APPENDIX ONE: REGULATORY IMPACT ASSESSMENT FOR THE AMENDMENT TO THE WATER, WASTEWATER AND STORMWATER SERVICES BYLAW TO FACILITY UNIVERSAL WATER METERING

The purpose of a Regulatory Impact Assessment (RIA) is to provide an overview of the matters that the Council must consider before determining whether a bylaw is the most appropriate way to address problems around water, wastewater and stormwater. An amendment to a bylaw does not require an RIA, this has been completed as good practice to provide robustness to the process of this amendment. This amendment assesses changes to the provisions around water for universal water metering.

This Regulatory Impact Assessment addresses the following matters:

- Legislative authority to deal with the perceived problem
- Determinations
- Current Status of the Bylaw
- Rationale for review of the Bylaw
- Problem identification and assessment for the Bylaw
- Evidence of problems occurring for the Bylaw
- Options for the Bylaw

Legislative authority to deal with the perceived problem

Sections 145 and 146 of the Local Government Act 2002 (LGA) allows the Council to make bylaws relating to water, wastewater and stormwater.

Section 145 General bylaw-making power for territorial authorities
A territorial authority may make bylaws for its district for 1 or more of the following purposes:

a) protecting the public from nuisance:
b) protecting, promoting, and maintaining public health and safety:
c) minimising the potential for offensive behaviour in public places.

Section 146 Specific bylaw-making powers of territorial authorities
Without limiting section 145, a territorial authority may make bylaws for its district for the purposes—

a) of managing, regulating against, or protecting from, damage, misuse, or loss, or for preventing the use of, the land, structures, or infrastructure associated with….
(ii) water supply:
(iii) wastewater, drainage, and sanitation.

Section 19 of the Local Government (Rating) Act 2002 authorises the Council to set a targeted rate for the quantity of water provided by the Council, which may be calculated as a fixed charge per unit of water consumed or supplied, or according to a scale of charges. In effect, section 19 allows the Council to rate for water based on the volume consumed or supplied.

Section 64 of the Health Act 1956 authorises territorial authorities to make bylaws for various matters including improving, promoting, or protecting public health, and preventing or abating nuisances.

There are also powers under Section 64(v) to make bylaws, *"for the protection of pollution of food intended for human consumption and of any water supply*

In 2008, the Health Act 1956 was amended by the addition of new Part 2A relating to drinking water. The purpose of the drinking water part is to protect the health and safety of people and communities by promoting adequate supplies of safe and wholesome drinking water from all drinking water suppliers.

Section 69S(1) places a duty to*".....ensure that an adequate supply of drinking water is provided to each point of supply....."*
Under section 69U, various duties are placed on drinking water suppliers, such as
"(a) contribute to the protection from contamination of each source of raw water from which that drinking-water supplier takes raw water:
(b) protect from contamination all raw water used by that drinking-water supplier."

Section 69V(1) places a duty on drinking water supplies to take "*all practicable steps to ensure that the drinking water supplied by that supplier complies with the drinking-water standards."*

Water supply

Current status
In 2014, Council reviewed the Water, Wastewater and Stormwater Services Bylaw (the Bylaw), which is one bylaw as part of the suite of consolidated NPDC bylaws. Its purpose is to manage and regulate the Council's water supply, wastewater and stormwater drainage services and associated assets.

The Bylaw was developed, consulted upon and made in accordance with the provisions of the LGA. Under this Act, the Bylaw must be reviewed no later than five years after the Bylaw was made, and then no later than ten years after it was reviewed, as required by section 158 of the LGA. The Bylaw is not required to be reviewed until 29 September 2024. A bylaw that is not reviewed as required is revoked two years after the due date for review.

This assessment addresses an amendment to the Bylaw, and is not a review of the Bylaw.

Rationale for amendment of the Bylaw

The amendment seeks to address water conservation by providing for the installation of universal water meters on all existing properties in the district. A

bylaw is the most suitable and only tool the Council has to regulate metering of water.

Problem identification and assessment

The problem or matter the amendments to the Bylaw seek to address is *protecting, promoting, and maintaining public health and safety* through managing the district's water resource. Metering water is considered to have a positive impact on improving the efficient use of water and in turn reducing or deferring significant costs for new water supply growth infrastructure expenditure. Improving the efficient use of water may also contribute to reducing environmental impacts through helping to sustain river flows, providing for better decision making and assisting in the Council's consent application through the collection of data.

Regulation of the customer use of the water supply system is also important to ensure there is a sufficient supply of water for emergencies, as well as regular daily and commercial use.

It is generally important that the Council has the authority to protect and manage the water supply, and customers have a clear understanding of what services they will receive and their obligations as a customer.

Evidence of problems occurring

Each person in New Plymouth uses about 292 litres of water a day (Figure 1). This equates to 45 million litres per day over summer, and around 30 million litres per day during the rest of the year.

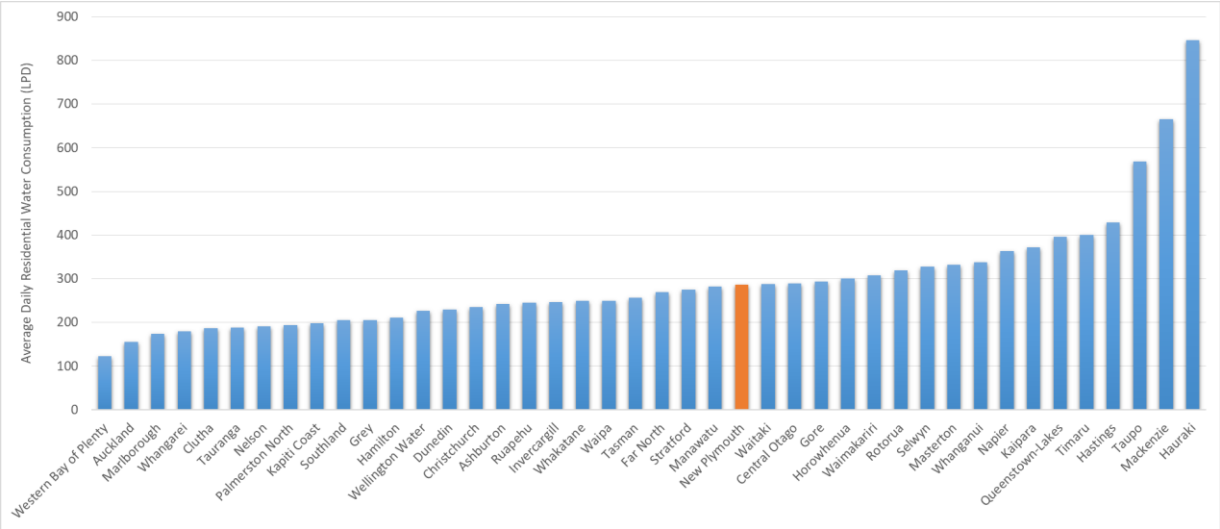

Figure 1 average daily water consumption (litres/person/day)

Our abstraction consents for the New Plymouth and Inglewood water supplies expire in June 2021. When assessing and making decisions on consent applications, the Taranaki Regional Council (TRC) is required to consider if the water is being used

efficiently. When measured against national and international best practice we are not using water efficiently.

Peak water use occurs over the summer months when typically lower rainfall, snow melt and groundwater recharge reduce flows in rivers placing increased and at times significant pressure on water abstraction and compliance with water permits authorising the water abstraction. Improving the efficiency of water use through the installation of water meters is considered to be a positive step to help reduce these pressures

Long-Term Plan 2021-31 Water Conservation and Meters proposal

To address these issues, the Long-Term Plan 2021-31 Consultation Document outlines a proposal for water conservation. Amongst other initiatives, this includes the installation of water meters on all existing properties, and the shift to volumetric charging.

The current Bylaw has a number of provisions around water meters:

- All new water connections require a water meter (this provision was introduced in December 2015)

- All extraordinary supply connections require a water meter, with extraordinary supply including:

    - Domestic use for spa or swimming pool in excess of 10m^3 capacity and fixed garden irrigation systems.
    - Commercial and business.
    - Industrial.
    - Agricultural.
    - Horticultural.
    - Viticultural.
    - Lifestyle blocks (peri-urban or small rural residential).
    - Fire protection systems other than sprinkler systems installed to comply with NZS 4517:2002.
    - Out of district (supply to, or within another local authority).
    - Temporary supply.

- An ordinary use of water shall not be metered, unless water use is excessive or the customer requests a meter.

The Bylaw is therefore required to be amended to provide for the installation of water meters on all water connections.

Bylaw Options

The following options exist to address the problem:

1: Small amendment to the bylaw to provide for metering of all properties.

2: Significant amendments to the bylaw to provide for metering of all properties and associated arrangements.
3: No change to bylaw - Rely on alternative mechanisms and existing legislation to install water meters.

Note, if the Council determines to not proceed with the water meter proposal following consultation on the Long-Term Plan Consultation Document then no amendment to the Bylaw would be required.

Option one: Small amendment to the bylaw to provide for metering of all properties.

This option involves a minimum change to the bylaw to provide for meters to be installed on all properties, compared with the current bylaw which requires only new properties to be installed with a meter.

Advantages	**Disadvantages**
▪ Provides Council with a tool to manage and administer water meters. ▪ Consistent with Council's policy to reduce water consumption and to maintain continuous water supply. ▪ Anticipated 20-30% reduction in water consumption (depending on scale of complimentary water conservation initiatives), although may be difficult to achieve due to limitations on installation, reading and maintenance of meters. ▪ Provides some data on water consumption to inform consents and future planning.	▪ Some property owners may not provide access to install, maintain or read meters ▪ Inconsistency across residents, including metering, charging, enforcement. ▪ Complicated process for charging, which may be mixed across water users. ▪ Council tools to address non-compliance with installation of water meters are limited

Option two: Significant amendments to the bylaw to provide for metering of all properties and associated arrangements (preferred option).

This option involves significant amendments to the bylaw to provide for metering of all properties and associated arrangements, including:

- accessing properties
- protecting water meters from interference
- requiring the Council to install water meters of existing properties at the Council's cost

- providing for the Council to determine how to address complex properties on a case-by-case basis (a complex property is a series of properties with a single point of connection at present)
- addressing maintenance and repair requirements
- outlining the process if a customer prevents the Council from manual reading of the meter on private property
- Processes for correcting water bills and
- Offence provisions

Advantages	Disadvantages
▪ Provides Council with a tool to manage and administer water meters. ▪ Consistent with Council's policy to reduce water consumption and to maintain continuous water supply. ▪ Rules will be consistent across users. ▪ Proactive approach to managing water resource. ▪ Anticipated 20-30% reduction in water consumption (depending on scale of complimentary water conservation initiatives). ▪ Provides data on water consumption to inform consents and future planning.	▪ The powers of the Council to install, maintain and read meters may be seen as onerous by some residents

Option three: Rely on alternative mechanisms and existing legislation to install water meters

This option involves retaining the existing bylaw whilst trying to achieve the LTP water meter installation proposal.

Advantages	Disadvantages
▪ Reduces Council's regulatory role and enforcement burden ▪ Public consultation not required. ▪ No change to current situation – no new rules for Council, community or industry ▪ All new water connections will continue to require a water meter to be fitted.	▪ Hinders Council's ability to give effect to decisions made in the LTP ▪ The Council would only be able install water meters on existing properties where the customer requests it or there is evidence of excessive water use (which is difficult to prove without a water meter)

▪ Likely to reduce capital costs of installing water meters as fewer will be installed due to voluntary nature ▪ Wai Warrior education and community engagement campaign can promote voluntary installation of water meters.	▪ Those most likely to voluntarily install water meter are low water users, limiting ability to successfully reduce total water use ▪ Success is dependent on culture change and community engagement ▪ Risk of consents not being renewed or consents granted for new sources ▪ Changes in the regulatory arena for consenting may have noticeable impact on long-term levels of service, especially during summer. ▪ Does not use existing infrastructure in most efficient way ▪ Dilutes Council's ability to manage the district's water resource. ▪ Inconsistency across residents, including metering, charging, enforcement. ▪ Complicated process for charging, which may be mixed across water users.

The Council's preferred option is option 2.