

WATER SERVICES MANAGERS' GROUP ANNUAL REPORT 2013/2014

CHAIRMAN'S COMMENTARY ON 2013/2014

A major focus over the last 12 months has been to try and get some progress on some outstanding projects. In order to achieve this we have had the assistance of the Water New Zealand Technical Officer Nick Walmsley. Nick has been a great help to get projects moving and this role created by Water NZ is now important part of our technical programme.

In particular we have seen some significant progress in the update of the Biosolids guidelines or as they are now referred to the Guidelines for the Beneficial Re-use of Organic Materials in New Zealand. Technical reviews were commissioned on Metal Contaminants, Organic Contaminants and Pathogens. These reviews were due to be completed in August and will form the basis for the numbers in the guidelines. The next steering group meeting is expected to begin work on confirming these numbers for the guideline document. It is also good to note that the MOH have recently agreed to join the steering group. It will be interesting to see what the final recommendations are.

Another area where significant progress has been made is on the update of the Infiltration and Inflow control manual. This document was originally published in 1996 and was one of the higher priority projects requested by members. After initially thinking we would review the document in house it was eventually decided that utilizing outside consultants would provide a better and quicker outcome. GHD were approached as they had recently completed a similar document for the Australian water sector. With the support of Water NZ the project has now started and the final document due before the end of the year.

Nick also had a major role in last years national performance review. In particular a lot of effort was put into trying to increase participation numbers. This was extremely successful and last year there were 29 participants. The report was also an improvement on previous years and for the first time trends were included which provided some interesting insight. I believe this is a really beneficial exercise and I encourage you all to participate. For future reports we will be looking to align some of the questions with the DIAs mandatory non financial performance measures. This will reduce the amount of information needing to be collated and provide good visibility and trending across participants over time.

The Ministry of Business, Innovation and Employment sponsored research programme to explore the seismic response of buried utility assets continues. Opus and GNS, in collaboration with the University of Canterbury, was award the contract in October 2012. Whilst the final reports are still some way off it is hoped to have an update at the next WSMG meeting in November.

Committee members have not only been assisting with co-ordination of projects but we have two committee members representing WSMG on external industry groups. Dylan Stuijt has continued to provide water sector input into the New Zealand Utilities Advisory Group (NZUAG). NZUAG plays a vital role in the management and multi use of transport corridors. It is a co-operative forum of infrastructure stakeholders tackling many of the tricky issues associated with corridor access. There have been some interesting developments within the NZUAG over the year, including the review of the code, and Dylan has provided a detailed report of NZUAG activity, attached. I would encourage all of you to have a look at the proposed changes to the code and make submissions.

Kelvin Hill is the WSMG training representative. Kelvin now sits on the Water Industry Partnership Group and there are some interesting developments in this space too, which Kelvin's report outlines. Kelvin is also the Water NZ representative on the WSMG committee.

I would like to thank both Dylan and Kelvin for their work representing WSMG on the NZUAG and the Water Industry Partnership Group respectively. It is important that WSMG continues to play an active role in these organisations and Dylan and Kelvin's input is much appreciated.

An interesting development over the year has been the formation of the Water Utilities Association (WUA) by Water NZ. The main objectives of the WUA are

- Water NZ's advocacy in relation to water utilities would be 'parked' with the new Association, hopefully avoiding potential internal tensions within the organisation in the lobbying space.
- The new Association will provide a ready-made vehicle for representation for these utilities when rationalisation occurs, thus avoiding fragmentation .

The Water Utilities Association has met three times this year. An executive committee has been formed comprising Braden Austin (Palmerston North CC), Brett Chapman (Hastings DC), Jules Witt (Clutha DC), Mark Christison (Christchurch CC) and John Dragicevich (Auckland Council). Brett Chapman now chairs the Association. A constitution has been agreed. Whilst we have yet to have any formal communications with WUA I believe it will be important for WSMG to develop a good working relationship with the Association to optimise work programmes and avoid overlaps.

I would like to take this opportunity to congratulate Brent Manning, the former chair of WSMG, who was recently elected president of WaterNZ. It will be good to have a representative of water utilities as president and I wish him all the best in his new role.

I have now been chairman of WSMG for 3 years and have decided it is time to step down and let someone else have a go. It has been an enjoyable time and I look forward to electing a new chair at our November meeting.

Andrew Venmore
Chairman WSMG

WSMG meeting in Taupo – Peter Bahrs

The annual 2 day WSMG meeting in April 2014 was hosted in Taupo at the Suncourt Hotel & Conference Centre. The presence of the Taupo Lake was an ongoing reminder of the importance of water as a resource.

In addition to the usual informative update on Policy & Project matters and an update on the Technical work programme together with the latest Water NZ Performance Benchmarking with 29 Councils completing the exercise.

There was a diverse range of topics presented, these included Whangarei DC, Andrew Carvell's understanding the risk and managing perceptions as a result of wet weather sewage spills in the ecologically sensitive area of the Whangarei harbour and estuary; the challenging issue of how Palmerston North CC are dealing with the wastewater discharge consent and the Manawatu River presented by Rob Green and a review by Howard Wilkinson South Taranaki DC of the implications of the High Court fluoride decision ruling against anti-fluoride campaigners who believed that STDC had no legal powers to put fluoride in water.

Steve Couper, President of Water New Zealand gave an update on the Water New Zealand Board activities and Dylan Stuijt who is the WSMG representative on the NZUAG Committee reported on the current status of activities in the Utilities Advisory Group, the review of the code and its importance in working with other utility operators.

Philip Shackleton, LGNZ and Lorraine Kendrick, National information framework working group member, provided an overview of the LGNZ 3 Waters Project and survey.

Torrey McDonnell from MfE addressed the meeting and presented on the proposed amendments to the NPS for Freshwater Management and the introduction of a National Objectives Framework and explained the proposed amendments and the responsibilities under the NPS.



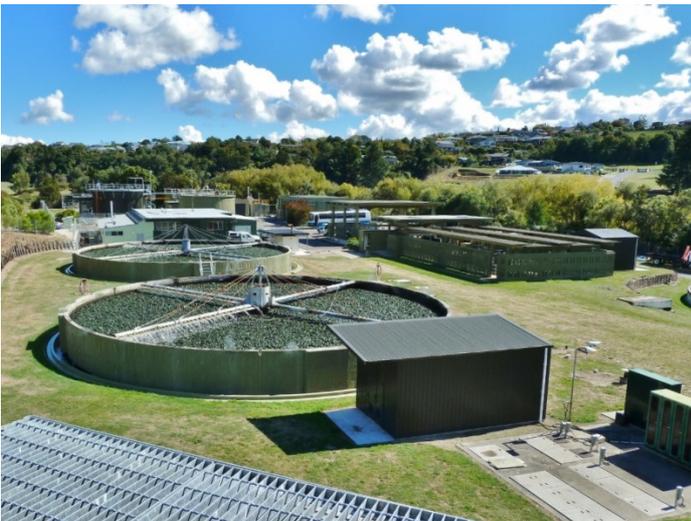
The WSMG meeting was culminated with a site visit hosted by Ramesh Sharma Taupo's Water and Waste Asset Manager. First stop was to the new microfiltration plant followed by a visit to the Wastewater works and the Valley Road effluent disposal site where rye and Lucerne are grown and harvested.



Banks of Pall Filters at the Taupo Water Treatment Plant capable of delivering up to 25,000 cubic metres of water per day.



Overview of Wastewater Plant being given to the WSMG group.



View of one of 12 wastewater plants in Taupo. Treated wastewater effluent is disposed by irrigating rye and lucerne lands as part of a cut and carry operation.

Once again a well-run and informative meeting was held with opportunities to catch up on current aspects facing the water business, thanks to all who made the meeting a success.

WORKS AND PROJECTS REPORTS

Standards for Chemical Treatment of Water –

Since the April WSMG meeting the Good Practice Guide for the Supply of Fluoride has been published with the assistance of Orica, ESR and WSMG review. Following on from that we have been working with MoH and Beca on a Fluoride Code of Practice for installation and operation. Both of these were funded by MoH. The draft Code has been issued for feedback to most of the industry that currently deal with Fluoride (operators and suppliers) with comments due back in September and it is anticipated it will be finalised and published in the next month or two.

The Aluminium Sulphate, Hydrated Lime, Chlorine, Polyelectrolytes chemical supply documents are the remaining ones of similar age. ESR estimated about \$27k to update the technical content of all of them in similar fashion to the Fluoride supply guide. Once the current fluoride exercise is complete (and we know what format MoH is happy with) we will re-assess this.

WINZ update

The Ministry of Health has identified a need for a new National Database for drinking water quality to meet the requirements of the Health Act (Drinking Water) Amendment Act 2007. The current WINZ database is managed by ESR and is no longer adequate for Drinking Water Suppliers to show compliance with the Act or for ESR to produce the annual reports on water quality now required by the Act.

The Ministry therefore established a review panel hosted by Allen and Clarke (Policy, Initiative and Evaluation consultants, and including MoH and ESR representatives, Drinking Water Assessors, and a WSMG representative (Adrian Cocker of Invercargill City Council). The review panel met in May to consider submissions from 6 potential database suppliers on their ability to provide a database system suitable for the needs of the water supply industry. Adrian Cocker surveyed WSMG members in June on their experiences with the current database, and their hopes and needs from a potential replacement database.

Expert Procurement Services Limited were commissioned to develop a business case to obtain funding from Government for a new database, based on the findings of the review panel, and the survey of WSMG members. The original programme was for the business case to be approved in September, however, with the election this is now unlikely to be achieved. The original timeframe for introduction of the new database in time for the next reporting year (July 2015- June 2016) now appears ambitious.

NZUAG – Update to the WSMG.

The 2013/2014 year has been a very eventful and important year for the NZUAG. During 2013, the committee acknowledged that a change to how we operated was needed to remain financially viable, and relevant as an industry lead organisation. The concept of how the NZUAG operates is relatively unique within NZ. It essentially puts together a group of widely differing industries and stakeholders with often polar opposite objectives to set their own rules on how they will work together within a common working environment. No doubt central government will be watching with keen interest to see how this model succeeds (or not).

Within the first few years of its existence the NZUAG's primary focus was on the development of the code, however by late 2013 the code was complete and in full effect throughout the country. It became apparent the group needed to change its focus, and maintaining a chief operating officer was seen as an unaffordable luxury. During this time the NZUAG also appointed its first truly independent chair, Mrs Jenny Morrison. Within her first few weeks of operation, she also came to the same conclusion. Unfortunately due to other personal circumstances Jenny chose to step down from the role as the independent chair.

Before Jenny left, a number of key points were agreed by the committee:

1. The code is complete and in widespread operation, however the administrative functions of the code itself do not sit well with the committee's primary purpose of developing and amending the code.

The committee agreed to approach central government about taking over the administrative functions of the code, in the same way it manages other national standards and codes. The Ministry of Business, Innovation and Employment (MBIE) is considered the natural partner for this function. If successful this would allow the NZUAG committee to focus its resources and efforts on the promotion and implementation of the code, to assess the effectiveness of the code and to facilitate future amendments.

2. Code Review – In 2014 the Code is subject to its first major review. An agreed process and timeframe was established by the committee and is currently underway. The first round of submissions closed in May 2014. A general outline of submissions will be described further on in this report.
3. Financial stability – During 2013 and 2014 the committee was faced with needing to reduce the cost of its membership fees and keep the committee operating within its financial constraints. Through the support of its various members this has been achieved. During the year the vacant independent chair role was also re-advertised.

On the 26th Aug 2014 the NZUAG Committee were pleased to announce Mr Paul Swain as the new Independent Chair. Mr Swain brings a wealth of experience at a national level through his previous ministerial responsibilities for Transport, Commerce/Small Business, and Communications in the Labour Government between 1999 and 2005. Mr Swain's current and recent responsibilities include chairing the Ministerial Inquiry into Foreign Charter Vessels, Deputy Chair of Wellington's Regional Transport Committee, and Chief Crown Negotiator for Treaty of Waitangi Settlements.

During the year I received numerous calls seeking clarification on certain aspects of the code, but by far the most overwhelmingly issue has been 3rd party strikes, and a general reluctance by other service authorities to provide detailed design plans showing potential areas of conflict. This remains one of the primary issues I will continue to advocate on amongst others.

To some relief a number of primary contractors are already taking the issue of 3rd party strikes seriously and are employing a host of investigation measures prior to digging or drilling. Advances in Ground Penetrating Radar (GPR) is one of the various methods starting to pay dividends by reducing the number of strikes, and in many cases helping to locate previously unknown services, or identify services that were incorrectly marked or shown incorrectly on service plans. Other preventative measure such as potholing (conventional digging or hydro-excavation) at potential clash sites is starting to see a reduction in the number of 3rd party strikes. However, there are still a large number of contractors that believe hitting other services is still the cheapest option, without realising the long term non financial implications.

Unfortunately when it comes to providing accurate service plans, many councils are sadly lacking. The fact our services can't be easily traced isn't an excuse for trying to transfer all risks or responsibilities over to the contractor. As an industry we currently have a window of opportunity to find an acceptable middle ground, before the courts start setting precedents which may not go in our favour. Under the code, there's a clear emphasis on ensuring you're responsible for knowing where your "new" assets are going, and to accurately record their location for future projects. While it's not clear in the current code, I believe all asset owners should take a level of responsibility for locating their existing inaccurate or unknown services. GPR is an example of technology that's available now which can help all parties to improve the quality of their data.

In May 2014 the first round of submissions relating to the codes first major review were closed. Submissions were presented to the committee, with suggested wording being presented for a second round of consultation. This second round of consultation is primarily aimed at receiving feedback on the suggested changes, but other comments would be welcome. The closing date for submissions to the amended code, is currently planned for the 31st Oct 2014. Further details can be found on the NZUAG's website.

Below is as a generalised summary of submissions received, some of which will be reflected in the revised code.

1. Most parties agree the code is effective, and that it has raised the bar for working in the road.
2. The NZUAG need to collate and present statistics aimed at showing how effective the code has been by showing; cost trends, 3rd party strike trends and CAR processing times etc.
3. The causer should pay for damages to other services. And provisions need to invoice the client or principle directly rather than the subcontractor for 3rd party damages.

4. The ability to decline applications if no suitable information is provided or if the proposed works adversely affect other users or are considered un-safe.
5. Clarification around who is responsible for health and safety within a public road corridor, and the need to prove that contractors have public liability insurances in place before commencing works. With the recent to H & S Reform Bill's requirements, it's clear that greater clarity around roles and responsibilities are needed within the code.
6. The code is currently silent on consulting and notifying affected parties, and as a result this requirement is being imposed through local conditions. The fact that a number of utility operators are seeking to try and prevent any notification requirements is of concern, as in my view any affected parties should be given the opportunity to react or make preparations in advance of any proposed works.
7. Many TLA's are being asked to provide guidance on why certain local conditions are important in one region as compared to another.
8. An interesting point indirectly raised, was around who has the "right" to access the road corridor. Should the "right" to enter the road corridor only be given to public utilities, and should private profit driven entities be given the same "rights" privilege? Public utilities generally have quality and longevity drivers; however private interests are primarily concerned about time and cost, which is often at odds with other corridor users. And this also leads into whether there should be a limit on the number of competing entities sharing the same corridor. This also ties in with comments around trying to minimise the number of time multiple utilities trench through the same piece of roadway, and all too often directly following a roads re-construction or re-seal.
9. The need for a common "electronic" format for exchanging and sharing data, and ultimately a nationally consistent "asset data" structure. The majority of industries working within the roading corridor already have GIS systems or spatial databases in place, with a number already looking to the next level of smart data systems. Interestingly, one large Telco continues to resist the need to move to an electronic dataset and is clearly falling well behind the industry standard. The use of electronic data formats also opens up the ability for future on-line applications, or pre-lodgement investigations, and shared data servers which are already being trialled in some regions.
10. The need for greater powers to demonstrate proof that accurate as-built records have been developed, and also using reduced levels, rather than the crude "cover" method used in the old days before roads were lowered. For some, the tolerances in the code aren't deemed accurate enough, and for others they seem unachievable. In my view, the existing tolerances are well and truly achievable, even the rapidly growing non RTK GPS systems are providing the levels of accuracy required, and if that fails you still have a tape measure! It's only when you need less than 5mm accuracy that GPS system fails to deliver.
11. Attempts to lay narrow trenches is resulting in poor compaction results (i.e. a compactor can't fit in a 150mm wide trench). A number of proposed fill materials for these narrow trenches will also create a moisture barrier that will lead to early failure of road pavements.
12. The need for single CAR's to cover maintenance and reactive works. And general concerns around the mounting cost of CAR's vs their effectiveness.
13. The need for a standard or consistent approach to processing CAR's throughout the country.
14. Creating a minimum or minor works threshold that is permitted without a formal process, where the works don't involve digging within the road corridor. E.g. Maintenance on power box's, street lights, pump stations, etc.. This also raises the point that not only excavations in the road should be covered as these other activities also require traffic management, and can pose a risk to other utilities. A name change for the code has been proposed by Tauranga City, and I tend to support this

view. The suggestion is that it be called the 'National Code of Practice - Access to Transport Corridors'.

15. The length of time each site is open for, and the disruption to public was a widespread concern. There's a desire from many Corridor Managers to limit the number of active sites allowed to be open at any one time.
16. The lack of qualifications for drilling contractors. Some feel a minimum training standard or qualification should be required for drilling works. Its felt that many head contractors have little to no control over their subcontractors.
17. The need for greater awareness of the code. I.e. NZUAG need to be more active in promoting the code and potentially developing qualifications in conjunction with other industry partners.
18. The need for guidance around who pays for damages to other services. It's felt by many that the duties and responsibilities around the location of services isn't clear enough.
19. Lack of powers to enforce certain actions, or non compliance. I.e. the Code has no teeth.
20. The code should have a stronger focus on upfront design and development of detailed plans clearly showing potential conflict sites and their proposed corridor.
21. The rising cost of CAR's, and the need to group maintenance activities involving multiple locations into one CAR.
22. The need for standard design guideline for separation distances between services. Standard corridors for each utility.
23. The general consensus is that the code has lifted the standard of reinstatement works, however some of the prescriptive requirements do not fit the specific needs of the ducts or pipes being laid and doesn't always match the design requirements of the existing road pavement.
24. In theory, access to rail corridors have been opened up, but reality is a vastly different situation.
25. Coordination meetings between all parties is helping to raise awareness of proposed works, and is starting to identify potential conflicts or restrictions, and if done well they can provide opportunities for collaborative works and cost savings.
26. A number of Utility Operators would like to see a reduction in the number of local conditions, however many corridor managers are thankful for the local conditions, as it helps fill perceived deficiencies in the code. The reasoning behind local conditions is one of the defining issues for the upcoming review.
27. Concern that UFB attempts to lay shallow services is going to create long term obstacles and risks to future operators, and is simply transferring the cost burden to other authorities. This follows a general concern that quick and easy installation methods are creating cost barriers and problems for future generations. E.g. drilling services that aren't straight, cables laid in shallow drains that need deepening in the future, laying shallow services in roads that need to be rebuilt or lowered in the future. While Telco's are pushing for shallower services, TA's are pushing for deeper services.

As you can see the last year has been very busy. The upcoming Code review has the potential to change the way you wish to operate, therefore I'd strongly recommend you get involved in the upcoming submission process.

A copy of the timeline and submission form can be found on the NZUAG website at:

<http://www.nzuag.org.nz/national-code/code-review-2014.html>

If you require any further information please feel free to drop me an E-mail

Dylan Stuijt

Water Utilities Representative – NZUAG

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Water Industry Partnership Group Report

The Water Industry Partnership Group (Water IPG) has the following representation from the water industry.

- Five nominees from suppliers, contractors and consultants
- One nominee from the Water Services Managers Group of Water New Zealand covering Territorial Authorities as asset owners
- One nominee from the Resource Managers Group of Regional Councils
- One nominee from the Ministry of Health
- Two nominees from Water New Zealand
- Two nominees from Irrigation New Zealand
- One nominee from WIOG
- One or two nominees from industrial processors

Since my previous report back in April 2014 the Water IPG have only met on one occasion but have correspondence more frequently via email on minor matters.

On Monday 18 August 2014 I attended a Water Industry Consultation meeting held in Wellington as the representative of the WSMG. The meeting was arranged by Primary ITO and provided the opportunity for the Water Industry Partnership Group to listen to a proposal that Connexis had presented to the Primary ITO relating to Industrial Training Organisation coverage of the water sector.

Under the proposal Connexis would be responsible for training in water and waste treatment along with reticulation in the 3 waters horizontal infrastructure, including all trainees, qualifications and resources. It was noted that responsibilities for irrigation hydrology and environmental monitoring would remain with Primary ITO.

Helmut Modik (CEO Connexis) provided a presentation on the merits and benefits of their organization in managing the training of the water sector and the synergies and alignment they currently offer within the infrastructure sector. Helmut stressed that Connexis's value proposition related to having a larger team of staff to service the water sector, the situation will be tidier in respect of infrastructure training and that there will be no duplication.

General feeling from the Water ITO members was that a number of outstanding questions relating to the following needed to be resolved.

- What was best for trainees?
- Can a co-ordinated industry view still exist?
- Is relevance retained?

At the conclusion of the meeting it was decided that:

1. More detailed conversation needed to take place.
2. That a list of questions would be put to both Connexis and Primary ITO seeking clarification to the proposal.
3. This information once received back, would be provided to members of IPG to go back to their respective sectors and gain a wide view.

At the time of writing this report (end of September 2014) we are still waiting for feedback from both parties.

During the Water NZ Conference the opportunity to meet the new Executive Manager of Primary ITO, Mark Jeffries, was provided. These discussions revealed that the proposed offer from Connexis was being

reviewed again and further consideration was being given to Primary ITO's current delivery of the water industry training.

As potential users of the water training programme it is important that you as individuals give consideration to who is best served to deliver to the water industry in relation to:

1. Establishing and maintaining connections (including the relative strengths of existing connections) with the water industry including employers, trainees and potential trainees?
2. Maintaining and resourcing networks and connections for the recruitment of trainees?
3. Development of training material and providing access to high quality training?
4. Providing flexibility in the delivery of training to ensure training outcomes from qualifications meet the needs of employers?
5. Maintaining appropriate trainee support?
6. Providing support for career pathways?
7. Implementing quality assurance processes (standard setting, moderation and assessment) to ensure the quality of training.

A further update will be provided by me at the WSMG meeting scheduled for 7 November 2014 in Wellington however it is anticipated that some form of communication will hopefully eventuate prior to this date.



Kelvin Hill

WSMG Representative on the Water IPG