

SOUTH WAIRARAPA DISTRICT COUNCIL

20 FEBRUARY 2019

AGENDA ITEM C8

WASTEWATER SEWER LATERAL REPLACEMENT MANAGEMENT

Purpose of report

For the Council to further consider, as requested, replacement and maintenance responsibilities for householder sewer laterals that form part of the wider community wastewater reticulation system.

Recommendations

Following the ongoing discussions and the request for a decision paper to Council the following paper is the officer's request that Council agree to the following amended items:

- 1. To receive the Wastewater Sewer Lateral Replacement Management Report.*
- 2. That lateral renewal up to the boundary where necessary will be undertaken at Council's cost but only when main pipeline renewal is being undertaken. This will be regarded as an operational expense.*
- 3. That Council in the meantime will not fund depreciation of private lateral assets.*
- 4. That clearing of obstructions and ensuring the lateral is functional will be carried out within Council land.*
- 5. That private property owners remain responsible for lateral renewal maintenance and renewal as per the bylaw when 1. does not apply.*
- 6. That the policy be altered to reflect this change and the bylaw remain unchanged.*

Note: Officers will investigate what opportunities lateral owners have in respect of insurance company liability for defective privately owned laterals.

1. Executive summary

In regulatory terms Council's position is:

Council's By Law

"The point of discharge from a customer marks the boundary of responsibility between the customer and the council. The point of discharge from Council's adopted Bylaw 9201 part 22:1999 adopted in 2012 is at the point of physical connection to the public sewer. In most cases this means that property laterals lie within public land where the main sewer line is usually located"

In policy terms Council's position is:

Council Policy Documents (Waste Water Policy adopted March 2014)

Waste Water Disposal Policy – Connections to Sewer Reticulation System

Extract:

3.1.9 All users own the asset relating to laterals including the actual connection with the sewer main, and are responsible for the maintenance and replacement in future of that asset. Sewer laterals are to be maintained in leak-proof condition.

Positions therefore are consistent with each other.

In spite of the above, Council is asked to give further consideration to this matter aiming to provide some relief for ratepayers and flexibility for the Council depending on the circumstances.

2. Background

A 23 February 2011 action 501 was to review the waste water laterals policy, particularly ownership of the laterals, and provide recommendations and ongoing costs of amending the policy (to be done prior to Annual Plan adoption). A draft was written with further development required before submission to P&F on 4 April 2011.

On the 4 April 2012 action 195 of the P&F meeting resolved to adopt the policy approach as per the model bylaw NZS 9201 part 22:1999 (with modifications to suit) with the point of physical connection to the public sewer, thus retaining ownership and consequent responsibilities of laterals with the property owner.

Officers were tasked to develop a series of protocols for the Waste Water Disposal Policy that would assist officers interpret the policy. Protocols need to cover how road openings are managed (especially on SH2), what Council will fund, and how Council will assist ratepayers who can't afford the cost of a lateral repair.

It was determined that the policy is clear and without exceptional circumstance there is no assistance. This policy was reconfirmed on the 27 June 2012 by Council.

Council has received over time requests for the maintenance and renewal of laterals for various reasons. These requests included (but were not limited to) the following:

- Council assets (trees) causing damage to the lateral
- Works on council mains (or associated works) causing damage to laterals
- Excessive costs for replacement of laterals where crossings have been under highways or local roads
- Suspected damage to laterals caused by heavy vehicle movements
- Private contractor's works on laterals exacerbating a blockage by pushing a blockage from private land onto public land.

Council is also undergoing a review of sewer mains condition due to the infiltration and inflow (I & I) of water. It has been determined in preliminary investigations particularly in Featherston that there is a substantial amount of I&I coming from main pipelines and laterals which are in poor condition. Industry information indicates that up to 50% of infiltration and inflow can come from lateral connections alone.

Outside pipeline renewal opportunities (as recommended in this report) and in the case of one off occurrences Council officers need to be able to have a process to request/enforce the maintenance or replacement of laterals that are found to be in disrepair.

Lateral renewal where justified can be relatively easily achieved within the confines of a mains renewal contract where all process and contractual systems are in place to achieve a quality and affordable outcome. Hence there is some advantage in terms of process and least community cost if lateral and main pipeline renewal is undertaken as one, not to mention a work that could be considered complete in all respects.

Other Council's recent (circa 2010) and current practices are reflected as per the following table:

Local Authority	Lateral ownership (on public land)	Maintenance/ replacement responsibility on Public land	Point of discharge (bdy between public sewer and private drain)	NZS9201:Part 22: 1999 adoption with modifications to suit
Christchurch City	Council	Council for structural repairs. Owner for blockages up to main	Private property boundary	NOT KNOWN
Wellington City	Owner to the main	Owner responsible for structural repairs, one free tree root removal	Council main	NOT KNOWN
Taupo District Council	Council	Council maintains in public spaces	Private property boundary	NOT KNOWN
Central Hawke's Bay District	Council	Council	Private property Boundary	YES
New Plymouth District Council	Council (in asset register)	Council	Council main internally and property boundary externally	YES

Local Authority	Lateral ownership (on public land)	Maintenance/ replacement responsibility on Public land	Point of discharge (bdy between public sewer and private drain)	NZS9201:Part 22: 1999 adoption with modifications to suit
Waimakariri District Council	Council	Council for structural repairs. Owner for blockages to main	Private property boundary	IN PROGRESS
Tararua District Council	Owner to the main	Owner to the main	Council main	YES
Masterton District Council	Owner to the main (in part)	Owner to the main for maintenance only	Council main	YES
Manukau City Council	Council	Council	Private property boundary	NO
Carterton District Council	Council (in asset register)	Council	Private property boundary	YES

3. Discussion

3.1 Infiltration and Inflow

As I&I does not adversely affect the user there is little motivation on the user part to pay for lateral renewal.

However Council will need to continue to remedy I&I throughout its waste-water networks in the coming years to minimise over-investment in future treatment and disposal solutions. The 2015-2025 LTP renewal programme reflects the desire to achieve this goal.

3.2 Legal

The current bylaws are considered legally robust and defensible.

Council can enforce recovery costs from an individual property owners where owner induced problems arise (such as tree roots, blockages and abnormal pipeline deterioration etc.) that can be identified as falling within the responsibility of the owner.

It is not proposed to make any changes to the bylaw in this regard.

3.3 Financial considerations

Pipeline renewals are funded by way of internal transfer from depreciation reserves. Thus all serviced properties contribute via the targeted rate towards the depreciation reserve.

Expenditure on lateral replacement has to be an operational expense because revenue is not collected from lateral depreciation. This means that future operational budgets should identify lateral renewals as a specific line item expense. Where individual private contributions are collected this would show on the income side of the activity account.

Council however might decide to depreciate a portion of the lateral non owned asset (This is the MDC approach). In this case the lateral renewals are a renewal cost along with main pipelines.

Either way there will be a budgetary impact i.e. additional operational cost which is funded by the targeted rate or additional funded depreciation which is also impacts on the targeted rate.

To be taken into account over time are factors such as:

- The operational cost benefits that will accrue if an all-inclusive approach is adopted to reticulation renewals (lesser process and transmission costs)
- The potential reduction in capital costs for future land treatment given the reduced flow loading that will occur over time as renewals works proceed.

4. Future processes

Officers suggest the following course of action.

4.1 Mains replacements

Laterals found to be leaking and defective during the course of main replacement works have to be replaced. The costs associated with this will be included in the project cost but allocated separately as an operational expense.

Typically this would be in the order of 20-30% of the total renewal cost depending on housing density.

4.2 One off replacements

These would normally be expected to be at the owners cost where blockages occur in private drains due to pipeline deterioration resulting in leakage or pipeline collapse.

As per 2.10 of the Consolidated Bylaw 2012 which states:

*".....If the blockage is within the customers private drain the customer **MAY** be charged in accordance with the WWA current schedule of rates and charges"*

It further states:

"...If a blockage is found to be within the public sewer, then provided that the blockage has not been forced down stream into the public sewer in an act of cleaning the private drain, or that the customer has not been negligent in discharging a non-acceptable waste water, then the WAA shall cover actual and reasonable costs.

4.3 One off replacements, special circumstances or proven hardship

Where blockages occur in private drains or mains replacements result in the requirement for lateral maintenance or replacement. Council officers, under delegation from the Group Manager Infrastructure and Services **MAY** authorise a percentage of costs to be covered by council dependant on the nature of the blockage.

The proportion of council's contribution in the case of special circumstances will be dependent on:

- the road classification, i.e. SH2, collector, urban local
- the nature of the repair required and level of culpability of the owner, i.e. the nature of the repair required e.g. collapsed pipe or blockage from unwanted items, and
- the benefit to councils wastewater system.

In the case of extreme hardship being proven, council MAY under delegation of the CE pay the full costs of the repair and recover costs under an individual agreement requiring a Memorandum of Encumbrance.

5. Supporting information

Current policy rationale is that the "Sewer reticulation to urban areas requires a significant investment by Council to meet ratepayers 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".

Current new connection costs will always be at owner or developer cost and it is not proposed that any change occur in this area.

6. Programme implications

Council officers can make contingency allowances in capital renewal works budgets to allow for lateral renewals as needed. More lateral renewal works effectively means less main pipeline renewal for a given amount of renewal expenditure unless a separate allowance is made as suggested above.

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