Summary of Three Waters Request for Information Clinic

# Tuesday, 12th January 2021, 8am to 9.30am

## Overview of the clinic

The purpose of this clinic was to provide an opportunity for WICS and EY to share any common queries they have been receiving and for councils to ask general questions.

## Link to the recording

The link to the recording <https://vimeo.com/499772777>

## Table AA2

**Question: Can we provide our consent register in the workbook directly?**

Answer: Yes, our data extraction tool does allow for this additional tab to be added to the workbook. But please only make additions if there is a request for specific data, like the consent register or valuation report in the AA tabs. If you take this approach, please re-title the new tab based on the information, like the example below.



Further to clinic response: You can also submit your consent register in PDF, Word or Excel format (excel and word are preferable). Please present all consents/designations in a table. Table column headers represent key details of the consent/designation. This could include, but is not limited to:

* Consent/designation name and identifier(s)
* Description
* Location
* Other key details such as permit type/other classifications
* Relevant key dates such as application/expiry dates

Table rows represent each individual consent/designation.

## G Tables

**Discussion from WICS about the G Tables**

When the RfI process was starting, there were quite a few councils who were in the very early stages of pulling together their LTPs. So, we received lots of questions around what to put in the G Tables. As the RfI has progressed, we have realised how important it is to get a full understanding of the investment horizon in an unconstrained world. Therefore, we have asked councils to estimate their unconstrained capital forecasts (i.e. where you are not constrained by supply chains, finances or asset management). This unconstrained capital forecast also should also take account of the changing regulations such as Taumata Arowai.

Several councils have decided to submit two versions of the G Tables. One version which includes their LTP forecasts and another which provides the unconstrained forecasts. If your council chooses to do this, we suggest you create copies of the existing G tabs, to input the unconstrained capital forecast data. Creating exact copies of the original G tabs will ensure that our data extraction tool can accurately pick up the new information. The screenshot below provides an example of how this has been done. Please re-title the new tabs and include an explanation of the information provided in these sheets in the comments fields.



We encourage you to limit changes to Tabs G and J, and please keep changes to the formatting of other tabs to a minimum unless instructed to do so in the workbook.

Please do not remove any rows or columns from the workbook. If you are not using a row/column, then please insert zeros into the cells. This will ensure the check function changes from 'please complete' to 'OK'.

The unconstrained version is also to do with the cost of extending coverage to connect further communities and towns to the network. In line G1.3b, where we ask for additional properties connected in the year, it would be useful to understand the additional properties connected. There are three drivers of new connections – these are:

1. extending three waters coverage to customers that currently have a private arrangement (e.g. a private water supply);
2. to meet growth in population; and
3. to meet shifts in population settlement within New Zealand.

On this third area, for example, in Scotland we observe a marked population shift from Glasgow in the West to Edinburgh in the East which has meant that there has been significant growth investment, but not a material increase in population growth.

There was also a further point that it may be worth briefing the council’s CEO on the rationale for providing the unconstrained capital projection.

**Question: I assume that increases in servicing of existing properties would be included in the levels of service areas in the G Tables, rather than growth. Is that correct? Or is it the other way round?**

Answer: If it is a new connection, for example if an old large section gets subdivided into three or four apartment units, we would consider that growth.

**Follow on question: So, adding water meters to existing service properties would be levels of service not growth?**

Answer: From our perspective, yes. If a council has allocated such investment to growth, however, please use the commentary cells to explain that this is the case.

**Question: You mentioned that putting water meters in should go into the level of service. Is that an increase or decrease in levels of service?**

Answer: Introduction of water meters would be considered a service improvement due to the ability to improve both demand side response and supply side management of water services.

**Question: We are interested to hear how councils have dealt with level of service for pressure, 'at risk' & leakage etc for areas that don't have meters/modelling/monitoring?**

Answer: If you do not record this information already, we are not asking you to go out and collect it. Please only provide information that you have already collected and also clearly state assumptions or method.

We have provided some examples below of how other councils have approached these questions.

*Properties at risk of wastewater or stormwater flooding (B2.22 – B2.24)*

* Several councils have models that look at properties at risk of flooding.
* Some councils that do not have these models have estimated the properties at risk of flooding based on incidents of sewer flooding in the past.
* Some councils have used their engineering judgement based on their knowledge of the network.

*Leakage (A2.37)*

* We believe most councils should have a leakage KPI as part of their performance reporting. Therefore, some councils have used this estimate and attached a wide confidence grade to the estimate.
* Some councils know how much water is going into supply and have estimated the volume supplied to household and non-household customers based on the connected population and per capita consumption. They then assuming that most of the difference relates to leakage and have put a wide confidence grade around this data.

*Water pressure (B2.1, B2.9)*

* For councils that have not recorded it, some are relying on their operational knowledge of the network and their judgement.
* We are also aware of a few councils that have looked at complaints received based on low water pressure and made an estimate based on that. They have then put a wide confidence grade around this data.

As a general observation, in the early years of collecting this information in Scotland, the three water authorities that now form Scottish Water used their complaints information to estimate their levels of service performance on such measures. As such, we encourage councils to follow this approach if they do not currently and consistently record and report on their performance.

**Question: Our council has submitted 11-30 years in one block, but we have it split out by year if required for the G tables?**

Answer: Yes, your approach will work fine.

**Question: Is there a definition of urban and rural, for the G tabs? There doesn't appear to be anything in the guidance notes, and we don't think we have any rural schemes if we assume irrigation and bulk farm uses depict these rural schemes.**

Answer: There is not a set definition. However, please define your assumptions clearly in the comments field. One acceptable approach could be to use the definitions provided in the supporting schedule document for J2. In this definition, rural and suburban are grouped together and urban includes major town centres and trunk roads.

## F Tables

EY ran through some common themes that they have seen while reviewing the F Tables. A summary of these common themes has been emailed to councils.

## General questions

**Question: This question relates to the confidence grading in Table F9. I have aligned that with the confidence grading in our valuation reports. There was some debate about that because these are published figures. Therefore, do we go with the confidence grading of A1? Or do we go with the confidence grading from the valuation reports?**

Answer: We are happy for you to use the confidence grade that you believe is most appropriate – just clearly state any basis if you are able.

As a general observation, based on experience in the UK, we would be surprised if information on underground assets has a confidence grade which implies that the estimate has a range of +/-10%.

**Question: In the last few weeks there have been discussions around the level of engagement/consultation on the reform programme with communities and stakeholders, including council staff. Can we discuss that in this forum please?**

Answer:

* The Joint Steering Committee has noted that it is very important to address these concerns in the sector and industry and this is a priority for the coming months.
* ***Regarding public engagement between councils and their communities***, the team noted that the council is best placed to know what they should be discussing with their communities and when. That said, the RFI workbook response does not require consultation before submitting to DIA.
* ***With regard to the wider reform programme***, SOLGM have published guidance on how to approach the reform and the current LTP process, which primarily notes that, as no decisions have been put to the council there is no requirement to engage on the reform at this stage. The Department of Internal Affairs has recognised that there will need to be consultation at the point of decisions for councils and will support this.
* The Department of Internal Affairs has released a Cabinet paper in December 2020 on the [Three Waters Reform webpage](https://www.dia.govt.nz/Three-Waters-Reform-Programme) which discusses the need for public information and engagement at upcoming stages of the reform programme.
* ***Regarding engagement with council staff on the progress of the reforms,*** it was noted that the Joint Steering Committee provide regular updates to council Mayors and Chief Executives, to support internal communications as appropriate. SOLGM have also been active in raising these issues through the Secretariat and Steering Committee process. These are also proactively uploaded to the DIA website regularly and can be found here: [Updates from the Steering Committee](https://www.dia.govt.nz/Archived-Three-Waters-Reform-Programme-information#Updates).
* The Department of Internal Affairs, in partnership with the Steering Committee, will be undertaking another series of engagement on the reform programme in March 2021. This will entail workshops that will be open to council staff and iwi/hapū and will be supported by a series of online engagements, material releases and engagement with industry bodies.
* We would direct interested people in the first instance to the [Three Waters Reform webpage](https://www.dia.govt.nz/Three-Waters-Reform-Programme) which has a number of useful documents.

**Question: Could you please explain what you are looking for from A4.54: "Percentage unsatisfactory sludge disposal"? The guidance document suggests looking at NZ regulations for what is considered unsatisfactory, what regulations would you recommend we look at?**

Answer: Tab A4.54 asks for the ‘Percentage of Unsatisfactory Sludge Disposal’, based on the response to Tab A5.53 which is the ‘Total Wastewater Sludge Disposal’ (thousand tonnes DS per year).

The definition for A4.54 in the Guidance Document is “Percentage of total sludge disposal that is unsatisfactory given the sludge regulations in New Zealand. Give reasons for unsatisfactory disposal in the commentary and the percentages affected”.

We have decided that “Unsatisfactory” is a category which is more applicable in the UK and EU context, but is not a category that is defined or used in either the “Guidelines for the Safe Application of Biosolids to land in New Zealand (2003)” nor in the Draft “Guidelines for Beneficial Use of Organic Materials on Productive Land (2017)”.

Therefore we suggest that the percentage be entered as “0” for A4.54 BUT it would be very helpful if Councils could provide a comment at A4.54 on the classification that they assess their biosolids to be, either wrt the 2003 Guidelines or the Draft 2017 Organic Materials Guidelines (see links below). If Councils have several different classes of biosolids please provide your estimate % of each Class or Grade.

[2003 Biosolids Guidelines](https://aus01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.waternz.org.nz%2FFolder%3FAction%3DView%2520File%26Folder_id%3D101%26File%3Dbiosolids_guidelines.pdf&data=04%7C01%7Cgarry.macdonald%40beca.com%7C92a160b3a39c4f29861408d8b6cdf991%7Cbb0f7126b1c54f3e8ca12b24f0f74620%7C0%7C0%7C637460343257351260%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=KyrxAgJmJEwKeIE3h2quuzNzw5uMW5npeEYCltZ3HE0%3D&reserved=0)

[Draft 2017 Organics Materials Guidelines](https://aus01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.waternz.org.nz%2FAttachment%3FAction%3DDownload%26Attachment_id%3D3291&data=04%7C01%7Cgarry.macdonald%40beca.com%7C92a160b3a39c4f29861408d8b6cdf991%7Cbb0f7126b1c54f3e8ca12b24f0f74620%7C0%7C0%7C637460343257361258%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=dBBMFFxYo0G6SpncXn%2FXPXlEnxG32hcwJ9mnTOfV2FM%3D&reserved=0)