

STRATEGY AND COMMUNITY COMMITTEE

SUPPLEMENTARY AGENDA

18 February 2010

ITEM NO: 5A

REPORT



TO Strategy and Community Committee
ON 18 February 2010
FROM Murray Noone – Director: Infrastructure
Warren Maclennan – Assistant Chief Executive
APPROVED BY Warren Maclennan – Assistant Chief Executive
SIGNATURE

A handwritten signature in black ink that reads "Warren Maclennan".

SUBJECT KUMEU-HUAPAI-RIVERHEAD FUTURE PLANNING – WATER AND WASTEWATER INFRASTRUCTURE

FILE REF DD/81/1; P506

PURPOSE OF REPORT:

<input type="checkbox"/> Information only	<input checked="" type="checkbox"/> Strategic decision	<input type="checkbox"/> Policy decision	<input type="checkbox"/> Statutory process
<input checked="" type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input type="checkbox"/> Administrative matter			

IMPLICATIONS:

(i)	Is this matter significant in terms of Council's Policy on Significance? No.
(ii)	Implications in terms of Vision Rodney? Yes. Without growth in the Kumeu-Huapai-Riverhead area, a 'growing and resilient economy' can not be achieved (Outcome 1: <i>Prosperous</i>). Outcome 4: <i>Connected</i> can not be achieved without the provision of water and wastewater in this area. Outcome 5: <i>Safe and Healthy</i> and Outcome 6: <i>Clean and Green</i> can not be met due to the environmental and health risks associated with on-site wastewater systems within this area.
(iii)	Implications in terms of Long Term Council Community Plan / Annual Plan? Yes. The funding for the water and wastewater projects have been included in the LTCCP 2009 - 2019.
(iv)	Implications in terms of other Council Strategic documents or Council Policy? The Huapai North and Huapai South plan changes and the Maddren's Private Plan Change proposed are in accordance with the Kumeu Huapai Central Area Plan.

(v)	Is a budget amendment required?
	Yes – the delay in the Watercare wastewater supply will require the amendment of budgets over different financial years, which may have effects on future rates.
(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required?
	Consultation has been undertaken with Kumeu, Huapai and Riverhead communities since 2000. Further consultation with the resident and ratepayer groups will be required as a result of the change to the timeframe for the provision of water and wastewater infrastructure.
(vii)	Does a decision on this matter require Auckland Transition Agency approval?
	No

FINANCIAL IMPLICATIONS:

Capital cost implications	Total \$27.9m (wastewater: \$13.9m; water: \$14m)
Is it currently budgeted for?	Yes, as part of the LTCCP 2009 – 2019.
Funding source of capital costs	Development contributions, accumulated rates and interest to date. Existing ratepayers for the area that is already supplied.
Ongoing operational cost implications	As with any capital expenditure the ongoing maintenance costs are recovered by way of rates and the per property quantum of this charge is dependent on the number of connections achieved in relation to the total capacity.
Is it currently budgeted for?	Yes, as part of the LTCCP 2009 – 2019.
Funding and rating impact (whether resulting from capital expenditure or arising directly)	A reconfiguration of the LTCCP for the Kumeu rating area would be required if this infrastructure was delayed by two years but the delay may give greater certainty to the dual supply of water and wastewater connections.

RECOMMENDATION:

- (a) That the further report setting out concerns in relation to possible delays with the project for the provision of water and wastewater infrastructure in Kumeu-Huapai-Riverhead be received.
 - (b) That urgent discussions be held with the Auckland Transition Agency and Watercare Services Limited to ensure that the project for the provision of water and wastewater infrastructure in Kumeu-Huapai-Riverhead remains on track and a written agreement as to the timing of the water and wastewater project be obtained by March 2010.
 - (c) That public notification of the proposed Variation (Plan Change) 127 for Huapai North residential and local shops be delayed until confirmation is received that water and wastewater services will be available.
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1.0 Background

Further to Item 5 in the Strategy and Community Committee Agenda of 18 February 2010, Council staff currently have concerns as to whether Watercare Services Ltd (WSL) can meet the timetable agreed last year for the provision of water and wastewater infrastructure at Kumeu-Huapai-Riverhead.

Attached as **Appendix 1** is a letter dated 15 January 2010, requesting that WSL confirms its support and timing for the project. It does not seem sensible to publicly notify Plan Change 127 without being clear as to WSL's support.

The Council's Chief Executive, Director: Infrastructure and Assistant Chief Executive met with the new WSL Interim Chief Executive, Dr Ian Parton and David Hawkins to discuss the matter and to reiterate the need for a timely response so that the Council could clarify its 2010 – 2011 budget (partly the responsibility of the ATA) and could initiate a Plan Change with some certainty as to its implementation.

A response was received from the General Manager: Asset Management of WSL (Craig Mcilroy) dated 8 February 2010 (attached as **Appendix 2**). Because this letter provides no further certainty as to when a decision will be made, another letter has been sent to the ATA requesting support for the project and voicing concern that the process of local government transition in Auckland could hold up a longstanding development project.

APPENDIX 1

15 January 2010

Ref: OC/34/1

Interim Chief Executive
Watercare Services Ltd
Private Bag 92 521
Wellesley Street
Auckland 1141

Dear Ian

Wastewater Servicing to Huapai, Kumeu and Riverhead

Further to our telephone conversation I would be pleased if Watercare urgently confirms its support for the Huapai, Kumeu and Riverhead wastewater project, along the previously agreed timeline.

Over the past eighteen months, Council has worked alongside Watercare to develop a wastewater scheme to service the towns of Huapai, Kumeu and Riverhead. There is now an accepted, documented, funded and timetabled programme for completion of the scheme by December 2011. This is well publicised, understood by the community and included in our approved LTCCP.

The community has been vociferous in its demand for a public wastewater scheme for the past twenty plus years. The scheme is required to allow development of the area and to alleviate the pollution of watercourses and groundwater from failing septic tank systems.

The Regional Growth Strategy (1999) acknowledges the area as a significant future growth area north west of Auckland. In the 10 years since 2000, developers have invested significantly in land assembly and engaged in planning processes. This Council has progressed all relevant issues to ensure the land in these towns is available for development in 2011. However, no development can take place without a public wastewater scheme.

Should the scheme be delayed for any reason there is no doubt that a political and legal response will be swift from both the residential community and the development community. The area will stagnate economically. There will be an increase in environmental degradation due to pollution from overloaded effluent disposal fields. Importantly, there will be a 'loss of faith' by the community in the benefits of changes in Auckland governance, including the ability of Council's successor to deliver on programmed and funded work.

We urgently seek an assurance that Watercare will commit to this project now so that the economic and environmental well-being of the area can be assured.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rodger Kerr-Newell', with a horizontal line extending to the right.

Rodger Kerr-Newell
CHIEF EXECUTIVE

cc Penny Webster
Warren Maclennan
Murray Noone

APPENDIX 2

From: CMcilroy (Craig) [mailto:CMcilroy@water.co.nz]
Sent: Monday, 8 February 2010 11:34 a.m.
To: Rodger Kerr-Newell
Cc: Murray Noone; Warren Maclennan; Jenny Warren; IParton (Ian); RO'Connor (Richard)
Subject: Kumeu,Huapai & Riverhead Water & Wastewater Services

Further to various discussions on this subject I am able to confirm Watercare's position as follows :

1. The Watercare December 2009 AMP provides for the Watercare infrastructure to support wastewater service provision to be available by December 2011 and for the Watercare infrastructure to support water service provision to be available by June 2013.
2. The financial model prepared by Rodney District is currently being reviewed by Watercare and we will shortly be seeking clarification on a number of issues.
3. Any commercial agreements with developers and/or residents will require legal review by Watercare.
4. Any capital expenditure requests generated by either Rodney District or Watercare will require Watercare Board approval
5. The future growth attributable to NORSGA and Kumeu, Huapai and Riverhead is greater than previously advised, and the need to divert some wastewater flows to the Rosedale WWTP is currently under investigation.
6. The Auckland Council may require Watercare to re-prioritise its growth investments.

Kind regards

Craig Mcilroy

General Manager Asset Management

Watercare Services Limited

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Web: www.watercare.co.nz



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