



Ref: s.7(2)(a) -

Civic House, 110 Trafalgar Street
PO Box 645, Nelson 7040, New Zealand

15 September 2021

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s.7(2)(a) -
protect the
privacy of
natural
persons

Dear s.7(

OFFICIAL INFORMATION REQUEST FOR THREE WATERS REFORM

I refer to your official information request dated 19 August 2021 for the following information:

The information you requested together with Council's response is provided in Appendix 1 to this letter.

All councils have until 1 October 2021 to provide feedback on the Three Waters proposals and financial support package. Council will be provided with the opportunity to provide questions and feedback to central government on the current proposal. Councils have been advised that the Government will then consider next steps and revised timing for decision making, which would accommodate the time required for any community or public consultation. At this stage it is not possible to confirm any date for a decision. The information, at this stage, will be for noting rather than any decision making. Council is not being asked to opt in/out at this stage just consider the proposal and provide feedback to Government.

Council is providing ongoing updates on our website as we receive information regarding the reform process and proposals. This is available at <https://shape.nelson.govt.nz/three-waters-reform> and includes Frequently Asked Questions, links to the Department of Internal Affairs website for more information and a recording of the Council workshop on 31 August 2021 where councillors spent time receiving information on the proposals and asking questions. A further Council workshop was held by zoom on Thursday 9 September 2021 to continue discussing the proposals and this has also been recorded and put on Council's website.

Council had planned to host public meetings but due to the 2m spacing restrictions at alert level 2, Council is now holding two public webinars online on the following days:

Tuesday 14 September 5:30 pm – 7:30 pm

Thursday 16 September 5:30 pm – 7:30 pm

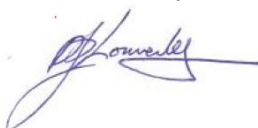
The public will have an opportunity to ask questions during the webinars. The webinars will be recorded and put on Council's website as well. Please check Council's website to access the webinars and for any further information on them.

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You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact Jennie McFarlane, Strategic Adviser Infrastructure (jennie.mcfarlane@ncc.govt.nz).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Alec Louverdis', with a long horizontal flourish extending to the right.

Alec Louverdis

Group Manager Infrastructure

Appendix One

Question		2020/21 Financial Year			Estimated 30 June 2024	Comments
A. what is the current book value of each of the assets below:						
1. the Nelson drinking water system		\$196,684,253.00			\$220,549,000.00	Note: These asset values include land which has been revalued at current market value, buildings and equipment which are valued at historical cost less accumulated depreciation and Infrastructure which is revalued at replacement cost less accumulated depreciation. These are therefore accounting values rather than what it would cost to replace the assets or what they are insured for.
2. the Nelson sewage system and treatment plants		\$197,684,856.00			\$227,158,000.00	
3. The Nelson stormwater system		\$182,884,322.00			\$220,792,000.00	
4. 50% share of Nelson Regional Sewerage BU		\$39,297,261.00			\$47,543,000.00	
	Total	\$616,550,692.00			\$716,042,000.00	Note: the book value of land and infrastructure three water assets for Nelson City Council and 50% share of Nelson Regional Sewerage Business Unit is \$616,550,692.00 as at 30 June 2021.
B. The cost of running each of the following systems in the 2020/21 financial year:						Note: includes staff and maintenance costs
1. the Nelson drinking water system		\$19,160,776.00				

2. the Nelson sewage system and treatment plants		\$13,466,151.00				
3. The Nelson stormwater system		\$5,440,641.00				
4. 50% share of Nelson Regional Sewerage BU		See Note 1 below				
C. The cost of infrastructure asset upgrades, replacement and maintenance in each of the following systems in the 2020/21 financial year:						Note: excludes maintenance, includes staff time
1. the Nelson drinking water system		\$ 5,176,462.00				
2. the Nelson sewage system and treatment plants		\$7,041,904.00				
3. The Nelson stormwater system		\$5,724,382.00				
4. 50% share of Nelson Regional Sewerage BU		\$3,339,379.50				
D. the cost of planned infrastructure upgrades in the current 10 year plan:						
1. the Nelson drinking water system		\$88,129,008.00				Includes renewals.
2. the Nelson sewage system and treatment plants		\$106,416,919.00				Includes renewals.
3. The Nelson stormwater system		\$81,119,235.00				Includes renewals.
4. 50% share of Nelson Regional Sewerage BU		\$29,407,000.00				Includes renewals.

E. The number of personal and cost of same for each of these areas in NCC staff:	Personnel	Opex Cost	Capex Cost	Total		
1. the Nelson drinking water system		\$1,227,598.00	\$146,671.00	\$1,374,269.00		Note: The number of people working in the three waters areas varies depending on the season and weather events. At any given time there are approximately 12.5 FTE staff in the utilities team working directly on water, wastewater and stormwater and another 20-30 FTE's made up of staff from across the Council who contribute by working either directly or in support roles.
2. the Nelson sewage system and treatment plants		\$1,086,728.00	\$407,249.00	\$1,493,977.00		
3. The Nelson stormwater system		\$846,520.00	\$19,486.00	\$1,266,006.00		
4. 50% share of Nelson Regional Sewerage BU		\$172,744.00	\$12,984.00	\$185,728.00		
F. The amount of revenue received for each of these areas from rate payers and commercial operations:						
1. the Nelson drinking water system		\$12,866,622.00				
2. the Nelson sewage system and treatment plants		\$10,927,049.00				
3. The Nelson stormwater system		\$4,573,370.00				
4. 50% share of Nelson Regional Sewerage BU		See Note2 below				
Note 1. The NRSBU total expenses (including Staff and Maintenance) was \$7,317,852. These are split between NCC, TDC and External Customers based on the Trade Waste Agreement						

Note 2. the total revenue of the NRSBU was \$8,454,920 which was received from NCC, TDC and commercial operations. The NCC portion of this income is included as an expense in item B.2