



**I, Steven May, Tumu Whakarae Chief Executive Officer, hereby give notice that
an Extraordinary Meeting of Council will be held on:**

Date: Thursday, 20 December 2018
Time: 1.30 p.m.
**Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa**

AGENDA

Extraordinary Council Meeting

20 December 2018

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

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- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 14.14 requests to speak must be made to the meeting secretary at least one clear day before the meeting; however this requirement may be waived by the Chairperson.

5 GENERAL ITEMS

5.1 BLUE BAY CONSULTATION SUBMISSION

Author: Stephen Heath, Pouwhakarae – Hua Pūmau Hapori / Ratonga Acting Group Manager Community Assets and Services

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices:

1. [Blue Bay community consultation submission](#) ↓
2. [Blue Bay cost summary](#) ↓
3. [Blue Bay consultation](#) ↓
4. **Legal Opinion - Public Excluded**

1. PURPOSE

1.1 This report provides information for Council on Consultation Feed Back from the Blue Bay property owners. Owners requested a public forum to have the ability to speak to their submission at the Council meeting where they would like this matter to be finalised and decided. Council agreed to this taking place before Christmas 2018.

RECOMMENDATION

The Acting Group Manager Community Assets and Services RECOMMENDS that Council receive this report, and considers the Blue Bay community's consultation submission. No decisions are required by Council at this stage.

2. BACKGROUND

The Blue Bay subdivision was controversial from the outset and the developers/investors were placed in receivership circa 2008. At the time Council was developing a community wastewater scheme to be funded substantially by the Sanitary Works Subsidy Scheme (SWSS). The preference of the community was for the scheme to be as much 'on-site' as possible. Thus, the initial proposal was for secondary treatment on-site followed by communal storage and disposal. Subsequent discussions with the community led to Council negotiating with the receiver for the purchase of the Blue Bay infrastructure. Due to no permanent dwellings the Blue Bay Opoutama subdivision has been largely unoccupied for close to 13 years with a mix of private, public and development owners of the 42 sections. Wastewater services have been extended to the wider Opoutama community. The water supply at the Blue Bay subdivision was constructed around 2005 at the time the subdivision was developed. It was a private supply that would be managed by a body corporate made up of the owners. While there were a number of sections sold at the time the development was being completed, for many reasons the development did not proceed as planned and the subdivision effectively lay idle. Around the same time, Council was progressing community wastewater options for the Mahia area and a decision was made in 2009 to proceed with two separate schemes – Mahia Beach and Opoutama.

2.1 After an extended period of engagement with the Opoutama community, a preferred solution was developed that ultimately led to the wastewater treatment facilities at Blue Bay being purchased by Council with a view to expanding them as and when necessary to service the entire Opoutama community including Blue Bay subdivision. As part of the purchase of

the wastewater facilities Council took on the obligation of operating the water supply for the Blue Bay subdivision. To service the wider community, Council had to obtain a new discharge consent and as part of that process it was determined that the position of the drinking water source bore was a high risk due to its proximity to the wastewater discharge fields. Council proposed to relocate the bore to mitigate the risks.

- 2.2 The waste water and water scheme was built by a developer and it was not to the standard that council would have built e.g. completely separate buildings for the sewer and water systems also with water tanks above ground.

At the time there was no pressing need to relocate the bore as the subdivision was not being built on and the wastewater system was not being used. Council's focus was on getting the community wastewater scheme operational and the bore relocation was deferred until such time as the capital expenditure was necessary. The need for capital expenditure started to become apparent in mid-2017 when sections were sold and owners were requesting services from the Council i.e; water and sewer. Council duly started the process of understanding what was required to supply potable water.

- 2.3 A February 2018 draft of the options assessment report listed the use of the existing bore but did not comment on the viability of this option. Before the options assessment report were finalised, Council followed the process set down and engaged with both the Drinking Water Assessor (DWA) and HBRC. Consultation with DWA in a meeting on the 7th of March 2018 the DWA, noted that this is a small water supply and if a water safety plan approach was followed under Section 10 of the Drinking Water Standards. This is a small community supply because fewer than 500 people will be serviced. After the discussions with the DWA the concept to utilise the existing bore was discussed in a joint meeting with the HBRC and the DWA on the 29th of March 2018 and consequently WDC pursued redevelopment of the old bore and incurred costs of approx. \$57,000 in pursuing the option to utilise the old bore. WDC also submitted a water safety plan and a bore water take consent. WDC received approval from MoH for the water safety plan however were experiencing delays for the water consent to take water from the old bore; in late July 2018 The MoH requested to be considered that they were an effected party and the current consent was objected to for reasons of possible future contamination; It is likely that this will result in unacceptably long delays in processing of the water take consent for the old bore. A new bore location meant elevated costs to the Blue bay community and at the point of fully realising this, Council then consulted with the Bluebay community. The consultation response received was from 34 properties out of 42 approx. 80% response rate-ref Blue Bay community consultation submission–Appendices 1.

3. OPTIONS

- 3.1 The options identified are:

1. Municipal Reticulated Water Supply \$678,000 funded through rates
2. Rain Water Tanks Property owner to fund.
3. Municipal Reticulated Water Supply – shared costs Council to fund-55%, approx. \$373,000 and other conditions-ref Owner proposed option 3 in the Blue Bay community consultation submission–Appendices 1.

4. Rain Water Tanks - shared costs Council to fund \$5,000 x 42 properties, approx. \$210,000 and other conditions-ref Owner proposed option 3 in the Blue Bay community consultation submission–Appendices 1

3.2 The preferred option for the reasons outlined is option 1 as this meets the purpose of local government as it will help meet the current and future needs of communities for good-quality infrastructure, local public services.

4. CONCLUSION

4.1 Council believes it has followed due process and that they have meet their obligations, however acknowledge that this has been a difficult, longer process than both parties would have liked.

5. CORPORATE CONSIDERATIONS

What is the change?

Compliance with legislation and Council Policy

What are the key benefits?

5.1 Safe reliable drinking water

What is the cost?

5.2 See options section.

What is the saving?

5.3 N/A

Who has been consulted?

5.4 Wairoa District Council have consulted with the Bluebay community–(ref appendices 3. Blue bay consultation.)

Maori Standing Committee

5.5 This has not been referred to the Maori Standing Committee

6. SIGNIFICANCE

RISK MANAGEMENT

6.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:

a. Due to a much higher capital cost of \$678000 to upgrade the water supply and supply potable water-ref Appendices 2. Blue Bay cost summary. Council has consulted with the blue bay community and as result the Bluebay community have requested Council cost contribute and consider a Blue Bay community submission for either Owner option 3. \$373,000 or Owner option 4. \$5000 per property; Presented in the Blue Bay community consultation submission–ref Appendices 1. This recent Blue bay community consultation submission has technical and legal criticism and suggests that council were negligent in

particular point 6.14 states. "It is the owner's view that general legal and democratic shortfalls of the Council in the management of its general infrastructure responsibilities causing additional disproportionate cost, should be borne by the Council as a whole".

- b. Wairoa District Council have sort a legal opinion which addresses the Blue Bay community submission and Council do not believe they have been negligent and have meet their obligations.-Ref appendices 4. Legal opinion

References (to or from other Committees)

None.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.
- c. Signatories

	
<p>Author Stephen Heath</p>	<p>Approved by Steven May</p>

Joint Submission
Blue Bay Water Supply

Submitted on behalf of lots: 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 15, 16, 17, 18, 20, 21, 22, 25,
26, 27, 28, 29, 31, 32, 34, 35, 36, 37, 39, 40, 41, 42, 43 & 44

Water Background

- 1.1 The Blue Bay Opoutama subdivision has been unoccupied for close to 13 years with a mix of private, public and development owners of the 44 sections.
- 1.2 In 2012/13 **WDC purchased and took over responsibility for both the wastewater and fresh water supply** to the properties and to the wider community. Wastewater services have been extended to the wider Opoutama community
- 1.3 At the time WDC took over these services they understood the subdivision development owners were in receivership. Both the **Wastewater and Water systems were operational** and had been consented by the HBRC.
- 1.4 **WDC registered land covenants and consent notices against Blue Bay property titles**, recording that WDC would have responsibility for the supply and operating costs of reticulated potable drinking water and wastewater services in perpetuity.
- 1.5 WDC later applied to HBRC and was granted a resource consent for the discharge of domestic effluent from the community, as the developers' consent had lapsed.
- 1.6 Prior to the taking over of the services and consents WDC were advised in a report by HBRC (21 July 2010) that well 5458, the well used to supply the subdivision's water, should be moved and that this had been agreed to by the developers. Furthermore, in WDC's consent application to discharge domestic effluent to land, which was heard on 12 and 13 August 2010, **WDC stated it was their intention to move the well to another location** outside the wastewater plume area.
- 1.7 WDC were advised by the HBRC that the water resource consent (WP050443T) was to lapse and then did lapse in 2011. **WDC failed to seek a transfer/lapse date extension or apply for a replacement resource consent at this time, despite having agreed to take over and maintain the system.**
- 1.8 In a letter dated 28 September 2012 to all Blue Bay land owners regarding WDCs purchase of the wastewater and potable water supplies, **Jamie Cox writes on page two "Blue Bay Properties will not be charged for any initial capital or future upgrading costs, however ongoing operations and maintenance costs will be charged"**.
- 1.9 This letter and statement from Mr Cox makes it clear WDC intended to maintain the operational nature of the systems they had taken over within existing operational budgets/rates, and that **WDC has subsequently failed to maintain the asset as agreed.**

2. Current Situation

- 2.1 All properties are in private ownership, owners were aware the water was not live at the time of purchasing but understood through their various legal representatives and due diligence WDC's responsibility to provide fresh water and wastewater services as per the property titles, the district plan designation, the original purchase contract, Council resolutions as well as WDC's commitment not to charge for capital works.
- 2.2 The Havelock North water inquiry and its recommendations have meant a closer spotlight on community water supplies, note nothing has changed legally with regards to the supply of community water.
- 2.3 **A new bore (#16825) was consented and has been drilled by WDC**, the well is outside the wastewater plume, has good flow (3l/s), is hooked up to a pump (1.5l/s) and is ready to be connected to the reticulated water system via an approx. 800m connection pipe.
- 2.4 **WDC applied to HBRC for a public supply water resource consent from the new well and it was granted** (Consent WP180294T) on 10 September 2018. In June 2018 WDC originally applied to take from the 'old' well however after Pattle Delamore Partners wastewater plume modelling showed this to be unwise WDC agreed to change the point of take.
- 2.5 **WDC have an approved water safety plan** which allows them to take water and supply water to the community from the new well.
- 2.6 All that is required now is installation of pipe to connect the new well to the existing network and the UV/Chlorine treatment to be installed. If a full new and separate treatment facility is required Owners need to see this justification transparently.

3. Water situation conclusions and community feeling

- 3.1 WDC have not only been treating this subdivision as if it is unpopulated but also as if it will be unpopulated forever. This has meant **WDC have been neglectful in their legal responsibilities to maintain the water asset in the same condition they took it over (consented and operational)**.
- 3.2 **WDC's legal responsibility was to ensure the subdivision retained access to a safe drinking water source.** The 7 private owners in the subdivision paid for an operational water system and were guaranteed by WDC that would be maintained when they took over the systems. At any stage over the last 13 years they could have applied to build a dwelling, at that time they had a reasonable expectation of a working water connection, which would have been rated once connected.

- 3.3 Owners acknowledge WDCs financial limitations but maintain WDC had a responsibility to maintain the asset, WDC understood the rating situation when taking over the system and should have considered budgets as part of that decision as it signed up in various ways to continue to provide the water service.
- 3.4 The owners would like to see WDC formally acknowledge that by letting the water consent for the supply lapse without replacement, by not moving the bore as they agreed to do in 2010 and by not investing in any infrastructure maintenance, they have breached their duties and let the land owners of Blue Bay down. This inaction by WDC was in breach of a series of Council resolutions, contracts and agreements with the original 7 owners, the owners in liquidation, the district plan and the consent notices registered on the property titles, in short **this is a monumental failing of a legal responsibility to provide a core service** that has not been acknowledged to date.
- 3.5 The community are pleased WDC now have a new well, a current resource consent and an approved water safety plan.
- 3.6 The owners believe costs associated with meeting the Councils responsibility to provide fresh water should be split 2 ways, with a weighting taking into account situation responsibility, benefit and ownership, as required to be considered under the Local Government Act, please see section 7 of this submission.
- 3.7 Owners are proposing a 3rd and 4th option to add to the two options WDC outlined under its web-based consultation. Details in section 6 below.

4. Consultation Meeting

- 4.1 Owners thank WDC for agreeing and arranging to meet, and for doing this in a place convenient to the majority of owners.
- 4.2 It was agreed and understood that neither proposed option 1 or 2 would be acceptable without change, primarily funding partnership needed.
- 4.3 At the meeting it was agreed that WDC would provide three non-potable taps situated beside the fire hydrants for the use of the residents or the public in perpetuity. These have now been installed. Owners would like the ongoing facility of non-potable water from these taps confirmed in writing by WDC. It was noted by one of the residents that the current water pressure from these taps is too low to be of use for things like washing down boating equipment or flushing motors. For the taps to be useful they must have as a minimum normal domestic water pressure.

5. Assessment of Options

Option 1 – Water Supply Plant recommissioning

- 5.1 Economies of scale - The cost estimated at **\$678,000.00 is excessive and unjustified**, in particular the \$418,000 proposed to upgrade the treatment of the water. Owners have received the following cost estimates in contrast:
- 5.1.1 Chlorine unit suitable to supply up to 100 homes - \$20,000 (assuming power supply is available and site works are minimal)
 - 5.1.2 An alarm system and Telemetry and installed - \$20,000
 - 5.1.3 UV for the consented volumes - \$14,000
- 5.2 Owners believe part of the additional proposed work is not required or could be done more efficiently.
- 5.3 Owners believe the costs for any recommissioning of the supply should be split and weighted 2 ways, see option 3 below
- 5.4 **The proposed costs in this option are unaffordable** to be borne wholly by the owners.
- 5.5 Odour and colour – The well is not shallow (see 5.7) the well drillers believe this **risk is low, it is accepted** by the owners with the proposed treatment.
- 5.6 Water restrictions – rate of take of 1.5L/s and volumes of 2,700m³ per month (As WDC now have consented) is **suitable to meet the needs of the Blue Bay properties with proposed/existing storage header tanks**.
- 5.7 Bore running dry. This is an incorrect statement; the bore is 12.37m deep and has a 9m water head (SWL -3.02m), more than sufficient even at summer levels to support a 1.5l/s extraction as consented - **this risk non-existent and not supported by the well report pump test**.
- 5.8 Risk of Cynotoxins/Algae – Please see 5.7 above re bore depth, **this risk is low and accepted** by the owners considering the proposed treatment.
- 5.9 Level of water treatment – as required by WDC’s approved DHB water safety plan, UV and Chlorine treatment **is acceptable**.

Option 2 – Rain Water Tanks and Removal of Council’s Obligation to Supply Water from Property Titles

- 5.10 The negatives of this option are seen as –
- Capital costs,
 - Installation costs,
 - Operational costs,
 - Water top up costs,
 - Consenting requirements, uncertainty and costs,
 - Water restrictions and capacity,
 - Concerns over potential vandalism and water security,
 - Placement and set back dilemmas and
 - Loss of valuable service from titles.
- 5.11 The positives are no rates for water and consistency with owners who have already been compelled to purchase tanks through building consents or necessity.
- 5.12 **Owners recognise it is a significant asset to have reticulated water supply on their titles in perpetuity**, this option removes that asset without compensation, partnership.

Conclusions

- 5.13 There is a **mix of opinions** between owners regarding supporting option 2 with funding amendments (described in owners option 4) and the owners proposed option 3, this mix is primarily dependant on how soon the owners intend to build and concerns around timeframe to access if Council supplied water was to be actioned.
- 5.14 There is **no consensus** yet, which is required to remove the consent notices on the properties.

6. Owners Proposed Option 3

A partnering approach - An economy recommissioning of the reticulated supply

- 6.1 The network and infrastructure are in place. WDC now have a new compliant bore, operative consent and approved water safety plan for the community
- 6.2 This option sees WDC engage in formal transparent discussion with the HBRC and DHB to itemise what changes to the network are **actually required**, the new **bore to then be connected to the existing or new storage tanks**, a **UV and Chlorine doser installed and the system livened up in compliance with the existing consent**.
- 6.3 WDC will also make all attempts to economise the ongoing operational costs of maintaining the system and to lay these out transparently for the owners.
- 6.4 The owners believe there are **two parties who should have a weighted responsibility to fund the capital works for this option**, these are set out and reasoned below:
 - 6.4.1 The Blue Bay property owners
 - 6.4.2 The Wairoa District Council through its general rate
- 6.5 The Council is required under the Local Government Act to consider affordability/ reasonability and other matters when setting its targeted rate, the owners believe this option meets those requirements, please see Section 8 of this submission.

Blue Bay property owners to contribute

- 6.6 Despite the assurance given to owners they would not be responsible for capital works (see point 1.8 of this submission), **The owners recognise the recommissioning has a direct benefit to them** so offer in **good faith and without prejudice** that a weighted contribution is made.
- 6.7 **A weighted proportion of costs is suggested of 45%.**
- 6.8 It is proposed that this 45% be initially loan funded by Council and collected via a connection fee to Blue Bay properties of approx. \$8,000.00. *
 - This has been calculated using WDC existing recommissioning figures, $680,000.00 \times .45 / 42$ (sections number less WDC owned) with an additional allowance for interest and taking into account point 6.10.
- 6.9 Owners see a future benefit to this option in that if services are to be extended during the life of the asset to the wider Opoutama community, a consistent approach to recovering the capital cost can be taken.
- 6.10 It is proposed owners who have already installed tanks would receive a discounted connection fee of approx. \$5,500.00.

The Wairoa District Council to contribute

- 6.11 Had WDC upheld their legal requirement to maintain the potable drinking water infrastructure to the Blue Bay subdivision and it's rate paying land owners (as required by the agreement entered into when purchasing the two systems and taking over the subdivision infrastructure, as well as the district plan (S 27.7.6), Council resolutions and the consent notices on the property titles) there would be no issue with the changes in drinking water standard application, or supply source after Havelock North (as consent and supply from the new well would be existing infrastructure)
- 6.12 Therefore **the process and associated costs to reach the new standards in this one-off way is a direct result of WDC's breach of responsibility (and contract) to the land owners in not maintaining this core infrastructure (as agreed) or rating appropriately for it over the last 13 years.**
- 6.13 Owners believe there is a distinct difference in rating for a water connection and budgeting for/rating for the asset maintenance of the system WDC purchased. As such Owners reject the argument that WDC did not maintain the system because it did not rate for or have any connections.
- 6.14 It is the owners view that general **legal and democratic shortfalls of the Council in the management of its general infrastructure responsibilities causing additional disproportionate cost, should be borne by the Council as a whole.**
- 6.15 **A weighted proportion of costs is suggested of 55%**
- 6.16 It is proposed that this 55% be initially loan funded by Council and collected via general rates over a period of approx. 6 years at a cost of \$10p.a on the general rate.
- 6.17 Blue Bay owners would be paying this general rate also and accept this double payment.

7. Owners Proposed Option 4

A partnering approach - Moving to tanks

- 7.1 This option is being proposed without prejudice
- 7.2 This option sees the subdivision network infrastructure abandoned, consent notices removed off the property titles and each property taking responsibility for the collection and storage of its own potable drinking and on site water.
- 7.3 For the same reasons set out in the owners proposed option 3 it is proposed a weighted funding contribution is made by both the owners and WDC to this option.

Blue Bay property owners to contribute

- 7.4 As discussed in section 5.10, The negatives of this option are seen as – Capital costs, installation costs, operational costs, water top up costs, consenting requirements - uncertainty and costs, water restrictions and capacity, concerns over potential vandalism and water security, placement and set back dilemmas and loss of valuable service from titles.
- 7.5 The Blue Bay property owners propose to deal with all of these negatives privately with the exclusion of compensation for loss of valuable service from titles, placement concerns and consenting costs.

The Wairoa District Council to contribute

- 7.6 This option sees WDC contribute in 3 ways. compensation for loss of valuable service from titles, placement approval and consenting costs.
- 7.7 A \$5,000 per property one off payment is made to each property in compensation for the removal of the consent notice off their title. This would apply to 42 Sections, WDC's excluded.
- 7.8 Guarantee is given to owners of WDC's affected party approval for placement of tanks next to their reserve where sought.
- 7.9 An in-kind contribution is made of staff time for the processing of any required tank placement resource consents.
- 7.10 Written confirmation of 3 non-potable taps and pressure in perpetuity
- 7.11 Owners would then release the consent notice on their properties.

8. Responsibility to consider Options 3 & 4

- 8.1 Section 101(3)(a) of the Local Government Act 2002 sets out what Council must consider when setting a targeted rate, such as what WDC are proposing for this community water supply.
- 8.2 These considerations are:
- (i) the community outcomes to which the activity primarily contributes; and
 - (ii) the **distribution of benefits between** the community as a whole, **any identifiable part of the community**, and individuals; and
 - (iii) the **period in or over which those benefits are expected to occur**; and
 - (iv) the extent to which the **actions or inaction of particular individuals or a group contribute to the need to undertake the activity**; and
 - (v) the **costs and benefits**, including consequences for transparency and accountability, of **funding the activity distinctly from other activities**; and
- 8.3 **It is clear when the above is considered that:**
- 8.3.1 Other parties' benefit (wider Opoutama community) which must be considered in the distribution of benefits
 - 8.3.2 The proposed funding period is too short (pushing the cost up) when considering the infrastructure lifespan of 30+years.
 - 8.3.3 The inaction of Council itself has significantly impacted the costs and process needed to reconnect this core service.
 - 8.3.4 There is a distinct benefit in funding the reconnection from other sources, natural justice, fair and reasonable process, community trust in Council maintaining its legal responsibilities and affordability being a few.
- 8.4 **It would be unaffordable, unjust and potentially illegal for WDC to assign the full cost of the water re-commissioning to the Blue Bay land owners when other parties hold responsibility and benefit.**

9. Moving forward

- 9.1 **Owners request that Staff and Councillors:**
 - 9.1.1 Consider a partnership approach,
 - 9.1.2 Discuss with the DHB an economy re-commissioning of the water supply to the subdivision,
 - 9.1.3 Fully cost the owners proposed options 3 and 4,
 - 9.1.4 Suggest any alternative funding split and distribution that would be appropriate back to the owners
 - 9.1.5 Provide comment to the owners on WDC's strategy should the government decide to assist small communities with water and treatment upgrades in future, assurance they will seek this benefit to be retrospectively applied to us where possible.
- 9.2 Consider the sound legal and common-sense reasoning for a weighted proportionate split of costs to resolve this issue in the re-commissioning of the water supply.
- 9.3 Engage back with owners regarding which of the options 3 or 4 Council wish to work with owners on.
- 9.4 Owners request a public forum to have the ability to speak to thier submission at the Council meeting where this matter is to be finalised and decided.

Memo



To: Stephen Heath
From: Johan Ehlers
Date: 6 November 2018
RE: BLUE BAY WATER SUPPLY SYSTEM ESTIMATE

Further to your request for a summary of the basis for the \$678,000 cost estimate for the Blue Bay water supply system improvement, the scheme consists of the elements shown below:

Element	Description	Cost estimate
Scheme planning	Water quality and catchment risk assessment, source water options development and treatment process analysis.	\$50,000
Existing bore	Hydrogeological analysis to assess the effect of taking water from the bore, aquifer test and redevelopment.	\$29,000
New bore	New bore located in Ormond Road to the east of the railway line. The estimate includes hydrogeological work, tender process, construction and testing of the bore, associated pipework, instrumentation, electrical and control equipment.	\$136,000
Raw water pumping main	Design and construction of a new pumping main from the new bore to the existing bore site.	\$45,000
Treatment plant upgrade	Scheme plan and developed design, tendering and construction of a treatment plant upgrade consisting of: <ul style="list-style-type: none"> • Expansion of the site to create space for raw water tanks • Supply and installation of 3 x 25m³ raw water tanks • Removal of 4 x 25m³ existing treated water tanks and raising the tank pads to the surrounding ground level • Construction of an additional building to separate wastewater treatment equipment from water supply treatment equipment • Installation of raw water pump set • Supply and installation of two treatment systems consisting of 20-, 5- and 1-micron filters and ultraviolet disinfection equipment • Supply and installation of chlorine gas disinfection equipment • Supply and installation of 4 x 25m³ treated water tanks • Move the treated water pump set and booster pump for fire-fighting water supply to the new building • Associated pipework, instrumentation, electrical and control equipment 	\$418,000
Total		\$678,000

Regards

Johan Ehlers CP Eng

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BLUE BAY WATER SUPPLY

07 November 2018

Attention: Blue Bay Property Owner

Please accept this letter outlining a formal engagement process between the Wairoa District Council and Blue Bay property owners regarding the Blue Bay water supply.

I sent a letter to all property owners on the 2nd of October advising that the Wairoa District Council has recommended pausing the Blue Bay water supply process due to a significant increase in costs to upgrade the proposed water supply and that Council would formally engage with affected property owners about the future of the Blue Bay water supply.

In that letter I also noted that given the importance of this project to us, that this project would report directly to me and I appointed Stephen Heath as Council's main point of contact to ensure an open line of communications was maintained with property owners.

In the interim, I have sought advice from Council officers and we now formally present two options to affected property owners for your consideration and formally wish to open an engagement and consultation process with Blue Bay property owners.

The information enclosed offers two options for property owners to consider. We now seek your feedback. It is important to note that property owners have to choose one option and for that option to succeed, it needs to be agreed to by every single property owner.

We are very aware that property owners were looking forward to spending Christmas at their Blue Bay properties/lots or confirming projects to build and wanted to ensure that we could provide a timely solution. This engagement process is now formally open and will close at 5.00pm on the 30th of November 2018.

The enclosed information flyer has relevant information for you to consider and also has the process for how we might receive your feedback. We also propose to hold a meeting on Saturday, 24th of November in either Napier or Hastings at 11am. Venue to be confirmed.

I appreciate that this has been a frustrating process for you and I apologise for this. I want to reconfirm our commitment to ensuring that we seek a partnership with Blue Bay property

Office of the Chief Executive, Coronation Square, PO Box 54, Wairoa 4160
Telephone +64 6 838-7309 – Email stevenm@wairoadc.govt.nz

owners to find a viable, affordable, timely and sustainable solution to the water supply issues at Blue Bay.

If you have any questions regarding this process, please contact Stephen Heath on Stephen@wairoadc.govt.nz.

Yours faithfully



Steven May
CHIEF EXECUTIVE OFFICER



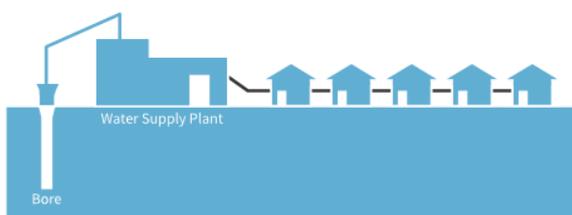
Steven May (CEO) & Stephen Heath (Utilities Manager)

BLUE BAY WATER SUPPLY

Unfortunately the water upgrade for the Blue Bay sections will not be completed by Christmas 2018 as initially planned. Council have considered possible solutions to solve the Blue Bay water challenges and now wish to formally engage with affected property owners.

OPTION 1

WATER SUPPLY PLANT UPGRADE



- **Economy of scale not favourable**
Currently capital cost of approximately \$678,000 shared across 44 properties.
- **Risk of odour & colour issues**
The bore at Blue Bay is shallow, therefore there will be an ongoing risk of odour and colour issues.

- **Risk of water restrictions**
Due to bore limitations of 1.5 litres per second, strict restrictions will result in daily water limits and smart metering on each property. If daily limits are exceeded penalties will be incurred.
- **Risk of bore running dry**
In extended dry periods there will be a risk of the bore running dry due to it being shallow. This may mean trucking in water, which will incur costs.
- **Risk of cyanotoxins/algae**
Due to the shallowness of the bore and aquifer there will be a risk of cyanotoxins/algae.
- **Level of water treatment**
Due to the shallowness of the bore and the aquifer a high level of ongoing water treatment will be required, i.e. chlorination, filtration, flocculation, UV disinfection etc which will incur a cost. Costs unknown at this time.

OPTION 2

RAIN WATER TANKS



- **Rain water tank installation**
Property owners install rain water tanks, incurring initial installation costs. Council would encourage UV disinfection, 1 micron filter and leaf traps on downpipes as per Council's rural rain water tank recommendations.
- **On-going operational costs**
On-going operational costs are low and will have to be borne by the owner.
- **Minimised health risks**

- **Management of storm water**
Rain water tanks will help to manage storm water runoff from roofs.
- **Trucking in water**
Possible costs to truck water in if the rain water tank runs dry.
- **No rates for water**
Wairoa District Council's obligation to supply water will be removed off property title. This means that property owners won't have to pay ongoing rates for water.
- **Consenting Requirements**
It should be noted that under the Operative Wairoa District Plan any structure, over 1.5m in height including water tanks are classed as a building and therefore the water tanks need to meet the minimum set back requirements. In the Residential (Mahia) Zone which includes the Blue Bay Subdivision these are 3m from the front and rear boundary and 1.5m from the sides. If the tank is to be inside the set-backs then a consent will be required. If the affected boundary is of a privately owned piece of land and the applicant can obtain the affected parties approval then they can apply for a deemed permitted boundary activity. If the affected boundary is to a council owned piece of land or the applicant cannot obtain affected parties approval then it will need go through to full RMA process. These costs would have to be borne by the applicant.
- **Drinkable water**



Wairoa District Council incurred costs of approximately \$57,000 in pursuing the option to utilise the old bore. However, Council acknowledge that the expectation from property owners was there would be a water supply available before Christmas 2018.

Wairoa District Council has filled the four existing water tanks from the existing Blue Bay bore and has energised the water system to give the subdivision (i.e. 44 sections) three active fire hydrants.

Fulton Hogan have completely isolated the 44 properties so the water tobies on the properties are now inactive i.e. no water.

As Blue Bay residents were expecting water for this Christmas holiday period, Wairoa District Council are concerned that Blue Bay residents may try to access water from other more risky sources. Wairoa District Council would like to put three taps on the road side, connected to the existing water supply, and allow the residents over the holiday period to use this for general use such as, filling up caravan grey water systems etc (note: this water is non-potable, non-drinkable).

If Option Two is considered the best option by the property owners, then Wairoa District Council will continue to operate and maintain the three road side taps and fire hydrants.

Above each of the road side taps there will be signage to indicate that the water supplied is non-potable water not intended for drinking.

To help further reduce the risk, Wairoa District Council will filter the water with 5 and 20 micron filters, and regularly dose the water with minimal chlorine. (Note: This water is classed as non-potable water due to the Water Treatment Plant not meeting the Drinking Water Standards NZ).

The three taps by each fire hydrant will be on the road side and due to capital cost constraints can only be located by each fire hydrant.

Wairoa District Council has advised the Ministry of Health about the road side tap solution. They understand the reasoning and are happy with the solution.

SUBMITTING YOUR FEEDBACK

Wairoa District Council are committed to working with Blue Bay property owners to find a solution and look forward to your feedback.

**CONSULTATION CLOSES ON
30TH NOVEMBER 2018, 5PM**

HOW TO SUBMIT YOUR FEEDBACK

🌐 **Complete our online feedback form**
Visit www.wairoadc.govt.nz and search for
#consultations

✉ **Email us**
Alternatively you can email your feedback to
stephen@wairoadc.govt.nz

5.2 UPDATES TO OFFICER DELEGATIONS MANUAL

Author: Kimberley Tuapawa, Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: Nil

1. PURPOSE

- 1.1. The purpose of this report is to inform Council of the need to update details in the Wairoa District Council Officer Delegations Manual following an organisational restructure, and request approval to make these changes.

RECOMMENDATION

The Group Manager Information and Customer Experience RECOMMENDS that Council approve the following changes be made to the Wairoa District Council Officer Delegations Manual:

- Remove all reference to the Chief Operating Officer where both the Chief Executive Officer and Chief Operating Officer have delegated authority.
- Remove all reference to the Chief Operating Officer and replace with Chief Executive Officer where the Chief Operating Officer has delegated authority and the Chief Executive Officer does not.
- Remove all reference to District Planner and replace with Senior Planner and Planner where the District Planner has delegated authority.
- Remove all reference to the Engineering Manager and replace with Group Manager Community Assets and Services where the Engineering Manager has delegated authority.
- Remove all reference to the Building Control Officer and replace with Senior Building Compliance Officer where the Building Control Officer has delegated authority.
- Add a delegation to enable the Zero Harm Officer and Environmental Health Officer authority to access the Register of Compliance Certificates.

The Group Manager Information and Customer Experience also RECOMMENDS that Council give the Chief Executive Officer approval to make the following editorial changes to the Council Officer Delegations Manual:

- Replace all references to Chief Financial Officer with Group Manager Finance & Corporate Support.
- Replace all references to Corporate Services Manager with Group Manager Information & Customer Experience.
- Replace all references to Economic Development and Engagement Manager with Group Manager Community & Engagement.
- Replace all references to Enforcement Team Leader with Compliance Team Leader.
- Replace all references to Enforcement Officer with Compliance Officer.
- Replace all references to Dog Control Officer with Compliance Officer.
- Replace all references to Financial Planning Manager with Finance Manager.
- Replace all references to GIS Coordinator with Information Services Team Leader.
- Replace all references to Governance and Policy Strategist with Policy and Governance Team Leader.

- Replace all references to Governance Administrator to Governance Officer.
- Replace all references to Regulatory Administration Officer to Regulatory Officer.
- Replace all references to Utilities Manager to Utilities Engineer.

EXECUTIVE SUMMARY

1. BACKGROUND

- 1.1 The purpose of Officer Delegations is to assist with achieving Council's goals and objectives, as stated in strategic documents such as the Annual Plan, Long Term Plan, etc. Officer delegations differentiate between Elected Members making governance decisions and Council Officers implementing such decisions.
- 1.2 Officer delegations also assist with carrying out Council business and meeting the needs of Council's customers in an efficient and effective manner, by enabling officers to take action within the parameters of their delegated authority. To further enable efficiencies, delegations have been approved to the lowest appropriate officer level.
- 1.3 The Manual sets out the general nature of Council's delegations to the Chief Executive Officer, and notes that the Chief Executive Officer may further delegate such powers onto Council Officers. It records the delegations made by the Chief Executive Officer to Council Officers.

2. CURRENT SITUATION

- 2.1 The Delegations Manual must be updated to reflect changes that have occurred due to the Council's recent organisational restructure. These changes involve the disestablishment of three positions, the establishment of three new positions, and changes to a number of job titles.
- 2.2 Updates to the Delegations Manual must be made in order to enable Council Officers to carry out their functions which contribute to the achievement of Council's goals and objectives, and fulfil Council's statutory obligations pursuant to the Local Government Act 2002, Resource Management Act 1991, and Building Act 2004.

3. OPTIONS

- 3.1 The options identified are:
 - a. Do nothing.
 - b. Give approval for the aforementioned changes to be made to the Wairoa District Council Officer Delegations Manual.
- 3.2 "Option a" means that Council will not be complying with various pieces of legislation. Moreover, this will severely limit the efficient and effective day-to-day operations of Council.
- 3.3 "Option b" ensures that Council is meeting its statutory obligations and will also assist officers with carrying out Council business and meeting the needs of Council's customers in an efficient and effective manner, by enabling officers to take action within the parameters of their delegated authority.
- 3.4 The preferred option is option b, this meets the purpose of local government as it will help meet the current and future needs of communities for good-quality infrastructure,

local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

4. CORPORATE CONSIDERATIONS

What is the change?

- 4.1 An update to the Delegations Manual to reflect changes that have occurred due to the Council's recent organisational restructure. Delegated authority to the lowest feasible level creating a more efficient and effective Council operation.
- 4.2 This process will not trigger an s17a review.

Compliance with legislation and Council Policy

- 4.3 This Manual is consistent with Council's plans and policies.

What are the key benefits?

- 4.4 Efficiency and effectiveness gains as described above.

What is the cost?

- 4.5 There are no foreseen cost implications arising out of this process.

What is the saving?

- 4.6 No savings.

Who has been consulted?

- 4.7 This matter is operational in nature and no external consultation has been required. Internal senior managers have reviewed the changes that are required and provided input and suggestions.

Service delivery review

- 4.8 Not applicable.

Maori Standing Committee

- 4.9 This matter has not been referred to the Māori Standing Committee as it is largely operational in nature. What is more, governance issues relating to this particular process are at a full Council level.

5. SIGNIFICANCE

- 5.1 Decisions made by the Wairoa District Council affect the residents and ratepayers of Wairoa. Council is committed to building and maintaining good relationships with stakeholders and our community so that decisions are well informed. Wherever practical, we will engage with individuals, organisations and groups in our community in ways that give them the best opportunity to have their say.
- 5.2 Significance means the importance of an issue, proposal, decision, or matter, as assessed by Council. Council needs to take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- The likely impact/consequences of the issue, proposal, decision or other matter, on the district.
 - Whether the asset is a strategic asset as listed in schedule two of the Significance & Engagement Policy.
 - The impact on levels of service provided by Council or the way in which services are delivered.
 - The degree of impact on Council's debt or the level of rates it charges.
 - The financial and non-financial costs and implications of the issue, proposal, decision or other matter having regard to Council's capacity to perform its role.
 - Whether the decision is reversible and the likely impact on future generations.
 - The impact on the community, how many people are affected and by how much.
 - Whether the decision or action flows from, or promotes, a decision or action that has already been taken by Council or furthers a community outcome, policy or strategy.
 - Is there a past history or reasonable expectation of the issue generating wide public interest within the district.
 - The likely impact/consequences of the issue, proposal, decision or other matter, on youth, elderly and Māori.
- 5.3 It may be that only one of the criteria applies, but to such a high degree that the decision will be considered "significant". Conversely, several criteria may be applicable, but to only a low degree, and therefore will be considered to have a lower level of significance. Each decision will involve staff making an assessment for consideration by elected members.
- 5.4 Consequently, there are no matters of significance which require council to consult the public for the following reasons:
- There is a medium to low level of impact.
 - There is a medium to low level of change to services.
 - The impact on the community is medium to low.
 - The decision does not impact on Council's ownership of an asset.
 - The decision or action is consequential to, or promotes, a decision or action already taken by Council.
 - There is no history of the matter generating widespread interest.
 - The impact on youth, elderly and Māori is medium to low.

6. RISK MANAGEMENT

- 6.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:
- a. Risks are largely mitigated as Council can review delegations at any time.

Further Information

None.

Background Papers

None.

References (to or from other Committees)

Council. 5 December, 2017. Wairoa District Council Officer Delegations Manual.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
<p>Author Kimberley Tuapawa</p>	<p>Approved by Steven May</p>

5.3 REQUEST FOR FUNDS TO SUPPORT DISTRICT SPORTS PROJECT

Author: Steven May, Tumu Whakarae Chief Executive Officer

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. **Proposed Development of a Play,Active Receration and Sport Plan for Wairoa District** [↓](#)

1. PURPOSE

- 1.1 \$10000 is sought to support the delivery of a Wairoa District Play, Active Recreation and Sports Plan.

RECOMMENDATION

The CEO RECOMMENDS that Council support the delivery of a Wairoa District Play, Active Recreation and Sports Plan and approve \$10000 contribution to Sports Hawks Bay.

2. BACKGROUND

- 2.1 Sports Hawkes Bay have approach Council and recommended the delivery of a Wairoa District Play, Active Recreation and Sports Plan.
- 2.2 The attached letter from Mark Aspen, Chief Executive of Sports Hawkes Bay details the reasoning for developing a unique plan for the Wairoa Community.
- 2.3 Sports New Zealand confirm \$20000 and Sports Hawkes Bay confirm \$10000 towards the proposed \$40000 Project.
- 2.4 At the November Council meeting a decision to place \$50000 in a Sports and Recreation contestable fund was confirmed by Council.

3. OPTIONS

The options identified are:

- a. Status quo – do not support the delivery of a Wairoa District Play, Active Recreation and Sports Plan and approve \$10000 contribution to Sports Hawks Bay.
- b. Council support the delivery of a Wairoa District Play, Active Recreation and Sports Plan and approve \$10000 contribution to Sports Hawks Bay.
- 3.1 The preferred option is option b, this meets the purpose of local government as it will help meet the current and future needs of communities for local public services in a way that is most cost-effective for households and businesses.

4. CORPORATE CONSIDERATIONS**What is the change?**

- 4.1 Council will support the delivery of a Wairoa District Play, Active Recreation and Sports Plan and approve \$10000 contribution to Sports Hawks Bay.

Compliance with legislation and Council Policy

Not applicable.

What are the key benefits?

See attached letter.

What is the cost?

4.2 \$10,000.00 – taken from special reserve.

What is the saving?

4.3 None.

Who has been consulted?

No consultation undertaken.

Service delivery review

Not applicable.

Maori Standing Committee

4.4 This matter has not been referred to the Committee.

5. SIGNIFICANCE

Low impact

6. RISK MANAGEMENT

6.1 There are no strategic risks identified in the implementation of the recommendation.

Further Information

None.

Background Papers

None.

References (to or from other Committees)

None.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,

- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
Author Steven May	Approved by Steven May



13 December 2018

Steven May
Chief Executive
Wairoa District Council
PO Box 54
Wairoa

Dear Steven

Proposed Development of a Play, Active Recreation and Sport Plan for Wairoa District

I am writing to confirm my earlier advice that Sport New Zealand (\$20,000) and Sport Hawke's Bay (\$10,000) are willing to contribute \$30,000 towards the development of a plan for Play, Active Recreation and Sport Plan for Wairoa District. The estimated cost of engaging a contractor to prepare such a plan, based on Sport NZ's previous experience, is in the region of \$40,000. Therefore with a contribution of \$10,000 from Wairoa District Council, the plan could become a reality.

The process of preparing a plan would be to engage the community in a consultation process to understand their aspirations and also to understand what they are willing and able to contribute. The plan would cover not just physical aspects (such as buildings and parks) but also look at organisational matters such as how sports clubs are run. The selected contractor would need to be supported by people who understand and are well connected to the community. We would make Sara Bird available to assist and ideally the Council would be represented too.

It is difficult to be certain in advance what specific benefits the plan will bring. However the anecdotal evidence is that it is getting more and more difficult to run sport and harder and harder to find volunteers to assist. A structured approach is the best way of attempting to address this and the insights gathered from a community consultation process will be extremely useful background data in terms of helping to shape the Council's future focus in this area.

Finally, while of course Wairoa is part of the Hawke's Bay region, Gisborne is also of significance to the Wairoa sporting landscape. That connection tends to be overlooked in a wider regional plan and for that reason I feel there is benefit in developing a plan specific to the Wairoa District.

I am very happy to discuss any of this further.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mark Aspden".

Mark Aspden
Chief Executive

Sports House, Pettigrew.Green Arena, 480 Gloucester Street
PO Box 7537, Taradale, Napier 4141
P 06 845 9333 F 06 845 3983 E active@sporthb.net.nz
sporthb.net.nz



6 PUBLIC EXCLUDED ITEMS**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Nuhaka-Opoutama Road (Blowhole) Project Update	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - Procurement: 18/13 Flood Damage Repairs - Mohaka/Waiiau Package 1	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

6.3 - Procurement: 18/15 Structral Bridge Strengthening 2018/19 Package 1	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
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