

BRIEFING: FINANCIAL RAMIFICATIONS OF STORMWATER AND WASTEWATER CONSENTS

15 MARCH 2023 – 4.45PM

ATTENDEES

Elected Members: Cr Barratt, Cr Briggs, Cr Brown, Cr Dyer, Cr Edwards, Deputy Mayor Lewis, Cr Mitchell, Cr Morgan, Cr Parkin, Cr Shaw, Cr Stallinger, Cr Tupou.

Staff: A Blackshaw, Director Neighbourhoods and Communities; K Puketapu-Dentice, Director Economy and Development; A Geddes, Director Environment and Sustainability, Judy Randall, Democracy Advisor.

APOLOGIES

Mayor Barry

J Miller (Chief Executive)

PRESENTERS

- A Penfold, Principal Advisor, RMA Consents and Environment, Wellington Water Ltd
- Paul Gardener Head of Consents and Environment, Wellington Water Ltd.
- B Hodgins, Strategic Advisor

KEY OBJECTIVES OF THE BRIEFING

The purpose of the briefing is to provide an update on resource consents for discharges from wastewater and stormwater networks to meet the requirements of the National Policy Statement – Freshwater Management (NPS-FM).

INTRODUCTION

Network consents need to be lodged soon and will have significant cost implications. This briefing covers how this links to strategic priorities. It outlines the timetable for lodging applications and managing risks, particularly in terms of investment to manage environmental water quality and climate change impacts.

PRESENTATION BY A PENFOLD, PRINCIPAL ADVISOR, RMA CONSENTS AND ENVIRONMENT, WELLINGTON WATER LTD

Slide 1 (Header)

Slide 2 – Purpose: Update on network consents: Network consents will be needed soon for councils to operate legally. The government's National Policy Statement - Freshwater management (NPS-FM) requires new levels of service from councils and Wellington Water Ltd (Wellington Water) to give effect to Te Mana o Te Wai. It is not possible to continue with previous service standards.

Slide 3 – 2024 – 2034 investment needs and options: The impacts on environmental water quality and climate change need to be managed but current funding levels will not cover what is needed. Wellington Water want feedback on how to prioritise to ensure Wellington Water aligns with the new levels of service required.

Slide 4 – Increasing focus on water quality: Wellington Water has developed a plan to reduce contamination for its resource consent applications so it can continue to operate.

Slide 5 – What's covered by the network consents: Network consents require reduced contamination. This includes ensuring residential pipes are connected properly.

Slide 6 – The consent applications have strict timelines: Wellington Water intends lodging the two applications for wastewater and stormwater on time by 31 May 2023.

Slide 7 – And what if... managing through uncertainty: There is significant uncertainty to manage. Wellington Water is confident its application will have the correct information to cover current requirements but will reassess requirements in August 2023 and adapt its application if they change.

Slide 8 – A few notes about the scale of investment: The estimated investment assumes that the amalgamated Entity C will be the investor. Wellington Water has a low level of confidence in these early cost estimates.

Slide 9 – Investment for stormwater: Estimated investment required is:

- Capex: \$260M over 30 Years.
- Opex: \$1M per year for 30 years.

Slide 10 - Investment for Hutt City's wastewater: In the event of wet weather overflows from the wastewater network the estimated investment is:

- Containment in a six-month storm event – Capex Investment: More than \$500M over 30 years.
- Containment in a 24-month storm event – Capex investment: \$1.5B
- Opex investment: around \$2M for 30 years, mainly for maintenance since Wellington Water will need to be prompt in responding to overflows.

Asset owners/ investors and Mana Whenua will decide what the service/containment level will be.

Slide 11 – Disconnect between NPS-FM and investment: A high level of investment is required to meet NPS-FM standards, but investment from councils is likely to be low.

Slide 12 – Working together to address the magnitude of costs: All parties will need to work together to resolve the gap in funding.

Slide 13 – Recap: Greater Wellington Regional Council (GWRC) is planning to implement some Whaitua recommendations. These will be incorporated into water standards. Wellington Water will be influencing the standards to ensure that any investment requests to councils are affordable.

QUESTIONS AND DISCUSSION POINTS

- A Penfold will report back to members on whether the 1,000 km of pipes in the presentation includes all the Wellington region's pipes or just Hutt City Council pipes.
- The detail of when NPS-FM standards need to be met are to be set at a local level with community input through the Whaitua process.
- Most overflows are heavily diluted due to rainwater, and they flow from manholes onto streets.
- A significant component of the investment required is for work additional to what is already planned.
- The estimated investment includes anticipated costs due to the impacts of climate change. The level of Capex investment in the investment plan to be presented to the National Transition Unit (NTU) will be three times that presented in Council's 2021 Long Term Plan.
- Investment requirements will take time to work through, beyond Council's 2024 Long Term Plan.
- Resource consents are not expected to be approved until 2025.
- Councils must be able to demonstrate they are implementing water services to the service level of Te Mana o Te Wai. Councils, Wellington Water and Mana Whenua will work together to improve standards. Wellington Water is working closely with GWRC on the funding aspects. It is working with Mana Whenua to set out aspirations.
- If Wellington Water discharges water without consent it will be open to court action from GWRC. Currently, GWRC is not taking action but there will soon be more expectation of compliance.
- Community education will be a strong focus, with more water care needed at a community level. GWRC will lead this.

- The resource applications are being lodged with an expectation that Three Waters will go ahead, but there is high risk it may not. A plan is needed for councils to fund the increase in investment.
- There is not enough time before the deadline of 31 May 2023 to develop a plan for councils to increase their investment. GWRC will expect councils to have a workable plan and the time to implement it before approving resource consent applications.
- Data on leaks is not available. A significant level of work is needed to find leaks in pipes. Many leaks are on private properties, notably those with gully traps and older houses. Currently Council only manages to find the worst offenders.

NEXT STEPS

The two applications for resource consents will be lodged with GWRC by 31 May 2023.

Wellington Water will get back to councils once the application is lodged to develop a Plan B in case Three Waters does not go ahead.

BRIEFING MATERIALS

Attachment 1 – Presentation: Financial ramifications of stormwater and wastewater consents.

The briefing closed at 5.20pm