

**BEFORE THE INDEPENDENT HEARINGS PANEL**  
**THE PROPOSED WAIKATO DISTRICT PLAN (STAGE 1)**

**UNDER** the Resource Management Act 1991 ("**RMA**")

**IN THE MATTER OF** hearing submissions and further submissions on the  
Proposed Waikato District Plan (Stage 1)  
**Topic 22: Infrastructure and Energy**

**BY** **WATERCARE SERVICES LIMITED**  
Submitter

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**STATEMENT OF EVIDENCE OF ILZE MARGARET GOTELLI**

**Dated: 29 September 2020**

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## 1. INTRODUCTION

### Role and experience

- 1.1 My full name is Ilze Margaret Gotelli. I am the Head of Major Developments at Watercare Services Limited (**Watercare**). In that role, I manage early engagement with large-scale commercial and residential developers.
- 1.2 I have been employed by Watercare and its predecessor organisations for twelve years. Previously, I was Policy Manager at Watercare. In this capacity I was responsible for managing Watercare's inputs to the Auckland Unitary Plan, the Waikato Regional Plan, and other national and local policies and regulations that affected Watercare's operations. Prior to Watercare, I was the Environment Planner at Metrowater, the water and wastewater company for Auckland City Council.
- 1.3 I hold a Masters Degree in International Law and Diplomacy from the Fletcher School of Law and Diplomacy, a Masters Degree in Urban and Environmental Policy, and Bachelors of Arts in International Relations.

### Overview

- 1.4 This statement of evidence is presented on behalf of Watercare in support of its submission and further submission on the Proposed Waikato District Plan (**PWDP**), and relates to Hearing 22: Infrastructure and Energy.
- 1.5 Watercare is presenting its evidence for Hearing 22 in its capacity as:
- (a) Auckland's municipal water and wastewater supplier with water and wastewater assets located in the Waikato District; and
  - (b) the provider of water and drinking water services to the Tuakau and Pokeno communities through a Bulk Supply Agreement with the Waikato District Council (**WDC**).

**1.6** As set out in its submission and further submission, Watercare is, in principle, supportive of the PWDP.

**1.7** With respect to the provisions covered by Hearing 22: Infrastructure and Energy Watercare considers:

(a) Changes are required to the policy framework to provide greater recognition of the functional need for water and wastewater infrastructure to locate in areas next to rivers, lakes, the coastal marine area and in forested catchments. The PWDP has proposed many of these areas be identified as either Significant Natural Areas, Outstanding Natural Features, Outstanding Natural Landscapes, Outstanding Natural Character Areas, or Heritage Precincts (referred to in Chapter 14 as "Identified Areas"). While Watercare recognises the appropriateness of this in general terms, it is nonetheless important that the policy framework recognises the need for water and wastewater infrastructure to locate in these areas; and

(b) Further to the above, the PWDP provides an appropriate activity status for water treatment plants, wastewater treatment plants and above ground reservoirs in Identified Areas.

**1.8** Without the changes generally described above and set out in detail in the planning evidence of Mr Chris Scafton, I am concerned that there could be significant hurdles to water and wastewater infrastructure in the Waikato District being consented, either efficiently and effectively or at all.

**1.9** This evidence will:

(a) Provide an overview of Watercare, including its responsibilities with regard to water supply and the collection, treatment and discharge of treated wastewater and the statutory and strategic framework within which Watercare is required to operate as an Auckland water organisation under

the Local Government (Auckland Council) Act 2009 (Section 2 of this evidence);

- (b) Outline Watercare's interests, responsibilities and assets in the Waikato District including Watercare's water and wastewater assets located within the Waikato District, and Watercare's role as the bulk supplier of drinking water services to the North Waikato District. For completeness, this evidence also explains Watercare's role as the manager of WDC's existing and proposed water and wastewater assets under an agreement between Watercare and WDC. However, as set out above, this evidence is presented only in Watercare's capacity as the municipal water and wastewater supplier for Auckland, and the supplier of bulk water and wastewater services to Tuakau and Pokeno (Section 3 of this evidence); and
- (c) Explain the operational need for water and wastewater infrastructure to locate in certain areas, often mapped in the PWDP as Identified Areas, and the need, in general terms, for the proposed amendments to the PWDP outlined in the planning evidence of Mr Scrafton (Section 4 of this evidence).

## **2. WATERCARE SERVICES LIMITED - OVERVIEW**

- 2.1** Watercare is CCO which is 100% owned by Auckland Council. The company is responsible for the provision of essential municipal water and wastewater services to existing (approximately 1.4 million people in Auckland at present) and future urban communities in Auckland and in the Northern part of the Waikato District.
- 2.2** The company owns and operates \$8.4 billion of water and wastewater infrastructure assets, making it New Zealand's largest water and wastewater company.

## Watercare's statutory and strategic framework

**2.3** Watercare's primary statutory obligation is set out in section 57(1)(a) of the Local Government (Auckland Council) Act 2009 (**LGACA**), which requires Watercare, as an "Auckland water organisation" (as that term is defined in section 4 of the LGACA) to:

"...manage its operations efficiently with a view to keeping the overall costs of water supply and wastewater services to its customers (collectively) at the minimum levels consistent with the effective conduct of its undertakings and the maintenance of the long term integrity of its assets."

**2.4** The principal objective of a CCO<sup>1</sup> is to:

(a) achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and

(b) be a good employer; and

(c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so."

**2.5** Watercare is required by the LGACA to give effect to the relevant aspects of the Auckland Council's Long Term Plan and to act consistently with other plans and strategies of Auckland Council.

**2.6** As a CCO, the Local Government Act 2002 (**LGA**) requires Watercare to produce and comply with a statement of intent (**SOI**) in consultation with the Auckland Council as its sole shareholder. Watercare's mission, as set out in its SOI, is to provide safe, reliable and efficient water and wastewater services. The company's vision is to be:

"Trusted by our communities for exceptional performance every day."

**2.7** All decisions in relation to the operation of Watercare must be made in accordance with Watercare's SOI and its constitution<sup>2</sup>. Watercare's SOI sets out:

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1 Section 60 LGA.

- (a) Watercare's obligations and commitments and the objective, nature and scope of activities to be undertaken; and
- (b) Performance targets, how it intends to meet those, and the measures by which Auckland Council can assess Watercare's performance.

**2.8** Watercare's strategic areas of focus, as set out in the SOI,<sup>2</sup> are:

**Customer Focus:** To fulfil our vision of providing exceptional service, we strive to understand our customers and stakeholders and engage with them in a meaningful way.

**Business Excellence:** For Watercare, the drivers underpinning business excellence are the recruitment and retention of the right people, ensuring their health and wellbeing, and the implementation of smart processes and fit-for purpose technology.

**Financial Responsibility:** Every dollar Watercare spends has an impact on the price our customers pay for services. We are obliged to be an efficient, minimum-cost provider with due consideration for long-term asset investment.

**Fully Sustainable:** Watercare's business is intrinsically linked to the natural environment and significantly impacts the communities in which we operate. Integrating sustainability into everything we do is key to our role as a trusted community and Iwi partner.

**2.9** Each year Watercare prepares an Asset Management Plan to show how the business will operate, maintain and renew existing water and wastewater assets to meet demand as growth occurs and as the assets reach the end of their economic life.

**Water supply network**

**2.10** Watercare owns and operates a water supply system in Auckland and the northern part of Waikato District that comprises:

- (a) Fifteen water treatment plants which range in capacity from 60m<sup>3</sup>/day to 350,000m<sup>3</sup>/day;

- (b) Eleven water supply dams, 26 bores and springs and four river sources; and
- (c) Over 9000km of water pipelines, 93 pump stations and 85 reservoirs.

### **Wastewater network**

**2.11** Watercare is responsible for the provision of wastewater services to the Auckland region, and the parts of the Waikato District that historically were part of the former Franklin District Council.

**2.12** Watercare owns and operates:

- (a) 17 wastewater treatment facilities across the Auckland Region, as well as the Pukekohe Wastewater Treatment Plant located in the Waikato District, near Tuakau; and
- (b) a wastewater system comprising over 8000km of pipelines and associated pump stations and storage tanks.

## **3. WATERCARE'S ASSETS AND INTERESTS IN THE WAIKATO DISTRICT**

**3.1** Watercare has a range of water and wastewater related assets and interests in the Waikato District, as set out below.

### **Municipal water supply take and Waikato Water Treatment Plant**

**3.2** In 1998 Watercare was granted consent to take up to 150,000 m<sup>3</sup>/day from the Waikato River for the purpose of municipal supply to its customers. Water taken by Watercare from the Waikato River is treated at Watercare's Waikato Water Treatment Plant, near Tuakau.

**3.3** To meet long term increases in demand due to predicted population growth, Watercare applied in 2013 to the WRC to take a further

200,000 m<sup>3</sup>/day. This application has recently been called in by the Minister, and will be decided by a Board of Inquiry next year.<sup>3</sup>

### **Water supply dams**

**3.4** The Mangatangi and Upper Mangatawhiri dams in the Hunua Ranges are Watercare's two largest water supply dams (with daily yields of 97,450m<sup>3</sup>/day and 57,900m<sup>3</sup>/day respectively).

**3.5** Both are located in the Waikato District on land owned by Auckland Council.

### **Pukekohe Wastewater Treatment Plant**

**3.6** Watercare's Pukekohe WWTP is located in the Waikato District. It receives and treats wastewater from Pukekohe, Patumahoe, Buckland, Pokeno and Tuakau. These contributing catchments are subject to growth that is anticipated under both Auckland Council and WRC and WDC planning documents.

**3.7** The Pokeno area falls within the Waikato District and is currently undergoing significant residential, commercial and industrial growth. This population growth will be accompanied by a significant increase in business and trade waste discharges.

**3.8** Pukekohe WWTP was recently re-consented and is the subject of a major project whereby the plant is being upgraded so that treated wastewater discharge will be treated to a very high standard using the best available wastewater treatment technology (enhanced MBR + UV), which results in significantly better quality discharge than at present.

**3.9** Watercare's Asset Management Plan 2016-2036 ("AMP") includes \$143M for upgrading the existing WWTP to an Enhanced MBR + UV treatment process and \$59M for a new wastewater pipeline from

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<sup>3</sup> To provide improved security of supply in the near term while the BOI process is being decided Watercare has recently been granted consent to take up to 100,000m<sup>3</sup>/day throughout the year at different flow rates, and up to 25,000m<sup>3</sup>/day of allocation, provided it is not needed by Hamilton City Council.



Pukekohe Township to the WWTP. These projects represent a major capital investment for Watercare.

### **Bulk supply agreement with Waikato District Council**

**3.10** Watercare and WDC have had a close working relationship since the integration of Auckland Council in November 2010, when the Pukekohe WWTP was vested in Watercare, and Watercare assumed responsibility for its operation. At this time, Tuakau and Pokeno transitioned from being part of Franklin District to becoming part of Waikato District. An agreement was reached between Watercare and WDC whereby Watercare continued to receive wastewater flows from Tuakau.

**3.11** In 2014, a 30 year agreement was entered into which responded to the growth in Tuakau and the provision of services to Pokeno, providing volume and established quality limits appropriate for the capability of the WWTP and consent at that time. The volume limits specified in the 2014 agreement will be reviewed over time, thus providing for continued growth in WDC's area of service.

### **Agreement with Waikato District Council for Operation and Maintenance of Water, Wastewater and Stormwater Services**

**3.12** In October 2019 Watercare entered into an agreement with WDC whereby Watercare assumed responsibility for operation and maintenance of WDC's Water, Wastewater and Stormwater Services.

**3.13** Under this agreement:

- (a) WDC retains ownership of its water and wastewater assets, and will (unless agreed otherwise) be the consent holder in respect of any resource consents and the requiring authority for any designations;

- (b) During the operational period of the agreement, Watercare will, in relation to water and wastewater within the Waikato District, be responsible for:
  - (i) Providing all customer facing activity in relation to the provision of customer services; and
  - (ii) The operations, maintenance and renewal of all existing WDC water and wastewater assets, and the planning, consenting designing and building of all new WDC water and wastewater assets.

**3.14** Watercare's agreement with WDC to manage WDC's water and wastewater services is referred to here for completeness. As explained above, this evidence is presented in Watercare's capacity as municipal supplier of water and wastewater services to Auckland, and the supplier of bulk water and wastewater services to Tuakau and Pokeno, only.

#### **4. THE OPERATIONAL NEED FOR WATER AND WASTEWATER INFRASTRUCTURE TO LOCATE IN CERTAIN AREAS AND THE NEED FOR CHANGES TO THE PWDP**

**4.1** In this section of my evidence I explain the operational need for water and wastewater infrastructure to locate in certain areas, and the need, in general terms, for the proposed amendments to the PWDP outlined in the planning evidence of Mr Scrafton.

**4.2** With takes of surface water for municipal supply, there is a functional requirement for an intake structure to be located in the bed of the relevant water source such as a lake or river, to enable the take. Where the take of water is from a storage lake or reservoir, it is preferable in terms of the level of treatment that is required, if the storage reservoir is located in a forested catchment with good water quality, as opposed to catchment in which water quality has been degraded by agricultural or horticultural land use.

- 4.3** In terms of wastewater, unless treated wastewater is discharged to land, it is usually discharged into either the coastal marine area or a river or lake. This means that there is a functional requirement for the wastewater outfall to be located in the coastal marine area, and on or in a river or lake.
- 4.4** Water treatment plants and wastewater treatment plants are often located close to the point of take or discharge for engineering and cost related reasons.
- 4.5** Areas located next to rivers, lakes, the coastal marine area or forested catchments are often associated with values recognised under the RMA. The PWDP has proposed many such areas be either Significant Natural Areas, Outstanding Natural Features, Outstanding Natural Landscapes, Outstanding Natural Character Areas, or Heritage Precincts (referred to in Chapter 14 as “Identified Areas”).
- 4.6** Watercare recognises the appropriateness of such areas being generally identified for protection in the PWDP.
- 4.7** However, given the functional need for key water and wastewater infrastructure to often be located in such areas it is important that the PWDP provides:
- (a) appropriate recognition in its policy framework of the functional need for water and wastewater infrastructure to locate in Identified Areas; and
  - (b) an appropriate activity status of water treatment plants, wastewater treatment plants and above ground reservoirs in Identified Areas.
- 4.8** Without the changes generally described above, I consider there could be significant hurdles to water and wastewater infrastructure in the Waikato District being consented.

**4.9** Changes to the planning provisions to address these matters are proposed in the evidence of Mr Chris Scrafton.

**ILZE MARGARET GOTELLI**

**29 September 2020**