

14 November 2023

██████████
Sent via email to ██████████

Dear ████████,

REQUEST FOR OFFICIAL INFORMATION – RELEASE OF INFORMATION

Thank you for your request for information held by the Queenstown Lakes District Council (**QLDC**). On 22 September 2023 you requested the following information under the Local Government Official Information and Meetings Act 1987 (**LGOIMA**):

- Could I please have any information you hold concerning information provided within Council and to councillors by staff around the maintaining or enhancement of water treatment in Queenstown. This includes any information provided internally between staff around the costs of and provision of a Protozoa barrier where there is none, and the working of the barrier at the Kelvin Heights treatment plant.

In addition, this includes any information around proposals in the LTP for any enhancements to water treatment in QLDC.

On 20 October 2023, , I emailed you advising of our need to extend the time to respond to your information request and also advised that a huge amount of searching, reviewing, and collating of the data needs to be done to respond to your information request in current state- for **“anything water treatment”** related and this would reasonably take months and isn’t really something we could backfill.

In addition, your request as currently framed will be very difficult to meet without substantial collation or research. Answering your response would put undue strain on the operations of QLDC staff and would impede the ability of some staff to perform the other necessary functions of their roles.

In response to the above you advised that *“to simplify the request, could I have any reports you have provided to councillors relating to spending money on water treatment. This would I expect have been proposed LTP or annual plan processes. And include report(s) from LTP processes for the most recent LTP and the one before. I don't need any information from before that, and only anything in the way of reports to meetings or workshops.*

To provide context I am interested to know whether councillors did or should have understood that choices were being made to spend or not spend on a Protozoa barrier or something with similar effect”.

QLDC response

To address your information request we consulted our Property & infrastructure team and they have chronologically documented information provided to/decisions of Council in relation to water compliance below.

2021 TYP ADOPTION TO 2023/24 ANNUAL PLAN ADOPTION

At the time of adopting the 2021 TYP, QLDC budgeted for all major schemes to be compliant by 2024/25. Through regular capital reforecast and annual plan processes, the timeframes for compliance were adjusted, with current approved adjusted budgets anticipating compliance for all schemes by 2027/28.

2021-2031 Ten Year Plan (refer [Volume One](#) and [Volume Two](#))

- States “Water Treatment Programme timing: Complete the Water Treatment Programme as outlined in the plan (by 2024)”
- Includes budgets for compliance activities for the following schemes: Queenstown, Wanaka, Luggate, Glenorchy, Shotover Country, Kelvin Heights.
- Within the ‘significant negative effect’ table it states the effect as “potential delivery of contaminated water through our water schemes” and the sustainable solution as being “we have online monitoring systems to ensure water quality is maintained, in addition we have been progressively reviewing and upgrading our Water Safety Plans with the Ministry of Health. There is also a significant programme of water upgrades to improve water quality through the district”
- Within the ‘key performance indicators’ table there is a KPI of “Compliance of each municipal water supply with the NZ Drinking Water Standards for protecting public health, specifically: a) bacterial compliance, and b) protozoal compliance”.
 - o Baseline performance as at June 2020: a) 93%, b) 14%
 - o Target 21/22: a) 100%, b) >35%
 - o Target 22/23: a) 100%, b) >50%
 - o Target 23/24: a) 100%, b) >70%
 - o Target 30/31: a) 100%, b) 100%”

Note that performance against this KPI is regularly reported in QLDC’s Annual Reports. Annual Reports dating back to 2008/09 can be found on our website (refer [Annual Reports webpage](#))

28 October 2021 Council Meeting (refer Item 6 2021 Ten Year Plan Capital Expenditure Changes [covering report](#), [proposed offsets](#), and [change schedule](#)). This included:

- Key movements section shows an overall reduction of \$10m to the Two-Mile water treatment budget
- Offsets section shows the re-distribution of this \$10m across three other projects
- Supporting commentary states “The Two Mile WTP budget was based on a plant with 30 years of projected demand capacity, utilising a relatively expensive treatment technology (i.e. the budget has been adjusted for uncertainty). A lower cost solution is expected to achieve compliance with Drinking Water Standards; however, it is unlikely to provide capacity for 30 years, and may utilise a technology that has higher performance risks. These risks can be partially managed by land and securing consent conditions that allow for the footprint of the plant to be extended in future, and for alternative treatment technology to be retrofitted if required. The proposed budget will be insufficient if the following risks eventuate:

- Treatment technology failure: a lower cost treatment solution may not be able to cope with the unique algae found in our district’s lakes. A larger and more expensive treatment solution may need to be retrospectively fitted should this risk manifest
- Rapid demand growth: in the event demand growth occurs much quicker than projected, additional treatment capacity would need to be added. It is unlikely this would occur within the current ten-year funding period.
- Treatment waste stream: the volume of by-product entering our wastewater network will be dependent on the type of treatment technology selected. The reduced project budget may be insufficient to offset the cost of upgrading the receiving wastewater network.
- Private land acquisition: if reserve land cannot be utilised, private land purchase will be required.”

28 April 2022 Council Meeting (refer [2022 Capital Works Reforecast Attachment A](#)). This included:

- Wanaka Water Treatment – deferral of \$350k to 2025/26. States “Defer \$330k to 25/26 as there is sufficient funding in interim years to continue with programmed activities”

Note this adjustment was a realignment to planned expenditure within the financial year; while the project anticipated a delivery ‘tail’ into 2025/26, at the time this decision was made the anticipated WTP completion and commissioning timeframe was still anticipated to be 2024/25.

30 June 2022 Council Meeting (refer [2022/23 Annual Plan Adoption](#) and [Attachment A 2022/23 Annual Plan](#)). Includes:

- Within the section summarising significant differences between the adopted TYP and proposed Annual Plan, the following commentary was provided to highlight budgets being used to offset increases required within other water supply investments; “Offset with reductions of... (\$2.5m) for Wanaka Water Treatment...”

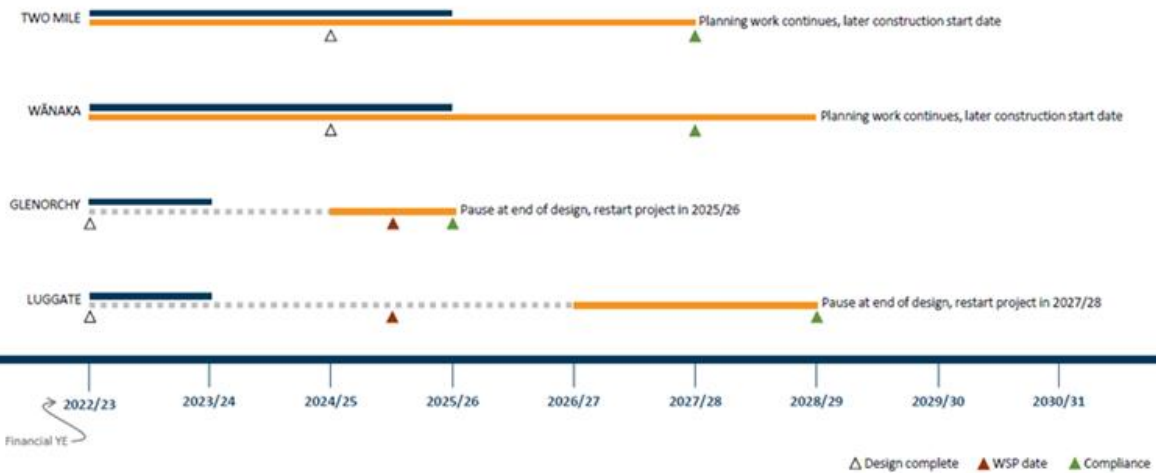
15 December 2022 Council Workshop (refer below)

A presentation and supporting schedule regarding draft budget changes was provided. Relevant extracts are provided below. This material included:

- Water treatment deferrals slide, showing delays as follows; Two Mile from 2025/26 to 2027/28, Wanaka from 2025/26 to 2027/28, Glenorchy from 2023/24 to 2025/26, and Luggate from 2023/24 to 2028/29.
- Stated “Deferral of water treatment projects will result in further delays to achieving compliance with regulations”

Water Supply: Treatment

Proposed deferrals will delay compliance with regulations in the Queenstown, Wanaka, Glenorchy, and Luggate schemes.



DEFERRALS

Deferrals with notable impacts or risks are presented in black text with associated commentary. Deferrals with less notable impacts (relative to others) are indicated in grey text with no project specific commentary. Some minor changes have been excluded where there are small deferrals to align with realistic completion timeframes only. A number of budgets have been deferred (in part or in full) beyond the ten-year funding period (these also show as a net reduction to the total budget).

Initiative	2022/23 – 2030/31 budget impact (\$)			Original timing		Revised timing		Comment		
	Activity	CP Code	Name	Original	Revised	Change	Start*		End	Start
WATER S	CP0004244	Two Mile WTP (WS)	20,591,686	20,591,686	-	22/23	25/26	22/23	27/28	Deferral of water treatment projects will result in further delays to achieving compliance with regulations. The revised dates are consistent with the timeframes indicated in GLDC's most recent Water Safety Plan. P&I will continue to advance planning for these investments in the near term (business cases, design, and consenting/designation activities) with a view to having them 'shovel-ready' as soon as practically possible. Possible risk of enforcement action from Taumata Arowai.
WATER S	CP0007194	Wanaka Water Treatment (WS)	53,164,826	53,164,826	-	22/23	25/26	22/23	28/29	
WATER S	CP0006982	Glenorchy WTP (WS)	1,130,144	2,420,000	1,289,856	22/23	23/24	25/26	25/26	
WATER S	CP0004629	Luggate Water Supply Scheme (WS)	6,084,470	6,084,470	-	22/23	28/29	27/28	28/29	Per commentary above + deferral of this project will also delay creation of additional capacity for the network. Usage restrictions may become necessary (and of increasing frequency) to manage available capacity as consented development continues to connect to the scheme.

15 December 2022 Council Meeting: 2022/23 capex reforecast paper ([refer Attachment 4A](#)). Included:

- Glenorchy WTP – deferral of \$300k to 2023/24. States “Glenorchy requires a new water treatment plant to ensure ongoing compliance with current drinking water standards/incoming regulations”
- Luggate Water Supply Scheme – deferral of \$2.64m to 2023/24. States “Investment in a new water source/intake and treatment arrangements is required to ensure the Luggate Water Supply scheme is compliant with current drinking water standards/incoming regulations”
- Shotover Country New WTP – new funding of \$1.05m. States “Construction of a new water treatment plant for the Shotover Country Borefield is underway to ensure compliance with drinking water standards/incoming regulations”
- SOC Bores Integration – bring forward of \$545k. States “The Kelvin Heights scheme is services by a localised lake intake. This budget will integrate the Kelvin Heights reticulated network with the Shotover Country Borefield supply, ensuring compliance with drinking water standards/incoming regulations”
- Two Mile new Water Treatment Plant – deferral of \$1.3m to 2023/24. States “The Queenstown water supply scheme is serviced from a lake intake at Two Mile. An increased standard of treatment is required for this intake to ensure compliance with current drinking water standards/incoming regulations. Some workstreams within this project have been on hold while treatment technologies have been trialled to inform the selection of preferred

methodology for the district's surface water intakes – this has resulted in the recommended deferral”

- Wanaka Water Treatment - deferral of \$2.37m to 2023/24. States “An increased standard of treatment is required to ensure the Wanaka water supply scheme is compliant with current drinking water standards/incoming regulations... Some workstreams within this project have been on hold while treatment technologies have been trialled to inform the selection of a preferred methodology for the district's surface water intakes – this has resulted in the recommended deferral”

9 March 2023 Summary budget change schedule for draft 2023/24 Annual Plan budgets circulated to Infrastructure Committee members

This material showed the forecast completion year for Wanaka water treatment move from 2025/26 to 2028/29, Two Mile move from 2025/26 to 2027/28, Glenorchy from 2023/24 to 2025/26, and Luggate from 2028/29 and stated “Deferral of water treatment projects will result in further delays to achieving compliance with regulations” (note that water treatment related material in this schedule remained unchanged from what was provided to the 15 December 2022 Council Workshop (refer above).

23 March 2023 Council Meeting (refer 2023/24 Annual Plan [covering report](#), [supporting document](#), and [consultation document](#)). Included the following statements:

- “...a number of projects have been reprogrammed to the 2024-2025 year and beyond. These include the delivery of the Wanaka water treatment plant and Two-Mile water treatment plant. Additionally, funding for water treatment and capacity upgrades across the Arrowtown, Glenorchy, Luggate, and Shotover Country schemes has been rephased through future years of the Ten-Year Plan. Of note, the Glenorchy scheme is now expected to be compliant with drinking water standards in 2025-26, and Luggate scheme improvements to achieve compliance and service near-term growth are forecast for completion in 2028-29”
- “timing of delivery of (\$30.7M) Wanaka water treatment plant and (\$20.2m) Two Mile water treatment plant deferred to later years to manage funding constraints”

29 June 2023 Council Meeting (refer 2023/24 Annual Plan Adoption [covering report](#) and [Annual Plan](#)). Adoption of this Annual Plan deferred \$48.1m of total planned water supply expenditure due to funding constraints. This deferral included delays to planned completion timeframes as follows; Wanaka Water Treatment to 2028/29, Two Mile Water Treatment to 2027/28, Glenorchy to 2025/26, and Luggate to 2028/29. Annual Plan commentary included:

- “timing of delivery of (\$30.7M) Wanaka water treatment plant and (\$20.2m) Two Mile water treatment plant deferred to later years to manage funding constraints”
- “a number of projects have been reprogrammed to the 2024-2025 year and beyond. These include the delivery of the Wanaka water treatment plant and Two Mile water treatment plant.

Kind Regards,





Official Information Advisor