Summary of Three Waters Request for Information Clinic

# Tuesday 17 November 2020, 8am to 9.30am

## General questions related to the RFI

Q. Where are the notes from the RFI clinic last week?

A. The summary notes from last week’s clinic have been uploaded to the RFI webpage at <https://www.dia.govt.nz/Three-Waters-Reform-RfI>). Going forward we also will also email the summaries to attendees.

Q. Have the workbooks been updated and where can the change log be found?

A. Yes, the workbooks (version 2.0) were updated and put on the website. The change log was also emailed to the nominated leads last Tuesday (10 November). DIA will re-send the link to the website and the change log.

Q. Will we be expected to provide this information in the future? If we do not have the information at present, should we start collecting it from now on?

A. The information requested through this RFI is likely to be useful for multiple purposes, including within councils for the purpose of asset management and investment planning. In future, depending on the final form of the Water Services Bill, it is likely that much of this information could be sought by the water services regulator, Taumata Arowai. This information is also similar to a disclosure that could be requested under an economic regulatory regime. It is therefore beneficial for councils to consider capturing lessons from this RfI process and the value of a system for maintaining this information going forward.

## Questioned related to Section A

Q. A1: For some rural properties, we have restricted water supplies where people are charged for the amount of water units they are allocated but their water usage is not measured. Should these properties be included as a measured property or unmeasured property? The supplies cater for the annual ‘peak demand’. This is likely to be seasonal and not necessarily representative of the average day.

A. These properties could be considered as being charged on an assessment of their usage (rather than their actual usage). As such, based on the schedule for Table A1 (p.6), these could be included in unmeasured billed properties. Please note in the commentary cells the number of properties that are charged on this basis.

Q. A3b. This section talks about measured and unmeasured households. Is the intention to link the stormwater properties to measured billings?

A. No, this is not the intention. If customers are charged based on rateable value or some other fixed charge, these customers should be reported unmeasured billed properties in line A3b.1.

**Post meeting note:**

As an additional point, it was noted that stormwater drainage could be considered to involve two services: properties connected to the stormwater drainage system and the drainage of roads and hard standing land in public areas. This latter service provides a public benefit to both residents and non-residents and could be being paid for by all residents through their rates charges.

Councils should report all properties charged for stormwater (e.g. through rates) in lines A3b.1 to A3b.44. Councils should then report the population connected to the stormwater system in line A3b.55 and the properties connected to the stormwater system in the commentary cells.

It would also be useful to understand whether there is a differential charge for those properties connected to the stormwater system.

Q.A3b. In terms of stormwater connections, we bill people who aren’t physically connected. Do we need to estimate how many are/aren’t physically connected?

A. Please see the response above.

Q. A3b: For stormwater connections we have some towns where all properties manage their stormwater onsite (e.g. they own soakpits) but we have limited stormwater networks for road drainage. Should we enter 0 as the number of connected properties?

A. Stormwater drainage could be considered to involve two services: properties connected to the stormwater drainage system and the drainage of roads and hard standing land in public areas. This latter service provides a public benefit to both residents and non-residents and could be paid for by all residents through their rates charges. If there is a differential charge for those properties that are connected to the stormwater system, please exclude properties that have privately owned and managed stormwater soak pits.

Q. E7b.4 Following from the previous question, the soakpits are their own responsibility. Should we enter zero in E7b.4?

A. Please see the response above. If there is a differential charge for those properties that are connected to the stormwater system, please exclude properties that have privately owned and managed stormwater soak pits.

## Questions related to Section C

Q. C1.1: This asks for the number of determinands taken for manual monitoring. Are you asking for the number of samples taken for compliance? For example, there is a minimum requirement for protozoa.

A. Please report the total actual number of samples taken for the relevant years.

Q. C1.1b & C1.2b: We do not undertake continuous monitoring in the distribution zones, only in the treatment zones. Can you please provide guidance on filling out this section?

A. Please report zero for the number of samples in this line.

Q. C1.5: This requests the number of distribution zones that exceed the compliance value for total coliforms. Drinking water standards do not state a limit for total coliforms, so should we just put the total for E.coli rather than coliforms?

A. We will provide an answer in the meeting summary notes.

**Post meeting note:**

 Please report the number of samples that have total coliforms present at any concentration.

Q. C1.6: Following the question above, drinking water standards also do not state a limit for faecal coliforms. How should we answer this request?

A. We will provide an answer in the meeting summary notes.

**Post meeting note:**

 Please report the number of samples that have faecal coliforms present at any concentration.

Q. C4: The fourth block is titled ‘Discharges Confirmed as Failing’. Can you please clarify what you mean by failing? Say for example, that we exceed limits one day a year, is that deemed to be failure?

A. Yes. Failure refers to wastewater treatment plant discharges that do not comply with the consent conditions.

**Post meeting note:**

We have discussed this point with the environmental regulator in Scotland. It is expected that the consent conditions would set out whether any exceedances are permitted. Two-tiered consents, for example, could allow for some exceedances over a specified period. As such, failure would arise if the consent conditions have not been met over the period.

Q. C4.19: Does this exclude discharges to air (i.e. odour)?

A. If there is a condition in the consent relating to odour, then that would apply.

Q. C5: Referring to trade waste consents, when you say the mean, do you mean the average?

A. Yes.

## Questions related Section E

Q. E7b: Where should the stormwater treatment costs be recorded? We have separate stormwater treatment plants and they are a significant part of our operations.

A. Operating costs for stormwater are captured in table E2b. The cost of stormwater treatment plants can be reported in the column titled ‘stormwater treatment and disposal’. While Table E8 and E9 refer to wastewater treatment works, you may also want to capture stormwater treatment plants in these tables. If so, please provide an explanation in the commentary cells.

Q. E: When we have an inhouse service, the payroll costs and operating costs will eventually get charged out through the business to routine and planned maintenance. How do we avoid double counting?

A. The first point to note is please do not include expenditure that is capitalised in tables E1, E2 or E2b.

 In the case outlined in the question, one approach could involve breaking down the broad maintenance contract by the value chain areas (e.g. water distribution, water resources and treatment). If there are no energy or direct employment expenditure outside of the maintenance contract, then all direct costs would then be zero. An alternative approach could involve reducing the value of the service contract by the entries into the labour and other expenditure lines in the direct costs section of E1, E2 and E2b (e.g. E1.1 to E1.12 in Table E1).

## Questions relating to other Sections

**Q. B3a.27: This asks for information on the number of wastewater assets per 10,000km of sewers. A lot of rural councils will only have hundreds of kms of sewers. Should we report in 000s or 00s?**

A. Please use the units provided as this information will be compared across local authorities. If additional context is needed, please note the absolute number in the comments box.

Q. F: Can you please provide advice on how we report the current assets and liabilities for three waters services?

A. This was discussed in the last clinic. We will provide an answer in the meeting summary notes.

**Post meeting note:** Please provide a best estimate. You may choose to use as proxy for the split (e.g., based on a % of revenue, debt or asset values). Please state any assumptions in the commentary and use an appropriate confidence grade to reflect the uncertainty. Note that a run through of the financial sheets (Section F) will be provided in the clinic hosted on the 24th of November.

Q. J1.6: This asks for the number of reservoirs (treated water) and average capacity in each reservoir. In our situation we have 4 main reservoirs with reasonable capacity, and a number of smaller reservoirs with very small amount of capacity. If we include these smaller reservoirs it will skew our data. How should we approach this?

A. Please use a weighted average relative to the value of the reservoirs and note in the comments if the range is large and why.