

water

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Freshwater fair play

It's all about apportionment

Engineering business innovation

Waitaki's green growth

Measuring success in Kapiti

Measuring success

The Kapiti Coast experience

Installing water meters for Kapiti Coast residents has proved a successful exercise. **Martyn Cole**, Waste and Wastewater Asset Manager with the KC District Council, explains why.

Kapiti Coast residents are now 18 months into paying for their water via approximately 23,000 water meters installed throughout the district. The process has already led to positive and measurable changes.

Water use reduction

Residents are doing a great job of using less water since they stopped paying one fixed charge under the old system and started paying a volumetric charge (for the amount of water used), along with a lower fixed charge. In fact, peak day consumption has decreased by about 26 percent and we've even passed our target of less than 490 litres per person per day – that's not bad going. Reducing our peak day water use means we can extend the life of our existing water supply systems and delay any future upgrades to increase supply capacity. Delaying this expenditure means significant cost savings.

When water meters were installed, they detected hundreds of leaks on private pipes around the district. Fixing these has meant millions of litres of water are no longer being wasted. Meters enable people to see how much water they're using and it now has a value, which has contributed to the decrease in consumption.

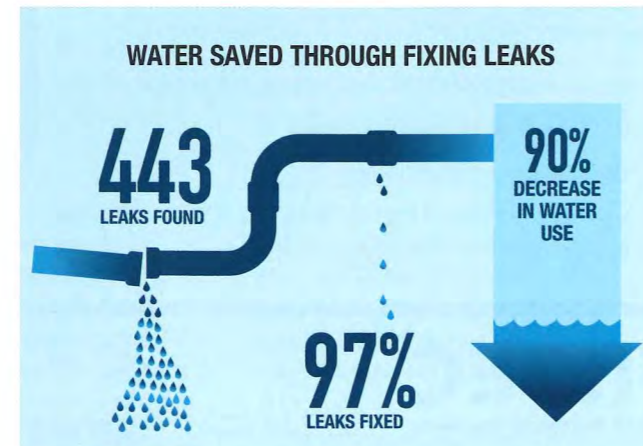
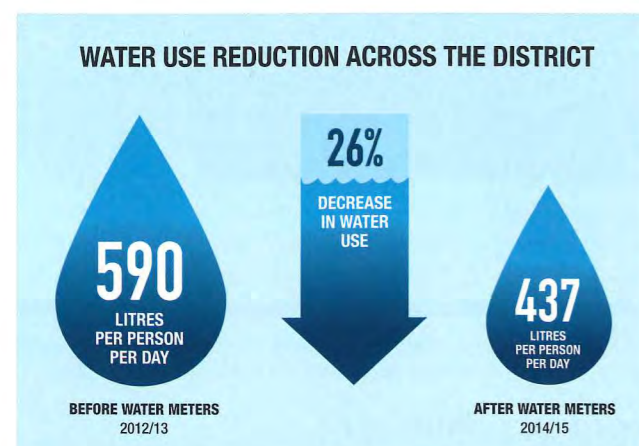
In April last year, when data showed the amount of water going into Paekakariki's water supply was steadily increasing, officers went to investigate. A huge leak was discovered in a water connection, wasting about 430,000 litres of water daily. The leak was promptly fixed and water use for the area has dropped back to normal.

The reduction in water use was an expected result, as this is what's happened in other areas of New Zealand and parts of the world where water meters have been introduced. Less demand for water will help in our growing district, which will require more water as our population increases.

Water charges

In 2011, the Charging Regime Advisory Group (CRAG) was set up and tasked with developing a charging structure for water which could be applied to both residential and non-residential properties using treated water supply.

The group is made up of representatives from iwi, low-income households, the Chamber of Commerce, landlords/tenants, Greypower, Older Persons' Council and elected members.



COST OF WATER: 2014/15

\$7.95
MILLION

TOTAL COST OF PROVIDING WATER SERVICES TO THE COMMUNITY

HOW COSTS ARE RECOVERED



50% OF COSTS RECOVERED THROUGH A FIXED CHARGE FOR PROPERTIES



50% OF COSTS RECOVERED THROUGH A VOLUMETRIC CHARGE FOR WATER USED

HOW MUCH WE PAY: 2014/15

\$188.50/yr
FIXED CHARGE

\$0.95/m³
VOLUMETRIC CHARGE

Water charges, based on the 50/50 recommendation, for the first financial year of the new charging scheme.

It considered seven different charging models that were tested against a range of household sizes and non-residential users. After evaluating the options, CRAG recommended the current structure (50 percent fixed charge/50 percent volumetric charge) as the most fair and equitable for Kapiti residents.

Among the discarded options were:

- a fixed charge for supply, combined with a set allocation

of water and a volumetric charge for water used on top of the allocation – this was viewed as unfair on low water users and too complex to administer;

- a charge based wholly on volumes of water used – this was considered to be unfair on high water users, while also lacking revenue stability; and
- a fixed charge for supply, with stepped charges for usage

The new charging scheme is a fairer way of allocating costs. It ensures those who use less water, such as small households, are not subsidising those who use more. In fact an estimated two thirds of households are paying less than they would have under the old charge.

– this was discarded for not being simple enough, plus too difficult and costly to administer.

Charges have gone up this financial year (2015/16) due to the increasing costs associated with providing a treated water supply to the district. Residents are now paying \$190 for the fixed charge and 99 cents per cubic metre for the volumetric charge. CRAG reconvened at the end of January to look at the future charging structure.

Trial readings and water invoicing

Before the new charging scheme started in July 2014, there were two trial water meter readings for all residents in the district. The trial readings gave people:

- the chance to see how much water they were using and what they would pay for it under the new charging scheme;

- time to check for leaks and get them fixed; and
- the chance to look at ways they could reduce water use before the new scheme started.

The trial reads also allowed us to run all the systems and processes required for volumetric charging together, and calculate water use and costs for all metered properties across the district.

During this period, we were able to determine who had high water use in the district. Council staff visited more than 670 property owners, whose readings showed they were using more than 2000 litres of water per day, and talked to them about ways they could use water more economically (as well as helping them check for leaks).

With the scheme now up and running, residents are sent quarterly water invoices. We can't read all our water meters at once. To make meter reading and invoicing as efficient as possible, invoices are staggered with a third sent out each month.

Financial assistance

Council has put in place several ways to assist people with water charges.

Water rates remissions: Large families in financial hardship can apply for a remission on their water rates of up to \$120

per year. The total annual budget for water rates remissions is \$50,000. To be granted a remission, a property owner or tenant must have more than three dependants (18 years or younger) living at the property and receive a Working for Families tax credit.

Credits for water loss from leaks: In the first year of the new scheme, more than 200 people who fixed leaks on their properties applied for credits on their water bills (for the estimated cost of water lost from leaks). People can still apply for credits if they have their leaks fixed promptly once discovered.

Cost of fixing leaks: There is up to \$300 available per household for ratepayers in financial hardship who have had to pay to get a leak fixed. There is a total of \$25,000 per year available for these grants.

Not-for-profit: Council is not operating a profit-making system out of the new water charging scheme. If water charges ended up being surplus to water supply costs at the end of any financial year, the surplus money would stay in the water account.

No water restrictions

Water meters mean we don't expect to need water restrictions in Kapiti this summer. Before the installation of water meters

in the district, we used restrictions to reduce demand for water when needed. As a direct result of water metering, we have taken over one million cubic metres less water from the Waikanae River this year than in past years, so we don't need restrictions to reduce demand.

Success story

So, how is the new charging scheme working out since it began in July 2014? It has been very successful and that is based on several factors.

1. A community group provided the basis for our charging structure.
2. Trial readings gave people the chance to understand their water use, think about how they could use water more wisely if needed and act to fix leaks.
3. Our demand for water has decreased and this means we can keep our costs down as much as possible.
4. Council assists those in financial hardship and helps educate the whole community on how to reduce water use and fix leaks.
5. The Charging Regime Advisory Group is taking another look at where we are and will again set the way forward for water charges in the future. **WNZ**



Main pic: Waikanae River which supplies most of the Kapiti District. Above top: Showing a resident what one cubic metre of water looks like before volumetric charging. Above: Installing a large water meter – July 2014.



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