



To: His Worship the Mayor and Councillors From: Senior Policy Advisor

Subject: Water Supply Bylaw Through: Strategic Policy Manager

Date: 31 May 2019 File: 331/50-005

Commercial Bottling of Water

At the Policy Committee meeting on 9 May 2018, Council agreed that officers proceed to do the work necessary to amend the Water Supply Bylaw in accordance with the review conclusions in the officer's report and discussions around commercial bottling of water. This memo provides an overview of commercial bottling of water and the role of Upper Hutt City Council.

Water Supply Bylaw concerns the reticulated, potable water supply

The Water Supply Bylaw is concerned with the supply of reticulated, potable water. This water is supplied to Upper Hutt by Wellington Water through the bulk water main and a bulk water levy is paid for the supply. Upper Hutt City Council pays this levy to Greater Wellington Regional Council based on the amount of water used in the previous year. Those living in the Residential Zone and using the water for domestic purposes pay for access to the water through a targeted rate. This is considered 'ordinary'. Any other use is 'extraordinary' and is metered and charged by consumption. The first 228m³ used in a year is charged as 'ordinary' and only over this is charged at \$2.45 per m³. The amount charged for 'extraordinary' use is managed through the schedule of fees and not the Water Supply Bylaw.

Consents for water takes is the domain of Regional Councils

It is the role of Regional Councils to look after the environment; this involves determining how much water can be taken for use. Greater Wellington Regional Council manages this through their Regional Freshwater Plan and Regional Coastal Plan. These plans are managed under the Resource Management Act 1991.

Taking fresh water

As there is no coastal marine area in Upper Hutt only fresh water can be taken. The taking of fresh water is a permitted, discretionary activity which usually requires resource consent (water permit). A water permit is required where the amount of fresh water to be taken is more than 20m³ per day at a rate of more than 2.5 litres per second. Where a bore is to be drilled to take fresh water, a land use permit is also required. When considering water take applications, Greater Wellington Regional Council approves consents based on compliance with the operative Regional Freshwater Plan and the proposed Natural Resources Plan. Greater

Wellington Regional Council's rules for taking ground water relate to the state of the environment and limitations for the amount of water a person can extract. Greater Wellington Regional Council has no rules restricting the commercial sale of water, so long as the amount of water being bottled stays within the limits.

Water permits in Upper Hutt

There is currently one resource consent for bottling and retail purposes in Upper Hutt equating to an annual volume that can be taken of 179,712m³ per year. Following initial application fees, the annual fee for this consent is approximately \$346 (if complying) paid to Greater Wellington Regional Council. The annual fee is made up of an annual customer service charge, a compliance monitoring charge and a state of the environment monitoring charge. The consent is for an existing bore on Refreshment Lane.

The Water Supply Bylaw and commercial bottling of water

No amendments are recommended to be made to the Water Supply Bylaw to protect the water supply from commercial bottling of water. Council's discretion relates to the reticulated, potable water supply only with fresh water takes requiring consent from Greater Wellington Regional Council. It seems unlikely anyone would bottle water from the reticulated, potable supply. The cost to do so for the consent discussed above would be approximately \$439,000 annually. If Council wishes to review the fees charged for extraordinary use of the reticulated, potable water supply, this would require a change to the schedule of fees and not to the Bylaw. However, it is not recommended Council introduce a separate charge for the commercial bottling of water from the reticulated, potable supply. It is recommended Council continue to charge for the reticulated, potable water supply on the basis of the amount of water used.

Officers will continue to review the Water Supply Bylaw and recommend amendments to Council in the second half of this year.

Next Steps

- Policy Committee – adopt draft Bylaw for consultation – 18 September
- Consultation period – 9 October – 8 November
- Hearing of submissions – December
- Adoption of Bylaw – February 2020