

ASSETS AND SERVICES COMMITTEE

4 SEPTEMBER 2019

AGENDA ITEM B1

REPORT ON WINERIES WATER CONNECTIONS

Purpose of Report

To inform members of work to assist three wineries.

Recommendations

Officers recommend that the Committee:

1. *To recommend to Council to decline a request for waiving the water connection fee as mandated in the water supply policy'.*
2. *To recommend to Council to request the normal water (not pro-rata 2.56 times) connection fee of \$3,249.42 plus GST on the basis that wineries agree to a reduction in water usage (remove irrigation) by an agreed date.*
 - a. *To recommend that Council disagrees to the current resolution, and agrees to pay waive all contributions on condition that the wineries have a supply from an alternative source within 2 years, or*
 - b. *To recommend that Council agrees to the current resolution with the wineries agreeing to a reduction in water usage with 2 years and have a supply from an alternative source within 4 years.*

1. Executive Summary

The council collects a capital contribution for each new water and wastewater connection or property. These funds are held in reserves to cover the future capital work to upgrade the network or treatment plant when a capacity constraint is identified.

The wineries that connected to an un-chlorinated water main are requesting the waiver the capital contributions for the new connections.

It is recommended that Council decline a request for waiving the water connection fee as mandated in the water supply policy. Council may consider not implementing the full pro-rata water (2.56 times) connection fee of \$8,318.51 plus GST if the wineries agree to a reduction in water usage. This is anticipating the likely outcomes of new legislation, for instance, an alternative water source for irrigation.

2. Background

Following the E.coli incidents in Martinborough, it was identified that the decision to chlorinate would affect the wineries. Chlorine by-products may have reacted with the microbes in the wine barrels to taint the wine.

Time was given to allow the wineries to install measures to de-chlorinate their supplies.

An alternative was identified to provide unchlorinated water to some wineries. Two parallel pipelines run from the water treatment plant along New York Street west to Princess Street. The vineyards in proximity to the road elected to connect to this main after the council had modified the pipeline to remove any risk of unchlorinated water entering the network.

Three wineries have connected to this pipeline:

- Martinborough
- Ngawaka
- Palliser

The wineries requested new connections for the water and the retention of their existing connections.

- They have agreed to cover the cost of the work for the new connection (using the interest free loan to cover approximately \$2,000 - \$4,500 each),
- However request that the policy of collecting a capital contribution for the new connections be waived.

The council collects a capital contribution for each new connection or property when the apply. This contribution is held in a reserve to cover the future capital work to upgrade the network or treatment plant when a capacity constraint is identified. This is either a payment for the use of any additional capacity in the network or to cover the cost when an upgrade is required. For example, the new wastewater pipeline in Greytown that is at the capacity limit and needs upgrading to allow the new subdivisions to join. This is currently \$3,249.42 plus GST for a 20mm connection, but this is increased for a larger connection. The wineries received a 32mm connection which is provide 256% larger area with a much higher risk for excess water usage so increased by 2.56 to \$8,318.51 plus GST (3 connections = \$24,995.54 plus GST).

It is proposed that whichever level of contribution is agreed upon, this can be added to the interest free loan for the cost of the work to physically connect to the pipeline to a maximum of \$10,000 per winery. This is consistent with the other wineries who have installed additional treatment or storage to enable them to have a chlorine free water supply post chlorination of the Martinborough water supply.

While the wineries say that they will not use anymore water in comparison to the water already taken from their existing connections, there is increased potential for

this to happen. Council do charge for excess usage to prevent an increased water usage. This is only after the fact that we will identify the excess usage.

We could request the wineries agree to monitor their own usage and alert Council to any increased usage throughout the year. We can also ensure more regular meter readings for these properties e.g. quarterly or six monthly to monitor their usage.

2.1 Other considerations

In the updated water management plan, it is identified that water conservation measures will be introduced to decrease the impact of the wineries. Other considerations on water usage are:

- Natural Resources Plan – at low flows restricting water usage to ‘life sustaining’.
- Ruamahanga Whaitua process recommendations for a stop to water take during low flow conditions.
- Climate change impact for longer periods of low flow.

These plans mean that there will be increased pressure on water resources during summer and the wineries should be encouraged to reduce their overall water demand. While there is potentially some provision to keep plants alive, the use of potable water for irrigation is not considered sustainable.

A managed reduction in water demand for the vineyards should be encouraged.

3. Conclusion

It is recommended that Council decline a request for waiving the water connection fee as mandated in the water supply policy, but offer for this to be repaid by way of an interest free loan up to a maximum of \$10,000 per vineyard.

Council may consider not implementing the full pro-rata water (2.56 times) connection fee of \$8,318.51 plus GST if the wineries agree to a reduction in water usage and agree to monitor their usage throughout the year. This could be an alternative water source for irrigation.

4. Appendices

Appendix 1 – Water Treatment Plant to Princess Street

Appendix 2 – Town Water Supply Policy

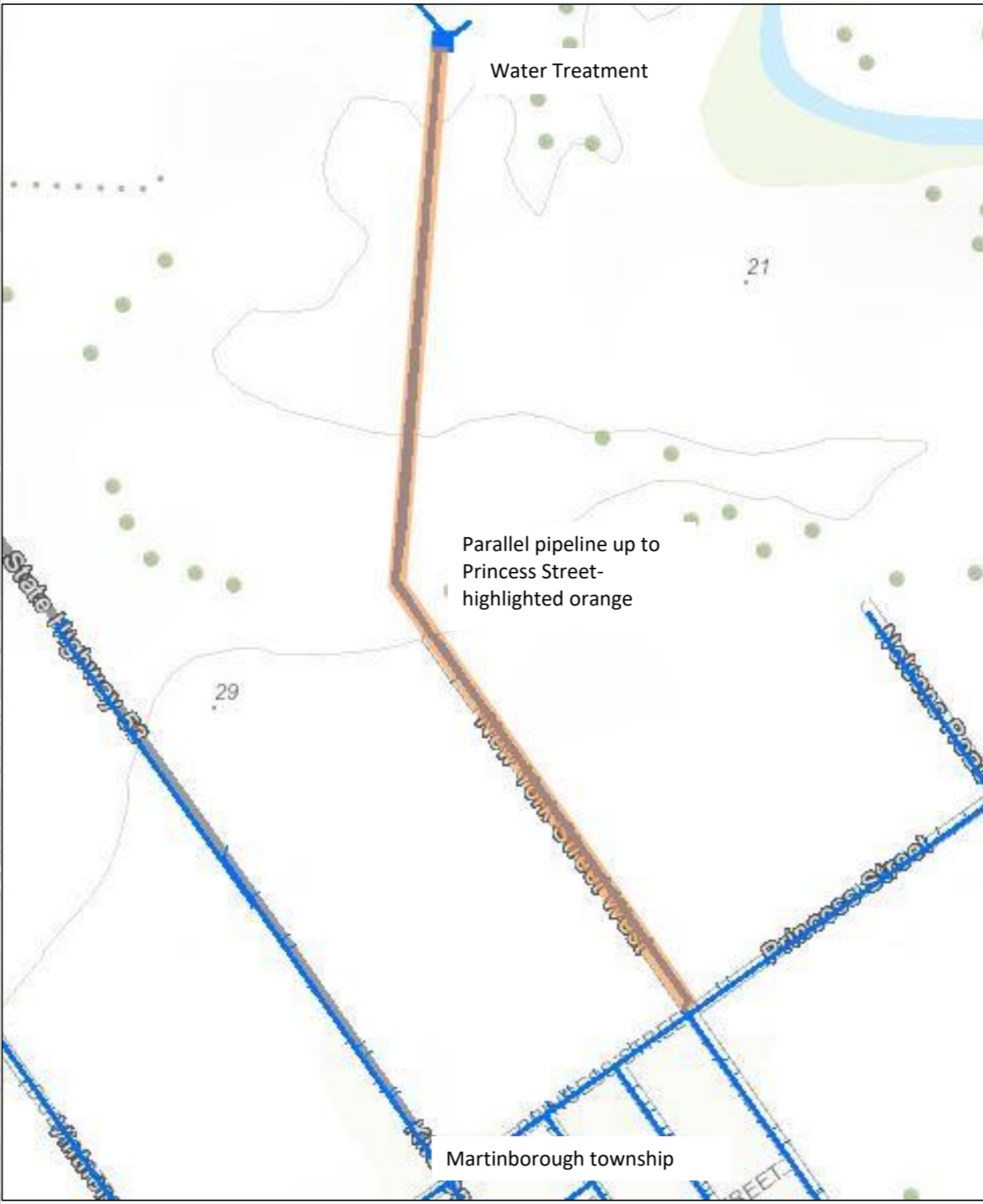
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Appendix 1 – Water Treatment Plant to Princess Street



Aerial of Water treatment plant to Princess St



Pictorial of Water treatment plant to Princess St

Appendix 2 – Town Water Supply Policy

Town Water Supply Policy

1.0 RATIONALE:

Water supply to urban areas requires a significant investment by Council to meet ratepayer's expectations. This policy is to protect Council's investment by setting standards for connections to the system and identifying where the costs of connection lie. Council water supply systems have capacity limitations and requests for new connections, sub divisional development will be considered in the context of system capacity.

2.0 PURPOSE:

To set out the conditions and cost responsibilities relating to Council owned water supply schemes in the District.

3.0 GUIDELINES:

3.1 GENERAL

- 3.1.1 All new connections are charged an administration fee, set by the Council each financial year.
- 3.1.2 Work shall not commence until an application has been approved and administration fee has been paid by the applicant and the Group Manager Infrastructure & Services (or his representative) has approved the specifications for the connection work in writing and a permit to connect issued.
- 3.1.3 The cost of connection work from the water mains to the road boundary and any other associated costs are met by the applicant.
- 3.1.4 Connection work referred to above may include (but is not limited to) pipe work, testing and disinfection, manifold (back flow preventer) service box (toby), water meter, flow control system (if required), attendance by the Council's contractor at the time of connection to the water mains, a New Zealand Transport Agency permit for trenching (if required), a Corridor Access Request for reinstatement of the road and other disturbed infrastructure, relocation of any other services, and any other related work.
- 3.1.5 Applicants have a choice of engaging either Council's contractor or other contractors acceptable to the Council to carry out the connection work(s) referred to. Applicants pay the costs direct to the contractor.
- 3.1.6 If applicants engage a contractor other than Council's contractor, that contractor does the connection to the mains in the presence of Council's contractor. Applicants pay the cost of attendance to Council's contractor, direct.

- 3.1.7 Costs of extending the water mains where required are met by applicants.
- 3.1.8 For connections to new subdivision lots and other properties, applicants pay capital contributions to join the existing system at a rate set by the Council from time to time.
- 3.1.9 Council owns the asset relating to new connection work up to and including the service box (toby) located near the road boundary including water meter and will be responsible for its future maintenance. To meet maintenance requirements, Council requires applicants to use Accuflow manifolds (backflow preventers) and service boxes (Code SM905 double check valve) or equivalent with prior approval of the Group Manager Infrastructure & Services.
- 3.1.10 Each property receives only one connection. Additional connections may be available at Council's discretion where the Council permits more than one house, a commercial building or any other building in a section. In such cases, applicants pay the capital contribution referred to above and subsequent capital contributions for each separate connection.
- 3.1.11 New connections will not be approved for irrigation purposes and Council will review existing irrigation connections from time to time to ensure the efficient use of water resources.
- 3.1.12 All water supply users are required to comply with Council's other policies such as all year round alternate day water supply conservation measures and any other conservation measures applied from time to time.
- 3.1.13 Non-compliance with Council's policies or non-payment of water charges may result in disconnection or reduced flow and non-pressure water supply. For a reconnection, applicants pay an administration charge and other charges.
- 3.1.14 Council's role in providing town water supply is in reference to Masterton District Council and South Wairarapa District Council Consolidated Bylaw operative at the time, Part Five: Water Supply. Council's goal, strategies and policies are made public through the Annual Plan process each year and LTP every three years.
- 3.1.15 As from 1 July 2009, properties have been metered. An annual water usage threshold will apply for each connection and will be subject to review from time to time. Additional usage over the threshold will be charged based on a per cubic metre rate set by the Council each year. Monitoring of water usage is the property owner's responsibility.
- 3.1.16 Users requiring higher quality of water as compared to that normally available from council town water supply to suit to their particular needs shall install their own treatment / filtration system at their own cost.
- 3.1.17 It is the responsibility of individual users to regularly clean their appliances (for example: washing machine filters and plumbing fittings) clear of any suspended material within their premises.

3.1.18 Connecting booster pumps to Council reticulation system and plumbing fittings within the properties are not permitted. Any existing booster appliances must be disconnected.

3.1.19 Applicants are required to provide as-built plans of water connections on completion for Council records.

3.1.20 This amended policy will come into force from 01 May 2017 and will be reviewed from time to time.

3.2 URBAN AREAS

3.2.1 Urban boundaries are those defined in the Combined District Plan Maps.

3.2.2 In urban areas, new water supply connections are 20mm nominal diameter (internal). Financial contributions set by the Council year to year referred to in 3.1.8 above are for standard 20mm connections as stated on the application form. For bigger diameter connections if and where permitted shall be on a pro-rata basis based upon capacity, e.g. for 32mm diameter pipe connection, financial contributions will be 2.56 times that of 20mm diameter connection financial contributions.

3.2.3 If as a result of a change in the urban boundary, former rural properties may request an on-demand supply. The property owner will pay the cost for this change.

3.3 RURAL AREAS

3.3.1 Rural areas are those areas defined in the Combined District Plan Maps.

3.3.2 New water supply connections are for domestic use only, and to meet that demand, supply is limited to 1500 litres per twenty-four hours. At officer discretion only, an on demand supply may be offered to urban size property in the rural area. An urban size property is deemed to be 1000 square meters or less.

To supplement town water supply, applicants are encouraged to provide a conventional roof water collection system.

3.3.3 The relevant conditions for new connection in the urban zones shall apply equally to new connections in the rural zone.

3.3.4 Applicants may use a 20mm connection pipe from the mains and provide a Council approved restricted flow control system to regulate the flow to the extent mentioned above.

3.3.5 Despite clauses 3.3.1 to 3.3.3 above, Council may provide a new connection of any specification to a rural property provided that the connection is for a Council deemed significant commercial use and it promotes the social, economic, environmental and/or cultural well-being of the community. Any connection provided under this clause will be at

Council's absolute discretion. For the avoidance of doubt, no connection will be provided under this clause for any agricultural use or a residential subdivision.