewater Consent Update', including Dashboard Reports – August 2024.

### **Background and Issues**

This programme is progressing with information gathering, options analysis and consent development.

### **Bluff Wastewater Consent**

The current consent expires December 2025. A new consent is programmed for application in April 2025, and lodgement no later than end of June 2025. The project is progressing to plan

Council has endorsed the Best Practicable Option (BPO) Multi-Criteria Analysis and Weightings Methodology for the Short List of Options. The Project Team have continued with the quantitative assessment of the options, the workshop to review the assessment and confirm the "working group preferred solution" is scheduled for the 11 September. This will then come back to Council for endorsement.

Partnership with Awarua Rūnanga and Te Ao Mārama Inc and consultation with key stakeholders (including Bluff Community Board) is established and progressing. The Governance Group met in August to review the status and health of the project, the BPO Multi Criteria Analysis and weighting methodology was discussed. The team also reported on the programme and process going forward to confirm the BPO.

Community Communications on the status of the consenting programme was released in August, as was the update to the identified stakeholders.

Ministry for Environment advised the FTA submission information will soon be made available to the public and for council to confirm it would accept a schedule 2B listing if offered.

\$7.7 million has been provided in the Long-term Plan for the consent of the Bluff Wastewater Treatment Plant. This has been allocated over the first three years of the Long-term Plan - \$0.3 million 2024/25, \$0.4 million 2025/26 and \$7 million 2026/27.

### **Alternate Water Supply**

Drilling of additional bores, to continue the process of proving the aquifer has progressed through August. The Observation well has been installed and the production well is progressing. Pumping is scheduled to commence mid-September and the updated report on the aquifers capacity and capability is due end October.

Fast Track Approval Act: Ministry for Environment advised the FTA submission information will soon be made available to the public

\$60.8 million is budgeted for the alternative water supply project. Whilst the option of an alternative source at Awarua via aquifer is being investigated in depth a number of options for an alternative source are being considered for business casing including increasing reservoir capacity and alternate river sources, these have cost ranges of \$53 - \$155 million.

Council have been contacted by Calder Stewart Developments and Talley's who both are considering water supply requirements in the Awarua area.

### **Clifton Wastewater Consent**

The project has been initiated commencing with information gathering to assist in defining the current situation. The current consent expires on 30 June 2029.

## **Next Steps**

### **Bluff Wastewater Consent**

Project Team to hold the Preferred Scheme workshop 11 September 2024.

Meetings to consider the preferred option are:

Infrastructure and Projects Committee Meeting - 8 October 2024

On-going Community communications and Consultation with key stakeholders is continuing, including the partnership with Awarua Rūnanga, Te Ao Mārama Inc.

Review of Preferred Option against Significance and Engagement Policy.

### **Alternate Water Supply**

Complete drilling and pump testing, the performance report is scheduled to be available in October.

The process remains on track for consent lodgement in 2025.

## **Attachments**

1. Bluff Wastewater Consent Dashboard Report (A5486890).
2. Alternate Water Supply Dashboard Report (A5514170).



A5486890

PCG August 2024



Report to: Erin Moogan | Phase: Consent | PMO Manager: | Project Manager: Alistair Snow

PROJECT HEALTH STATUS: (1 = Green (OK), 2 = Amber (WATCH), 3 = Red (ESCALATE))				
ID		Previous	Current	DESCRIPTION
1	Schedule	Green	Green	* On Programme, Shortlist of options confirmed. * BPO Workshop 12 September. * Governance Group Meeting - 23 September 24 * Infrastructure Committee Meeting - 06 August / 08 October 24 * Bluff Community Board Meeting - 14 August / 14 October 24
2	Financials	Amber	Amber	NTR
3	Scope	Green	Green	MCA for infrastructure and Projects Committee endorsement
4	Resources	Green	Green	NTR
5	Issues	Green	Green	* Leak in the outfall pipe discovered during ecology investigations and is under repair, ES notified.
6	Risks	Green	Green	NTR
7	Dependencies	Green	Green	NTR
8	Quality	Green	Green	NTR
9	Stakeholder	Green	Green	* Infrastructure Committee Meeting -06 August (MCA endorsementn) * Governance Group Meeting - 14 August * Community Engagement Commenced
10	Benefits	Green	Green	NTR
11	Health & Safety	Green	Green	NTR
<b>OVERALL</b>		Amber	Amber	The overall Health Status of the consenting programme remains at amber. The project team are undertaking the Multi Criteria Assessment analyses in preparation for workshop #5 12 September. The Criteria are to be presented to the Infrastructure and Projects Committee 06 August for endorsement. Community Communications has commenced.

PROJECTS STATUS		
Item	Amount	Notes
Budget (incl. contingency)	\$ 1,150,000.00	
Spend to date	\$ 556,654.00	Committed \$708K
Original contingency allowance		
Remaining contingency	\$ 101,442.00	allowance included in forecast
Forecast to completion	\$ 1,125,862.00	Based on current Forecasts, subject to shortlisting and work plan methodology, excl significance scope
Known claims		
Variance (forecast less budget)		
<b>Key Messages:</b> * on programme for Preferred Option selection at Workshop #5 - 12 September 2024. * Affordability limits to be set for Mid August and provided in Workshop #5 Agenda		

STATUS COMMENTARY
<b>Key Achievements:</b> * Multi Criteria Assessment - Criterian and weightings have been selected by the Working Group, infrastructure & projects committee to endorse. * Project Team are working through the assesment of the criteria against the 6 selected options. * Community communications on the project have gone out

ESCALATIONS / DECISIONS					
ID #	DATE RAISED	DESCRIPTION	ACTION (include decision paper reference)	OWNER	STATUS / OUTCOME
1	15/07/2024	Endorsement of MCA criteria	Infrastructure & Project Committee Paper	EM / AS	Committee meet 06 August 2024
2					
3					

KEY PROJECT RISKS WATCH-LIST

ID #	RISK TYPE	RAG STATUS	DESCRIPTION	ACTION / MITIGATION
1	Programme	Green	Current Discharge Consent Expires 31 December 2025	Monitor, Sieving Process progressing to programme

ISSUES WATCH-LIST

ID #	ISSUE TYPE	RAG STATUS	DESCRIPTION	ACTION / MITIGATION	DATE RAISED	DATE CLOSED
1	Process	Green	Business Case / Best Practical Option process alignment	Coordination of processes.	24/10/2023	

Infrastructure and Projects Committee - Public - Primary Infrastructure Consenting Programme: Bluff Wastewater Consent, Alternate Water S...

2	Stakeholder		Stakeholder and Partner Engagement.	Current Engagement Plan, detailed plan to be updated for community engagement
3	Process		Consent application subject to Best Practicable Option process. Forecasting subject to stage gate outcomes	Undertake BPO process as defined by Stantec. Utilise previous experience of consultant team. Regular updating forecasts
4	Stakeholder		Informed ELT, Infrastructure Committee, Governance Group	Regular reporting, Gateway decisions / notification to be identified.
5	Affordability		Informed decision making on financial impact to rates	Affordability Criteria Briefing and statement

2	Affordability		Land Disposal Options, Land Acquisition and Capital Costs are more than budgeted in LTP	Complete MCA Process, affordability assessment and make informed decision	8/04/2024	
3	Programme		Land Acquisition timeline maynot augment with current consent application and requirements.	Complete MCA Process and make informed decision	8/04/2024	
4	Consultation		Constructive Consultation, Community engagement, comprehensive engagement to all stakeholders (RMA requirement) . Monitor Significance & Engagement Policy (LGA requirement)	Drafting Consultation Plan, Post LTP implementation	31/05/2024	
5	Partnering: Marine and Coastal Act		Notify TRONT of Consent Process and lodgement. Monitor Legislation status	Notify / Consult with TRONT	31/05/2024	

Schedule Commentary						
ID #	DESCRIPTION	START DATE	BASELINE CLOSE DATE	ACTUAL CLOSE DATE	RAG STATUS	
1	Strategic Business Case	1/09/2023	1/10/2024			
2	Preffered Solution (BPO) Process	25/10/2023	4/09/2024			
3	Consent Application Submitted	5/09/2024	3/03/2025			
4	New Consent Granted	4/03/2025	20/12/2025			

A5514170

### Alternate Water Supply PCG - August 2024



Project:	Alternate Water Supply	Project Code:	100549	Report to:	Erin Moogan	Project Manager:	Alistair Snow
Project Pha		Strategic		PMO Manager:		Sponsor:	

PROJECT HEALTH STATUS: (1 = Green (OK), 2 = Amber (WATCH), 3 = Red (ESCALATE))				
		Previous	Current	DESCRIPTION
1	Schedule	Amber	Green	Proving stage 1 is progressing 1 month behind programme. October completion
2	Financials	Green	Green	Committed \$996K
3	Scope	Green	Green	Observation well did not intersect with Aquifer, the well is located on the ICC Communications musuem land parcel. The production wells are located 1.2km away at Awarua Siding rd. Ongoing water take consent to be applied for, testing regime tbc.
4	Resources	Green	Green	NTR
5	Issues	Amber	Green	NTR
6	Risks	Green	Amber	* Agriculture deep bores, containmination and consenting risk * Aquifer performance will take some years to confirm / extent of development to be managed
7	Dependencies	Green	Green	Calder Stewarts requested information on drilling and pumping results
8	Quality	Green	Green	NTR
9	Stakeholder	Green	Green	* Existing consented bore owners * Runaka & TAMI, FTA lodgement discussed with Runaka at Governance Group * Central Government (Taumata Arowai, funding agency, FTA schedule 2)
10	Benefits	Green	Green	NTR
11	Health & Safety	Green	Green	Southdrill provided SSSP, safety audits on going.
<b>OVERALL</b>		Green	Amber	Proving of the aquifer continues as planned. Southdrill have completed installing the observation well and drilling continues to install production well 2. The aquifer was intersected at 158m.

PSG COMMENTARY
<p><b>Key Achievements:</b> Proving the aquifer continues as planned, southdrill have completed installing drilling the observation well located on ICC Communication Musuem land, drilling continues to the new production well located in Awarua siding road. The aquifer was intersected at 158m. Pump testing the aquifer will follow after the wells have been constructed over the next month. The hydrologist report is expected in October.</p>

PROJECTS STATUS		
Item	Amount	Notes
Project Budget (incl. contingency)	\$1,303,000	Waiver Approved 8 May 2024
Stage One Budget (incl. contingency)	\$1,055,000	Undertake proving of Aquifer
Stage Two Budget (incl. contingency)	\$248,000.00	tbc
Stage Three Budget (incl. contingency)	NA	
Spend to date	\$393,503	
Original contingency allowance	\$248,000.00	
Remaining contingency	\$248,000.00	Stage two works tbc
Estimate to completion	\$1,303,000.00	
Variance (ETC less budget)		
<p>Key messages: Observation well is in place, Aquifer not discovered and production well is being installed, aquifer intercepted at 158m.</p>		

ESCALATIONS / DECISIONS					
ID #	DATE RAISED	DESCRIPTION	ACTION (include decision paper reference)	OWNER	STATUS / OUTCOME
1					
2					
3					

Infrastructure and Projects Committee - Public - Primary Infrastructure Consenting Programme: Bluff Wastewater Consent, Alternate Water S...

KEY PROJECT RISKS WATCH-LIST				
ID #	RAG STATUS		DESCRIPTION	ACTION / MITIGATION
1	Technical		Aquifer Performance	Progressively improve understanding through proving stages, Construct to accommodate variability. Consider alternatives and impacts.
2	Stakeholder		Early & Constructive Engagement with TAMI	Commenced engagement, ES, Taumata Arowai, Property owners, update Iwi and TAMI at Governance Group Meetings
3	Programme		Delays to programme, changes to the LTP or other funding mechanisms.	Monitor Programme, Manage risks
4	Stakeholder		Informed ELT and Infrastructure Committee	Regular reporting, Gateway decisions to be identified.

ISSUES WATCH-LIST					
ID #	RAG Status	DESCRIPTION	ACTION / MITIGATION	DATE RAISED	DATE CLOSED
1		Aquifer Performance: Numerical Modelling indicated a moderate degree of confidence that abstraction at a rate of 20 MLD could be sustained.	Programme Gateway, assess outcome to Strategic Case	1/05/2024	

Schedule Commentary						
ID #	DESCRIPTION	START DATE	BASELINE CLOSE DATE	ACTUAL CLOSE DATE	RAG STATUS	
1	Strategic Business Case	10/10/2023	4/09/2024			
2	Proving Aquifer Performance	19/12/2024	29/08/2024			
3	Consent Application lodged	3/04/2025	3/04/2025			
4	Consent Granted	4/04/2025	24/12/2025			
5						
6						

Active Site Information					
Site ID	Man Hours Worked	First Aid	Lost Time Injuries	Near Miss	Incidents
NA					

Project Codes		
Stage	TechOne Code	Budget
Drilling TW2 & PW2: South Drill		\$ 583,000.00

TABLED AT  
3 SEPTEMBER 2024  
MEETING

# Local Water Done Well

ICC Infrastructure Committee Briefing  
03 September 2024

A5535866



# Content

- Legislation Status
- LWDW Policy Decisions and DIA Guidance
- Otago Southland - LWDW Working Group Update
- Forming an ICC View

## Enabling Legislation Status

- The [Local Government \(Water Services Preliminary Arrangements\) Bill](#) (Bill 2) - was introduced to Parliament in May 2024 and is expected to be enacted by August 2024.
- Local Government Water Services Bill (Bill 3) – anticipated to be introduced by December 2024 and enacted mid 2025.

# LWDW Policy Decisions & DIA Guidance

Following Cabinet Decisions, on 8 August 2024, the DIA provided [information for Councils](#) on a range of LWDW Policy Decisions that have been made. These represent the 'enduring settings' for the new approach to water services delivery.

## PLANNING & ACCOUNTABILITY

- Water services delivery plans
- [Planning and accountability framework](#)

## WATER SERVICES DELIVERY ARRANGEMENTS

- [Streamlined Process for Water CCO Setup](#)
- [New water services delivery models](#)
- [Streamlined process for water CCO set-up](#)
- [Financing of Councils & Water Organisations](#)
- [Future arrangements for stormwater](#)

## ECONOMIC REGULATION & CONSUMER PROTECTION

- Information Provided via Water Services Delivery Plans
- [Full economic regulation & consumer protection regime](#)

## WIDER REGULATORY SYSTEM

- [Drinking water quality regulation](#)
- [Standards to help reduce water infrastructure costs](#)

### ENABLING LEGISLATION







White - LOCAL GOVERNMENT (WATER SERVICES PRELIMINARY ARRANGEMENTS) BILL (BILL 2)

Green - LOCAL GOVERNMENT WATER SERVICES BILL (BILL 3)



# Water Service Delivery Plans

- The Local Government (Water Services Preliminary Arrangements) 'Bill 2' sets out the WSDP content requirements, timeframe, and process for developing and accepting Plans.
- Plans contain information across three key areas:
  - financial and asset information
  - investment required
  - service delivery arrangements
- Status Quo Information from councils' existing public documents (e.g. long-term plans, financial accounts and asset management plans).
- Councils to assess current approach to water services delivery and whether it will be 'fit for purpose' into the future and meets minimum requirements (refer slide 8).
- **If status quo meets all requirements – no need to consider / assess other service delivery arrangements.**

	One-off, transitional documents
	Cover drinking water, wastewater and stormwater
	Have no regulatory function
	Can be developed by individual or joint councils
	Streamlined approach to consultation
	10-year timeframe; may cover up to 30 years, with detailed info on first three

# Water Services Delivery Models

The legislation will look to establish a framework for water services delivery that includes:

- A set of minimum requirements that apply to water service providers (see opposite)
- Additional legislative requirements that apply to water organisations, focusing on the ownership, governance and structural arrangements for these organisations, and;
- Further provisions that would apply only to consumer trust-owned (and mixed council/trust owned) water organisations.

*The requirements will likely include that all water services providers:*



**Will be subject to economic, environmental and water quality regulation** – further information on economic, environmental and water quality regulation is available in the related factsheets: Economic regulation of water services (refer to the economic regulation factsheet for more information), Drinking water quality regulation, and Standards to help reduce water infrastructure costs.



**Will be subject to a new planning and accountability framework for water services, including the need to produce stand-alone financial statements for water supply, wastewater, and stormwater** – further information outlined in the factsheet: Planning and accountability for local government water services.



**Must be financially sustainable** – legislation will include an enduring objective for water service providers to be financially sustainable, including a requirement for the ringfencing of water services, an expectation of revenue sufficiency, and accommodating for maintenance, renewals and growth.



**Must act consistently with statutory objectives** – legislation will set out a list of statutory objectives that will apply to all water service providers. There will also be several additional statutory objectives that apply to water organisations.



**Will be subject to restrictions against privatisation** – legislation will include prohibitions on losing control, selling or disposing of significant infrastructure. Further, water services assets cannot be used as security.

# Water Services Delivery Models

- Range of delivery models provided for – designed to make it easier for Councils to enter joint arrangements to achieve cost savings, improve efficiency and affordability (see overview below)
- Councils can design their own delivery arrangements as long as the minimum requirements are met.
- Flexibility in providing individual water services through different delivery arrangements.
- DIA Guidance provided for the following:
  - Governance & Accountability
  - Finance & Credit Rating
  - Powers & Authorities available

<b>1</b>	<b>Internal business unit or division</b>	<ul style="list-style-type: none"> <li>• Status quo for many councils</li> <li>• Minimum requirements for water service providers will apply</li> <li>• New financial sustainability, ringfencing rules, and economic regulation will apply</li> </ul>
<b>2</b>	<b>Single council-owned water organisation</b>	<ul style="list-style-type: none"> <li>• New company established, 100% owned by the council</li> <li>• Financial sustainability rules will apply, but retains a financial link to the council</li> <li>• Councils with existing water council-controlled organisations will be required to meet minimum requirements</li> </ul>
<b>3</b>	<b>Multi-council owned water organisation</b>	<ul style="list-style-type: none"> <li>• New company established with multi-council ownership</li> <li>• Appointment of a Board through shareholder council (or similar body) is advisable but not a statutory requirement</li> <li>• Option to access Local Government Funding Agency finance with the provision of parent support or to create a more financially independent organisation</li> </ul>
<b>4</b>	<b>Mixed council/consumer trust owned</b>	<ul style="list-style-type: none"> <li>• Consumer trust established to own majority of shares</li> <li>• Mixed ownership, with one or more councils owning minority of shares</li> <li>• Structure enables financially independent organisation to be established while retaining minority council ownership</li> </ul>
<b>5</b>	<b>Consumer Trust owned</b>	<ul style="list-style-type: none"> <li>• Council transfers assets to consumer trust owned organisation</li> <li>• Consumers elect trustees to represent their interests in the organisation</li> <li>• Most financially independent of the available models</li> </ul>

# Financing options available

- The New Zealand Local Government Funding Agency (LGFA) Limited has confirmed that it will provide financing to support water council-controlled organisations (CCOs) established under Local Water Done Well and look to assist high growth councils with additional financing.
- LGFA will extend its existing lending to CCOs to new water organisations that are CCOs and are financially supported by their parent council or councils.
- LGFA will support leverage for water CCOs up to a level equivalent to 500 percent of operating revenues (around twice that of existing councils), subject to water CCOs meeting prudent credit criteria.
- LGFA will treat borrowing by water CCOs as separate from borrowing by their supporting parent council or councils.
- Councils will also retain the ability to borrow through LGFA should they choose to keep water services 'in house' rather than establish a water organisation.
- LGFA is also reviewing whether it can prudently provide additional flexibility to councils to meet the future challenges faced by the sector.



# Economic Regulation

- New economic regulation regime for local government water service providers, implemented by the Commerce Commission.
- The Commerce Commission will have a range of regulatory tools, including mandatory information disclosure, to promote efficient practices and protections for consumers. Potential to include affordability considerations.
- The regime will ensure that revenue collected by local government water service providers through rates or water charges is being spent on the level of water infrastructure needed.
- Information disclosure & reporting from Water Service Providers in order to satisfy these regulations.
- Powers to set, for specific providers, maximum and/or minimum revenue allowances, prices and quality standards.

TOOLS
1. Information disclosure
2. Revenue thresholds
3. Financial ringfence
4. Quality standards and performance requirements
5. Price-quality regulation

# Changes to water quality regulation and adoption of wastewater standards

- Aim to reduce the cost and burden for drinking water suppliers associated with complying with the Water Services Act 2021.
- Designed to improve the efficiency and effectiveness of the drinking water regulatory regime, and the approach Taumata Arowai takes to regulating this regime.
- Support a regulatory response that is proportionate to the scale, complexity, and risk profile of each drinking water supply.
- Adoption of national wastewater environmental performance and engineering standards (no min or max) - Requires changes to the Water Services Act and RMA.

KEY CHANGES
➤ How Taumata Arowai regulates drinking water suppliers
➤ Water Services Authority – Taumata Arowai
➤ Reducing the regulatory burden, particularly for small, low-risk suppliers
➤ Change in approach to Te Mana o te Wai
➤ New approach to wastewater standards – single, consistent standard

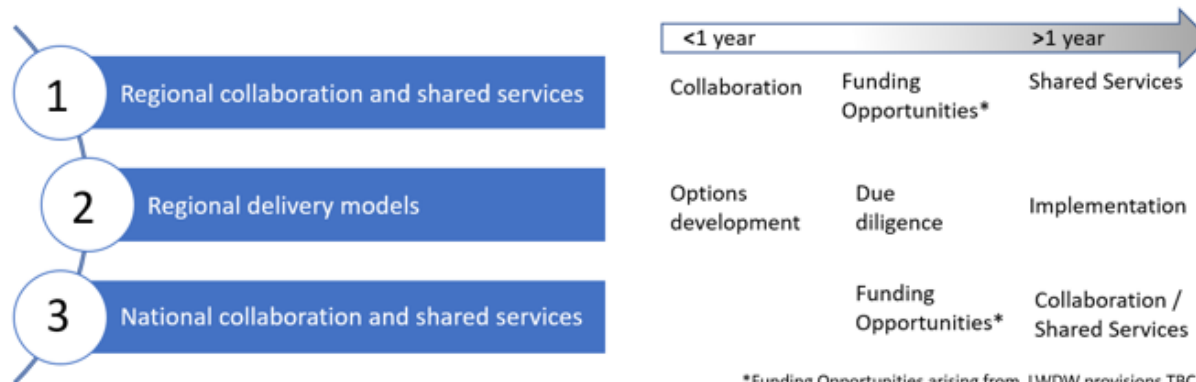




# Otago Southland - Regional Response

## Three parallel activities

Three groups of activities are introduced in the figure below and detailed in the slides that follow



\*Funding Opportunities arising from LWDW provisions TBC



# Proposed Investment Objectives

	Deliver three waters services in a way that reflects the importance of water to the health of our residents, visitors, environment and economy	Deliver three waters services that sustainably respond to change in population, economic activity and climate change	Deliver three waters services through a model that is responsive to the local needs of our communities	Provide efficient and effective services through a model that supports robust decision making and the development of enduring capability and capacity	Ensure that three waters services are delivered through a model that is enduring and financially sustainable
<b>Economic Wellbeing</b>	<ul style="list-style-type: none"> <li>Three waters services and assets are resilient</li> <li>Provision of reliable, continuous services</li> </ul>	<ul style="list-style-type: none"> <li>Economic and population change is supported through the provision of infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Services provision recognises the diversity in need for three waters infrastructure across our communities</li> </ul>	<ul style="list-style-type: none"> <li>The delivery model is scalable and adaptable</li> <li>The model maximises available efficiencies and encourages effective investment planning</li> <li>The model supports improved retention and recruitment</li> <li>Systems and processes are robust and consistent across the regions</li> </ul>	<ul style="list-style-type: none"> <li>Enough funding is raised (through charges, grants, debt or other means) to invest in needed infrastructure</li> <li>The funding model allows for the ongoing, sustainable, provision of three waters services</li> <li>We meet the requirements of an economic regulator</li> </ul>
<b>Cultural Wellbeing</b>	<ul style="list-style-type: none"> <li>Services respect the cultural significance of water and receiving environments</li> <li>Service provision reflects our role as kaitiaki for the natural environment</li> </ul>	<ul style="list-style-type: none"> <li>The intergenerational impacts of investment are considered</li> </ul>	<ul style="list-style-type: none"> <li>A delivery model that allows for effective engagement with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Strong relationships are held with Runaka</li> <li>Runaka are provided meaningful opportunities to contribute to decision making</li> </ul>	<ul style="list-style-type: none"> <li>The financial capacity of councils to invest in community infrastructure is enhanced</li> </ul>
<b>Social Wellbeing</b>	<ul style="list-style-type: none"> <li>Public health is at the heart of decision making</li> <li>Services will be compliant with all consents, regulatory standards and drinking water standards</li> </ul>	<ul style="list-style-type: none"> <li>Communities are given access to three waters services that they need.</li> </ul>	<ul style="list-style-type: none"> <li>Investment in small communities is maintained</li> <li>No community is left out</li> </ul>	<ul style="list-style-type: none"> <li>The health and safety of our workforce and the public is protected</li> <li>The model supports a highly coordinated emergency management response capability</li> <li>The model supports the development of happy, high performing people</li> </ul>	<ul style="list-style-type: none"> <li>Three waters services are delivered in a way that is more affordable than the alternative.</li> </ul>
<b>Environmental Wellbeing</b>	<ul style="list-style-type: none"> <li>The health of marine, estuary and freshwater environments is reflected through our approach to network management and service provision</li> </ul>	<ul style="list-style-type: none"> <li>Investment decisions balance growth demands against environmental outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Investment planning and service delivery recognises differences in the local environments of our communities</li> </ul>	<ul style="list-style-type: none"> <li>Access to a broad range of skills and resources supports innovation and investment planning that produces good environmental outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Investments consider the long term environmental impacts to reduce whole of life costs</li> </ul>



Long list – BBC options framework template

	← Least Ambitious												→ Most Ambitious		
Service Scope <i>(what activities are included?)</i>	Agricultural water	Rural mixed use supplies	Rural drinking water supplies	Urban drinking water	All drinking water supplies	All water supplies	Water and Wastewater	Wastewater and stormwater	Water, wastewater and stormwater	Three waters plus community owned schemes	Three waters plus land drainage	All core infrastructure			
Service Solution <i>(what services are shared?)</i>	Develop consistent standards and bylaws	Regional operating strategy (after hours monitoring)	Pursue all regional quick wins	Joint procurement	Network O & M	Treatment O & M	Network and Treatment O&M	Funding/ Treasury support	Capital works delivery	Capital works planning/ design/ PMO	Engineering Centre of Excellence	Joint asset management and investment planning	Bulk water and wastewater treatment	All functions	All functions with asset transfer
Service Delivery <i>what are the structural arrangements?</i>	Informal arrangement	Memorandum of Understanding	Contractual arrangement	Shared arrangement	Joint venture	Joint committee			Community owned cooperative or trust	Single CCO or entity	Multiple CCOs or entities	Consumer trust	Regional Council		
Implementation <i>(when do we do it?)</i>	Long term (7 + years)			Medium Term (3 – 7 years post)				Short term (1 – 3 years post WSDP)			Phased or staged implementation (progression through scope, solution, or delivery options)				
Funding options <i>(how will we pay for it?)</i>	Cost lies where it falls			Contractual agreement			Set by each council (including upon receipt of advice from entity)			Determined by entity, reflecting local differences		Determined by entity with full regionalisation			

# Regional Collaboration Options – Medium

## List

Less



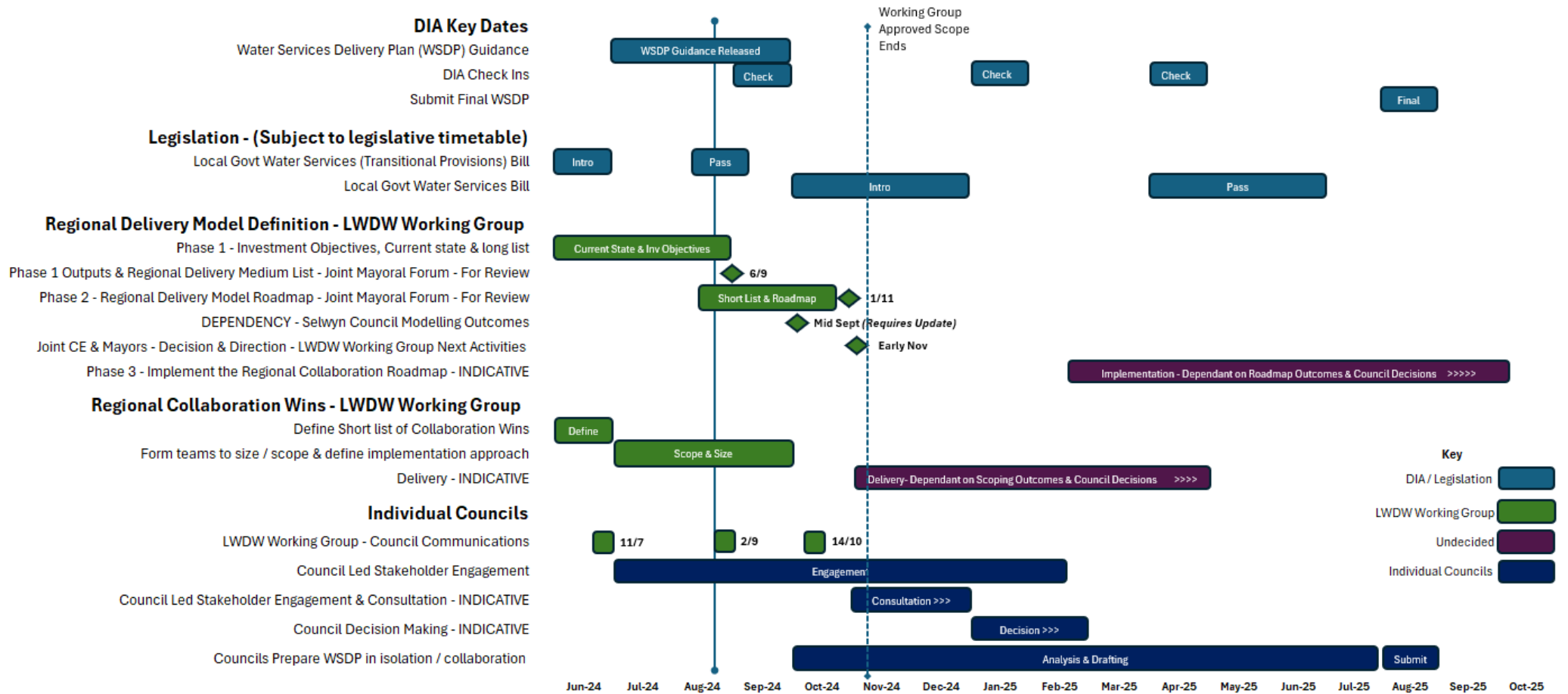
1. Informal arrangements or commitment to work together
2. Commitment through memoranda of understanding to work together and share information
3. Contractual agreements to provide some shared services between councils
4. Establishment of a shared arrangement across councils (such as the Waikato region's Regional Asset Technical Accord, or Northland regions Northern Transport Alliance)
5. Shared services provided through a legal entity of some description
6. Full water services delivery operations delivered through a CCO that does not own or control revenue, debt, assets, or risk
7. Full water services delivery operations delivered through a CCO that owns assets, carries debt, and has full control of revenue and risk
8. Full water services delivery operations delivered through a company owned by a community trust that owns assets, carries debt, and has full control of revenue and risk

*Formality*  
*Service Scope*  
*Scalability*  
*Ambition*  
*Potential Efficiencies*  
*Independence*

More



# High Level Schedule



# National Collaboration & Shared Services

## Status

- Ngāi Tahu hosted a Takiwa wide meeting of individual Councils on 25/7. The Otago Southland LWDW Working Group presented the approach and work underway. The Working Group will continue to share progress with Ngāi Tahu and monitor the opportunity as it is further defined.
- Selwyn DC offer to Councils to partner as group within the Ngāi Tahu Takiwa including exploring non-contiguous options. The Working Group was provided a view of the modelling outputs and confirmation that these would be provided without cost. CE approval provide to deliver the collated council financial modelling data to the Selwyn team.

# Forming an ICC View & Way Forward

- Participating in Otago Southland Delivery model and Collaboration Win investigations provides the basis for comparing relative merits and drawbacks of an overall / subgroup approach to LWDW vs. ICC alone.
- Additional analysis and modelling likely to be required to assess the ICC status quo vs CCO options.