



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL



## Finance and Infrastructure Committee Meeting Agenda

Thursday, 12 August 2021

9.00am

Council Chamber, 28-32 Ruataniwha  
Street, Waipawa

*Together we Thrive! E ora ngātahi ana!*

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- 1 **KARAKIA**
- 2 **APOLOGIES**
- 3 **DECLARATIONS OF CONFLICTS OF INTEREST**
- 4 **STANDING ORDERS**

**RECOMMENDATION**

THAT the following standing orders are suspended for the duration of the meeting:

- 21.2 Time limits on speakers
- 21.5 Members may speak only once
- 21.6 Limits on number of speakers

And that Option C under section 22 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

**5 CONFIRMATION OF MINUTES**

Finance and Infrastructure Committee Meeting - 22 April 2021

**RECOMMENDATION**

That the minutes of the Finance and Infrastructure Committee Meeting held on 22 April 2021 as circulated, be confirmed as true and correct.



**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL  
FINANCE AND INFRASTRUCTURE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA  
ON THURSDAY, 22 APRIL 2021 AT 9.00AM**

**PRESENT:** Mayor Alex Walker  
Cr Tim Aitken  
Deputy Mayor Kelly Annand  
Cr Gerard Minehan  
Cr Brent Muggeridge (Chairperson)  
Cr Jerry Greer  
Cr Kate Taylor  
Cr Exham Wichman  
Cr Pip Burne  
Dr Roger Maaka

**IN ATTENDANCE:** Monique Davidson (Chief Executive)  
Brent Chamberlain (Chief Financial Officer)  
Doug Tate (Group Manager, Customer and Community Partnerships)  
Joshua Lloyd (Group Manager, Community Infrastructure and Development)  
Nicola Bousfield (Group Manager, People and Business Enablement)  
Darren de Klerk (Director Projects & Programmes)  
Shawn McKinley (Land Transport Manager)  
Caitlyn Dine (Governance and Support Officer)

**1 APOLOGIES**

Nil

**2 DECLARATIONS OF CONFLICTS OF INTEREST**

Nil

**3 STANDING ORDERS**

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan  
Seconded: Cr Exham Wichman

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once
- 20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

**CARRIED**

#### 4 CONFIRMATION OF MINUTES

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

**That the minutes of the Finance and Infrastructure Committee Meeting held on 25 February 2021 as circulated, be confirmed as true and correct.**

**CARRIED**

#### 5 REPORT SECTION

##### 6.1 RESOLUTION MONITORING REPORT

**PURPOSE**

The purpose of this report is to present to the Committee the Finance and Infrastructure Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Council.

**COMMITTEE RESOLUTION**

Moved: Cr Jerry Greer

Seconded: Cr Tim Aitken

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mrs Davidson presented this report.

##### 6.2 FINANCE AND INFRASTRUCTURE COMMITTEE MONITORING REPORT

**PURPOSE**

The purpose of this report is to present to the Finance and Infrastructure Committee an update on key priorities.

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mrs Davidson presented this report.

**6.3 ROADING CONTROL AUTHORITY PERFORMANCE REPORT****PURPOSE**

The purpose of this report is to provide the Committee with the results of the 2019 – 2020 Road Controlling Authority (RCA) report created by the Road Efficiency Group (REG) prepared on behalf of LGNZ and NZTA

**COMMITTEE RESOLUTION**

Moved: Mayor Alex Walker

Seconded: Cr Tim Aitken

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mr McKinley and Mr Lloyd presented this report.

**6.4 REVIEW OF THE ADVERSE EVENTS AND CATASTROPHIC EVENTS FUNDS****PURPOSE**

The matter for consideration by the Council is to review the Adverse Events and Catastrophic Events Funds.

**COMMITTEE RESOLUTION**

Moved: Cr Kate Taylor

Seconded: Mayor Alex Walker

**That having considered all matters raised in the report:**

- a) **That Finance and Infrastructure Committee receives the report entitled “Review of the Adverse Events and Catastrophic Events Funds”.**
- b) **That the Committee agree to amend the policy by adjusting the size of the funds for inflation, making the adverse events fund \$600,000, and the catastrophic events fund \$2,400,000.**
- c) **The Committee agrees to transfer \$500,000 from the catastrophic events fund to the adverse events fund.**
- d) **That the Committee apply the NZTA refund of \$279,973 to the adverse events fund.**

**CARRIED**

Mr Chamberlain presented this report.

Shawn McKinley left the meeting 9.42am

**6.5 KEY PROJECT STATUS REPORT - PORANGAHAU TO WIMBLEDON ROADS PGF PROGRAMME****PURPOSE**

To add a level of oversight on this significant programme for CHBDC, this report aims to inform and keep council and the community updated on the progress of this important externally funded programme of works.

**COMMITTEE RESOLUTION**

Moved: Cr Exham Wichman

Seconded: Cr Kate Taylor

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mr de Klerk presented this report.

**6.6 KEY PROJECT STATUS REPORT - 3 WATERS TRANCHE ONE STIMULUS****PURPOSE**

To add a level of oversight on this significant programme for CHBDC, this report aims to inform and keep council and the community updated on the progress of this important externally funded programme of works.

**COMMITTEE RESOLUTION**

Moved: Mayor Alex Walker

Seconded: Deputy Mayor Kelly Annand

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mr de Klerk presented this report.

**6.7 ELECTED MEMBERS EXPENSES FOR JANUARY 2020 TO FEBRUARY 2021****PURPOSE**

The purpose of this report is to update the Committee on the Elected Members' Expenses for the thirteen months covering January 2020 to February 2021.

**COMMITTEE RESOLUTION**

Moved: Cr Tim Aitken

Seconded: Deputy Mayor Kelly Annand

**1. That, having considered all matters raised in the report, the Elected Members Expenses for January 2020 to February 2021 report be noted.**

**CARRIED**

Mr Chamberlain presented this report.

At 10:08 am, Deputy Mayor Kelly Annand left the meeting.

At 10:08 am, Mayor Alex Walker left the meeting.

At 10:08 am, Mrs Davidson left the meeting.

**6.8 WHENUA MĀORI RATING AMENDMENT BILL****PURPOSE**

The purpose of this report is to keep Councillors abreast of the Whenua Māori Rating Amendment Bill that is passing through Central Government at present and its implications on Central Hawkes Bay District Council and in Long Term Plan Budgets.

**COMMITTEE RESOLUTION**

Moved: Cr Exham Wichman

Seconded: Cr Kate Taylor

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mr Chamberlain presented this report.

**6.9 NGA ARA TIPUNA KI TAMATEA - PROJECT UPDATE****PURPOSE**

The purpose of this report is to provide an update to the Committee on Provincial Growth Fund partnership project with Te Taiwhenua o Tamatea – Nga Ara Tipuna ki Tamatea.

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

**That the update report on the Project Nga Ara Tipuna Ki Tamatea be received by the Committee**

**CARRIED**

Mr Tate presented this report.

**6.10 FINANCIAL REPORTING FOR THE EIGHT MONTHS TO FEBRUARY 2021****PURPOSE**

The purpose of this report is to provide the Committee with a summary of Council's financial performance and highlight the key financials for the first eight months of 2020/21 financial year.

**COMMITTEE RESOLUTION**

Moved: Cr Pip Burne

Seconded: Cr Gerard Minehan

**That, having considered all matters raised in the report, the report on Council's financial performance for the first eight months of the 2020/21 financial year be noted.**

**CARRIED**

Mr Chamberlain presented this report.

At 10:38 am the meeting adjourned for a break and the Prime Minister visit.

At 12:56 am the meeting resumed into public excluded business.

Councillor Jerry Greer apology not present for Public Excluded Business.

**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION**

Moved: Cr Jerry Greer

Seconded: Cr Tim Aitken

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
<b>7.1 - Resolution Monitoring Report</b>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
<b>7.2 - Water Rates Remission due to water leak</b>	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	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

**CARRIED**

## 6 DATE OF NEXT MEETING

### RECOMMENDATION

THAT the next meeting of the Central Hawke's Bay District Council be held on 12 August 2021.

## 7 TIME OF CLOSURE

The Meeting closed at 1:49 pm.

The minutes of this meeting were confirmed at the Finance and Infrastructure Committee Meeting held on 12 August 2021.

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**CHAIRPERSON**

## 6 Report Section

### 6.1 RESOLUTION MONITORING REPORT

**File Number:** COU1-1410

**Author:** Monique Davidson, Chief Executive

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. Resolution Monitoring Report [↓](#)

#### PURPOSE

The purpose of this report is to present to the Committee the Finance and Infrastructure Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Council.

#### RECOMMENDATION

**That, having considered all matters raised in the report, the report be noted.**

#### SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

#### DISCUSSION

The monitoring report is **attached**.

#### IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

#### NEXT STEPS

An updated Resolution Monitoring Report will be presented at the next Committee meeting on 7 October 2021.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

### Finance and Infrastructure Committee Resolution Monitoring Report August 2021

Key	
Completed	
On Track	
Off Track	

Item Number	Item	Council Resolution	Resolution Date	Responsible Officer	Progress Report
5.30	Adoption of Land Transport Strategic Framework	a) That the Finance and Infrastructure Committee adopt with amendments the Land Transport Strategic Framework.	18/06/2020	Josh Lloyd	On Track Officers continue to work through the implementation of the framework. A more comprehensive update is provided as part of the Committee Priority Reporting.

7.50	Preferred Option for Design and Construction of Kairakau Water Upgrade	<p>a) The Finance and Infrastructure Committee approve Option 1 to upgrade and construct a water treatment plant to meet DWSNZ and safeguard ongoing water supply.</p> <p>b) The Finance and Infrastructure Committee approve to locate the new treatment plant on land outlined in Scenario 2 – being to lease the existing Manawarakau Trust land neighbouring the existing spring and raw water storage</p> <p>c) The Finance and Infrastructure Committee approve to increase the project budget to \$850,000 using existing waters budgets and/ or Tranche One – 3 Waters stimulus funding while ensuring no impact on rates.</p> <p>d) That officers do additional work on the removal of the hardness in the water to meet community outcomes and report back to the Finance and Infrastructure Committee for consideration as part of the Long Term Plan 2021 – 2031</p> <p>e) That Council continue to monitor changes in regulations and guidance from Taumata Arawai on the roof water supply</p>			<p>On Track</p> <p>DDK 07/21 » Paper brought to council in June 2021 confirming project to progress to design and construction including hardness. later paper to brought to decide long term solution for hardness discharge.</p> <p>DDK 02/04/21 &gt; Paper taken to council progressing the project to detailed design and then construction with additional resolutions around hardness - update to be brought back in June 2021</p> <p>MK 27/07/2021 &gt; Procurement paper approved by council in June, Tender documents developed and issued to market 27/07/2021. Funded Iwi engagement being developed with external archaeological oversight and support.</p>
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6.40	Review of the Adverse Events and Catastrophic Funds	<p>a) That Finance and Infrastructure Committee receives the report entitled "Review of the Adverse Events and Catastrophic Events Funds".</p> <p>b) That the Committee agree to amend the policy by adjusting the size of the funds for inflation, making the adverse events fund \$600,000, and the catastrophic events fund \$2,400,000.</p> <p>c) The Committee agrees to transfer \$500,000 from the catastrophic events fund to the adverse events fund.</p> <p>d) That the Committee apply the NZTA refund of \$279,973 to the adverse events fund.</p>	22/04/2021	Brent Chamberlain	Completed. After \$500k transfer and NZTA refund allocation, Adverse Events fund has a balance of \$933k, and the Catastrophic Fund has a balance of \$2,406k.
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## 6.2 FINANCE AND INFRASTRUCTURE COMMITTEE MONITORING REPORT

**File Number:** COU1-1410

**Author:** Monique Davidson, Chief Executive

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. LTSF Reporting [↓](#)

### PURPOSE

The purpose of this report is to present to the Finance and Infrastructure Committee an update on key priorities.

### RECOMMENDATION

**That, having considered all matters raised in the report, the report be noted.**

### SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

### BACKGROUND

Following the 2019 Triennial Local Body Elections, Council took the time to reset Council priorities, and agree on priorities for Committees.

The role of the Finance and Infrastructure Committee is:

- To assist Council to oversee financial and non-financial performance, including the delivery of the Council's Capital Programme.
- To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies.
- The Finance and Infrastructure Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions.
- To provide governance oversight of Council's operational programmes, services, activities and projects related to infrastructural assets.
- To enable the progress of the Council's operational activities, projects and services.

The Finance and Infrastructure Committee has delegations to:

- Develop and adopt plans, projects and policies that advance the Council's vision and goals in relation to its key Financial Strategy and Infrastructure Strategy while complying with the purpose of the Local Government.
- Monitoring the financial and non-financial performance of the organisation with a particular emphasis on the delivery of the capital works programme. Implementation and effectiveness of strategies, plans and policies.
- Specifically monitor and provide oversight of significant projects, including reviewing business cases and agreed on next steps of significant projects.
- The Finance and Infrastructure Committee is responsible for assisting Council in its general overview of procurement and tender activity. The Committee will accept and consider

tenders which exceed the Chief Executive's delegated authority to approve, for projects approved by Council through an Annual Plan or Long Term Plan. The Committee will make a recommendation to Council on the outcome of a tender process for resolution when above delegations.

- The Finance and Infrastructure Committee has delegation to approve or award contracts beyond the Chief Executive's delegated authority within the parameters of approved AP/LTP Budgets up to \$4 million.
- To establish a special committee, working group or community forum as needed.

The monitoring report which provides an update on the key priorities of the committee is below:

## DISCUSSION

Key Priority	Responsible Officer	Progress Update
Lead and monitor the Wastewater Treatment Plan projects for across Central Hawke's Bay.	Darren de Klerk	On Track - A Specific Key Project Status Report is included in this agenda.
Monitor the implementation of #thebigwaterstory	Darren de Klerk	On Track - A Specific Key Project Status Report is included in this agenda.
Complete and lead the Rates Review	Brent Chamberlain	On Track - The committee have completed this work, following the adoption of the Revenue and Financing Policy in October 2020. The decisions from the Rates Review were implemented from 1 July 2021. During the Long Term Plan 2021 – 2031 Council passed a further resolution seeking a further rates review. Timing for this review is complex given timings associated with the revaluation process currently underway. A scope for this project will be brought to the next Finance and Infrastructure Committee meeting for consideration.
Monitor the implementation and progress of Provincial Growth Fund projects.	Darren de Klerk	On Track - A Specific Key Project Status Report on this project is included in the agenda.
Lead the review of the Financial Strategy and associated policies that input into the Long Term Plan 2021-2031.	Brent Chamberlain	Completed – Council have now adopted the Draft Financial Strategy for community consultation as part of the Draft Long Term Plan 2021 – 2031.

Review the current Treasury Policy – Investment, Debt and Liability Management policies.	Brent Chamberlain	<p>On Track – Council have now adopted a new Treasury Policy as part of the Long Term Plan 2021 – 2031.</p> <p>The investment component of this policy will be reviewed in late 2021.</p>
Monitor the implementation of the non-rateable income strategic framework.	Monique Davidson	<p>On Track - Considerable effort continues to be given to the attraction of non-rateable income. The COVID-19 context has provided considerable opportunity for Council in the acceleration of capital investment to act as an economic stimulus. Council are actively working with the government on seeking external funding to deliver on Council and community priorities. At the time of writing this report, key achievements that align with this framework include funding for Mayors Taskforce for Jobs pilot and beyond, redeployment capital packages, water reform, Tourism Infrastructure Fund and PGF projects. Government have recently announced the opening of the Tourism Infrastructure Fund, and Officers are turning attention to preparing applications for this fund.</p> <p>Further work will continue over the coming months following the adoption of the Long Term Plan 2021 – 2031, to assess key policies that form part of the non-rateable income strategic framework.</p>
Develop a Land Transport Strategic Framework and ensure governance input into the three-year business plan before NZTA submission.	Josh Lloyd	Completed – See attached update on implementation of the Land Transport Strategic Framework

## IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;

- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

**NEXT STEPS**

The Finance and Infrastructure Committee will receive an updated monitoring report on 7 October 2021.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**

## Land Transport Strategic Framework – Update (August 2021)

Councils Land Transport Strategic Framework (2020-2025) (the Framework) provides strategic direction and guidance to the Land Transport activity of Central Hawke's Bay District Council. The Framework contains principles labelled as 'pillars' that each have a number of associated actions that together are intended to achieve an adopted vision statement to:

***"deliver safe, reliable and lasting road assets that connect our people and places, and allow our district to prosper"***

This update is part of routine reporting on progress against a number of the actions listed within the Framework.

### 4 Pillars of the Framework

The four pillars of the framework are illustrated below. Further sections provide an update of in progress actions under each pillar (color coded).

The list of actions in progress is non-exhaustive and is a snapshot in time of the actions that are current priorities and areas of focus for the team.



Beyond the actions stated in the Framework under the four pillars (those reported on further below), Council have also importantly progressed key initiatives for asset management planning and programme development in the past reporting period.

The Land Transport Activity / Asset Management Plan has been updated incorporating the GPS and outlining our life cycle plan for all land transport assets.

The 3-year programme has been compiled and submitted to Waka Kotahi for approval. We have received initial confirmation of their willingness to fund the programme as it was submitted for maintenance and renewals. Final approval of these elements will be in late August. Waka Kotahi have not approved any Low Cost Low Risk programmes across the country at this time as they are still being moderated

Pillar	Action	Progress (August 2021)
<b>Safety above all else</b>	Reduced frequency of serious and fatal accidents on our network with roads as a major contributing factor	The budget and work programme for the 'minor events' activity has yet to be approved by Waka Kotahi, however 12 intersections have been identified for upgrades through a rigorous assessment/evaluation process and designs have been started for the 3 highest priorities. A comprehensive safety strategy is also in development by Council and its partner Stantec which will guide the creation of future safety-related work programmes across our roading network. There have been no fatal or serious injury accidents to date where the road has been a proven significant contributing factor.
	Reduce natural hazards	The annual tree removal programme is set to start in late August with contractors engaged and a priority list of trees developed. Over 80 trees are planned to be removed on Wimbledon Road in 2021.
<b>Connected and Resilient Infrastructure and Communities</b>	Reduced frequency and duration of road closures across the district	Work is underway to develop emergency response panel – Waka Kotahi input has been sought as their approval will be needed for the procurement exercise. Recent learnings from Council-led road closures during the earthquake/tsunami event have led to further learnings for the Council and contracting teams.
	Actively and effectively engage/communicate with our most affected communities and residents	Council have leveraged new tools and technology including improved mapping/dashboarding to communicate road network information. This has focused primarily on planned capital works and providing updates on road closures during emergency events.
<b>Protecting our Natural and Built Environments</b>	Council is seen as an enabler of local projects	Council are working with contracting partner Stantec to participate in a planned community planting programme in the 2021 winter/spring planting season.
	Minimized impact of dust	Council have rated for seal extensions through the 2021 LTP. We have a priority list which we will be actioning when the weather is right for sealing. Site progress will be reported throughout the work
<b>Economic Resilience and Financial Sustainability</b>	Fiscal Prudence and Optimal Investment Decision Making	A new internal reporting and monitoring framework is in the final stages of development utilizing Councils core roading asset management system (RAMM). The new approach will see all works (planned and reactive) loaded consistently into the tool allowing backward and forward looking reporting on project and financial performance. This development has been a priority for a number of months.

### 6.3 KEY PROJECT STATUS REPORT - BIGWATERSTORY

**File Number:** COU1-1410

**Author:** Darren de Klerk, 3 Waters Programme Manager

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. #10 Feb 21 - July 21 #thebigwaterstory Update #10 [↓](#)

#### RECOMMENDATION

**That, having considered all matters raised in the report, the report be noted.**

#### PURPOSE

Following the conception of #thebigwaterstory, Council set about implementing the programme. A programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

The purpose of this key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards against the larger programme objectives.

#### SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

#### BACKGROUND

As part of Project Thrive, the importance of water to our community was one of the loudest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, as well as strong and durable infrastructure, is how #thebigwaterstory began.

To deliver the improvements required, Council has developed a programme of upgrades and improvements to ensure that the drinking water, wastewater and stormwater infrastructure is able to meet the current and future needs of the community.

Following Project Thrive, creation of The Big Water Story brand, and adoption of the LTP in 2018, attention and focus have shifted from discussion and consultation to planning and delivery. Projects must be sequenced and prioritised based on several factors. This holistic approach to managing several interrelated projects to achieve a single promised outcome is referred to as Programme Management.

#### DISCUSSION

A quarterly report to summarise the activity across #thebigwaterstory – further content within the attached.

Focus is currently on the Waipukurau Second water Supply also known as the Waipawa Link where council is to present a paper recommending progressing the project further into construction.

The Kairakau Water Upgrade is in tender with construction expected to commence later in 2021.

The Waipawa Firefighting programme Stage 1, 2 and 3 is due to commence construction late August 2021.

The Waipukurau Firefighting Stage 4 to 6 is currently being designed post upgrades to Stage 1 to 3 in 2019 -2021 and to factor in the growth experienced in Waipukurau to ensure the Stages are correct.

SH2 Borefield has had new bores and pumps installed in 2020, and focus is turning to a Filtration solution to deal with rabidity concerns experienced at the borefield – due for construction and further commissioning in late 2021.

Significant renewals are underway (Tikokino Road, and Nelson/ Reservoir)

The Long Term Plan 2021 will see more water and stormwater projects form part of this programme of work and be reported on as such.

### **IMPLICATIONS ASSESSMENT**

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

### **NEXT STEPS**

Continue to implement the programme, seek funding opportunities and deliver on community and stakeholder ambitions.

The BigWaterStory is now starting to be normalised as the capital programme and focus may turn to specific projects of interest in future months like the Waipukurau Second water Supply.

### **RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**

 **CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

**#the BIG Water Story**

**Programme Update #10**

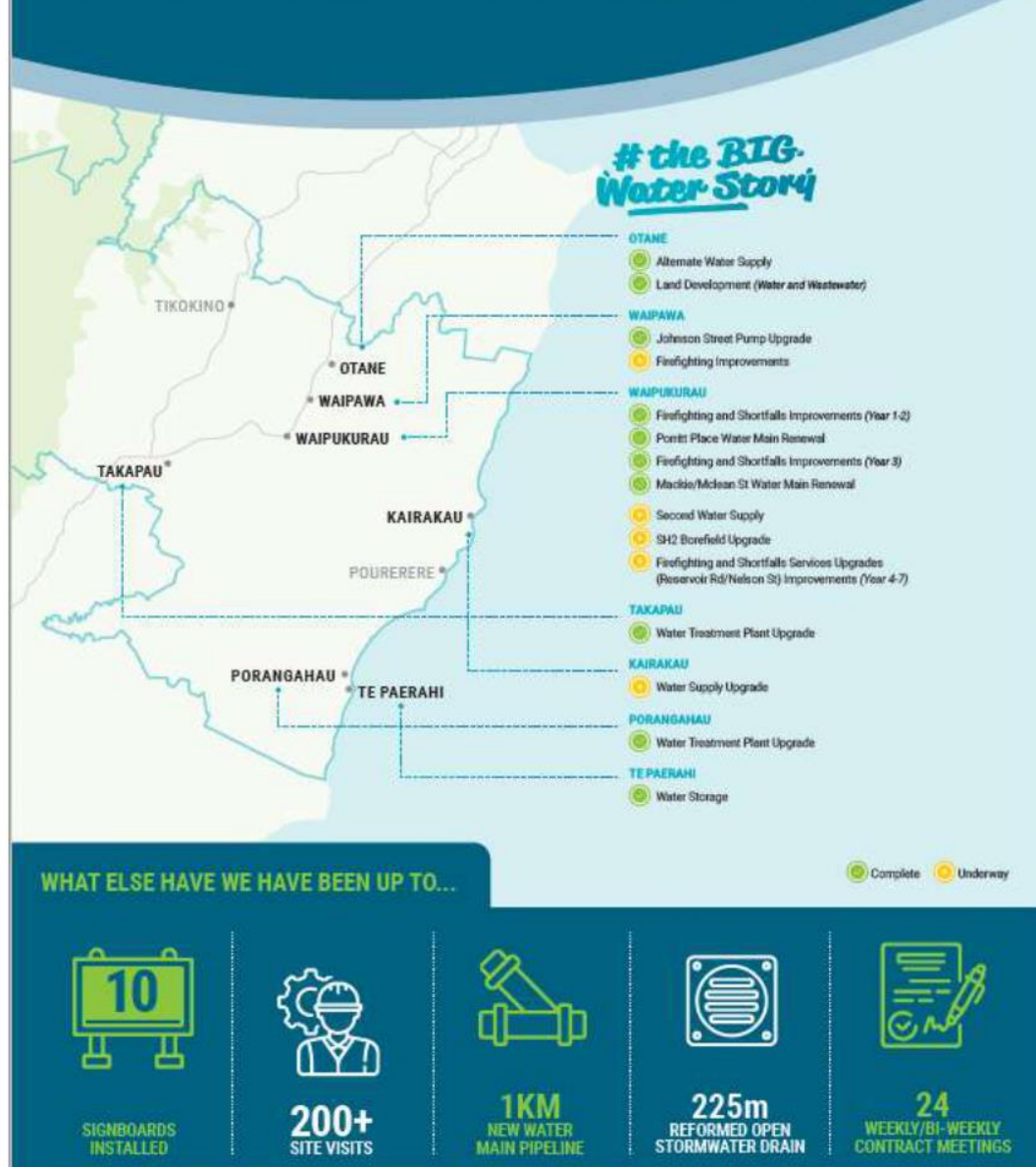
**February 2021 to  
July 2021**

# # the BIG- Waste Water Story

# # the BIG- Water Story

## 2020 Programme Overview

Below is an outline of what we have achieved in 2020 and the projects currently in progress through to 2021.



If you are interested in learning more, please visit [www.chbdc.govt.nz](http://www.chbdc.govt.nz) or contact Darren de Klerk – Councils 3 Waters Programme Manager by emailing [thebigwaterstory@chbdc.govt.nz](mailto:thebigwaterstory@chbdc.govt.nz) or by phoning Councils Offices on 06 857 8060



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL



## PROGRAMME UPDATE

Updated: 30 July 2021

WATER						
PROJECT	STATUS	TIMELINE		PROGRESS	BUDGET	RISK LEVEL
		START	END		TOTAL	
Waipukurau Second Water Supply	Design, P1 Build	Aug 2018	June 2024	20% 	\$11.5m	
Waipukurau SH2 Borefield Upgrade	Commission	June 2018	June 2021	90% 	\$1.4m	
Waipukurau Firefighting and Shortfalls Improvements (Years 4-7)	Investigation	July 2021	June 2025	10% 	\$2.5m	
Kairakau Water Supply	Tender	Mar 2020	June 2022	40% 	\$989k	
Services Upgrades (Reservoir Rd/Nelson St)	Build	Oct 2020	July 2021	80% 	\$861k	
Waipawa Firefighting Improvements (Years 1-3)	Tender	May 2020	Dec 2021	20% 	\$322k	
PROJECTS COMPLETED						
Johnson Street Pump Upgrade	Complete	Dec 2020	April 2021	100% 	\$100k	
Otane Alternate Water Supply	Complete	Aug 2018	June 2020	100% 	\$2.6m	
Waipukurau Firefighting and Shortfalls Improvements (Year 1-2)	Complete	Aug 2018	June 2020	100% 	\$880k	
Porangahau Water Treatment Plant Upgrade	Complete	Nov 2018	Mar 2020	100% 	\$1.079m	
Takapau Water Treatment Plant Upgrade	Complete	Nov 2018	Nov 2019	100% 	\$680k	
Otane Land Development (Water and Wastewater)	Complete	March 2018	Dec 2018	100% 	\$355k	
Waipukurau – Porritt Place Water Main Renewal	Complete	Dec 2018	Mar 2019	100% 	\$65k	
Waipukurau – Mackie / Mclean St Water Main Renewal	Complete	Nov 2018	Aug 2019	100% 	\$410k	
Waipukurau Firefighting and Shortfalls Improvements (Year 3)	Complete	Aug 2020	Oct 2020	100% 	\$307k	
Te-Paerahi Water Storage	Complete	Sep 2019	March 2020	100% 	\$302k	

# # the BIG. Waste Water Story



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WASTEWATER						
PROJECT	STATUS	TIMELINE		PROGRESS	BUDGET	RISK LEVEL
		START	END		TOTAL	
HB Wastewater Treatment Plants (Phase 2 Improvements, Design & Consent)	Investigation	Sep 2019	Jun 2021	30% 	\$2.1m	
CHB Wastewater Treatment Plants (Phase 3 - Build)	Not Started	Jan 2021	TBC	0% 	TBC	
Otane to Waipawa Wastewater Pipeline (Stage 2)	Build	Feb 2021	Oct 2021	70% 	\$1.8m	
Otane to Waipawa Wastewater Pipeline (Stage 3)	Build	Aug 2021	Oct 2021	10% 	\$500k	
Takapau Wastewater Treatment Plant Upgrade	Not Started	2019	2022	10% 	\$831k	
Porangahau/ Te Paerahi Wastewater Treatment Plant Upgrade	Not Started	2019	2022	10% 	\$1.85m	
PROJECTS COMPLETED						
CHB Caravan Wastewater Dump Stations	Complete	Nov 2020	May 2021	100% 	\$165k	
Otane to Waipawa Wastewater Pipeline (Stage 1)	Build	June 2019	Mar 2021	100% 	\$1.293m	
Takapau Wastewater Resource Consent Extension	Part 1 - complete	Aug 2018	June 2021	100% 	\$100k	
Otane Wastewater Treatment Plant Upgrade	Re-Purposed	Apr 2018	Mar 2021	100% 	\$158k	
Otane Wastewater Infiltration and Inflow Study	Complete	Jan 2019	Feb 2020	100% 	\$92k	
CHB Wastewater Treatment Plants Project (Phase 1 - Engagement & Court)	Complete	June 2018	Sep 2019	100% 	\$300k To June 2019	
Te Paerahi Wastewater Pipeline– Beach Road Extension	Complete	Sep 2019	Dec 2019	100% 	\$132k	
CHB Floating Wetlands Review/Removal	Complete	April 2019	Dec 2020	100% 	\$270k	

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Waipawa Trunk Sewer Main Renewal	Complete	Aug 2018	Nov 2020	100% 	\$1.553m	
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STORMWATER						
PROJECT	STATUS	TIMELINE		PROGRESS	BUDGET	RISK LEVEL
		START	END		TOTAL	
Waipukurau Stormwater Improvements • Ruataniwha Street – CBD Flooding	On Hold	Aug 2018	June 2022	20% 	\$500k	
PROJECTS COMPLETED						
Waipukurau Stormwater Helicoil Upgrades • Francis Drake Street	Complete	Aug 2018	Aug 2019	100% 	\$280k	
Waipukurau Stormwater Helicoil Upgrades • Jellicoe to Tavistock	Complete	Aug 2018	Aug 2019	100% 	\$219k	
Waipukurau Stormwater Improvements • Savage/ Churchill/ Carpenter (Part 1) • Woburn/ Wilder (Part 2)	Complete	Aug 2018	June 2019	100% 	\$481k	
Waipukurau Stormwater Helicoil Upgrades • Tutanakei Street	Complete	Sep 2019	Oct 2020	100% 	\$315k	
Waipawa Stormwater Improvements • Rathbone to Bush drain	Complete	May 2020	Jul 2020	100% 	\$18k	

SOLID WASTE						
PROJECT	STATUS	TIMELINE		PROGRESS	BUDGET	RISK LEVEL
		START	END		TOTAL	
Leachate to Landfill	Build	Sep 2019	May 2021	70% 	\$876k	
PROJECTS COMPLETED						
Waipukurau Transfer Station – Glass Bunker	Complete	Oct 2020	Mar 2021	100% 	\$47k	

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## PROGRAMME OVERVIEW

2020 saw many projects through to completion, this has taken significant effort from the team and has started to provide meaningful impact on the community. The \$11.09m 3 Waters Reform grant has allowed for the formation of, and additional resources in the Project Management Office and has boosted our ability to deliver some of our larger projects.

The end of 2020 and start of the new year has seen several #TheBigWaterStory & #TheBigWastewaterStory projects moving swiftly through the planning and investigation stages with physical works due to commence early in 2021. Alongside these, some of our more sizeable projects require significant input prior to construction, our officers and external consultants are driving these forwards with investigations, design works, landowner and iwi engagements underway.

### The following projects are currently underway:

- o Waipukurau Second Water Supply
- o Kairakau Water Supply Upgrade
- o Waipukurau Water Renewals (Reservoir Road/Nelson Street)
- o Otane to Waipawa Wastewater Pipeline (Stages 2 & 3)
- o Takapau Wastewater Upgrade
- o Porangahau and Te Paerahi Wastewater Upgrade
- o Waipukurau, Otane, Waipawa Wastewater Upgrades
- o Leachate to Landfill Irrigation
- o Waipukurau SH2 Borefield Upgrade
- o Waipawa Firefighting and Improvements

### The following projects have been completed:

- o Johnson Street Pump Station improvements
- o Caravan Wastewater Dump Stations
- o Waipukurau Transfer Station – Glass Bunker
- o Wetlands Removal – Waipukurau, Waipawa, Otane
- o Waipawa Trunk Sewer Main – Stage 2 (Pumps and Power)
- o Otane to Waipawa Wastewater Pipeline (Stages 1)
- o Waipukurau Firefighting and Improvements (stage 3)
- o Otane Wastewater I&I study
- o Porangahau Water Treatment Upgrade
- o Te Paerahi Water Storage

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## PROJECT UPDATES

**PROJECT:** Waipukurau Second Water Supply

STATUS	DESIGN	
TIMELINE	AUG 2018 START DATE	JUN 2024 END DATE
PROGRESS	20%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$11.5m* TOTAL PROJECT	\$1.3k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div></div> *subject to LTP	



### SCOPE

To find and construct a new water source bore, pipe a rising main to a reservoir, provide treatment and gravity feed back into Waipukurau to supply a second water supply to the town.

### ACHIEVEMENTS

Production bore yield testing validating supply with some further work to be performed assessing water quality. Due diligence across pipeline route via test pits and geotechnical drilling at the proposed reservoir location. Environmental assessment performed. Directly affected landowners continue to be generally supportive with valuation and compensation processes underway. Iwi consultation in progress with a Hui held 25<sup>th</sup> July, steps underway for establishing a Project Governance Group (PGG).



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**PLANNED**

Continued design development is subject to a hold point at the 13<sup>th</sup> August Council paper. Based on the outcomes from this decision paper the project will continue. Planned next steps would be consenting geotechnical bores either side of the river, PGG development, development of initial tender packages, finalise construction sequencing and procurement planning, Landowner compensation packages and conditional easement and parcel acquisitions.

**RISKS**

- DIA funding timeframes
- Approval for reservoir site/Timeframes to build reservoirs
- Water quality from test bores
- Strategic assessment of project requirements
- Budget
- Land acquisition and easements
- River Crossing



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**PROJECT:** Waipukurau SH2 Drinking Water Bore Upgrade

STATUS	COMMISSION		
TIMELINE	AUG 2018 START DATE	DEC 2021 END DATE	
PROGRESS	90%		
BUDGET	\$850k* TOTAL PROJECT BUDGET	\$1.34m SPEND TO DATE	\$1.4m EXPECTED SPEND
RISK LEVEL			

**SCOPE**

To upgrade the bores and electrical configuration at the SH2 water borefield source that supplies Pukeora reservoir and Waipukurau. The scope involves upgrading and refurbishing 3 bores, pipework configuration, the electrical components, transformer, fencing and a tank for surplus water. Additional components are to install flow and turbidity meters to contribute towards drinking water standard New Zealand (DWSNZ) compliance. .

**ACHIEVEMENTS**

Two new bores drilled, new transformer installed and new pipework connected, bypass installed and some redundant pipework removed. 3 new pumps installed, pipework completed and electrical controls installed

**PLANNED**

New system to be commissioned and setting up a "run to waste system". This is currently being designed by consultants WSP. Investigation of Water gallery condition planned to be undertaken to assist the operations team in future management of the borefield.

**RISKS**

- Bore field operation and commissioning
- Run to waste design and cost
- Shutdown for electrical commissioning

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## PROJECT: CHB Wastewater Treatment Plants Upgrade (Phase 2)

STATUS	INVESTIGATION	
TIMELINE	SEP 2019 START DATE	JUNE 2021 END DATE
PROGRESS	30%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$2.1m TOTAL PROJECT	\$1.68m SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div></div>	

### SCOPE

**Phase 1:** To work with the community to set criteria and work towards a preferred solution or Best Practicable Option (BPO) for the future of Waipukurau, Waipawa and recently the introduction of Ōtāne into the project scope.

**Phase 2:** To undertake improvements, and design, consent and fund the future works

**Phase 3:** To build and upgrade the plant(s)

### ACHIEVEMENTS

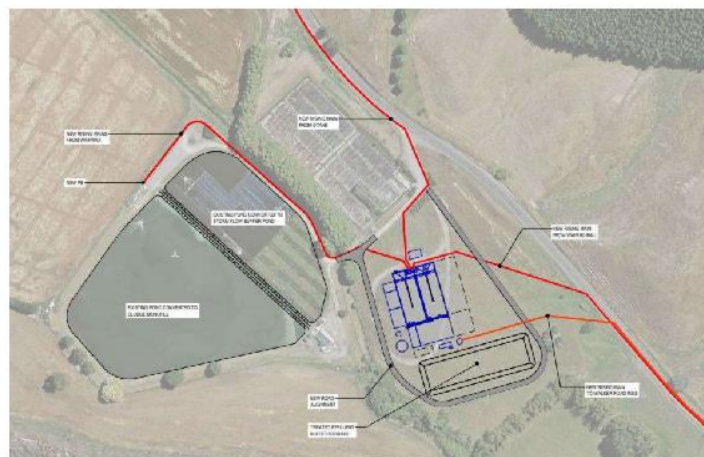
Currently in phase 2, an overall programme of works approved through LTP 2021-31. We are also working on improvements at Waipawa and Waipukurau wastewater plants involving some process and some physical improvements.

### PLANNED

Minor improvement on plants to improve performance longer term continue. 3 Waters Reform funding has enabled work on pond desludging and supply of DAF units. Various consent applications are being prepared, lodged and worked through with affected parties

### RISKS

- Community views
- Funding
- Ongoing compliance



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**PROJECT:** Ōtāne Wastewater Pipeline Stages 1, 2 & 3 (Ōtāne to Waipawa)

STATUS	BUILD	
TIMELINE	JULY 2020 START DATE	OCT 2021 END DATE
PROGRESS	60%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$3.593m TOTAL PROJECT	\$2.057m SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div></div>	


**SCOPE**

To investigate and design a new wastewater pipeline to convey wastewater from Ōtāne to Waipawa.

**ACHIEVEMENTS**

Installation of stage 1 pipeline completed. Stage 2 pipeline installed with detail installation underway. Contractor awarded Stage 3.

**PLANNED**

Stage 2 details installation to continue, centre section of stage 2 (Tiffen Lane to Racecourse Road) construction planned for March start date with contract awarded to Stage 1 contractor.

**RISKS**

The following risks have been developed;

- Pipeline route affecting landowners
- Staging of works
- Multi stage approach (treated to WPA discharge, treated to WPA Plant, raw to WPA plant)


**PROJECT:** Leachate to Land Irrigation

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# # the BIG. Waste Water Story

# # the BIG. Water Story

STATUS	BUILD		
TIMELINE	JUNE 2019 START DATE	MAY 2021 END DATE	
PROGRESS	70%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
BUDGET	\$876k TOTAL PROJECT BUDGET	\$759k SPEND TO DATE	\$876k EXPECTED SPEND
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>		



## SCOPE

Create a leachate to land irrigation project by building a leachate storage pond, pump station, irrigation pipeline and finishing a closed cell of the landfill to receive irrigated leachate.

## ACHIEVEMENTS

Leachate pond is excavated, with clay liner installed and tested, awaiting HDPE lining. Some issues with high contaminant ground water paused the project. Resource consent granted in January 2021.

## PLANNED

Remaining work involves completing pond lining, creating pump station.

## RISKS

Current risks identified within this project;

- Working around in situ landfill operations
- Time delays, and budget implications
- Weather and ground condition



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**PROJECT:** Kairakau Water Supply Upgrade

STATUS	TENDER		
TIMELINE	MAR 2020 START DATE	DEC 2021 END DATE	
PROGRESS	20%	<div><div></div></div>	
BUDGET	\$989k TOTAL PROJECT BUDGET	\$155k SPEND TO DATE	\$989k EXPECTED SPEND
RISK LEVEL	<div><div></div><div></div><div></div></div>		

**SCOPE**

Central Hawke's Bay District Council's 2018 Long Term Plan identified a project to upgrade and future proof Kairakau's water supply. This is needed so that council can comply with the Health Act and supply water that meets the drinking water standards or New Zealand (DWSNZ)

**ACHIEVEMENTS**

Council approval on additional budget, TIF additional funding of \$300k towards Capex. Iwi engagement with Kairakau Land Trust.

**PLANNED**

Tender WTP to market in August, and Contractor award in September 2021. Archaeological assesment. Develop Iwi engagement. Investigat local discharge for WTP hardness waste.

**RISKS**

Risk identified within this project are updated to;

- Completion of lease
- Disturbance of Archaeological items
- Tangata Whenua monitoring support
- Contractor management
- Regulatory changes expected in July 2021

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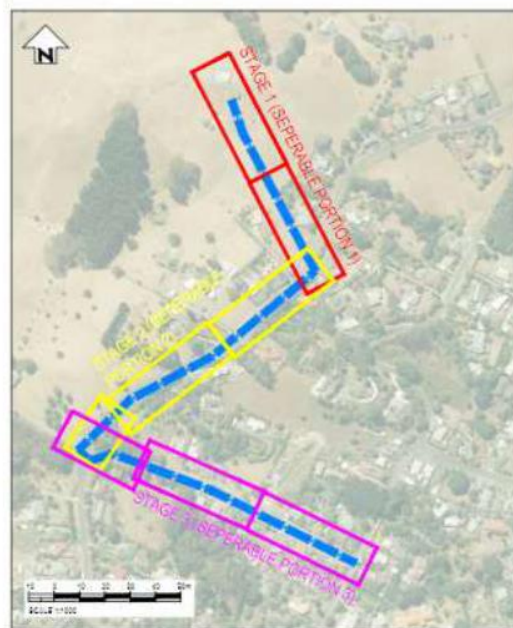
**PROJECT:** Waipawa Water Firefighting/Pressure Improvements (Stages 1,2 & 3)

STATUS	INVESTIGATE/ DESIGN		
TIMELINE	MAY 2020 START DATE	DEC 2021 END DATE	
PROGRESS	20%	<div><div></div></div>	
BUDGET	\$1.12m TOTAL PROJECT BUDGET	\$34k SPEND TO DATE	\$850k EXPECTED SPEND
RISK LEVEL	<div><div></div><div></div><div></div></div>		

**SCOPE**

Central Hawke's Bay District Council have committed to a work programme to improve the firefighting capacity, and the shortfalls in the Waipawa Water system. Budget has been set aside in the 2018-28 long term plan, the programme will;

- Improve firefighting capability and capacity.
- Improve shortfalls in network

**ACHIEVEMENTS**

Stantec designing a programme, including evaluation of existing information, growth assumptions, modelling, development of work programme and design drawings. Procurement of contractor is in final stages.

**PLANNED**

Tender Outcome Report presented to Council Late July 2021, aiming to award contract middle August 2021 for construction to commence August 2021.

**RISKS**

Risk identified within this project are;

- Affected stakeholders, businesses
- Water supply
- Existing infrastructure
- Contractor management

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**PROJECT:** CHB Services Renewal – Reservoir/Nelson, Waipukurau

STATUS	INVESTIGATION		
TIMELINE	SEP 2020 START DATE	JUL 2021 END DATE	
PROGRESS	70%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
BUDGET	\$990k TOTAL PROJECT BUDGET	\$553k SPEND TO DATE	\$861k EXPECTED SPEND
RISK LEVEL	<div><div></div><div></div><div></div><div></div></div>		

**SCOPE**

To lay new 100mm ID water pipes of either uPVC or PE material on the same side as the existing Cast Iron water mains with a new 63mm PE Water Ridermain on the opposing side.

These services to run in the same alignment and profile as the existing pipe.

The scope involves laying new pipe, replacing service laterals, installing new valves, fire hydrants, manholes and cross connecting the new network to the existing network in a number of positions. This will involve approximately 950m of new water main, 645m of rider main and 66 new water connections.

**ACHIEVEMENTS**

Reservoir Road and Northern Nelson Street sections completed with all relevant properties now supplied from new network. 180mm main and 63mm Rider main installed in southern end of Nelson Street. Stormwater improvements design completed.

**PLANNED**

Completion of southern Nelson St end, with detail install and lateral changeovers. Final tie-ins to the network and cross-connections to be completed. Engagement of contractor to complete stormwater works to be completed in conjunction with Land Transport Dept.

**RISKS**

Risk identified within this project are;

- Disruptions to homeowners/public
- Contractor Management
- Reinstatement graffiti
- Scope change – Stormwater improvements

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## 6.4 KEY PROJECT STATUS REPORT - BIGWASTEWATERSTORY

**File Number:** COU1-1410

**Author:** Darren de Klerk, 3 Waters Programme Manager

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. #4 Key Project Status Report - BigWasteWaterStory [📄](#)

### RECOMMENDATION

**That, having considered all matters raised in the report, the report be noted.**

### PURPOSE

Following the conception of #thebigwaterstory, Council set about implementing the programme that makes up #thebigwaterstory. A programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

The six wastewater plants form a significant programme of works themselves, and we have prudently decided to report on the progress of these six wastewater plants and their subsequent upgrades and re-consenting separately from #thebigwaterstory.

The purpose of this key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards against the larger programme objectives.

### SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

### BACKGROUND

Following charges in relation to the Waipawa wastewater treatment plant in 2016/ 2017, Council commissioned technical reviews into the Waipawa and Waipukurau wastewater plants, in summary the advice received from two independent experts, outlined the plants with their current treatment system and in their current state would never be able to meet consent compliance, in particular for ammonia. Council commenced work to respond to the court order and investigate a new treatment and discharge scheme in 2018.

The Otane wastewater plant had in 2017, received a new consent to upgrade the treatment system onsite and continue to discharge to the 'unnamed farm drain' and eventually to the Papanui stream. In mid-2018, just prior to awarding tenders for this upgrade, Council officers recommended to Council, that the Otane wastewater system be included in the Waipawa and Waipukurau review, and the onsite upgrade be placed on hold. In 2019, it was identified that the best practicable option for Otane was to convey to Waipawa for treatment and ultimately discharge, Otane is now firmly in the planning for the future of these plants. The pipeline is well underway, with the pump station recently being tendered, council is also working with HBRC to amend the consent to acknowledge the work being undertaken at Otane.

The Waipawa plant is currently seeing significant improvements and upgraded treatment infrastructure in the form of a Dissolved Air Flotation (DAF) unit, the oxidation pond is also about to be desludged, and is due to receive wastewater from Otane in early 2022 – subject to a consent being amended and upgrades being completed.

The plants went through a robust community engagement process via a community reference group to identify preferred options to investigate and design for engagement in Long Term Plan 2021. These options were presented at concept design level to the community as formal LTP engagement in early 2021 and adopted in June 2021. While planning is underway for these major long term upgrades, some necessary improvement works continue at all plants.

The Takapau wastewater plant received a 3 year consent extension through to October 2021, to allow Council to investigate different options for discharge. A long term consent was lodged in April 2021, and council is currently working through section 92 requests to allow HBRC to complete consent processing. The wastewater plant has section 124 rights allowing operation to continue on the current consent while the new one is being processed.

The Porangahau and Te Paerahi wastewater plants both have their consents expiring in May 2021. A short term transitional consent was lodged in February 2021, and a longer term 35 year consent is intended to be lodged in August 2021. The wastewater plant(s) have section 124 rights allowing operation to continue on the current consent while the new one is being processed.

This programme of work across the six wastewater plants signals the need for specific reporting across this programme and its progress. In addition the need to implement robust management controls through the formation of a project control group and project governance group.

## **DISCUSSION**

The detail is outlined with the attached key project status report.

## **IMPLICATIONS ASSESSMENT**

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

## **NEXT STEPS**

To continue to progress the short term improvements, and the long term programme as recently adopted in our Long Term Plan 2021.

To progress the work set out in the wastewater strategy and then as committed to in Council's funding and delivery plan in Tranche One of the 3 Waters reform programme and Long Term Plan 2021.

To continue with prudent and robust programme management, the six wastewater projects now form their own programme, to continue to provide appropriate oversight through a formal project control group, and a project governance group.

## **RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**





## Key Project Status Report #4



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

Project Status Report Overview			
PROJECT NAME	#theBigWastewaterStory - Key Project Status Report		
Release Date	20/07/21	Report #	04
Key Benefits	<p>#thebigwastewaterstory is the overarching programme of works required to upgrade and re-consent all six of our wastewater projects. These plants either have compliance problems, or have consents expiring in the near future.</p> <p>Consistent with #thebigwaterstory, the following key objectives identify the drivers for the projects.</p> <ul style="list-style-type: none"> <li>• Upgrade infrastructure so that it will last longer and we can maintain and improve service levels</li> <li>• Meet changing legislative and compliance requirements relevant to 3 waters assets</li> <li>• Ensure we are providing for smart growth in the District including the rapidly growing number of new homes being built in our residential areas and forecast over the next 10 years</li> <li>• Deal with wastewater and stormwater to ensure minimal impact on our rivers</li> <li>• Ensure we do not burden future generations with aging infrastructure</li> </ul> <p>The <b>vision</b> created by the wastewater reference group is to ensure:  <i>"Our effluent is treated in a sustainable way that creates a resource, protects our environment and continues to do so for generations to come"</i></p>		
Project Delivery Objectives	<p>To deliver the capital projects in the allocated year/s that align with future resource consents together to budget and quality whilst ensuring maximum community benefit from these projects. Communicate and engage with the community on the programme and the progress of each project.</p> <p>Provide input through the design and improvement projects to future infrastructure works and asset management plans, to inform where future expenditure and improvements are targeted for the betterment of infrastructure in the district.</p>		

#theBigWastewaterStory Key Project Status Report

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## Key Project Status Report #4



Report/ Document History				
Report No.	Report Date	Report Frequency	Project Sponsor	Project Manager
1	18/06/2020	Quarterly	Josh Lloyd	Darren de Klerk
2	18/10/2020	Quarterly	Josh Lloyd	Darren de Klerk
3	25/02/2021	Quarterly	Josh Lloyd	Darren de Klerk
4	20/07/2021	Quarterly	Josh Lloyd	Darren de Klerk

## Sponsor's Project Delivery Confidence Assessment

 Appears Highly Likely	 Appears Probable	 Appears Feasible	 Appears In Doubt	 Appears Unachievable
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**INTRODUCTION**

This report will provide regular information on the fixed objectives and dynamic progress of the wastewater upgrade projects across the district.

The report provides an introduction as well as background and contextual information on the wastewater projects and then becomes more detailed discussing programme and project progress and risk.

**BACKGROUND**

As part of Project Thrive, the importance of water to our community was one of the loudest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, as well as strong and durable infrastructure is how **#thebigwaterstory** began.

To deliver the improvements required, Council has developed a programme of upgrades and improvements to ensure that the drinking water, wastewater and stormwater infrastructure is able to meet the current and future needs of the community.

Following project THRIVE, creation of The Big Water Story brand, and adoption of the LTP in 2018, attention and focus have shifted from discussion and consultation to planning and delivery. Projects must be sequenced and prioritised based on several factors. This holistic approach to managing several interrelated projects to achieve a single promised outcome is referred to as Programme Management.

The wastewater projects due to their significance have now been removed from **#thebigwaterstory** report and will now be reported specifically through this report.

This report will cover the six wastewater plants and provide transparency on the process and developments for each.

**OBJECTIVE**

To deliver upgrades as outlined in design and consenting packages that are endorsed by community and regional council while remaining fit for purpose, affordable and able to be financed.

This key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards.

**#theBigWastewaterStory Key Project Status Report**

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## Key Project Status Report #4



Overall Confidence Assessment				
Key Questions Impacting on Project Objectives		No	Yes	
1	Are there <b>Business Case Benefit</b> attainment problems?	✓	<input type="checkbox"/>	With the recent adoption of the LTP 21-31, clear direction has been given to the overall programme of works. Each new project undergoes a business case like review to clearly define the projects expected outcomes
2	Are there <b>Scope Control</b> problems?	✓	<input type="checkbox"/>	Options will be identified which when refined will allow us to refine the scope for each option
3	Will Target <b>Dates</b> be missed?	✓	<input type="checkbox"/>	Most projects are on track for delivery to target dates. There is currently high risk that some dates will slip due to the volume and complexity of the work required throughout the programme.
4	Will <b>Project Costs</b> be overrun?	<input type="checkbox"/>	✓	Project costs have been developed as part of the LTP 21-31, the current market volatility has seen some project costs exceed budgets while others have seen savings made. General funding is a major risk.
5	Are there <b>Quality</b> problems?	✓	<input type="checkbox"/>	None at present
6	Are there <b>Resource</b> problems?	✓	<input type="checkbox"/>	Internal resourcing is tight and stretched to deliver the packages of upgrades – but we continue to make good progress The availability of contractor resource is a risk.
7	Are there <b>Risk Management</b> problems?	✓	<input type="checkbox"/>	Risk workshops are held, and registers developed for each project to highlight risks and allow mitigation
8	Are there <b>Review and Approval</b> problems?	✓	<input type="checkbox"/>	The process for internal review and approval is working well.
9	Are there <b>Teamwork</b> problems?	✓	<input type="checkbox"/>	None at present
10	Are there <b>Stakeholder</b> problems?	✓	<input type="checkbox"/>	Community meetings have and will continue to be held for each project at milestones and as information progresses . Key stakeholders are engaged with in person, and via other mediums.
11	Are there <b>Iwi</b> issues?	✓	<input type="checkbox"/>	Iwi engagement is ongoing, and we would benefit from additional assistance in this area
12	Are there <b>Communication</b> problems?	✓	<input type="checkbox"/>	None present, regular updates placed on the CHBDC website
13	Are there <b>Change Management</b> problems?	✓	<input type="checkbox"/>	None present
14	Are there <b>Health &amp; Safety</b> issues?	✓	<input type="checkbox"/>	None present

## Key Project Status Report #4

#theBIG-  
Waste Water Story

## Project Manager's Progress Summary

## Project 1 - WOW

## Waipawa Wastewater

Project	Scope	Achieved	Upcoming	When	Risks
Central Plant Concept Design	Finalised and approved through LTP consultation	Completed	Further design work, geotech work and power assessments		
Minor improvements - DAF	Design & install tertiary DAF unit	Contract awarded	Design Site commencement Contract completion	Aug 2021 Oct 2021 Feb 2022	Supply chain issues
DAF Enabling Works	- Power - Potable Water - Slab	Engagement with Centralines Tender process underway for potable water supply main	Installation of new transformer Award of contract for water main and installation DAF Slab installation	By Oct 2021  By Oct 2021  By Oct 2021	Ability to meet programme  Concurrent works on site
Minor improvements - Other	Investigate pond optimisation Investigate UV options	Waiting on Desludge/DAF	Review pond layout Review DAF data & evaluate UV options	Dec 2021 Mar 2022	Non-compliance prior to works being completed
Receive Ōtāne flows	Receive flows from Ōtāne WWTP into pond Waipawa WWTP consent variation	Pipeline construction underway Ōtāne Pump station in procurement	Continued pipeline construction Ōtāne PS construction Waipawa consent submission	Now- Feb 22 Feb 2021 Oct 2021	Contractor programme - Resourcing - Weather Consent process delays
Walker Road Land	Investigations underway		Further geotech investigations	Aug 2021	

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## Key Project Status Report #4

#theBIG-  
Waste Water Story

Consent amendment	Amend the Waipawa consent to receive Otane flows	Scope amendment, engaged with HBRC			
<b>Waipukurau Wastewater</b>					
Project	Scope	Achieved	Upcoming	When	Risks
WPK to WPA conveyance - concept	Conveyance of wastewater from Waipukurau to Waipawa and decommission Waipukurau WWTP	Finalised and approved through LTP consultation			
Dry solids removal	Dry sludge removal from geobag area	Dry sludge removal underway	Dry sludge removal completion	Aug 2021	Budget constraints - Potential liner refurbishment
Minor improvements	Investigate pond optimisation Investigate UV options	Waiting on Desludge/DAF	Review pond layout Review DAF data & evaluate UV options	2022	Non-compliance prior to works being completed
<b>Ōtāne Wastewater</b>					
Project	Scope	Achieved	Upcoming	When	Risks
Management of Ōtāne wastewater concept	Conveyance of wastewater from Ōtāne to Waipawa and decommission Otane WWTP	Finalised and approved through LTP consultation	Commissioning of long term solution	2022-2029	
Ōtāne to Waipawa Pipeline	Install new pump station and rising main from Ōtāne WWTP to Waipawa WWTP	Stage 1 complete	Stage 2 Stage 3 Stage 4a Pump station Stage 5	Nov 2021 Oct 2021 Feb 2021 Feb 2021	Delivery to timeframes Contractor Resource availability
Consent Extension	Extension of time to existing discharge consent	Variation application lodged and affected parties engaged	Continuing affected parties' engagement	Aug 2021	Buy-in with affected parties

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## Key Project Status Report #4

*#the BIG.  
Waste Water Story*



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

Ōtāne Infiltration and Inflow	Physical works to reduce I&I in township	Priority MH replacement & review findings of methodology	Investigations during high groundwater	Mar 2022	Contractor resource/availability
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**#theBigWastewaterStory Key Project Status Report**

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## Key Project Status Report #4



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

### PROJECT: Ōtāne Wastewater Pipeline Stages 1, 2, 3 & 5 (Ōtāne to Waipawa)

STATUS	BUILD	
TIMELINE	JULY 2020 START DATE	OCT 2021 END DATE
PROGRESS	60%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$4.093m TOTAL PROJECT	\$2.057m SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div></div>	



#### SCOPE

To investigate and design a new wastewater pipeline to convey wastewater from Ōtāne to Waipawa.

- Stage 1:** White Road to Racecourse Rd Pipeline  
**Stage 2:** Racecourse Rd to Waipawa WWTP Pipeline  
**Stage 3:** White Road to Ōtāne WWTP Pipeline  
**Stage 4 (a&b):** Ōtāne WWTP Pump Station  
**Stage 5:** Waipawa WWTP inlet works (to Pond)

#### ACHIEVEMENTS

Installation of Stage 1 pipeline completed. Stage 2 pipeline installed with detail installation underway. Contractor awarded Stage 3. Design of stage 5 commenced.

#### PLANNED

Stage 2 details installation to continue, centre section of stage 2 (Tiffen Lane to Racecourse Road) construction planned for March start date with contract awarded to Stage 1 contractor.

#### RISKS

The following risks have been developed;

- Pipeline route affecting landowners
- Staging of works
- Multi stage approach (treated to WPA discharge, treated to WPA Plant, raw to WPA plant)



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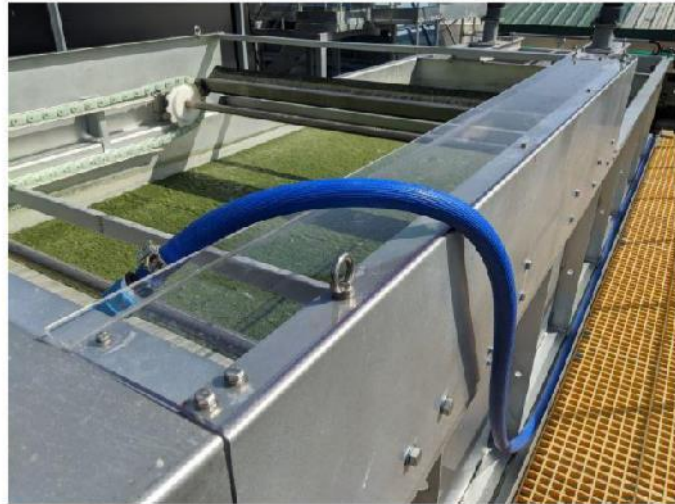


## Key Project Status Report #4



### PROJECT: Improvements and design (Waipawa WWTP DAF)

STATUS	BUILD	
TIMELINE	NOV 2020 START DATE	FEB 2022 END DATE
PROGRESS	20%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$1.5m TOTAL PROJECT	\$35k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div></div>	



#### SCOPE

##### Operational Improvements (\$500k)

To continue to develop the design work to support the wastewater strategy plans, and to assist with short term operational improvements.

##### Capital Improvements (\$1m)

To investigate, design, purchase and install Dissolved Air Flotation (DAF) systems to improve and optimize the treatment performance at the Waipawa WWTP and investigate the potential for a similar system at the Waipukurau WWTP. Normally DAF systems have a design life of approximately 25 years, however it is only anticipated to be in operation for 5-10 years at the Waipawa site until the new WWTP is constructed. The units will be moveable so that they can be re-purposed on another site in the future.

#### ACHIEVEMENTS

Contract awarded for supply of DAF unit.

#### PLANNED

Detailed design information to be supplied by contractor, SiD and HAZOP workshops to be held. Commencement onsite planned for October.

#### RISKS

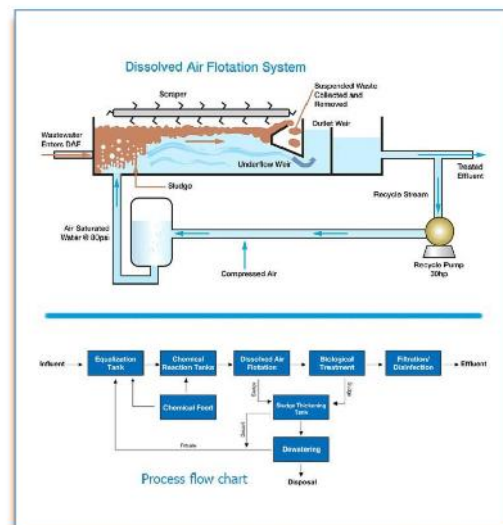
The following risks have been developed:

- Contractor availability
- Staging of works and integration with Operations team
- Equipment/Materials lead time
- Limited detailed site information available

#### COMMUNICATIONS

Project webpage can be found here:

<https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/>





## Key Project Status Report #4



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

**PROJECT:** Ōtāne Wastewater Pipeline Stage 4(a) (Ōtāne Pump Station)

STATUS	PROCUREMENT	
TIMELINE	MAR 2021 START DATE	FEB 2022 END DATE
PROGRESS	10%	<div><div></div></div>
BUDGET	\$1.608m TOTAL PROJECT	\$2.5k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div></div>	

## SCOPE

To investigate and design a new wastewater pipeline to convey wastewater from Ōtāne to Waipawa.

Stage 1: White Road to Racecourse Rd Pipeline

Stage 2: Racecourse Rd to Waipawa WWTP Pipeline

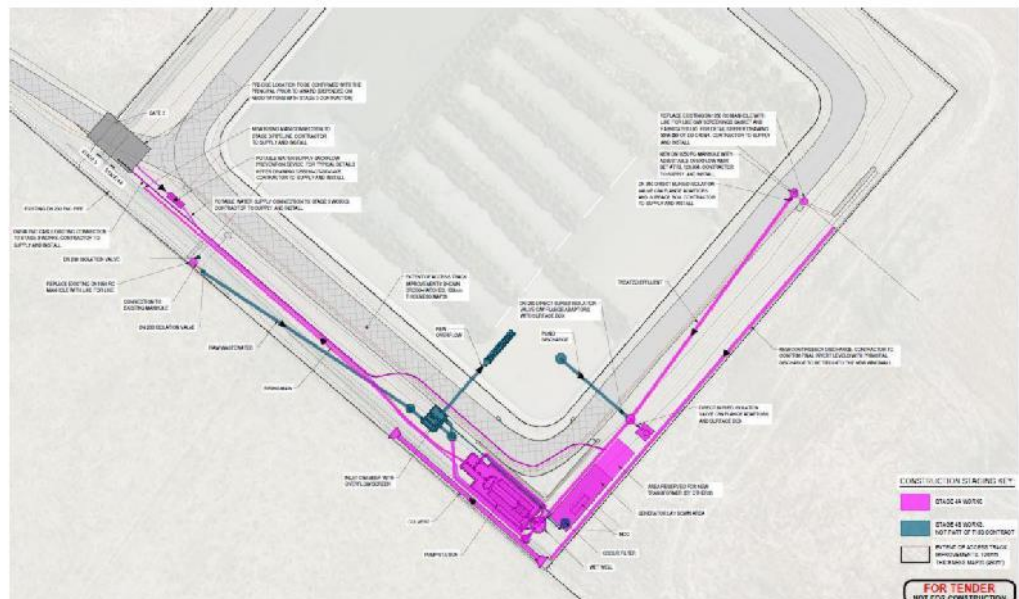
**Stage 3:** White Road to Ōtāne WWTP Pipeline

#### Stage 4 (a&b): Ōtāne WWTP Pump Station

Stage 5: Waipawa WWTP inlet works (to Pond)

## ACHIEVEMENTS

Open tender  
process completed,  
and preferred  
supplier identified.  
Negotiations  
underway.

**PLANNED**

Completion of negotiations and award of contract, commencement of physical works

## RISKS

The following risks have been developed:

- Landowners affected by works
- Budget exceedance
- Communications between multiple contracting parties
- Staging of works
- Multi stage approach (treated to WPA discharge, treated to WPA Plant, raw to WPA plant)

## Key Project Status Report #4



Project 2 Pōrangahau & Te Paerahi Wastewater					
Project	Scope	Achieved	Upcoming	When	Risks
Remove treated wastewater from river and irrigate to land - concept	Staged approach to removing flows from the river and irrigating on farmland	Finalised and approved through LTP consultation			
Transitional consent	Submit application for transitional consent	Consent submitted			
Long term consent	Submit application for long-term consent	Technical inputs underway	Final Draft of consent application	Aug 2021	Information for application not complete within timeframe
Irrigation design	Develop detailed design of irrigation system	Landowner discussions and input into concept	Detailed design works	2023	
Irrigation construction	Install irrigation system and commission	Locations agreed		2024	
Te Paerahi to irrigation	Design & construct pump station & pipeline		Concept design and decision on conveyance route	2022	
Combined WWTP	Develop design to enable land purchase	Location agreed	Concept design and decision on process type	2022	

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## Key Project Status Report #4



Project 3 - Takapau Wastewater					
Project	Scope	Achieved	Upcoming	When	Risks
Remove treated wastewater from river and irrigate to land - concept	Staged approach to removing flows from the river and irrigating on farmland	Finalised and approved through LTP consultation			
Consent renewal		Consent renewal submission 29 Mar 21	S92 response required	s92 Aug 21	Prolonged consenting process
Irrigation design	Develop detailed design of irrigation system to fit with farmer's current system	Conceptual design agreed with landowners	Develop detailed design	2022	
Irrigation construction	Install irrigation system and commission			2022	
Groundwater monitoring bores	Install new GW monitoring bores following issues with previous installations	Completed July 22	Fencing around bores to be completed	Aug 21	

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## Key Project Status Report #4



## Project 4 - Residuals (Treatment by-products)

Project	Scope	Achieved	Upcoming	When	Risks
Dry solids removal & desludge	Dry sludge removal Sludge removal from ponds into geobags	Dry sludge removal Geobag area refurbishment	Pond desludging	August - Oct 2021	Budget constraints - Sludge volume Contractor programme - Resourcing - Weather Sludge volumes

## Project 5 – Flow and Load

Project	Scope	Achieved	Upcoming	When	Risks
Flow (Inflow & Infiltration)	Reduce inflow and infiltration to the wastewater systems	Network modelling works underway. Minor renewals completed.	Procurement of investigation and construction contractors.	2021	Contractor resourcing Community messaging and response
Load (Trade waste)	Reduce load of oncoming waste to treatment plants. Implementation of user pays system to wastewater.	Updated Fees and Charges in place. Traders implementing treatment.	Refinement of council data, enforcement and sampling systems. Investigation of peripheral users.	2021	Engagement with Traders/community

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## Key Project Status Report #4



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

**PROJECT:** Waipawa Wastewater dried solids removal and pond desludging

STATUS	<b>BUILD</b>	
TIMELINE	<b>JULY 2020</b> <small>START DATE</small>	<b>MAR 2022</b> <small>END DATE</small>
PROGRESS	<b>30%</b>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	<b>\$750k</b> <small>TOTAL PROJECT</small>	<b>\$112k</b> <small>SPEND TO DATE</small>
RISK LEVEL	<div><div></div><div></div><div></div></div>	



### SCOPE

To remove dried solids from the Waipukurau and Waipawa WWTP's previous pond desludging. Dredge sludge from Waipawa WWTP ponds and remove to banded geobag area to increase both ponds free capacity for treatment.

### ACHIEVEMENTS

Contractor procured and work to remove dried solids completed at Waipawa and almost complete at Waipukurau. The Geobag area at Waipawa has been refurbished with a complete replacement liner and drainage improvements. Waipukurau geobag area condition currently being assessed.

### PLANNED

Commencement of Waipawa oxidation pond dredging for sludge removal.

### RISKS

The following risks have been developed:

- Staging of works and integration with Operations team
- Works affecting WWTP's levels of compliance
- Creation of odour or other nuisance
- Funding

### COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/waipukurau-waipawa-otane-upgrades/waipukurau-and-waipawa-wastewater-treatment-plant-upgrades/>



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## Key Project Status Report #4

**PROJECT:** Wastewater Renewals (Infiltration & inflow)

STATUS	PLANNING and BUILD	
TIMELINE	JAN 2021 START DATE	MAR 2022 END DATE
PROGRESS	20%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$500k TOTAL PROJECT	\$73k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div></div>	



### SCOPE

Investigations and remediation of district-wide wastewater reticulation system inflows.

### ACHIEVEMENTS

Minor improvements completed by Downer and Pipetech, I&I strategy document developed for Council approval.

### PLANNED

Council presentation and approval on I&I plan, contractor award to support investigations, contractor award to support remediations.

### RISKS

The following risks have been developed;

- Renewal effectiveness
- Budget exceedance
- Timeframe exceedance

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## Key Project Status Report #4

### PROJECT 8: TRADE WASTE IMPROVEMENTS

STATUS	PLANNING	
TIMELINE	NOV 2020 <small>START DATE</small>	MAR 2022 <small>END DATE</small>
PROGRESS	20%	<div><div style="width: 20%;"></div></div>
BUDGET	\$160k <small>TOTAL PROJECT</small>	\$51k <small>SPEND TO DATE</small>
RISK LEVEL	<div><div style="width: 33%; background-color: green;"></div><div style="width: 33%; background-color: yellow;"></div><div style="width: 33%; background-color: red;"></div></div>	



#### SCOPE

Review and improvement of Council's Trade Waste system.

#### ACHIEVEMENTS

Trade waste bylaw adopted in May 2021, Trade waste strategy developed for council approval 12<sup>th</sup> August.

#### PLANNED

Development of systems in preparation for the first applications under the new bylaw. Implementation of a data system to assist with management of the trade waste consents and compliance. Investigating peripheral Trade Waste users.

#### RISKS

The following risks have been developed:

- Trade Waste load contributions may fluctuate.
- Relationships between Traders and council may become strained
- Financial estimates might be incorrect or inequitable

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## Key Project Status Report #4

### Issues/ Risks that have arisen since the last status report

This section will be expanded/ updated in subsequent quarterly Key Project Status Reports. A risk register is live and forms an integral part of the project and ensures the PCG manages and identifies risk appropriately. The Project Governance Group receives risks that are elevated, below is a simplistic overview of risks that are of concern.

Project	Risk	Proposed Control
Funding	Unable to fund project	Funding applications, ongoing updates based on changing market rates
Operational Compliance	Compliance breaches during planning for long term upgrades	Heightened maintenance, improvements to plants
Timelines	Unable to deliver on milestones	Strict and robust project management
Community Engagement	Negative community perception, or lack of understanding	Planned engagement, regular communications, and use of reference groups
Iwi Engagement	Negative perception, or lack of understanding, or ability to be involved	Targeted engagement
Hyper-inflation affecting contract prices	Lack of contractor resources and COVID affecting supply chains	Early award, strategic packaging of works

### Communications and Engagement Updates

Ōtāne Consent Variation	Phone calls to the 10 affected parties made in early July, followed up with formal letters and info packs. Follow up calls planned for end July . Initial feedback positive with many already engaged through long term plan consultation
Te Paerahi and Pōrangahau	Iwi field trip to see wastewater irrigation in Manawatu 13 Feb 2021 Irrigation site walkover with iwi April 2021 – draft CIA received (to be included in consent application) March LTP community meeting Community engagement session planned for August post consent application lodgement Ongoing engagement with WWTP and Irrigation site landowner
Takapau	CIA received with recommendations – will be included in s92 response 16 Feb 21 meeting cancelled (COVID level change) 24 Mar 21 LTP community meeting Ongoing engagement with WWTP and Irrigation site landowner

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## Key Project Status Report #4

### General Comments

A lot of work is happening across the wastewater plants and we continue to apply focus on the delivery, communication, operational improvements as we deliver on short term improvements as we focus and create the longer-term solution.

Landowner and Iwi engagement and commitment is important in developing the long-term solutions for each of the sites and is an immediate focus of the project team along with consenting requirements. Stakeholder engagement is now moving into “what are we doing” (progress updates), rather than “what we are proposing” now that the LTP has been adopted.

Our technical teams current focus continues to be on improvements to the plants to improve the current performance of the WWTPs while the long-term improvements continue to progress.

Physical works contracts are well underway, and contractor availability issues are starting to become apparent, with fewer tender submissions and higher tender prices than expected on some pieces of specialist work. An overarching programme procurement strategy is in the process of being developed and aims to develop mitigation strategies for some of the risk associated with these early learnings.

Asset Type	Project Description	Status
Wastewater	Takapau Resource Consent Extension	Complete
Wastewater	Ōtāne Wastewater I&I Study	Complete
Wastewater	Ōtāne Wastewater Resource Consent Extension from 2021 to 2023	Submitted
Wastewater	Waipawa trunk sewer main renewal (stage 1 – reline)	Complete
Wastewater	Ōtāne Land Development (Wastewater)	Complete
Wastewater	WPK WPA Wastewater Treatment Investigation	Planning/Design
Wastewater	CHB District Wastewater Renewals	Planning/Design
Wastewater	Pōrangahau/Te Paerahi Wastewater Transitional consent	Submitted
Wastewater	Pōrangahau/Te Paerahi Wastewater Long term consent	Planning
Wastewater	Pōrangahau/Te Paerahi Wastewater Upgrade	Planning/Design
Wastewater	Takapau Long-term consent	Submitted
Wastewater	Takapau Wastewater Upgrade	Planning/Design
Wastewater	Ōtāne Wastewater Treatment Upgrade	Terminated
Wastewater	Ōtāne to Waipawa Pipeline – Stage 1	Complete
Wastewater	Ōtāne to Waipawa Pipeline – Stage 2	Execution
Wastewater	Ōtāne to Waipawa Pipeline – Stage 3	Execution
Wastewater	Ōtāne to Waipawa Pipeline – Pump Station (stage 4a)	Execution
Wastewater	Ōtāne to Waipawa Pipeline – Stage 5	Planning/Design
Wastewater	Waipawa trunk sewer main renewal (stage 2 – pumps/power)	Complete
Wastewater	Waipawa WWTP DAF	Execution
Wastewater	Waipawa dry sludge removal	Complete
Wastewater	Waipawa pond desludge	Execution
Wastewater	Waipukurau dry sludge removal	Execution
Wastewater	Waipawa Power upgrades	Planning/Design
Wastewater	Waipawa consent to receive Ōtāne flows	Planning/Design

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## Key Project Status Report #4

### Programme Financial Update



Financial management of these projects requires creation internally of a project specific ID for each project. This allows for management of costs and understanding of progress against budget – further detail available on request

Key Project Statistics	Budget		Expenditure incl. commitments	Variance
	21-31 LTP	Pre-LTP + Year 1	@ 30 July 2021	
WPK WPA OTN Wastewater Treatment Investigations and Prof Fees	8,176,224	2,300,000	2,792,865	
Takapau Wastewater Upgrades	3,109,702	1,347,911	713,667	634,244
Porangahau/ Te Paerahi Wastewater Upgrades	18,375,073	3,935,414	400,239	3,535,175
Otane Wastewater Pipeline (Stages 1-5) (excluding 4b)	5,550,000	5,550,000	2,256,781	3,293,219
WOW Minor Renewals + Residuals	6,705,121	3,160,000	1,782,744	1,377,256

### Programme Sponsors Confidence

Overall confidence remains high, with attention required constantly by the programme team to deliver on outcomes. There remains potential for issues/ risks to arise and some delays may be probable. Risks will be addressed through the project and monitored through the project lifecycle.

Funding, market delivery and community engagement remain the highest risks currently.

Key	Attention Required	Issues/Risks	Delivery
	Minimal	None	On Time
	Constant	Potential	Delays Probable
	Manage	Exist but resolvable	Delays Likely
	Urgent	Major	Delays
	Critical	Critical	Major delays. Re-scope/Re-assess

## Key Project Status Report #4

### Project Photos

Below are photos of the projects in action.

Photo can also found on the council website: <https://www.chbdc.govt.nz/our-district/projects/>

### Waipawa Wastewater Plant – Dry Sludge Removal & Geobag area refurbishment



**#theBigWastewaterStory** Key Project Status Report

Issue Date: 20 July 2021

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## Key Project Status Report #4



**#theBigWastewaterStory** Key Project Status Report

Issue Date: 20 July 2021

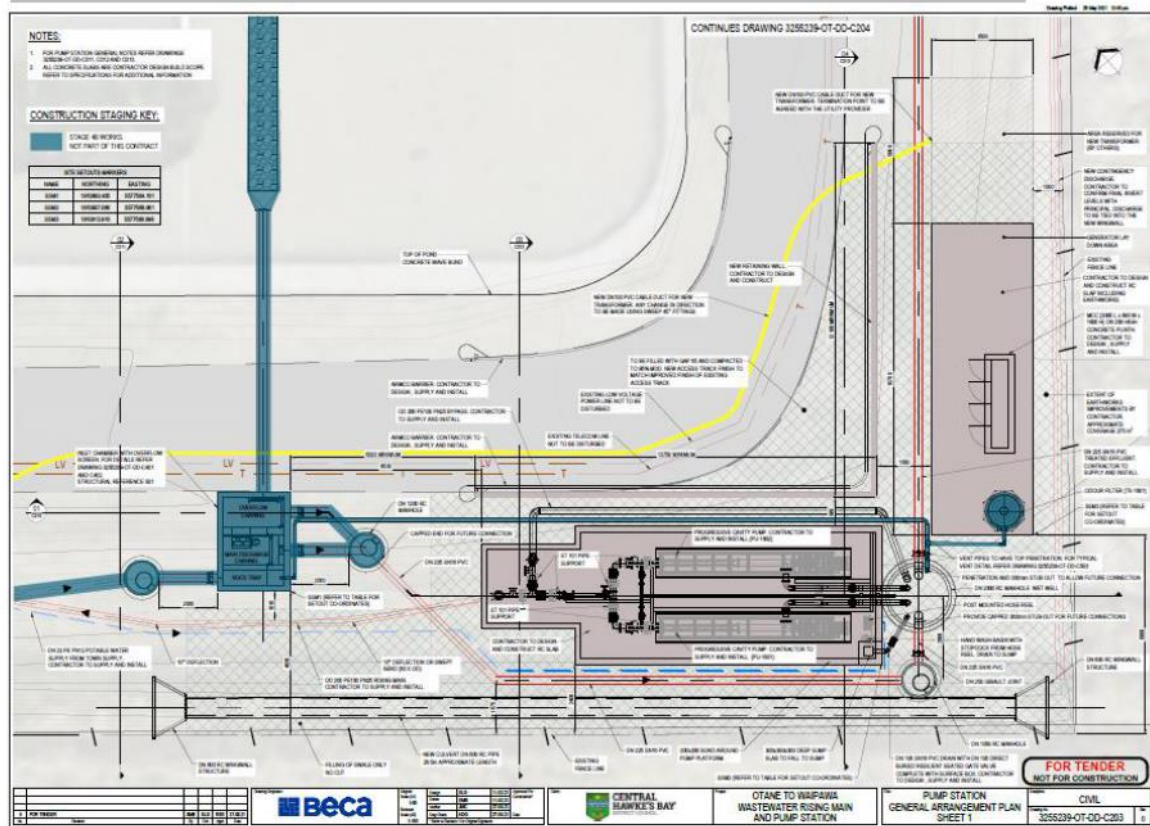
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#theBIG.  
Waste Water Story

## Key Project Status Report #4



### Otane to Waipawa – Pump station design



### Otane to Waipawa Pipeline



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**#theBIG-  
Waste Water Story**

## Key Project Status Report #4



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

Takapau



Porangahau / Te Paerahi



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**#theBIG.  
Waste Water Story**

## Key Project Status Report #4



**#theBigWastewaterStory Key Project Status Report**

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## 6.5 KEY PROJECT STATUS REPORT - 3 WATERS TRANCHE ONE

**File Number:** COU1-1410

**Author:** Darren de Klerk, 3 Waters Programme Manager

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. #2 Key Project Status Report - 3Waters Tranche One [↓](#)

### RECOMMENDATION

**That, having considered all matters raised in the report, the report be noted.**

### PURPOSE

To add a level of oversight on this significant programme for CHBDC, this report aims to inform and keep council and the community updated on the progress of this important externally funded programme of works.

### SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

### BACKGROUND

In October 2020 Council was allocated \$11.09M in funding as part of the Governments 3 Waters Stimulus Package (Tranche 1) to progress multiple 3 Waters projects outlined in an application to the Department of Internal affairs who are administering the funding.

### DISCUSSION

A requirement of the funding agreement is that all physical works projects must be started by 31 March 2021 and that the 3 Waters Stimulus funding must be expended by 30th March 2022.

To date all capital works projects have had some aspect of physical construction commenced in order to meet this initial requirement.

The overall Tranche 1 programme of works includes many different individual projects across both #TheBigWaterStory and #TheBigWastewaterStory. A breakdown of the funding expenditure is below:

#### Water Projects

Three Waters Reform Preparation	\$400k
Water Safety Plan Actions	\$100k
Water Renewals	\$990k*
Waipukurau Second Water Supply	\$3.3m
Three Waters Bylaw Reviews	\$150k
Programme Management and Building Skills	\$390k
Kairakau Water Upgrade	\$300k*

#### CHB Wastewater Upgrades

Otane to Waipawa Pipeline - Stage 2	\$2.4m
Improvements and Design	\$1.5m
Wastewater Pond Desludging	\$750k
Wastewater Renewals	\$500k

Trade Waste Improvements \$160k

Dump Station for Campervans \$150k

\*Kairakau Water Upgrade was a backup project, which has now been elevated as a project. The Water Renewals budget has been decreased by \$300k to accommodate this.

### IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

### NEXT STEPS

To continue to deliver the programme of works as outlined within the project report, and provide regular updates to key stakeholders.

### RECOMMENDATION

**That, having considered all matters raised in the report, the report be noted.**




**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

## KEY PROJECT STATUS REPORT #2

**3 Waters Tranche 1 –  
Stimulus Funding**  
July 2021



Project Name	3 Waters Tranche One – Stimulus Funding				
	Key Project Status Report				
Release Date	30/07/2021	Report #	Two	Range	Apr 21 – July 21
Introduction/ Background	In October 2020 Council was allocated \$11.09M in funding as part of the Governments 3 Waters Stimulus Package (Tranche 1) to progress multiple 3 Waters projects outlined in an application to the Dept of Internal affairs who are administering the funding.				
	The overall Tranche 1 programme of works includes many different individual projects across both #TheBigWaterStory and #TheBigWastewaterStory. A breakdown of the funding expenditure is below:				
	Three Waters Reform Preparation			\$400k	
	Water Safety Plan Actions			\$100k	
	Water Renewals			\$990k*	
	Waipukurau Second Water Supply			\$3.3m	
	Three Waters Bylaw Reviews			\$150k	
	Programme Management and Building Skills			\$390k	
	Kairakau Water Upgrade			\$300k*	
	<b>CHB Wastewater Upgrades</b>				
	Otane to Waipawa Pipeline - Stage 2			\$2.4m	
	Improvements and Design			\$1.5m	
	Wastewater Pond Desludging			\$750k	
	Wastewater Renewals			\$500k	
	Trade Waste Improvements			\$160k	
Dump Station for Campervans			\$150k		
<i>*Kairakau Water Upgrade was a back up project, which has now been elevated as a project. The Water Renewals budget has been decreased by \$300k to accommodate this.</i>					
Programme Stage	A requirement of the funding agreement is that all physical works projects must be started by 31 March 2021 and that the 3 Waters Stimulus funding must be expended by 30 <sup>th</sup> March 2022.				
	To date all capital works projects have had some aspect of physical construction commenced in order to meet this initial requirement.				
Programme Outcomes	<b>The expected outcomes of the programme align with the objectives of the funding partners:</b> <ul style="list-style-type: none"><li>Significantly improving the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems (which are crucial to good public health and wellbeing, and achieving good environmental outcomes)</li><li>Ensuring all New Zealanders have equitable access to afford three waters services</li><li>Improving the coordination of resources, planning, and unlocking strategic opportunities to consider New Zealand’s infrastructure and environmental needs at a larger scale</li></ul>				



- Increasing the resilience of three water service provision to both short- and long-term risks and events, particularly climate change and natural hazards
- Moving the supply of three waters services to a more financially sustainable footing, and addressing the affordability and capability challenges faced by small suppliers and councils
- Improving transparency about, and accountability for, the delivery and costs of three waters services, including the ability to benchmark the performance of service providers
- Undertaking the reform in a manner that enables local government to further enhance the way in which it can deliver on its broader “wellbeing mandates” as set out in the Local Government Act 2002

#### Report/ Document History

Report No.	Report Date	Report Frequency	Programme Sponsor	Programme Manager
1	22/04/21	Quarterly	Josh Lloyd	Darren de Klerk
2	30/07/21	Quarterly	Josh Lloyd	Darren de Klerk

#### Sponsor's Project Delivery Confidence Assessment

 Appears Highly Likely	 Appears Probable	 Appears Feasible	 Appears In Doubt	 Appears Unachievable
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**PURPOSE**

This report will provide regular information on the fixed objectives and dynamic progress of the 3 Waters Reform programme of works throughout the district.

The report provides an introduction, as well as background and contextual information on the 3 Waters Reform programme of works, then becomes more detailed discussing programme and project progress and risk. Project specific information is also available within #TheBigWaterStory and #TheBigWastewaterStory quarterly programme reports.

**PROJECT MANAGER'S OVERVIEW FOR THE PERIOD (APRIL – JULY 2021)**

The Three Waters Tranche 1 stimulus funding has allowed for the formation of the Project Management Office (PMO) at CHBDC which now consists of a team of 5. The first and second quarter of 2021 has seen the team support the LTP process and elevate PMO controls and methods of project delivery for three waters projects.

Further steps are being implemented by the increased resource to begin to bring efficiencies and process consistency across PMO delivery. This includes generating, pooling and capturing data and implementing efficiencies into systems, refining PMO tools and skills, and updating existing templates to provide consistency and enable transparent reporting across council projects.

Integral to delivering the programme and meeting the funding requirement to start physical works by end of March 2021, has been maintaining ongoing momentum on the flow of designs to enable the physical works and careful management of procurement practices and timelines. CHBDC is developing a forward workload plan to support release of tenders and plans to further utilise existing relationships with contractors ensuring that risks and work is able to be started for all Tranche 1 funded projects. We will continue to work closely with consultant partners and contractors to carry out any outstanding investigations, progress design work and plan procurement strategies to enable delivery of Tranche 1 funded capital works by March 2022.

This planning and CHBDC's previous contract management, partnership approach and good reputation with contractors continues to allowed us generally to avoid some current market issues with attracting contractors to tender and availability of resources.

This quarter also saw the first project delivered being the Waipukurau MotorCaravan Dump Station. A successful opening was held with the project outcome well received by all stakeholders.

A heightened focus has and will be placed on the ability for the market to deliver on broader outcomes for the district and the region through all procurement opportunities. We have seen this introduced into our new contracts. These broader outcome themes will continue to carry through in future procurements and the PMO is working with the Jobs in CHB team to ensure that these opportunities to increase community wellbeing are realised.

The next quarter will continuing and increasing physical works. The PMO team expect to be very busy in the coming months and are excited to start delivering these projects for the community.



Overall Confidence Assessment				
Key Questions Impacting on Project Objectives		No	Yes	
1	Are there <b>Business Case Benefit</b> attainment problems?	✓	<input type="checkbox"/>	As each individual project progresses through each stage of our project lifecycle we review and assess alignment with the overall programme objectives.
2	Are there <b>Scope Control</b> problems?	✓	<input type="checkbox"/>	Some projects have had risks and/or opportunities identified throughout the project planning, these provide options that can affect the Scope of each project. These risks and opportunities are managed and refined through the management structure of each project.
3	Will Target <b>Dates</b> be missed?	✓	<input type="checkbox"/>	Currently on track to deliver each package to agreed timeframes. Risk of future delays within some projects due to the effect of COVID related shipping and material supply delays.
4	Will <b>Project Costs</b> be overrun?	✓	<input type="checkbox"/>	Currently project costs and forecasts are being developed and further refined. Whilst a risk, can be managed by increasing or decreasing project scopes accordingly.
5	Are there <b>Quality</b> problems?	✓	<input type="checkbox"/>	None at present
6	Are there <b>Resource</b> problems?	✓	<input type="checkbox"/>	Internal resourcing is being managed through the implementation of the Project Management Office. There is risk to the availability of skilled contractor resources locally due to the current level of market demand
7	Are there <b>Risk Management</b> problems?	✓	<input type="checkbox"/>	Risk management processes are developed within each project and allow for risks to be highlighted and appropriate mitigation measures to be defined.
8	Are there <b>Review and Approval</b> problems?	✓	<input type="checkbox"/>	The process for internal review is being defined, and approval is working well.
9	Are there <b>Teamwork</b> problems?	✓	<input type="checkbox"/>	None present – clear roles across operational and capital overlaps are being defined.
10	Are there <b>Stakeholder</b> problems?	✓	<input type="checkbox"/>	Community engagement is ongoing for each project. Risks and issues are being managed within each project
11	Are there <b>Iwi</b> issues?	✓	<input type="checkbox"/>	Iwi engagement is ongoing
12	Are there <b>Communication</b> problems?	✓	<input type="checkbox"/>	None present – 3 Waters Reform specific communication limited due to LTP Engagement and consultation period
13	Are there <b>Change Management</b> problems?	✓	<input type="checkbox"/>	None present
14	Are there <b>Health &amp; Safety</b> issues?	✓	<input type="checkbox"/>	None present
15	Are there <b>Operational</b> issues?	✓	<input type="checkbox"/>	Through some good processes, we are currently working on developing a guideline for managing overlapping duties to be resolved timely, and ensure all parties are aware of the process to manage such works.



### Issues/ Risks

The following risks have been highlighted on the programme to date;

Risk	L	C	Rating	Mitigation action	Responsible
Market capacity			Medium	Planning with the market, listening and adjusting procurement approach	CHBDC / Consultants
Cost risks			Medium	Ongoing management, and ability to refine scope accordingly	CHBDC
Project Outcomes			High	Ongoing management, control and community check ins to determine delivery against outcomes	CHBDC

### Key Activities to be started/completed or in progress over the next Quarter (July to September 2021)

- Waipawa WWTP DAF unit installation arrival and installation
- Commencement of Waipawa Pond desludging
- Completion of Reservoir Road and Nelson St Water main renewal
- Commencement of stormwater issue rectification work in Nelson Street commenced
- Completion of pipework on Otane-Waipawa Wastewater Rising main (Stage 2)
- Refinement of forward work programme for I&I improvements
- Contract Tendering for Stage 2 and 3 Pipeline Tikokino Rd
- Compensation packages for affected landowners along second supply.
- Progressing ECI engagement for river crossings.
- Rising and falling mains design and Reservoir design progressed for second supply.
- Tenders prepared in accordance with council approved procurement strategy.
- Contract award for Kairakau water upgrade.



### PROGRAMME FINANCIAL UPDATE

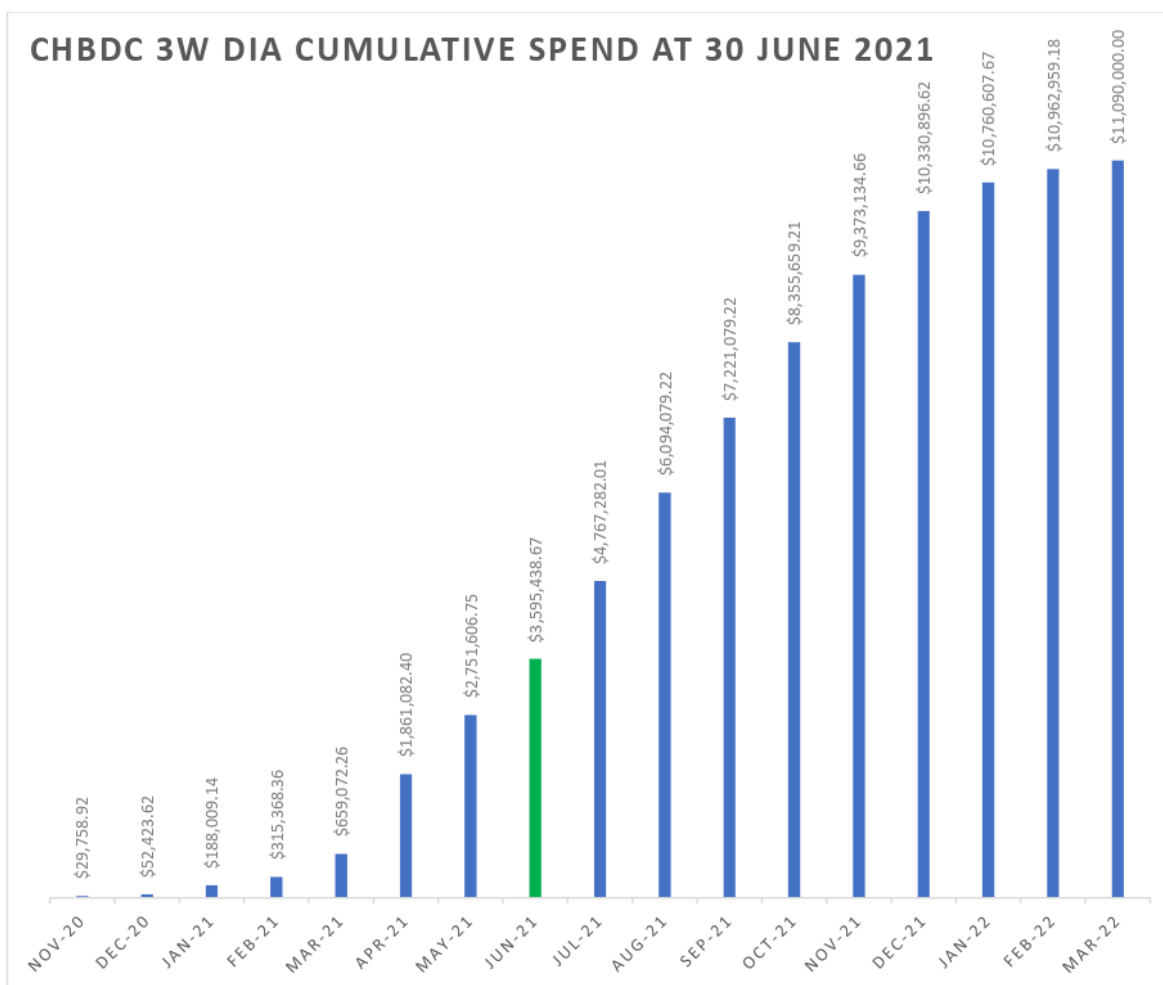
Financial management of these projects requires creation internally of a project specific ID for each project. This allows for management of costs and understanding of progress against budget – these will be linked back to the relevant General Ledger (GL) codes.

Project	Key Project Statistics	Budget	Actuals	Comments
<b>1</b>	<b>Three Waters Reform Preparation</b>	400,000	57,724	Source Protection Zones and GIS Review work progressing
	<b>Water Safety Action Plans</b>	100,000	66,699	Reg Water Supply Assessment scoped
<b>2</b>	<b>Water Renewals</b> • Nelson/Reservoir (C-1107 Higgins)	990,000*	571,655	Construction underway
<b>3</b>	<b>Waipukurau 2<sup>nd</sup> Water Supply</b> • Waipawa Bore drilling (C-1116 Honnor) • Archaeological assessment (C-1115) • Technical consultancy (WSP C-1051) • Land acquisition support (TPG C-1113) • Stage 1 Pipeline (Downer C-1133) • Due Diligence (C-1134) • Stage 2&3 Tikokino Rd (C-1148)	8,200,000 (LTP) 3,300,000 (3 Waters T1) <u>11,500,000</u>	359,493 (LTP) 1,003,100 (3 Waters T1) <u>1,362,593</u>	Production bore completed, Land easements/ acquisition in progress, Stage 1 Pipeline underway, Stage 2 & 3 pipeline prepared for tender
<b>4</b>	<b>Otane to Waipawa pipeline (Stage 2)</b> • (C-1117 – Fulton Hogan) • Design for Pump Station (BECA)	2,400,000	1,116,238	Construction underway Commenced March 2021
<b>5</b>	<b>Improvements and Design</b> • DAF enabling works (Fulton Hogan) • DAF design/build (C-1125 tendered) • Wastewater Design and Improvements	1,500,000	35,283	Investigation work completed Contractor procured and detailed design underway
<b>6</b>	<b>Wastewater Pond Desludging</b> • Enabling Works (Fulton Hogan) • Waipukurau and Waipawa dried solids and pond desludging (C-1126 tendered)	750,000	112,482	Investigation work completed Physical works commenced
<b>7</b>	<b>Wastewater Renewals</b> • Otane Priority Manholes (C-1057 Downer) • Consultancy and Technical support (Beca)	500,000	72,649	Sample Priority manhole remediation works completed Forward work plan planning underway
<b>8</b>	<b>Trade Waste Improvements</b>	160,000	50,392	Trade Waste Strategy presentation paper for Council to approve.
<b>9</b>	<b>Dump Stations for Campervans</b> • Waipukurau (C- 1121 Downer)	150,000	145,506	Completed
<b>10</b>	<b>Three Waters Bylaw reviews</b>	150,000	182,307	Consultation underway
<b>11</b>	<b>Programme Management and Building Skills</b>	390,000	144,272	PSODA software implemented Infr Data software planning to be implemented
<b>TBC</b>	<b>Kairakau Water Supply</b>	300,000* \$989,000 (Total Budget)	0	Tender issued to market 26/07/2021.
	<b>TOTALS</b>	<b>11,090,000</b>	<b>3,595,438</b>	

\*Kairakau Water Upgrade was signalled as back up project in the original application, following a council resolution on the 25<sup>th</sup> February to allow budget increase, the additional \$300k budget needed has been sought from the Tranche One funding, and the water renewals budget decreased accordingly.



### CHBDC 3W DIA CUMULATIVE SPEND AT 30 JUNE 2021



### PROGRAMME SPONSORS CONFIDENCE

Overall confidence remains high, with attention required constantly by the programme team to deliver on outcomes. There remains potential for issues/ risks to arise and some delays may be probable. Risks will be addressed through each project and monitored through the project lifecycle. Funding and community engagement remain the highest risks currently.

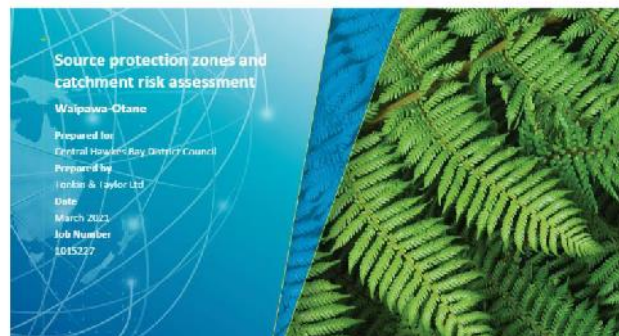
Key	Attention Required	Issues/Risks	Delivery
	Minimal	None	On Time
	Constant	Potential	Delays Probable
	Manage	Exist but resolvable	Delays Likely
	Urgent	Major	Delays
	Critical	Critical	Major delays. Re-scope/Re-assess

### REGULAR UPDATES

Regular project updates are available on the [Projects page](#) of the [CHBDC website](#).

**PROJECT SPECIFIC UPDATES:****PROJECT 1: THREE WATERS REFORM PREPARATION & WATER SAFETY ACTION PLANS**

STATUS	<b>PLANNING and EXECUTION</b>	
TIMELINE	<b>NOV 2020</b> START DATE	<b>MAR 2022</b> END DATE
PROGRESS	<b>20%</b>	
BUDGET	<b>\$500k</b> TOTAL PROJECT BUDGET	<b>\$124k</b> SPEND TO DATE
RISK LEVEL		


**Tonkin + Taylor**
**SCOPE**

To deliver a works programme regionally to support and better position CHBDC for the pending regulatory changes. The projects that make up the regional work programme of which CHBDC is contributing \$400,000 to is outlined below.

The other \$100,000 is set aside for CHBDC to develop and progress actions outlined within our Water Safety Plans – most notably our Catchment Risk Assessments and Source Protection Zones

#	Project	Description	Regional Funding Allocation	Timeframe
1	Three Waters Reform Programme Requests for Information (RFI)	Extended Consultancy Services to update models and data from Hawke's Bay three waters review report to support Government Reform RFI.	\$200,000	October 20 – February 21
2	Regional Private Supplier Assessment	To identify smaller private schemes, with focus on schools and marae.	\$500,000	November 20- March 22
3	Regional Contestable Fund for private scheme assistance and support.	Contestable fund & process developed where these private schemes could seek assistance or funding for support and/or physical works to meet new standards.	\$500,000	November 20- March 22
4	Regional Engineering code of practice	Independent review of each councils engineering code practices to identify the differences and opportunities to align regionally into one code	\$100,000	November 20- March 22
5	Regional Audit of Asset Management/GIS systems	Independent review and audit of current council systems to delivery recommendations on opportunities to standardise.	\$100,000	November 20- March 22
6	Regional Cadet and Operators Scheme	Acknowledging the critical gaps in the three waters capacity nationally – develop and deliver a regional cadet and operators scheme to support the delivery of three waters projects and operations	\$400,000	November 20- March 22

**PLANNED and ACHIEVEMENTS**

Project	CHBDC Allocation	Actual	Achieved	Planned
Three Waters Reform Programme Requests for Information (RFI)	50,000	46,483	Completed	Issue RFP and award works Trialling ArcGIS
Regional Engineering code of practice	25,000		Being scoped to put an RFP out for an ECOP Work underway scoping GIS	
Regional Audit of Asset Management/GIS systems	25,000			
Regional Assessment of water service provision across communities	150,000	11,241	Finalising contract award and kick off	Undertake assessment
Regional Contestable Fund for private scheme assistance and support	150,000	0		
Regional Cadet and Operators Scheme	0 (within projects)	0	Draft plan presented to CEs	Create framework, comms and intake
Total Regional Work	\$400,000			
Water Safety Plan Actions	100,000	66,699	Tonkin and Taylor engaged and 85% complete the draft catchment risk assessments and source protection zone mapping.	Continue to progress and have the drafts reviewed by the DWA.
Grand Total	500,000	124,424		

**RISKS/OPPORTUNITIES**

- Delivering the work programme at a regional level
- To ensure the regional work programme provides value for CHBDC and reflects our needs

**Request for Proposals****CLOSED CONTEST**

Hawke's Bay Three Waters Private Water Supply Assessment

PRJ21-27



RFP released: 17 MAY 2021  
 Deadline for Questions: 13 JUNE 2021  
 Deadline for Proposals: 3pm 16 JUNE 2021



## PROJECT 2: CHB SERVICES RENEWAL – RESERVOIR/NELSON, WAIPUKURAU

STATUS	BUILD		
TIMELINE	SEP 2020 START DATE	AUG 2021 END DATE	
PROGRESS	70%	<div><div></div></div>	
BUDGET	\$990k TOTAL PROJECT BUDGET	\$553k SPEND TO DATE	\$861k EXPECTED SPEND
RISK LEVEL	<div><div></div><div></div><div></div></div>		



### SCOPE

To lay new 100mm ID water pipes of either uPVC or PE material on the same side as the existing Cast Iron water mains with a new 63mm PE Water Ridermain on the opposing side.

These services to run in the same alignment and profile as the existing pipe.

The scope involves laying new pipe, replacing service laterals, installing new valves, fire hydrants, manholes and cross connecting the new network to the existing network in a number of positions.

This will involve approximately 950m of new water main, 645m of rider main and 66 new water connections.

### ACHIEVEMENTS

Reservoir Road and Northern Nelson Street sections completed with all relevant properties now supplied from new network. 180mm main and 63mm Rider main installed in southern end of Nelson Street. Stormwater improvements design completed.

### PLANNED

Completion of southern Nelson St end, with detail install and lateral changeovers. Final tie-ins to the network and cross-connections to be completed. Engagement of contractor for stormwater works to be completed in conjunction with Land Transport Dept.

### RISKS

Risk identified within this project are;

- Disruptions to homeowners/public
- Contractor Management
- Reinstatement graffiti
- Scope change – Stormwater improvements

### COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/bigwaterstory/chb-water-renewals/>



## PROJECT 3: WAIPUKURAU SECOND WATER SUPPLY

STATUS	DESIGN	
TIMELINE	JAN 2019 START DATE	JUN 2024* END DATE
PROGRESS	10%	<div><div></div></div>
BUDGET	\$3.3m of \$11.5m TOTAL PROJECT BUDGET	\$558k SPEND TO DATE
RISK LEVEL	<div><div></div><div>✓</div><div></div></div>	

## SCOPE

To find and construct a new water source bore, pipe a rising main to a reservoir, provide treatment and gravity feed back into Waipukurau to supply a second water supply to the town

## ACHIEVEMENTS

Production bore yield testing validating supply with some further work to be performed assessing water quality. Due diligence across pipeline route via test pits and geotechnical drilling at the proposed reservoir location. Environmental assessment performed. Directly affected landowners continue to be generally supportive with valuation and compensation processes underway. Iwi consultation in progress with a Hui held 25<sup>th</sup> July, steps underway for establishing a Project Governance Group (PGG).

**PLANNED**

Continued design development is subject to a hold point at the 13<sup>th</sup> August Council paper. Based on the outcomes from this decision paper the project will continue. Planned next steps would be consenting geotechnical bores either side of the river, PGG development, development of initial tender packages, finalise construction sequencing and procurement planning, Landowner compensation packages and conditional easement and parcel acquisitions.

## RISKS/OPPORTUNITIES

- DIA funding timeframes
- Approval for reservoir site/Timeframes to build reservoirs
- Water quality from test bores
- Strategic assessment of project requirements
- Budget
- Land acquisition and easements
- River Crossing

## COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/bigwaterstory/waipukurau-second-drinking-water-supply/>

## PROJECT 4: OTANE TO WAIPAWA WASTEWATER PIPELINE STAGE 2

STATUS	<b>BUILD</b>	
TIMELINE	<b>JAN 2021</b> START DATE	<b>DEC 2021</b> END DATE
PROGRESS	<b>60%</b>	
BUDGET	<b>\$2.4m</b> TOTAL PROJECT	<b>\$1,117k</b> SPEND TO DATE
RISK LEVEL		



### SCOPE

To design and construct a new wastewater pipeline to convey wastewater from Ōtāne to Waipawa as part of the second of three stages of the project to convey wastewater from Otane to Waipawa.

### ACHIEVEMENTS

Approximately 3700m of pipeline installed. Details (Air and Scour valves) installation currently underway.

### PLANNED

820m section between Tiffen Lane and Racecourse Road to be installed via an open cut. Continued installation of details. Finalisation of easement with landowner.

Additionally:

- A contract for Stage 3 pipeline at the northern end of the route has been awarded to the incumbent contractor
- Stage 4a being the Ōtāne pump station is currently in the procurement process
- Stage 5 at the Waipawa WWTP end is currently in design



### RISKS

The following risks have been developed;

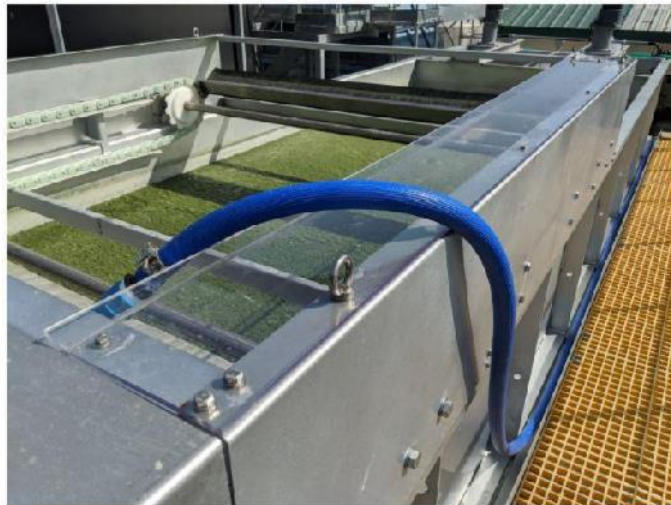
- Pipeline route affecting landowners
- Staging of works
- Multi stage approach (treated to WPA discharge, treated to WPA Plant, raw to WPA plant)

### COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/waipukurau-waipawa-otane-upgrades/otane-wastewater-treatment-plant-upgrade/>

## PROJECT 5: IMPROVEMENTS AND DESIGN (WAIPAWA WWTP DAF)

STATUS	<b>BUILD</b>	
TIMELINE	<b>NOV 2020</b> START DATE	<b>FEB 2022</b> END DATE
PROGRESS	<b>20%</b>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	<b>\$1.5m</b> TOTAL PROJECT	<b>\$35k</b> SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	



### SCOPE

#### Operational Improvements (\$500k)

To continue to develop the design work to support the wastewater strategy plans, and to assist with short term operational improvements.

#### Capital Improvements (\$1m)

To investigate, design, purchase and install Dissolved Air Flotation (DAF) systems to improve and optimize the treatment performance at the Waipawa WWTP and investigate the potential for a similar system at the Waipukurau WWTP. Normally DAF systems have a design life of approximately 25 years, however it is only anticipated to be in operation for 5-10 years at the Waipawa site until the new WWTP is constructed. The units will be moveable so that they can be re-purposed on another site in the future.

### ACHIEVEMENTS

Contract awarded for supply of DAF unit.

### PLANNED

Detailed design information to be supplied by contractor, SiD and HAZOP workshops to be held. Commencement onsite planned for October.

### RISKS

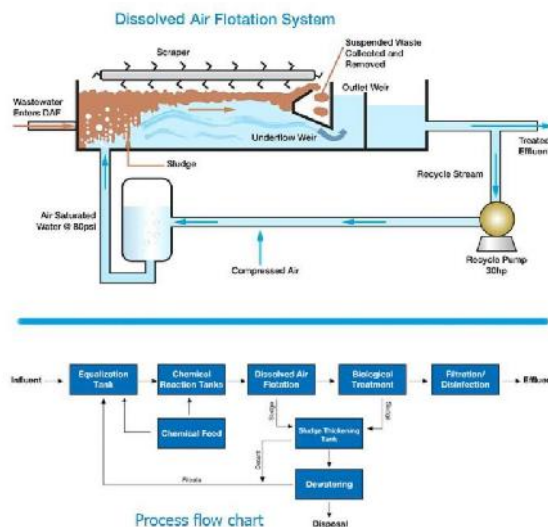
The following risks have been developed:

- Contractor availability
- Staging of works and integration with Operations team
- Equipment/Materials lead time
- Limited detailed site information available

### COMMUNICATIONS

Project webpage can be found here:

<https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/>





## PROJECT 6: WASTEWATER DRIED SOLIDS REMOVAL AND POND DESLUDGING

STATUS	BUILD	
TIMELINE	JULY 2020 START DATE	MAR 2022 END DATE
PROGRESS	30%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$750k TOTAL PROJECT	\$112k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	



### SCOPE

To remove dried solids from the Waipukurau and Waipawa WWTP's previous pond desludging and spread via land application. Dredge sludge from both WWTP ponds and remove to banded geobag area to increase both ponds free capacity for treatment.

### ACHIEVEMENTS

Contractor procured and work to remove dried solids completed at Waipawa and almost complete at Waipukurau. The Geobag area at Waipawa has been refurbished with a complete replacement liner and drainage improvements. Waipukurau geobag area condition currently being assessed.

### PLANNED

Commencement of Waipawa oxidation pond dredging for sludge removal.

### RISKS

The following risks have been developed:

- Staging of works and integration with Operations team
- Works affecting WWTP's levels of compliance
- Creation of odour or other nuisance

### COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/waipukurau-waipawa-otane-upgrades/waipukurau-and-waipawa-wastewater-treatment-plant-upgrades/>





## PROJECT 7: WASTEWATER RENEWALS (INFILTRATION & INFLOW)

STATUS	PLANNING and BUILD	
TIMELINE	JAN 2021 <small>START DATE</small>	MAR 2022 <small>END DATE</small>
PROGRESS	20%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$500k <small>TOTAL PROJECT</small>	\$73k <small>SPEND TO DATE</small>
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	

### SCOPE

Investigations and remediation of district-wide wastewater reticulation system inflows.

### ACHIEVEMENTS

Contract awarded for a small sample section of Otane physical works to Downer, I&I strategy document developed for Council approval.

### PLANNED

Council presentation and approval on I&I plan, contractor award to support investigations.

### RISKS

The following risks have been developed;

- Renewal effectiveness
- Budget exceedance
- Timeframe exceedance





## PROJECT 8: TRADE WASTE IMPROVEMENTS

STATUS	PLANNING	
TIMELINE	NOV 2020 <small>START DATE</small>	MAR 2022 <small>END DATE</small>
PROGRESS	20%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$160k <small>TOTAL PROJECT</small>	\$51k <small>SPEND TO DATE</small>
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div></div>	

### SCOPE

Review and improvement of Council's Trade Waste system.

### ACHIEVEMENTS

Trade waste bylaw adopted in May 2021,  
Trade waste strategy developed for council approval 12<sup>th</sup> August.



### PLANNED



Development of systems in preparation for the first applications under the new bylaw. Implementation of a database to assist with management of the trade waste consents and compliance.

### RISKS

The following risks have been developed:

- Trade Waste load contributions may fluctuate.
- Relationships between Traders and council may become strained
- Financial estimates might be incorrect or inequitable

## PROJECT 9: CHB CARAVAN WASTEWATER DUMP STATIONS

STATUS	<b>COMPLETE</b>	
TIMELINE	<b>NOV 2020</b> <small>START DATE</small>	<b>MAY 2021</b> <small>END DATE</small>
PROGRESS	<b>100%</b>	
BUDGET	<b>\$165k</b> <small>TOTAL PROJECT BUDGET</small>	<b>\$145k</b> <small>SPEND TO DATE</small>
RISK LEVEL		



### SCOPE

To install caravan/motorhome dump stations within the Central Hawkes Bay area to service those travelling to/through the district and to provide a service that further enhances Central Hawkes Bay's reputation as a fantastic tourist destination

### ACHIEVEMENTS

Completion of Dump Station in Waipukurau location, opening held with NZMCA representatives, contractors, and Councillors.

### PLANNED

Continue investigation of potential locations elsewhere in the district, Takapau raised as possible location to align with Community Plan goals.

### COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/central-hawkes-bay-wastewater-dump-stations/>



## PROJECT 10: THREE WATERS BYLAWS REVIEW

STATUS	MONITORING	
TIMELINE	NOV 2020 START DATE	JUL 2021 END DATE
PROGRESS	90%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$150k TOTAL PROJECT BUDGET	\$182k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	



### Purpose

We have written this practice note to provide general information on the intent (purpose), design and use of both rainwater tanks and stormwater tanks in the Central Hawke's Bay District as covered by the Stormwater and Water Supply Bylaws.

### SCOPE

Drafting, consultation and implementation of the Water Supply, Stormwater, Wastewater and Trade Waste bylaws.

### ACHIEVEMENTS

All bylaws adopted in May. A series of Practice Notes developed and available to the public to aid interpretation of the Bylaws

### PLANNED

Implementation of the changes and socialisation of the practice notes

### RISKS/OPPORTUNITIES

Risks identified with this project:

- Communication and understanding of changes
- Suitability of bylaw

### COMMUNICATIONS

Adopted Bylaws can be found here: <https://www.chbdc.govt.nz/our-council/bylaws/>



## PROJECT 11: PROGRAMME MANAGEMENT AND BUILDING SKILLS

STATUS	MONITORING	
TIMELINE	NOV 2020 START DATE	MAR 2022 END DATE
PROGRESS	30%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$390k TOTAL PROJECT BUDGET	\$144k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	



### SCOPE

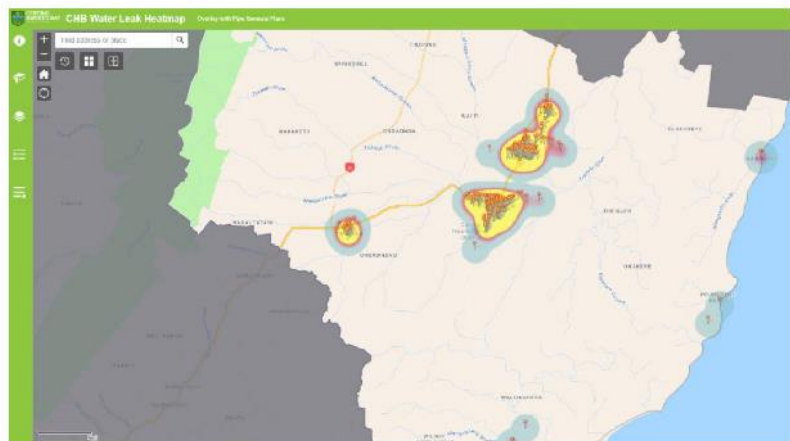
To build capability and capacity within council to deliver the programme of works that this stimulus and reform programme.

To investigate smarter ways to deliver the programme and to investigate synergies or efficiencies.

### ACHIEVEMENTS

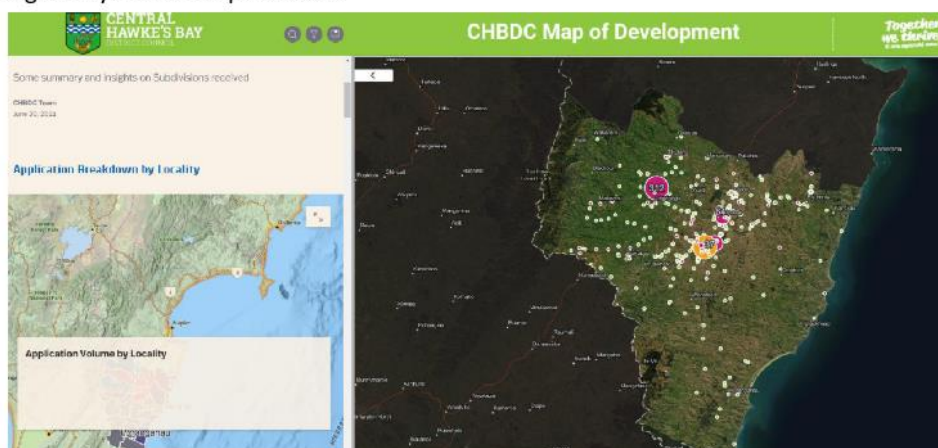
The PMO established, with new direct roles created as part of this stimulus funding and the associated PWPGF roading works upgrades.

- Implementation of project management software (PSODA)
- Implementation of a new 3 Waters Operational Compliance and Sampling System (Infrastructure Data)
- Creation of maps and dashboards to support the business (Water Leaks, New developments, Projects)



### PLANNED

Implement new systems and develop the wider programme of works. Continue to build business smarts and integrate systems and processes.





## PROJECT 12: KAIRAKAU WATER UPGRADE (BACK UP)

STATUS	PLANNING	
TIMELINE	SEP 2020 START DATE	MAR 2022 END DATE
PROGRESS	30%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$300k DIA \$549k LTP 2018 \$140k LTP 2021 \$989k TOTAL PROJECT BUDGET	
		\$178k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	



### SCOPE

To increase the scope of the original project to deliver a water treatment upgrade for the Kairakau water system

### ACHIEVEMENTS

- Council support of the design progressing and an action to investigate water hardness
- Community engagement undertaken with session in Dec 2020 and March 2021
- Directly affected landowner engagement underway and lease arrangements underway
- Iwi engagement and archaeology developing.

### PLANNED

- Secure lease and finalise treatment plant location.
- Design and build package tender in market
- Present hardness options back to council
- Continue engagement with stakeholders

### COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/bigwaterstory/kairakau-water-upgrade/>



## APPENDICES (AVAILABLE ON REQUEST)

### Appendix 1: Quarter 3 reporting to Crown Infrastructure Partners

3 Waters Stimulus Funding - Cash Flow Profile																				
Terrestrial Summary/Inputs		KEY		Master checks							Terrestrial contact									
Terrestrial Authority	Central Hawke's Bay District Council		Press any/forecast inputs	Master check							Project Manager									
Terrestrial Code	Services		Actuals inputs	Warning							Liam									
Reporting date	2020			Spend + Cost							Damen de Klerk									
Reporting period	Quarter 3			Contributing / check							Phone									
				Spend/forecast							Email									
Total funding allocated	11.96			Final payments							Lead Engineer									
Total funding	5.64			Total Crown funding							Shane Kingdon (Water Works)									
Total estimated programme costs	19.63			Capex/Opex							Vandewester, BE/Account - 08/05/20									
				Cash position							Email: shane.kingdon@cip.co.nz									
Upfront payment	5.65			One or more projects have a negative cash position							Phone: John Crowder									
Total final payments	9.13										Email: Peter.Gardner@cip.co.nz									
Milestone payment total	3.43																			
Project Input																				
	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total		
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast			
1 Project Name		3 Waters Reform Preparation																		
Project Type		WRC/04 - Preparation for Reform																		
		Greenfield work																		
Start date		Nov-20																		
End date		Nov-22																		
Total upfront payment		0.245																		
Total final payment		0.000																		
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Cash position																				
Spend from Crown funding		0.000																		
Spend from contributing		0.000																		
Total project spend		0.000																		
Project Funding																				
Upfront payment position		0.245																		
Crown funding required		-																		
Contributing required		-																		
Final payment position		0.000																		

**6.6 WAIPUKURAU SECOND WATER SUPPLY/ WAIPAWA LINK - GO/ NO GO REPORT****File Number:** COU1-1410**Author:** Darren de Klerk, 3 Waters Programme Manager**Authoriser:** Monique Davidson, Chief Executive**Attachments:**

1. Waipukurau Second Supply - Project Update for Finance and Infrastructure Committee Rev 2 [↓](#)
2. 202100729 C1051 2nd Water Supply Budget v10 July [↓](#)
3. 20210728 2nd Supply Procurement Strategy V3 [↓](#)

**PURPOSE**

The matter for consideration by the Council is to the continued development of the design and procurement for the Waipukurau Second Water Supply.

**RECOMMENDATION FOR CONSIDERATION**

That having considered all matters raised in the report:

- a) That council endorse and approve proceeding with Option 2 (Plan C) to continue with components of construction and design.
- b) That council approves redistributing \$1.1m of DIA funding to bringing forward the replacement of the Abbotsford rising main – subject to DIA approval.
- c) That council supports the reallocation of funding set aside for Abbotsford rising main renewal in Year 2 or 3 of the LTP be redirected back to this project to backfill the removal of DIA funds now.
- d) That council acknowledge the current project budget forecasting, but no decision to amend project budget is being considered until the project progresses further.

**EXECUTIVE SUMMARY**

This paper presents the following key project updates for information.

- **Technical Summary** from WSP outlining progress on river crossings, due diligence performed, geotechnical study and the production bore identifies ongoing viability in the project at this stage. Geotechnical investigations on the river crossing remains to be resolved through developed discussion with Tangata Whenua.
- **Landowner engagement** to date identifies general support for the project, discussions at the Borefield lot remain complex however officers believe further engagement will develop this to a natural position. Risks associated with timeframes for consenting on LINZ land for geotechnical and pipeline work is highlighted as a significant schedule risk and is subject to iwi support.
- **Budget summary** identifies an expected project value between \$13.6M and \$14.5M.
- **Cashflow** highlights potential DIA shortfall if planned capital work is deferred due to project risks resulting in circa \$1.1M potential underspend. Alternative options are considered for deployment of this however all require ongoing commitment to develop design for the second supply in parallel. Deferral of design would introduce further capital risk however the schedule impact is likely to be more significant. Overarching Capital Work Procurement Strategy – master strategy for the project procurement has been updated for Council endorsement
- **WSP award** sum extension from \$945K to \$1.15M pending outcome of consultant panel establishment late September allowing continuation of design,
- **Risk Update** from February decision paper.

- **Iwi engagement** requires time and further engagement prior to supporting the project to progress, Option 2 and Plan C allow for this to occur and ensures no decision are made that could be seen to pre-empt robust and meaningful engagement.
- **Significance and Engagement Update;**
  - Communications performed to date including Hui held 25<sup>th</sup> June,
  - Direct engagements performed are generally restricted to directly affected landowners, with community comms remaining web based due to sensitivity of private landowners and easement negotiations.

## BACKGROUND

This paper provides an update and request for decisions to be made at a significant hold point on the Waipukurau Second Water Supply Project. The aim of this project being to:

- Enhance the resilience of Waipawa and Waipukurau water supply system - More robust infrastructure with lower risk of damage, increased redundancy, and longer response window.
- Ensure the supply can reliably meet demand / level of service targets - Consistent compliance with DWSNZ (Drinking Water Standards NZ), consistent water supply provided at the right quantity and pressure.
- Improve the ability to service sustainable growth, both within the existing township boundary but also in adjacent areas. Sufficient water available for sustainable growth, infrastructure that delivers water to areas of desired growth.

## DISCUSSION

### TECHNICAL SUMMARY

Refer to the attached WSP memorandum, Waipukurau Second Supply – WSP Project Update for Finance and Infrastructure Committee Rev 2, which is summarised below.

- **River crossings:** the team obtained specialist contractor input which confirmed that directional drilling the river crossings is within contractor capability, *subject* to suitable ground conditions. WSP's desktop geotechnical assessment notes that ground conditions may be suitable, but four boreholes are required at each river crossing to confirm (investigations on hold pending Tangata Whenua engagement). There are risks around the constructability / actual ground conditions, Tangata Whenua position (initial engagement identified concerns), resource consents for investigations and eventual construction and LINZ easements.
- **Overarching Procurement Strategy:** this has been updated to reflect progress and is attached. There are risks around proceeding with capital work and land compensation necessary to meet DIA funding milestones while risks remain in some areas and further due diligence is required to be further developed extending the information gathered to date alongside design, the key risk again presents on river crossings.
- **Due diligence investigations:** Geotechnical investigations have been carried out along the route, although again not for the river crossings. No unexpected conditions were encountered in the investigations performed. WSP has confirmed that the reservoir site is generally suitable subject to resolving some issues during design, and that either a steel or concrete reservoir option is viable. There are risks around pipelines across marginally stable land and known faults – which was previously identified. The pipelines will be relatively resilient but may suffer some damage / rupture during significant seismic events requiring repair. The ecological assessment identified some areas of high value but effects are manageable.
- **Central reservoir:** WSP is master planning reservoir storage across the scheme to confirm recommended storage volumes at Pukeora, Abbotsford Road and the Central Reservoir. The latter is expected to be in the order of 3 ML. Following geotechnical investigations, WSP

has provided the attached paper comparing steel and concrete reservoir options. In summary a concrete reservoir offers a longer design life (100 years vs 50 years for steel) and lower operational and maintenance input, but is approximately \$0.7 – 1.1 M more expensive to build, and \$0.5 – 0.9 M more expensive from a whole of life perspective (WOL costs include operations, maintenance and renewals over a 100 year period at 5% discount rate, including replacement of the steel reservoir in year 50). Given budget pressure, the recommendation is for a steel reservoir, provided council accepts the higher operations and maintenance input and costs (\$0.2 M NPV).

- **Production bore at Tikokino Road:** The production bore has been constructed and test pumped. The bore can comfortably supply 50 L/s (consistent with the other bores) with very little impact on surrounding groundwater levels. Water quality is still being confirmed but there is no reason to expect issues.

## LAND

There are 7 directly affected landowners identified including LINZ, with valuations for compensation having been performed across all of these lots. Engagement has been occurring for circa 6 months and generally support for the project is relatively consistent and assessed as either a moderate or low risk.

Budgets have been updated to reflect the recently secured valuations signalling slight improvement however negotiations and letters of compensation need to be presented so caution remains until this process has passed this milestone and feedback from landowners on the compensation level is received.

Key notes from The Property Group are:

- Continued willingness by majority of affected landowners to engage in fair and reasonable negotiations.
- Challenges with negotiations at the bore-field site are reflected in the land compensation.
- Independent valuations received by Council are in general in line with initial desktop assessments used to establish project budget.
- One additional landowner requirement from a further previously unaffected property for pipeline easement. Anticipated advisor costs and compensation have increased accordingly, but within wider Land and Easement budget.

In closing the project team reasonably confident of ability to negotiate agreement within proximity to estimated compensation.

## BUDGET

Officers as signalled in the 3<sup>rd</sup> June presentation, the project was set a budget of \$11.5m in October 2020 when the DIA funding was announced for Tranche One. The design was in very early stages with no due diligence along the route having taken place and minimal iwi or landowner engagement, as the project has progressed over the last 9-10 months, the budget understanding has progressed further.

Attachment #2 sets out the budget range officers are currently expecting the project to be completed for. At present time officers are expecting the project to be circa \$13.6m, but with value engineering and other aspects to be developed, expect the budget range may be less as outlined further in the key points below.

The position of the project budget at the 29<sup>th</sup> July is as follows:

Item	MCA Oct 2020 - V4	Monitored Forecast July 2021	Funding Position
Capital Forecast	\$11.5m	\$13.8m	DIA funding \$3.3m deadline

		(Monitoring Cash-flow)	31st March 2022. Committed to date \$1.6m (\$350k LTP/ \$1.35m DIA).
Project Forecast advised for Funding (High end). <b>Project target identified for project team</b>		\$14.5m  <b>\$13.6m</b>	Refer attached - 202100729 C1051 2nd Water Supply Budget v10 July.
Additional funding sources potentially required in the future		Circa \$2-3m	Proposed to be drawn from 2018 LTP underspend (carry forwards) or other projects within the programme.

### Where is the funding coming from?

As part of the intent to establish a more coordinated strategic program, supported by establishment of a consultancy panel, and in order to ease DIA time pressure these have being considered for clustering with the Second Supply project – this will in turn form a programme of work.

The redistribution plans to bring forward the renewal of the Abbotsford Rising main from Tikokino Road intersection to the Abbotsford road reservoirs (budget circa \$1.1m), in future years expected Year 2 or 3, budget that was intended for this mains replacement will be redirected back into the Waipukurau 2<sup>nd</sup> supply project.

If additional funds are required to increase the project budget in future years, officers plan to fund this from within existing projects in the programme outlined below, specifically these may be;

- Carry forwards – of the \$5.6m set aside in the 2018 Long Term Plan for the project, only \$1.1m at present is planned to carry forward, if required additional funding is anticipated to be carried.
- Hunter Park Reservoir – dependant on master planning, early indications are that this reservoir could be decommissioned, and up to \$1m of this project may be surplus.
- SH2 Main Replacement – early engineers estimate indicate the project may have a \$500 surplus, this could be reallocated.
- Pipeline Renewals – Pipe renewals projects could be reallocated to the project (to date the Tikokino Road) renewals have been funded out of the 2<sup>nd</sup> supply rather than renewals budgets as they fall within the demarcated project.

Below is a table outlining the projects in addition to the Second Supply, the following programmes of work are identified within the first 5 years of the 2021 LTP requiring coordination with the second supply project.

Water Supplies			2018-2021	Mar21-Mar22	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL	Spend to Date
Waipawa/ Programme	Waipukurau	Water	LTP 2018	DIA 3W T1	YR1	YR2	YR3	YR4	YR5		
Waipukurau Waipawa Link	Second	Supply/	5.67m	0	2.33m	2.40m	2.65m	0	0	13.05m	359k
Waipukurau Waipawa Link	Second	Supply/	0	3.3m	0	0	0	0	0	3.3m	1m
Hunter Park Reservoir Replacement			0	0	0	0	0	819k	844k	1.66m	0
Pukeora Reservoir Replacement			0	0	0	0	4.77m	0	0	4.77m	0
Waipawa Abbotsford Reservoir Replacement			0	0	0	0	0	0	2.81m	2.81m	0
SH2 Borefield - Turb Solution			0	0	500k	0	0	0	0	500k	0
SH2 Borefield Upgrade			1.35m	0	0	0	0	0	0	1.35m	1.4m

Waipawa/ Pipeline Projects	Waipukurau	Water								
SH2 Replacement AC Main Replacement	0	0	0	772k	795k	0	0	1.56m	0	
Waipawa firefighting improvements	320k	0	494k	637k	672k	710k	751k	3.26m	200k	
Waipukurau firefighting improvements	1.2m	0	604k	546k	682k	957k	644k	3.43m	800k	
Water Main renewals (District)	0	0	790k	1.46m	2.0m	2.03m	2.06m	0	0	
Nelson / Reservoir Water Main Renewal	0	990k	0	0	0	0	0	0	450k	
TOTAL	8.54m	4.29m	4.72m	5.82m	11.5m	4.55m	7.18m	45.6m	4.23m	

### **Value Engineering**

**Definition** – “A systematic method to improve the "value" of goods or products and services by using an examination of function. Value, as defined, is the ratio of function to cost. Value can therefore be manipulated by either improving the function or reducing the cost”

Value engineering (VE) is being driven as a natural part of design refinement. In a complex project such as this, it is often iterative across multiple work streams requiring parallel design and investigation functions in order to achieve a true value proposition without incurring an adverse and unexpected effect. Of note the following VE is ongoing in this project:

**Land and Easements** – The February 2021 estimate placed this work stream at \$910k, we believe this will now be under \$850k. This is resultant from the design and coordination tasks performed to date.

**Reservoir** – Master-planning across all three towns is underway to assess best long term sizing and refine proposed locations for each reservoir, treating the three towns as one combined reticulation system. In addition, understanding geotechnical has assisted in refining product recommendations to a steel tank (subject to council endorsement), with a potential capital improvement of circa \$0.7 – \$1.1 M. Note further study is required to validate this.

**River crossings** – we have not been able to progress geotechnical study on the river crossing however this remains a further technical area of focus as access, investigation and design develops.

**Water Treatment plant** – we have not currently focused on the water treatment plant as a priority however this will become a focus as design develops.

**Pipeline** – Tendering stage 2 and 3 of Tikokino Rd will provide a clearer market perspective on the pipeline costs which will be compared against tracking budgets for the project.

In parallel with the above Durable Infrastructure agenda is being maintained with Operational oversight and reviews balancing the WSP Consultancy assumptions into design, with practical Operational team's knowledge and requirements to help balance fit for purpose design with the desire to reduce costs.

Two earlier pipeline projects recently tendered have provided tendered amounts less than engineers estimates.

### **Cashflow and DIA Funding**

In order to achieve DIA timeframes, \$3.3M of 'qualifying' expenditure is required by 31<sup>st</sup> March 2022. The current schedule programmes the following commitments by Council requested as part of the strategic procurement plan in this decision paper:

- Rising Main (Waipawa River to Central Reservoir, excluding river crossing) - Completion of design, Tender and Contract award by November 2021
- Reservoir access road and platform - Completion of design, Tender and Contract award by November 2021
- Reservoir – Further development and refinement of due diligence and design in preparation for Tender .

- Completion of directly affected landowner compensation packages associated with the above.
- Continuation of design for the whole project and coordination with master planning the Water Supply network across the three towns as part of the 3W Program.

The project team continue to monitor this through a monthly cash-flow and have used this to identify some alternative methods of expending the DIA funding should council be concerned at moving into physical capital works prior to validation of the river crossings. These are presented under the Procurement Strategy below however, all require the ongoing commitment to the current design program development allowing risks and value engineering to continue to be refined.

## PROJECT PROCUREMENT STRATEGY

The project team have developed an overarching procurement strategy designed to support the project through to completion. This is referenced into the design program and cashflow, and identifies packages and timeframes aligned to the principal deliverable schedule. In short this is designed to establish the critical path to success in achieving best value from capital tenders in the market (see attached - 20210728 2nd Supply Procurement Strategy V3pdf). The attached strategy analyses differing methods of procuring the work considering market conditions, nature of work, risks and contract forms, with a recommendation below.

Officers recommend the use of Option D1 or D2 (splitting road access from the reservoir platform), from the procurement strategy, key packages and dates are presented below. Further detail on the progressive procurement approach is covered under the four wellbeings section in this paper.

Note that expending the DIA Tranche 1 funding by March 2022 currently assumes construction of the rising main and the Central Reservoir earthworks starts by January 2022, meaning tenders need to be called by September / October 2021. Officers recommend the river crossings are largely de-risked before works between the rivers start, to avoid the potential for creating stranded assets in the event that the river crossings are not feasible. Ideally, this would include obtaining support from Tangata Whenua and LINZ, completing the geotechnical investigations, and confirming constructability. Options to expend DiA funding are set out later in this paper.

Following the status quo below is the current approach as per Option 1.

### **Procurement required to support DIA Tranche 1 funding milestone (\$3.3m expended by March 2021):**

- Contract 1 Production bore development – Awarded in February 2021, almost complete.
- Contract 3 / 4 Tikokino Road rising main – Stage 1 under construction, Stage 2&3 out to tender
- Contract 5 Rising Main (Waipawa River to Central Reservoir) – **Procurement Plan target 23 September Council Meeting.** Construction to start targeted early 2022.
- Contract 6 Reservoir earthworks & Access road). **Procurement Plan target 23 September Council Meeting.** Construction to start targeted early 2022.
- Contract 8 - River crossings (Early Contractor Involvement 'ECI'- specialist subcontractor) – Held subject to Tangata Whenua. (Note ECI support is an isolated task and early engagement may be requested late 2021 once support for geotechnical investigations is obtained)

### **Procurement not currently scheduled to support DIA Tranche 1 funding milestone:**

- Contract 2 WTP Upgrade and remaining works at the treatment plant site. – 2022/2023
- Contract 7 Falling main pipeline – 2022/2023
- Contract 9 Reservoir construction – 2022/2023 (civils and road access may precede).

Officers request Council approval on the procurement strategy recommendation Option D1 or D2 (splitting road access from the reservoir platform), so design and tender packages can be fully developed with an intent to present separate procurement plans prior to these being lodged into market.

### ALTERNATIVE OPTIONS FOR MEETING DIA FUNDING TIMEFRAMES

<b>Plan A</b>	<p>Proceed per project schedule and procurement strategy D1 or D2 described above and submit procurement plans for tender approval September 2021:</p> <ul style="list-style-type: none"> <li>• Full design</li> <li>• Tenders for rising main and reservoir road</li> <li>• Completion of land compensation</li> </ul> <p>Decision to commit to awarding contracts and finalising land compensation contingent upon de-risking river crossings and land.</p>	<p>Risks associated with river crossing and land may not be resolved sufficiently to enable contracts to be awarded with confidence or land compensation to be paid, which would impact DiA milestone (approximately \$1.1M underspend). This option does not address this risk as fails to prepare a contingency.</p>
<b>Plan B</b>	<p>Proceed per project schedule including due diligence, strategic land acquisition (Borefield) and procurement plan D1 or D2 described above. Submit procurement plans for tender approval September 2021.</p> <p>Defer decision to proceed into capital work until river Geotech and Tangata Whenua discussions are concluded.</p>	<p>Expend another c. \$100k, DIA funding timeframes will not be met until capital works are approved. Impact DIA milestone (approximately \$1M underspend).</p>
<b>Plan C</b>	<p>Proceed per project design schedule and procurement strategy including due diligence, strategic land acquisition (Borefield) and procurement strategy plan D1 or D2 described above.</p> <p>Submit procurement plans for tender approval September 2021. Defer decision to proceed into capital work until river Geotech and Tangata Whenua discussions are concluded <b>plus</b> bring forward Due Diligence and early design on the rising main to Abbotsford Rd, including the Reservoir Replacement at Abbotsford Rd, and tender.</p> <p>Note: May assist with procurement of the two reservoirs together (Central &amp; Abbotsford).</p>	<p>Expend another c. \$700K-\$1M DIA funding timeframes will be met. Procurement plan approval on Abbotsford rising main required in September, design would not be complete for the reservoir however the rising main could be completed and tendered subject to further land acquisition/easements.</p>
<b>Plan D</b>	<p>Continue with Plan C <b>plus</b> Buy Pipe (6-8km), and fund storage</p>	<p>Meets DIA funding, risk and additional cost on storage, and redundancy risk. <b>Not recommended.</b></p>
<b>Plan E</b>	<p>Continue with Plan B and Plan C <b>plus</b> Redistribute funding to other 3W related projects.</p>	<p>Significant risk to DIA funding as broadens project funding exposure to other project timeline and deliverables.</p>

Plan A – Officers consider the issue with crossing the river to be manageable as there are significant and numerous examples of this method across the country, however expect this to take

time to develop with Tangata Whenua so they support this and allow Geotech to be performed which still carries project risk. In addition, the project team have identified a local Iwi owned contractor with a strong industry training agenda capable of performing both ECI and the final drilling tasks. Early discussions are under way and a separate paper will be brought to ELT identifying whether this will provide value.

The risk of proceeding with option A opens the issue of stranded assets. Officers believe Plan C from the above offers a viable and less risky alternative for council allowing design to proceed, while discussions with Tangata Whenua develop.

## WSP NEXT STAGE AWARD

The consultant WSP supporting this project has an approved programme of work/services up to the value of \$944K until July/ August 2021 which is largely expended. Given project timeframes, difficulties in resourcing within the Consultant market and the level of detailed project knowledge obtained by WSP, it is not advisory for Council to alter consultants at this late stage of the project.

Council supported the establishment of a Consultant Panel with existing service providers under the Consultant Panel procurement plan resolution 29<sup>th</sup> July.

In order to progress the design and tender packages identified within the procurement plan, an interim award to extend the current scope to September will be required for:

### Phase 2

- Project Coordination/Management Support/MSQA - Rising Main, River Crossings, Civils, Central Reservoir, Trunk Main, and Treatment Plant.
- Ecological Impact Assessment,
- Detailed Design - Mains,
- Detailed Design – Central Reservoir and Civils,
- ECI and Detailed Design – River Crossings
- Hold point at pre-tender stage.
  1. HOLD Tender Packages (Four Packages) – Rising Main, River Crossings, Civils, Central Reservoir, Trunk Main, and Treatment Plant.
  2. HOLD Detailed Design – Treatment Plant.

<u>Item</u>	<u>Fee Budget</u>	<u>%'age of Project Value</u>
Approved WSP Award to Date	\$ 943,111.00	
Expected WSP Award to Complete	\$ 723,080.00	
<b>WSP Total Award</b>	<b>\$1,666,191.00</b>	12%
Fee Contingency Allowance	\$ 270,000.00	

Officers recommend the ongoing award of WSP to allow progressing either Plan A or Plan C from the Alternative DIA timeframes outlined above. WSP award sum extension requested from \$945K to \$1.15M to take them through to September, at which point further services can be subsumed into consultant panel establishment late September.

## RISK ASSESSMENT AND MITIGATION

Updated below risks carried from previous Council papers.

<b>Project Risk</b>	<b>Update and Mitigation</b>	<b>Position</b>
Waipawa borefields ability to	The production bore comfortably yields 50 L/s. Water	Updated

produce the additional water required to supply Waipukurau	quality is being confirmed.	
Consenting and groundwater take limitations	A preliminary water take application has been accepted by HBRC, effectively ring fencing the required allocation of 155 L/s. Consent risks remain as subject to the Borefield affected landowner agreement. Agreement will form part of the compensation negotiation scheduled for 10 <sup>th</sup> August.	Updated
Land acquisition and landowners willing to work with council for easements and land sites.	Landowner compensation packages have been developed and are generally in line with initial expectations used to establish project budget. Next stage will require circulation of packages to landowners for comment. Refer TPG summary report.  The Borefield landowner compensation has been progressed in advanced with the compensation negotiation scheduled for 10 <sup>th</sup> August.	Updated
Project delays due to currently unknown factors like ground conditions, land access.	Due diligence has been performed with the exception of the river crossing locations. No unexpected issues have been identified at this stage.  Investigations on progressing the river crossings remain in discussion with Tangata Whenua, however given the expressed cultural concern on crossing rivers this is currently carried as an unresolved consent and engagement risk.	Updated
The tension between decision making to meet reform and grant funding objectives and making wise investment decisions.	The technical viability of the project is well progressed with clear operational oversight and input with no identified technical or landowner obstacles. The exception being geotechnical conditions in the river. DIA funding is placing demands on Council decision making, issues remain on:  1. Tangata Whenua River crossing support and consenting timeframes.  2. Final landowner agreements carrying reputational risk.  3. Council support for continued Capital expenditure.	Updated
Ground conditions including crossing two rivers.	Investigations have been paused due to Tangata Whenua concerns at crossing the river. A request to allow riverside investigations is in discussion. Progressing this remains at this stage an engagement risk for the project.	Carried
Ground conditions implicating reservoir and geotechnical costs.	Due diligence has been performed, information included as part of this paper. Council decision on officers recommendation is required.	Closed

Additional Risks Identified		
Cost inflation and market conditions.	Identification of level of budgeting confidence at 80%. Value Engineering planned alongside design development to seek further opportunities'.	Carried
Procurement and Staging.	CHBDC have developed a procurement strategy for review and approval as part of this paper considering Industry Capacity and Technical requirements. This is also aligned to a master cashflow.	Closed
Schedule - Development of river crossing methodology not timely creating consenting delays on River crossings and IWI or HBRC resistance.	Tangata Whenua engagement has commenced, concerns at crossing the river with pipe have been presented by mana whenua. Further engagements are planned with the formation of a PGG guiding the project, will require information and time to develop.	Updated
Resources (Internal/External)	Procurement strategy identified a logical and achievable delivery program Altering this to one of the alternative Plans identified may incur further slippage in the schedule or affect quality of deliverables.	New

#### FOUR WELLBEINGS

This procurement activity aims to:

- Enhance and contribute to the resilience of Waipawa and Waipukurau water supply system - More robust infrastructure with lower risk of damage, increased redundancy and longer response window.
- Ensure the supply can reliably meet demand / level of service targets - Consistent compliance with DWSNZ (Drinking Water Standards NZ), consistent water supply provided at the right quantity and pressure.
- Improve the ability to service sustainable growth, both within the existing township boundary but also in adjacent areas. Sufficient water available for sustainable growth, infrastructure that delivers water to areas of desired growth

The 2021 Long Term Plan focusses on Challenge #2 to renew our infrastructure to be smart and build durable infrastructure and to realise the goals and objectives recently set in our sustainable water management plan to improve our leakage management.

The procurement activities will aim to further stimulate the local economy via a progressive procurement response from tenderers. Guiding this is the CHBDC progressive procurement toolkit, which Officers have reviewed jointly with the project team to identify 2 focus areas from each section to be considered into tenders. These will be further refined subject to the work package into 1nr requirement from each section placed in each tender package, so the progressive approach is fully tailored to best benefit from the work being performed. Further details of this will be presented to council under the specific procurement plan. A 20% loading will apply to this element of the evaluation.

#### Progressive Procurement Sections

- Section 1 - Social Wellbeing (H&S wellbeing or Engagement and local education initiatives).
- Section 2 - Cultural Wellbeing (Mana Whenua opportunities or Diversity inclusion).
- Section 3 - Economic Wellbeing (Job creation/Training or local supplier partnering).

- Section 4 - Environmental Wellbeing (Local supplier partnering or Kaitiakitanga/ energy efficiency).

## **DELEGATIONS OR AUTHORITY**

The finance and infrastructure committee is requested to approve the recommended option to proceed, which is proposed to be co-funded within existing LTP budgets and through additional grant funding with no impact to the ratepayer in addition to current rates. Officers recognise the significance of the project to the communities, and therefore request continued council oversight and approval to proceed.

## **SIGNIFICANCE AND ENGAGEMENT**

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of some significance.

### **Community Communication**

The communications and engagement plan has been updated as the project has developed.

Council signalled the upcoming project during Long Term Plan pre-engagement and provided more in-depth consultation on the project during March 2021 LTP consultation.

The CHBDC website provides detailed information on the project and ongoing updates for all interested parties.

Wider and more in-depth community communication will begin once landowners and iwi are sufficiently engaged with the project, and it has reached a greater level of certainty.

### **Direct Engagements**

- Coordination with the intended due diligence, procurement and Land acquisition strategy has been ongoing and sensitive to topics raised by Tangata Whenua, as well as sympathetic to directly affected Landowners. Indirectly affected landowners adjacent to the intended pipeline route have also received initial disturbance notifications for the due diligence work, with a copy of the project memo so they were aware of any contractors working alongside their properties. Wider engagement will proceed once iwi and landowner engagement has progressed and as the project develops in accordance with the developed strategy.
- Affected landowners - Direct engagement with affected Landowners has been ongoing for the last 6 months with general support for the project. Some issues have arisen on landowner compensation expectations at the borefield, and progressing the river crossing easement from Tikokino rd to the Waipawa river. These are progressing however may take further time to develop with the affected parties. Expectations are this process will take a further 3-4 months to conclude and is progressing largely as originally programmed.
- Landowners Compensation – Compensation discussion have been held so landowners understand the process. Valuations have been performed and circulated for review by the directly affected landowners. Expectations are this process will take a further 3-4 months to conclude and is progressing largely as originally programmed.
- Tangata Whenua - Following the information and meeting request circulated in January to local marae's seeking engagement. Officers held a Hui on the 25<sup>th</sup> June with Tangata Whenua from the Mataweka marae, Tapairu marae and Rakautatahi marae, discussing the project generally. Cultural concerns raised relate to the physical crossing of rivers with pipes, and the mixing of river waters (Waipawa & Tukituki), and the longer term control on maintenance (100yr+). Tangata Whenua are not currently in support of crossing the river with a water pipe. Further information is being collated to assist informing marae including examples on this common practice from other projects performed nationally.

**OPTIONS ANALYSIS**

**Option 1** - Approve Project proceeds under Plan A – Overarching Procurement Strategy including associated design and extend WSP award. Continue with full project brief intent.

**Option 2** - Approve project proceeds under alternate Plan C – Proceed per project design schedule including due diligence, strategic land acquisition (Borefield) and procurement plan D1 or D2 described above.

Defer decision to proceed into significant further capital work until river Geotech and Tangata Whenua discussions are concluded plus bring forward Due Diligence and early design on the rising main to Abbotsford Rd and tender, including the Reservoir replacement at Abbotsford Rd.

Alternate Plan E – Delay Project, Redistribute funding.

	<b><u>Option 1</u></b>	<b><u>Option 2</u></b>	<b><u>Option 3</u></b>
	<b>Approve Project proceeds – Procurement Strategy, and WSP award.</b>	<b>Alternate Plan C – Proceed with design and partial redistribute of DIA funding (\$1.1m).</b>	<b>Alternate Plan E – Delay Project and Redistribute further DIA funding.</b>
<b>Financial and Operational Implications</b>	Commitment to Capital works September 2021  Likely expends DIA funding	Part redistribution of DIA funding within the water supply projects.  Meets operational and expected to meet DIA funding	Potential Loss of \$3.3M DIA funding due to unknown risks on undeveloped projects.
<b>Long Term Plan and Annual Plan Implications</b>	Within current budgets  2021 LTP Budget \$1.29M  2020-2022 3 Waters Tranche One \$3.3M	Within current budgets  2021 LTP Budget \$1.29M  2020-2022 3 Waters Tranche One \$3.3M	Outside current budgets as risk on expenditure of DIA.  2021 LTP Budget \$1.29M  2020-2022 3 Waters Tranche One \$3.3M
<b>Promotion or Achievement of Community Outcomes</b>	Improvement in Infrastructure Resilience.	Improvement in Infrastructure Resilience on rising main.	May not improve Infrastructure Resilience

<b>Statutory Requirements</b>	DWSNZ Compliance maintained. Reduction in leakage and potential for pipeline or reservoir contamination.	DWSNZ Compliance maintained. Reduction in leakage and potential for pipeline or reservoir contamination.	DWSNZ Compliance not maintained. No reduction in leakage ongoing potential for pipeline or reservoir contamination.
<b>Consistency with Policies and Plans</b>	Challenge #2 renew infrastructure to be smart, durable infrastructure and improve leakage management.	Challenge #2 renew infrastructure to be smart, durable infrastructure and improve leakage management.	Not consistent with Council Challenges or Thrive objectives.

### Recommended Option

This report recommends **Option 2 - Alternate Plan C – Proceed with design and partial redistribute funding** for addressing the matter.

### NEXT STEPS

- Reschedule the project deliverables programme
- Continue to develop investigations and design and bring forward identified projects for coupling to the Second Supply.
- Develop masterplan reservoir size and location into a reticulation concept across all three towns to support Second Supply central reservoir design.
- Continue to develop discussions with Tangata Whenua prior to committing to any decisions
- Investigate ECI support for key future project components

### RECOMMENDATION

- a) That council endorse and approve proceeding with Option 2 (Plan C) to continue with components of construction and design.
- b) That council approves redistributing \$1.1m of DIA funding to bringing forward the replacement of the Abbotsford rising main – subject to DIA approval.
- c) That council supports the reallocation of funding set aside for Abbotsford rising main renewal in Year 2 or 3 of the LTP be redirected back to this project to backfill the removal of DIA funds now.
- d) That council acknowledge the current project budget forecasting, but no decision to amend project budget is being considered until the project progresses further.



## Memorandum

To	Michael Kilduff
Copy	Phil Dol, Stephanie Glenn
From	David Gardiner
Office	Christchurch
Date	28 July 2021
File/Ref	3-c0289.01
Subject	Waipukurau Second Supply - Project Update for Finance and Infrastructure Committee

This memorandum provides a brief technical status report for key elements of the project as requested. Significant risks of note are shown in *italics*.

### River crossings

The team sought some initial constructability advice from a specialist directional drilling contractor, who confirmed that drilling the river crossings is well within the capability of the market, subject to favourable ground conditions. Based on WSP's desktop geotechnical work we anticipate a surface layer of gravel overlying mudstone. The pipe would be drilled through the mudstone layer as drilling through gravel is not feasible.

Four investigation boreholes are recommended at each river to confirm whether a suitable drilling seam exists; however this work is on hold until consultation with Tangata Whenua progresses. Until the investigations are completed the river crossing feasibility cannot be confirmed and cost estimates cannot be refined.

The project team began engagement with Tangata Whenua, whose raised cultural concerns about the river crossings. It is likely that consultation and consenting will be relatively slow and construction of the river crossings (assuming they are consented) is likely to be well into 2022.

Resource consents are required for investigations and pipeline construction. A LINZ easement is also required for the pipelines. These consent applications all require consultation with Tangata Whenua. No applications have been lodged to date.

#### Risks:

- *Tangata Whenua were concerned about the river crossings and the outcomes of ongoing consultation are uncertain. If Tangata Whenua are not in support then obtaining consents and easements will be difficult (or in the worst case, not possible)*
- *The desktop geotechnical work indicates that ground conditions may be suitable for direction drilling. However until the geotechnical investigations are required to confirm that conditions are suitable for drilling, and to confirm feasibility and costs for drilling the river crossings*

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- *Proceeding with works between the two rivers before confirming the construction and consenting feasibility of the river crossings could result in such works being 'stranded'. Works between the river could be delayed until after the river crossing feasibility is confirmed, however this may affect Council's ability to expend the DiA Tranche 1 funding by March 2022 (refer Procurement plan, programme and cashflow section).*

### Procurement plan, programme and cashflow

As requested we have updated the procurement plan to reflect the current status of the project. The primary changes are packaging of work:

- The rising main along Tikokino Road is split out into separate packages as Council wished to deliver that element early.
- The river crossings were previously included in the larger pipeline contracts. However it is now most likely that the crossings will be delayed, so they are now shown as a separate contract.

We have worked with you to develop a cashflow for the project, linked to WSPs project programme (v14), designed to expend the DiA Tranche 1 funding by March 2022. In order to achieve this, construction of the rising main (Waipawa River to Central Reservoir) and the Central Reservoir needs to start by January 2022, which would require that tenders are called by September / October 2021.

#### Risks:

- *Expending the DiA Tranche 1 funding by March 2022 currently assumes construction of the rising main and the Central Reservoir starts by January 2022, meaning tenders need to be called by September / October 2021. We recommend the river crossings are largely de-risked before works between the rivers starts, to avoid the potential for creating stranded assets in the event that the river crossings are not feasible. Ideally, this would include obtaining support from Tangata Whenua and LINZ, completing the geotechnical investigations, and confirming constructability.*

### Due diligence investigations

An ecological assessment has been carried out. There are areas of high ecological value along the project route, particularly in the waterways at the Waipawa borefield site. However, we consider that the ecological aspects are manageable.

Geotechnical investigations have been carried out along the pipeline route (test pits) and at the reservoir site (boreholes). Investigations at the river crossings were not completed, as noted above. While interpretation and reporting is ongoing, the geotechnical investigations did not identify any unusual or unexpected conditions.

We have carried out an initial geotechnical design assessment for the proposed reservoir platform, with the following key conclusions:

- The site is generally suitable as a reservoir site, and should be suitable for either a steel or concrete reservoir with shallow foundations.
- Cutting the platform into the hillside results in variable founding conditions; with rock on the inside and up to 8m of residual soil on the outside. The design will need to consider slope stability and differential settlement. There are options to reduce the risks associated with the variable platform, like cutting into the slope further or undercutting the platform and backfilling with hardfill.
- Decisions need to be made about the reservoir material, design life, importance level and appropriate seismic standards, before the geotechnical assessment and design can be finalised.

- Based on the variable soil profile encountered, some further investigation is recommended during the design phase.

*Risks:*

- *The pipelines cross a number of known fault lines and areas of marginally stable land. The proposed polyethylene pipelines are inherently flexible and resilient; however it is likely that they will suffer some damage and / or rupture in significant seismic events. This risk cannot be 'designed out' and the normal approach is to provide isolation valves at intervals to enable isolation and repair of any damage or failures.*
- *There is still some uncertainty regarding the eventual design of the reservoir platform however we anticipate that a satisfactory design can be developed once CHBDC chooses the reservoir type (steel or concrete), the design parameters are agreed and additional investigations are carried out.*
- *The NZ seismic design standards are subject to review at present, and may significantly increase. CHBDC could decide to design the works for higher seismic loads in anticipation of code changes. The works required and the costs of doing so could be looked at during the design phase.*

### Central reservoir

WSP is preparing a masterplan for the reservoirs within the wider water supply scheme serving Waipawa and Waipukurau. This will recommend total storage within the scheme and how this should be around the various reservoir sites. It will also confirm the size of the central reservoir, with the maximum size likely to be 3 ML.

We have updated the reservoir options paper which considered materials (refer Waipukurau Second Water Supply – Central Reservoir Options and Costs (Rev 3), WSP, 26 July 2021) to reflect the outcomes of the geotechnical investigations. A decision is now required on the reservoir material and design parameters so that design can proceed.

Either a concrete or steel reservoir is an acceptable solution. The primary advantages of concrete reservoirs are a longer design life (100 years for concrete vs 50 years for steel) and lower operational costs. However they are more expensive than steel reservoirs. We estimate a 3 ML concrete reservoir will be \$ 0.7 – 1.1 M more expensive to build, and the whole of life cost will also be \$ 0.5 – 0.9 M higher (whole of life costs include operations, maintenance and renewals over a 100 year period at 5% discount rate, including replacement of the steel reservoir in year 50). The cost risk for a concrete reservoir at this site is also higher, as access is relatively difficult and there are few experienced concrete reservoir contractors in the local market.

Given the budget pressure on the project, and that the reservoir is the single greatest opportunity to reduce cost, WSP suggests steel is the appropriate choice, providing CHBDC is accepts the additional operation and maintenance inputs and costs.

### Production bore at Tikokino Road Borefield

The production bore has been constructed, developed, and tested; and a hydrological assessment of effects prepared to support a consent application.

The new bore was test pumped at 50 L/s for 48 hours, whilst the existing Bore A ran intermittently at 42 L/s to service Waipawa. The maximum combined pump rate from the borefield during these times was 92 L/s.

The proposed water take, assuming full supply to Waipawa and Waipukurau, and allowing for some future growth, is 155 L/s. HBRC has accepted CHBDC's initial water take application which effectively 'ringfences' this water allocation, subject to submission of final test pumping reports.

The test pumping was successful, confirming that the new bore can comfortably supply 50 L/s, with minimal drawdown of surrounding groundwater or the wetlands. Once CHBDC has reviewed the AEE it can be submitted to HBRC to reactivate the ringfence application. Note that HBRC will require an affected party signoff from the landowner.

*Risks:*

- *Landowner 'affected party' signoff needs to be obtained for the HBRC consent*
- *No consultation was undertaken with Tangata Whenua prior to submitting the ringfence application. HBRC will notify them that the application has been made. We do not know whether Tangata Whenua will raise any concerns*
- *According to HBRC flood modelling the borefield is subject to flooding, with approximately 1-1.3 m flood depth across the site in a 1 in 20 year event. When the borefield floods Drinking Water Standards New Zealand compliance will be affected and the water treatment plant may flood. Options to reduce these risks will be considered during the design phase.*
- *The contractor did not complete the required water quality testing during the test pumping. We are arranging for them to take samples to confirm the water quality (especially turbidity) is acceptable. However based on the water quality from the existing wells, we have no reason to suspect problems, and there is an allowance in the current estimate for filtering the water if turbidity is high.*

CHBDC: 3WATERSREFWPK2NDSUP, WS18WPKScondSupply  
 Project: C1051 - 2nd Water Supply  
 Budget Summary  
 Report Date: 29th July 2021

V10

ITEM	DESCRIPTION	Option 4 - MCA Oct 2020 V4		Option 4 - Feb 2021 V5		Option 4 - WSP Risk Assessed @ April 2021 Low End	Option 4 - WSP Risk Assessed @ April 2021 High End	Committed to PO's 29/07/2021	
				Blue Route (A)					
1	Land and Easements (TPG Report 7/12/20 incl 25% contingency)	5.7%	\$ 650,000	6.6%	\$ 910,750	6.1%	\$ 850,000	1.3%	\$ 173,750
2	Pipeline & River Crossings	36.8%	\$ 4,230,000	30.2%	\$ 4,173,730	30.2%	\$ 4,173,730	1.9%	\$ 263,350
3	Reservoir	21.7%	\$ 2,500,000	23.8%	\$ 3,299,450	23.8%	\$ 3,299,450	0.0%	
4	Bore / Water Treatment Plant	15.0%	\$ 1,720,000	8.2%	\$ 1,138,800	9.2%	\$ 1,277,476	0.9%	\$ 128,871
5	Other SH2 Borefield	1.3%	\$ 150,000	1.1%	\$ 150,000	0.0%	\$ -	0.0%	
	Sub-Total	80.4%	\$ 9,250,000	69.9%	\$ 9,672,430	69.4%	\$ 9,600,656	0.0%	
6	On Costs		Included		Included		Included		
	Sub-Total	80.4%	\$ 9,250,000	69.9%	\$ 9,672,430	69.4%	\$ 9,600,656	4.1%	\$ 563,971
7	Client Costs - External	7.9%	\$ 903,818	12.8%	\$ 1,769,350	16.4%	\$ 2,274,288	8.2%	\$ 1,131,085
	Client Costs - Residual Unallocated	7.5%	\$ 858,402	0.0%	\$ -	0.0%	\$ -		incl
8	Client Costs - Internal Direct Expenses	3.2%	\$ 362,780	2.6%	\$ 362,780	2.6%	\$ 362,780		incl
9	Client Contingency		Included	14.7%	\$ 2,036,238	11.6%	\$ 1,603,074	11.6%	\$ 1,603,074
10	CHBDC Rounding		\$ 125,000		\$ -		\$ -		
	SUB TOTAL CAPITAL COST FORECAST	100%	\$ 11,500,000	100.0%	\$ 13,840,798	100.0%	\$ 13,840,798	12.2%	\$ 1,695,056
11	WSP Risk Based Estimate Model (March 2021)		\$ -		\$ -	P-50% -1.5% \$ 204,591	P-80% 4.8% \$ 701,078		
	GRAND TOTAL CAPITAL COST FORECAST	100%	\$ 11,500,000	100.0%	\$ 13,840,798	98.5% \$ 13,636,207	105.1% \$ 14,541,876	12.2%	\$ 1,695,056
				Cashflow Forecast		Project Team Target	Advisory Forecast for Funding		

Assumptions: Piping across the river along Tikokino Road is able to be consented.  
 Flood defences at borefield is achieved by raising the bore head.  
 Construction is completed by June 2023.  
 Overhead power to Reservoir.  
 Inflation over the construction period assumed 2% Low-4% High.  
 Reservoir design to IL3 only.  
 Tangata Whenua support for drilling under the river.

Exclusions: Additional pumping stations beyond those identified in the CDR.  
 Seismic upgrading to the existing treatment plant.  
 Double sleeve to river crossing.  
 Chlorine booster treatment at Reservoir.  
 Turbidity treatment.  
 Second production bore at Tikokino Rd.

## PROCUREMENT PLANNING:

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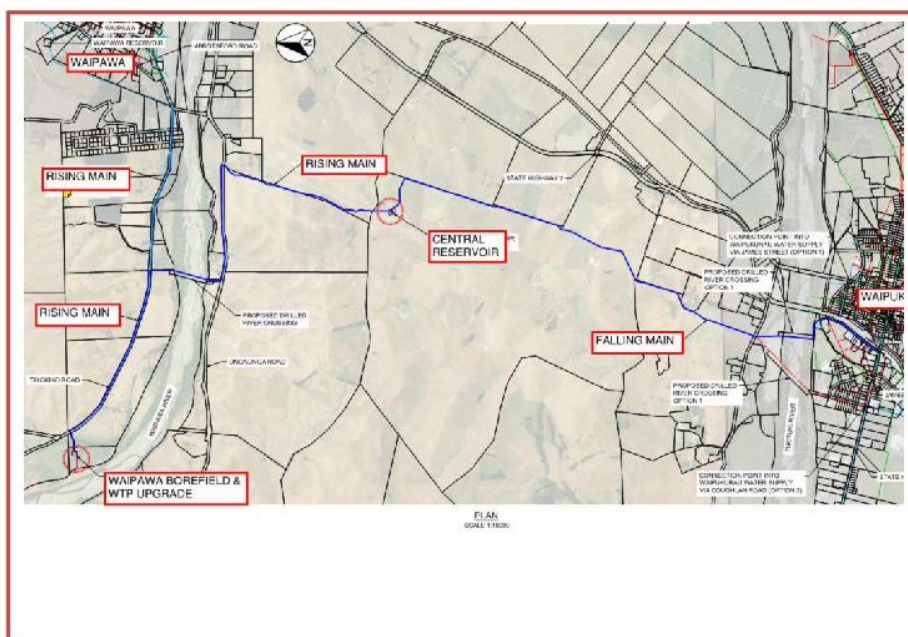
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## PROCUREMENT STRATEGY

### Project Name

Waipukurau Second Water Supply  
Governing Procurement Strategy



### VERSION CONTROL (TEMPLATE MASTER)

Do not make any changes to the template master without consultation with the Chief Financial Officer

Version	Name	Title / Role	Comment	Date
001	David Gardiner	WSP – Technical Director Water	First Issue	12/04/2021
002	Michael Kilduff	Senior Project Manager	Second Issue	14/04/2021
003	Michael Kilduff	Senior Project Manager	Third Issue	28/07/2021

## PROCUREMENT PLANNING:

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## WHAT WE ARE BUYING AND WHY

**NOTE:** This is a procurement strategy for the Waipukurau Second Water Supply Project. Individual procurement plans will be written for each construction contract for the project. The CHBDC Procurement Plan template has been used, and those elements not relevant to the *strategy* are marked 'not applicable'.

Information	Detail
Short description of goods/services:	Waipawa Borefield and WTP upgrade, new pipelines from Waipawa to Waipukurau, a circa 3ML (TBC) central reservoir, and pressure reducing valves at Waipukurau.
Expected benefits:	Increased resilience to both towns, compliant water supply, and ability to service growth.
New or Replacement	New
Dates:	Contract Start Date: Monday, 1 November 2021 Contract End Date: Friday, 31 May 2024
Contract type:	Generally NZS3910 Conditions of Contract (refer recommendations)
Budget Information:	\$11,500,000.00 + GST

## BACKGROUND

The Central Hawke's Bay District Council (CHBDC) has embarked on a project to improve the water supply to Waipukurau township 'the Waipukurau Second Water Supply Project'.

Timing and co-ordination of the delivery of these works is complex due to funding and land ownership constraints. This report presents the proposed procurement strategy designed to assist CHBDC in the successful delivery of these important improvements to water supply in the region. In accordance with CHBDC requirements a Procurement Plan will be written for each individual package of work closer to the time of tender.

The project is to be funded from multiple sources over a number of years, from a combination of CHBDC LTP and government funds (Department of Internal Affairs stimulus grant). Each funding source is constrained in both the budget allocated and the timing over which the money is to be spent. The DIA funding in particular is contingent on spending the grant by the 31st March 2022. CHBDC LTP funding may be more flexible with some provision for 'pull forward or carryover'. It will be critical to forward plan this spending, with some margin for flexibility to respond to change.

This Revision 003 plan has been updated to reflect the current view on packaging of work which is now more refined. Otherwise the plan is largely the same as Revision 002.

## TYPE OF PROJECT/PURCHASE

Supply of Goods	<input type="checkbox"/>
Asset Purchase	<input type="checkbox"/>
Professional Advice/Consultants (Design, Engineering)	<input type="checkbox"/>
Build (Physical Works)	<input checked="" type="checkbox"/>
Contractor Service	<input type="checkbox"/>
IT (If it is an IT Procurement you must consult with IT Governance)	<input type="checkbox"/>

## PROCUREMENT PLANNING:

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Other (provide details)



## PROJECT SCOPE

The project team have completed a concept design for the scheme which involves:

1. Expanding the borefield and treatment system at the existing Waipawa (Tikokino Road) Borefield ('Borefield'). This work involves at least one extra bore, new pumps and upgraded water treatment plant (using the same treatment process - UV and chlorine dosing)
2. Two river crossings carrying the pipe to the south, across the Waipawa River (off Tikokino Rd), and across the Tukituki River (off Lindsay Rd).
3. Trunk pipelines from the Borefield to Waipukurau, approximately 9.5 km long ('Pipelines'). The pipeline follows Tikokino Road, crosses the Waipawa River, runs south through private land, under the Tukituki River and along Coughlan Road where it connects to the Waipukurau water supply network
4. A new circa 3ML storage reservoir at the high point in the pipelines to provide system storage ('Central Reservoir'). A new access track is proposed from State Highway 2
5. Connections into the Waipukurau network, and minor reconfiguration thereof (including installation of pressure-reducing valves) ('Associated Works').

## COUNCIL ALIGNMENT

The Long Term Plan through our THRIVE objectives, focuses on durable infrastructure, smart growth and being environmentally responsible.

The project is as significant investment in the future water infrastructure for Waipukurau, and also Waipawa. The aim of which is to:

1. Enhance the resilience of Waipukurau's water supply system - More robust infrastructure with lower risk of damage, increased redundancy and longer response window. The scheme also enhances the resilience of Waipawa's supply, as it replaces most of the aging supply line along Tikokino Road and also provides for 'backfeeding' water from Waipukurau in future.
2. Ensure the supply can reliably meet demand / level of service targets - Consistent compliance with DWSNZ (Drinking Water Standards NZ), consistent water supply provided at the right quantity and pressure.
3. Improve the ability to service sustainable growth, both within the existing township boundary but also in adjacent areas. Sufficient water available for sustainable growth, infrastructure that delivers water to areas of desired growth

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## ENGINEERS ESTIMATE

The Concept Design Report estimate (including physical works and contingency, but excluding fees, land and Council costs) is \$10.3M. Once fees, land and Council costs are added the concept design estimate is \$13.89 M.

The concept design estimate contained a 'blanket' contingency, set at a level to reflect the early stage of design and that some elements still contain high cost risks. Subsequent to the concept design estimate, a risk adjusted cost model was prepared based on assessed uncertainties and risks, rather than a blanket contingency. Risk adjusted estimates provide greater transparency of the uncertainties and risks within a project and a range of possible cost outcomes. The cost model can be progressively updated as the project matures, the design is refined, and risks are better understood.

The risk model indicates a risk adjusted cost estimate range between \$11.7M and \$15.4M, with a P50 estimate at \$13.6M and a P80 estimate at \$14.5M. The possible cost outcomes are expressed as confidence level (P values). These P values refers to the likelihood of a project not exceeding the indicated cost point. For example, a P80 confidence level indicates an 80% likelihood that the outturn cost will not exceed \$14.5M.

Industry best practice generally recommends a higher P-value (P80) for funding purposes whilst using a lower P-value (P50) as an internal target cost.

This estimate will be being refined and updated through subsequent design phases with establishment of a monthly financial report. Value engineering and Operational team reviews are also being undertaken.

## PROCUREMENT PLANNING:

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## BUDGET

### Option 4 – July Estimate

Engineers Estimate:	\$	9,700,000.00
Design and MSQA:	\$	2,300,000.00
Council Costs (Internal)	\$	325,000.00
Contingency (10%):	\$	1,500,000.00
<b>Total Budget:</b>	<b>\$</b>	<b>13,840,000.00</b>

## HEALTH & SAFETY

Health and safety will be addressed in the individual procurement plans.

## MARKET ANALYSIS

Market analysis and preferred tenderers for each package in the individual procurement plans.

## PROCUREMENT METHODOLOGY

This section sets out the proposed procurement strategy.

### WORK PACKAGES

The project lends itself to being broken into a number of separate work packages as shown on the attached drawing. These could be awarded as separate contracts or packaged as component parts of larger contracts. These work packages and contracting options are described in Table 1.

**Table 1 : Work Packages & Contracting Options**

Work Package	Option A	Option B	Option C1	Option C2	Option D1	Option D2
<b>Investigation and Production Bore(s)</b>	Contract 1 (awarded)	Contract 1 (awarded)	Contract 1 (awarded)	Contract 1 (awarded)	Contract 1 (awarded)	Contract 1 (awarded)
<b>WTP Upgrade</b> (including pump installation, pipework & electrical)	Contract 2	Contract 2	Contract 2	Contract 2	Contract 2	Contract 2
<b>Rising Main Phase 1 Stage 1</b> (Waipawa WTP Driveway) (see Footnote 1)	Contract 3 (awarded)	Contract 3 (awarded)	Contract 3 (awarded)	Contract 3 (awarded)	Contract 3 (awarded)	Contract 3 (awarded)
<b>Rising Main Phase 1 Stage 2&amp;3</b> (Tikokino Road WTP along Tikokino Road to Waipawa) (see Footnote 1)	Contract 4	Contract 4	Contract 4	Contract 4	Contract 4	Contract 4

## PROCUREMENT PLANNING:

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Waipawa River Crossing (see Footnote 2)	Contract 5	Contract 5	Contract 5	Contract 5	Contract 8	Contract 8
Rising Main (Waipawa River Crossing to Central Reservoir)					Contract 5	Contract 5
Central Reservoir		Contract 6	Contract 6	Contract 6	Contract 6	Contract 6
Reservoir Access and Platform Earthworks		Contract 6	Contract 6	Contract 8	Contract 6	Contract 9
Falling Main (Central Reservoir to Tukituki River Crossing)		Contract 5	Contract 7	Contract 7	Contract 7	Contract 7
Tukituki River Crossing (see Footnote 2)					Contract 8	Contract 8
Falling Main (Tukituki River Crossing to SH2)					Contract 7	Contract 7

**Footnotes**

1. The rising main along Tikokino Road is being replaced early to address failures along the existing main. This is being done under two contracts, the first of which (Contract 3) is negotiated the second of which (Contract 4) is being tendered. A procurement plan has been signed off for both contracts.
2. The timing of consenting, Tangata Whenua and LINZ agreement to crossing the rivers as well as the highly specialized nature of this works may require us to independently procure this out of sequence from the principal pipeline contract. This will be identified in the separate procurement plan.

**CONTRACTING OPTIONS**

**Option A – Contract 1** is let already for the establishment of a new production bore. **Contract 2** would be for the WTP Upgrade and remaining works at the treatment plant site. These works are suited to an M&E contractor, and are different in nature to the remainder of the project works. **Contracts 3 and 4** are for the replacement of the rising main along Tikokino Road. **Contract 5** would be the main contract works including all pipe laying, earthworks, river crossings and reservoir (which may be specialist subcontractors).

**Advantages** include packaging the largest volume of work (the main contract) is most likely to attract larger contractors with a national reach and reliable access to resources. Lock in resources early in a busy market cycle. Least amount of contract management effort.

**Disadvantages** include time to market (full detailed design is required to be complete prior to tendering, unless some of the work is tendered on provisional designs), difficult to build in flexibility to stage completion to suit other project drivers. Risk of committing work that is then held up (could be managed by separable portions and delay provisions). Project is heavily reliant on the performance of a single party, with limited ability to incentivise performance.

**Option B – Contract 1** is let already. **Contract 2** would be for the WTP Upgrade and remaining works at the treatment plant site. **Contracts 3 and 4** are for the replacement of the rising main along Tikokino Road. **Contract 5** would be the pipeline contract including river crossings (which may be a specialist subcontractor), and **Contract 6** would be the civil contract (reservoir, foundations, earthworks & access road).

**Advantages** include the ability to commence the relatively straightforward reservoir works early while still retaining a large pipeline contract to attract main contractors. Lock in resources early in a busy market cycle. Manageable level of construction management effort.

## PROCUREMENT PLANNING:

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**Disadvantages** include time to market, still difficult to build in flexibility, and limited ability to incentivise performance. Risk of committing work that is then held up (could be managed by separable portions and delay provisions).

**Option C1 – Contract 1** is let already. **Contract 2** would be for the WTP Upgrade and remaining works at the treatment plant site. **Contracts 3 and 4** are for the replacement of the rising main along Tikokino Road. **Contract 5** and **Contract 7** would be two pipeline contracts including river crossings (which may be a specialist subcontractor), and **Contract 6** would be the civil contract (reservoir, foundations, earthworks & access road).

**Advantages** include the ability to commence the relatively straightforward reservoir works and the rising main pipeline contract early. The rising main section of the pipeline is generally considered less likely to be delayed by difficulty in gaining landowner agreement(s). Contract 7 could be used as a performance incentive.

**Disadvantages** include relatively smaller pipeline contracts likely to result in a smaller pool of willing tenderers, dominated by the local market. Increasing level of contract management effort.

**Option C2 –** is as for Option C1 except that the reservoir contract is split into two contracts; one for the civil works (access road and pad) and one for the reservoir. This not does offer any particular advantages but may be necessary depending on the type of tank and the capability and appetite of the local contractors. Steel reservoir or specialised concrete reservoir contractors may not want to take on the civil works. The potential disadvantages are split responsibility for the performance of the reservoir and higher construction management effort.

**Option D1 – Contract 1** is let already. **Contract 2** would be for the WTP Upgrade and remaining works at the treatment plant site. **Contracts 3 and 4** are for the replacement of the rising main along Tikokino Road. **Contract 5** and **Contract 7** would be two pipeline contracts, **Contract 8** would be for river crossings, and **Contract 6** would be the civil contract (reservoir, foundations, earthworks & access road).

**Advantages** include the ability to commence the relatively straightforward reservoir works and the rising main pipeline contract early. The rising main section of the pipeline is generally considered less likely to be delayed by difficulty in gaining landowner agreement(s). Separating the river crossings facilitates early contractor involvement or design & build opportunities for this specialist input, and disconnects the timing of the delivery meaning commencement of the pipeline contract is not dependent on resolution of the river crossing issues.

**Disadvantages** include relatively smaller pipeline contracts are likely to result in a limited pool of willing tenderers dominated by the local market. Potential to become detrimentally reliant on the river crossing contractor. More interfaces. Increasing level of contract management effort.

**Option D2 –** is as for Option D1 except that the reservoir contract is split into two contracts; one for the civil works (access road and pad) and one for the reservoir, for the reasons discussed in Option C2 above.

## CONTRACTING & PROCUREMENT

### Form of Contract

In most cases, under all option scenarios described in the previous section, the NZS 3910:2013 form of contract is recommended for all work packages, unless noted by exception below. Most reputable contractors in New Zealand will be familiar with NZS 3910:2013, and pricing under these conditions of tendering is fair to all parties.

*Central Reservoir*

## PROCUREMENT PLANNING:

Project: Waipukurau Second Water Supply – Procurement Strategy

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NZS3916: 2013 design and construct (D&C) contracts are sometimes used for concrete reservoirs, and they are the norm for steel reservoirs. These carry some risks about the quality of the design (steel tanks are often 'off the shelf' designs done offshore). These risks need to be carefully managed through appropriate design checks.

It is understood that D&C capability for concrete reservoirs is limited in the local market. Therefore if the reservoir is concrete a traditional construct only contract may be most appropriate.

### River Crossings

The river crossings lend themselves to some degree of early contractor involvement (ECI) which provides early information to confirm feasibility, cost, methodology and site logistics to feed into resource consents and land occupation agreements.

This could either be:

- An 'ECI only' engagement where the contractor is paid to provide input into WSP's design which is then tendered (ie the ECI contractor may not win the work), or
- An ECI contract where the successful tenderer provides ECI design input and constructs the works, either as a standalone contract or as a nominated subcontractor to the pipeline contract.

For an ECI contract the contractor is typically selected on non-price attributes and preliminary pricing of a 'specimen' design, with the final price negotiated based on the final design.

### Direct Purchase by CHBDC

CHBDC may wish to consider direct purchase of a quantity of pipeline materials & fittings, to be purchased early and held in storage by CHBDC for free-issue to the pipeline contractor(s) for installation.

**Advantages** include mitigation of materials supply chain risk due to COVID-19 affects, and mitigation of cashflow / funding risk. **Disadvantages** include risks that design changes are required that then affect the pipe size, class or length, the additional requirement for CHBDC to store & protect the materials and provide insurance, plus potential for double-handling and the possibility that some prospective pipeline contractor(s) may be dissuaded from tendering as a result.

### MARKET ENGAGEMENT / OPEN VS CLOSED TENDERS

Early engagement with the construction industry to signal the impending works is often beneficial. It allows contractors time to plan resources and team up and also gives CHBDC an indication of interested parties. The extent and timing of market engagement would need to be sympathetic to, and timed with, ongoing landowner discussions to avoid the impression that the project is 'getting ahead of itself'.

There may also be some benefit to prequalifying tenderers with confirmed interest and ability, to enter into an invited (closed) tender process. This enables CHBDC to select from a pool of contractors that have known capabilities with respect to the tendered works, and pre-confirming their interest provides a level of certainty that a number of good faith bids will be received. The alternative is open tendering through GETs.

### RECOMMENDATIONS

Refer to Table 1 setting out possible work packages and contracting options. Options towards the left side of the table involve fewer, larger contracts with the following advantages and disadvantages.

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**Advantages:** likely to attract larger national contractors (with more sophisticated systems, more resources and stronger supply chains), locks in prices and resources earlier (earlier price certainty and possibly less exposure to escalation), involves less tendering and construction management effort.

**Disadvantages:** Outcomes heavily reliant on the few contractors with limited ability to incentivise performance, possibly excludes smaller local contractors who are often price competitive, longer time to market (longer design period), more difficult to build in flexibility / staging around funding and land access, multiple interfaces between contracts, and higher tendering and construction management effort.

Options on the right side have the opposite advantages and disadvantages.

Revision 002 of this plan recommended Option C1 or C2, on the basis that it struck the right balance and represents a logical approach for the project. Under Options C1 or C2 the river crossings were included with the pipeline contracts.

At the time of this Revision 003 update, the project team has begun engagement with Tangata Whenua who do not currently support the river crossings. It is likely that consultation and consenting will be relatively slow and construction of the river crossings (assuming they are eventually consented) is likely to be well into 2022. Therefore they may need to be decoupled from the pipeline packages if those are to proceed, as provided for in Options D1 or D2. Therefore Option D1 or D2 is now recommended.

Table 2 provides further recommendations on the structure of Option D1 or D2.

**Table 2 : Option D1/D2 Recommendations**

Contract	Form of Contract	Suggested Tendering Approach
<b>Investigations and Production Bore (Contract 1)</b>	Under construction with Honnor Drilling Ltd	
<b>WTP Upgrade (Contract 2) (including pump installation, pipework &amp; electrical)</b>	NZS 3910:2013 Full design by WSP	Selected tenderers from local market, based on local capability for similar works rather than a formal EOI process.  There are a limited number of contractors with treatment plant experience in the Hawke's Bay, and the work is unlikely to attract competitive bids from contractors based elsewhere. Working with selected tenderers known to CHBDC is an effective way of obtaining several tenders and a therefore increasing the chance of obtaining a competitive price.
<b>Tikokino Road Rising Main Phase 1 (Contract 3 &amp; 4)</b>	NZS 3910:2013 Full design by WSP	Negotiate Phase 1 / Stage 1 to enable this short length to be fast tracked.  Issue an open tender for Phase 1 Stage 2 and 3.
<b>Rising Main (Contract 5) Waipawa River to Central Reservoir</b>	NZS 3910:2013 Full design by WSP	Issue an open tender or invite Expressions of Interest via GETs, with an <i>option</i> to short list respondents.

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<b>Central Reservoir (Contract(s) 6 or 6 &amp; 9)</b>	<p>Preferably the access road / platform / reservoir and pipework is one contract so the contractor assumes responsibility for successful outcomes. A separate contract to build the platform introduces risks around split responsibilities and introduces another contract to manage.</p> <p><u>Access Road</u> Full design by WSP</p> <p><u>Reservoir</u> Either NZS3910:2013 with full design by WSP, or</p> <p>NZS3916:2013 D&amp;C with design by the contractor (except the road design which is by WSP). This type of contract is the norm for steel tanks but can also be used for concrete tanks depending on local contractor capabilities.</p> <p>Decision to be made after the reservoir type is decided (pending geotechnical investigations and market enquiries) and enquiries with specialist reservoir contractors.</p>	<p>Engage early with selected specialist tenderers from the local/national market to signal the works, and also gauge acceptable contract structures. Tender the works to selected specialist contractors once the reservoir type is constructed. There are a limited number of capable reservoir contractors.</p>
<b>Falling Main (Contract 7) (Reservoir to SH2 and pressure reducing valves, excluding the Tukituki River Crossing)</b>	<p>As for rising main above</p>	<p>As for rising main above, or could be negotiated as an extension to the rising main contract based on performance.</p>
<b>River Crossings (Contract 8)</b>	<p>Award an ECI contract for the river crossings early in the programme of works, to provide input into feasibility, design, methodology and construction areas required. The recommended approach is 'ECI and construction' with the construction component priced provisionally, and confirmed / renegotiated before construction.</p>	<p>Issue tender documents to two or three contractors known to CHBDC OR continue engagement and direct source to the ECI selected.</p>

Other recommendations:

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- Consider whether direct procurement of materials is a) acceptable, and b) advantageous or required to satisfy funding constraints

## TIMELINE

The production bore (Contract 1) and Tikokino Road Phase 1 Stage 1 (Contract 3) are under construction.

The remaining packages will be staggered to suit land access, design and procurement, and also funding.

Indicative dates for construction start dates for each package are:

- Borefield – early 2021
- Pipelines;
  - Rising Main – Phase 1 Stage 2 & 3 Tikokino Road - September 2021
  - Rising Main – Waipawa River to Central Reservoir – December 2021
  - Falling Main – 2022
  - River Crossings – 2022/3 - TBC
- Reservoir – December 2021
- Water treatment plant - 2023

## CONTRACT

As discussed above, NZS3910 based contracts are generally proposed. In some cases NZS3916 Design and Construct contracts may be appropriate. The final recommendations will be made in the individual procurement plans.

The responsibility for managing delivery under the contract and supplier relationship management will pass to the project manager (Michael Kilduff, Central Hawkes Bay District Council) on the signing of the contracts. This person may develop a contract and relationship management plan in consultation with the successful supplier.

## RISKS

Key risks in the procurement process include:

### *River Crossings*

There are a number of risks:

- Private land access - access across two private parcels is required and discussion with landowners is ongoing.
- Consents / public land access – HBRC resource consents are required for investigations and to construct the crossings. An easement is required from LINZ.
- Tangata Whenua support – engagement has started with Tangata Whenua, whose current stance is not in support of the crossings on cultural grounds. Engagement is ongoing and the outcome is uncertain however there are significant national examples of this type of work so there is an expectation the process will receive support when this is more fully developed. Resource consents and LINZ approval will be much more difficult if Tangata Whenua oppose.

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- Feasibility of drilling – directional drilling is currently proposed / budgeted but feasibility relies on suitable ground conditions. Until the geotechnical investigations are done (currently on hold while consultation is undertaken) the feasibility and cost of the crossings remains a risk.
- Stranded assets – proceeding with works between the two rivers before confirming the construction and consenting feasibility of the river crossings risks constructing stranded assets.

**Schedule**

Schedule delays could limit Council's ability to spend Tranche 1 DiA funding before March 2022 as required.

**COVID-19**

The ongoing global pandemic continues to place pressure on all levels of the supply chain, including finished & component materials, plant & equipment. Locally both regional and national lockdowns of any extent can and have had detrimental effect on the availability and capability of labour.

**Access to land / resource consents**

The compressed project timeframes mean that all the land required for construction may not be secured (either through easements or purchase) and resource consents may not be in place when the first tenders are issued. The contracts will need to be structured to manage this risk, by for example providing for staged site possession to suit land access & consents, and at worst allow for portions of the work to be cancelled in the event of long delays or other issues arising.

**Industry Capacity**

Nationally the industry is experiencing a period of high demand, and local authorities throughout New Zealand roll out projects funded by various stimulus packages but which compete for similar resources. Potentially over the next 1-2 years the industry capacity will be placed under some pressure, and in particular certain specialist equipment (such as directional drilling rigs) may prove difficult to secure. Managing cost inflation under this project remains a concern so establishment of a risk based cost model for monthly reporting is in progress.

**Cost and Escalation**

The concept design cost estimate exceeds the current budget. Costs may also escalate at higher than average rates. Supply chain disruption is expected to continue for the next few years due to Covid19 with the likelihood of increasing inflation pressure and constraints in contractor availability. The early contract awards will provide a signal towards this, and may offer an opportunity to continue contracting under a direct source based on performance. This would provide some level of control and transparency into the costs, this approach has already been successful on the Otane Waste Water pipeline contract.

The project team is working through a risk based cost estimate, value engineering and some design optioneering to refine the range of cost outcomes. This work will be presented separately.

**Existing System Risks**

The risks associated with the existing water supply system remain (lack of strategic storage and resilience) and will continue to do so until the project is successfully completed.

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**Reservoir Design and Whole Life Cost Analysis**

There are two reservoir design options; steel or reinforced concrete. The former is likely to be less expensive to build but more expensive to maintain. The final decision cannot be made until geotechnical investigations are carried out. In the meantime the team has been exploring options and relative costs and pros/cons to expedite decision making once geotechnical information is available. This report will be presented separately to ELT to help guide the decision.

**Iwi Liaison**

Effective Iwi liaison is critical to project success. The project team is seeking to engage with Iwi as early as possible but has yet to reach a position of comfort.

**Summary Table**

Risks identified under the Project Brief have been brought forward and expanded on below.

	Risk Description	Risk Level	Responsible
Procurement	Contractor award is not competitive to market.	Moderate	CHBDC/WSP
Schedule	Exceeds Tranche 1 timeframe for securing stimulus funding (31 <sup>st</sup> March 2020)	High	CHBDC
Project Brief	Fails to meet identified project brief and benefits	Low	CHBDC/WSP
N/a Project	Drinking Water Reform/ Compliance with DWSNZ (current and ongoing)	Significant	WSP
Access to Land	Identification of Land access requirements creating delays in schedule and due diligence process	Significant	CHBDC/TPG
River crossings	Development of river crossing methodology not timely creating consenting delays on River crossings and IWI or HBRC resistance. Obtain early contractor input.	Significant	CHBDC/WSP
Project	Operational Expense from developed design is unsustainable.	Moderate	CHBDC/WSP
Design	Technical design issues developed during due diligence make the project unviable.	Moderate	WSP
COVID-19	Monitor situation with supply chains	Moderate	CHBDC/WSP
Industry capacity	Monitor situation, design procurement to match capacity and capability, remain flexible with construction packaging	Moderate	CHBDC/WSP
Cost and escalation	Risk based cost assessment, value engineering, appropriate procurement processes	High	CHBDC/WSP
Existing system	Progress the project as quickly as possible to reduce reliance on existing systems	Significant	CHBDC/WSP
Reservoir Design and WOL Analysis	Consider options ahead of final decisions following geotechnical investigations	Significant	CHBDC/WSP

(Based on Central Hawke's Bay [Risk Management Framework](#))

Likelihood	Consequence				
	1 - Insignificant	2 - Minor	3 - Significant	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
4 - Very Likely	Low	Moderate	Significant	High	Extreme

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3 - Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Rare	Low	Low	Low	Low	Low

## SUSTAINABILITY

As per Councils Procurement Strategy, the tender evaluation criteria will place emphasise on the broader outcomes the project can achieve.

The procurement activity's will aim to further stimulate the local economy via a progressive procurement response from tenderers. Guiding this is the CHBDC progressive procurement toolkit, which Officers have reviewed jointly with the project team to identify focus areas from each section to be considered into tenders.

A 20% loading will apply to this element of the evaluation.

### Progressive Procurement Sections

- Section 1 - Social Wellbeing (H&S wellbeing or Engagement and local education initiatives).
- Section 2 - Cultural Wellbeing (Mana Whenua opportunities or Diversity inclusion).
- Section 3 - Economic Wellbeing (Job creation/Training or local supplier partnering).
- Section 4 - Environmental Wellbeing (Local supplier partnering or Kaitiakitanga/ energy efficiency).

## PROBITY

It is essential that Central Hawkes Bay District Council demonstrates ethics and integrity in its procurements. This means:

- acting fairly, impartially, and with integrity
- being accountable and transparent
- being trustworthy and acting lawfully
- managing conflicts of interest
- protecting the supplier's commercially sensitive and confidential information.

Probity in this procurement will be managed by:

- ensuring compliance with the Council's code of conduct
- ensuring that financial authority for the procurement is approved before proceeding to tender
- ensuring everyone involved in the process signs a confidentiality agreement and declares any actual, potential or perceived conflict of interest
- identifying and effectively managing all conflicts of interest
- ensuring that all bids are opened at the same time and witnessed
- numbering copies of suppliers' tenders and returning them to the panel chair once the tender process ends
- retaining one copy of each supplier's tender and destroying the remaining copies once the tender process ends

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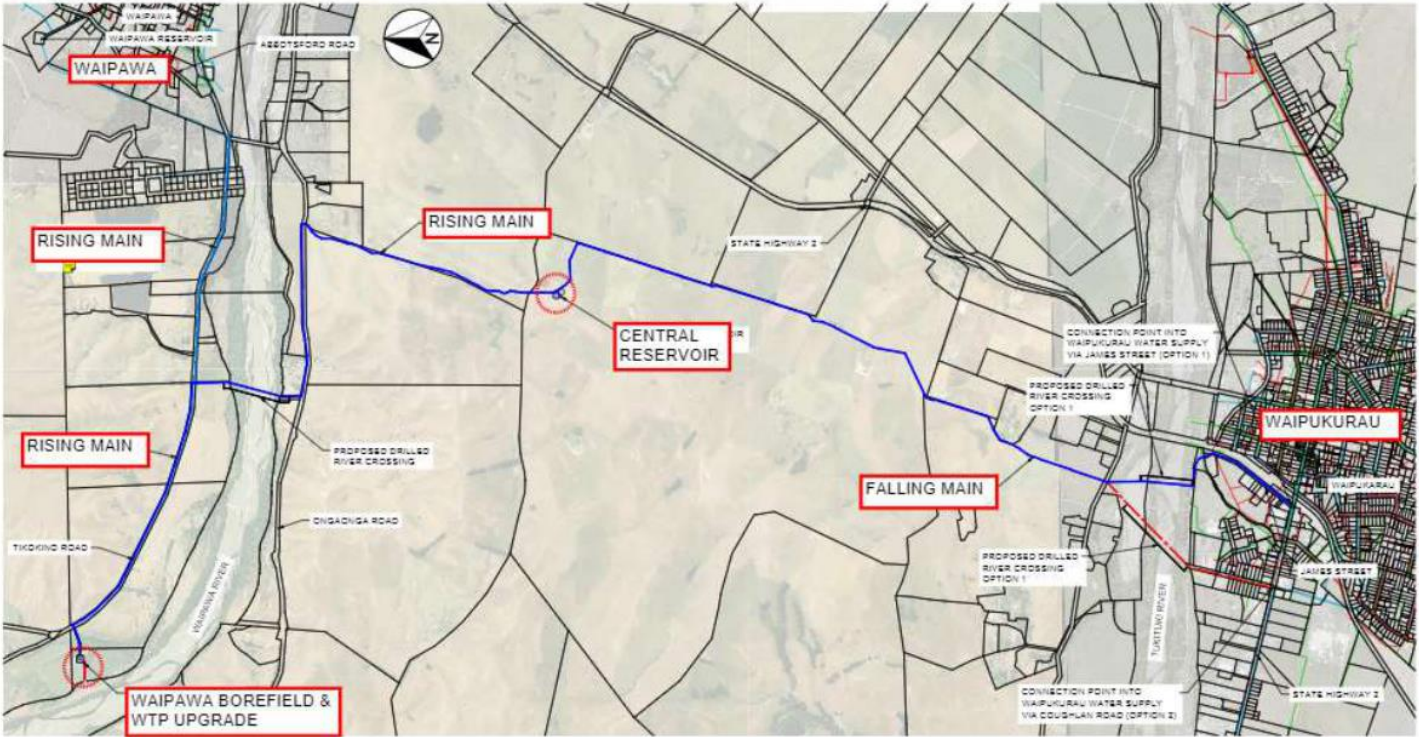
- treating all suppliers equally and fairly
- provide each supplier with a comprehensive debrief at the end of the tender process.

## APPROVALS

Procurement Plan should be **prepared** by the project manager, **endorsed** and **authorised** by the budget holder. At least two separate signatories are required. If the project manager and budget manager are one and the same the one up rule applies i.e. the document should be referred up to the relevant line manager.

V	Date	Description	Name	Role	Signature
1	12/04/2021	Drafted by	David Gardiner	WSP – Technical Director Water	
2	13/04/2021	Drafted by	Michael Kilduff	Senior Project Manager	
2	16/04/2021	Reviewed by	Darren de Klerk	Director Projects and Programme	
2	19/04/2021	Endorsed by	Executive Leadership Team		
3	28/7/2021	Draft updated by for F&I Committee	Michael Kilduff	Senior Project Manager	

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## 6.7 TRADE WASTE STRATEGY

**File Number:** COU1-1410

**Author:** Darren de Klerk, 3 Waters Programme Manager

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. Trade Waste Strategy - July 2021 [↓](#)

### PURPOSE

The matter for consideration by the Council is to adopt a Trade Waste Strategy that outlines the method of implementing the improvements and operationalising the trade waste bylaw.

### RECOMMENDATION FOR CONSIDERATION

**That having considered all matters raised in the report:**

- a) **The Trade Waste Strategy 2021 is adopted and endorsed for implementation to support the recently adopted Trade Waste Bylaw.**

### EXECUTIVE SUMMARY

Trade waste is defined as any liquid that is or may be discharged from a trade Premises or tanker to the Central Hawkes Bay District Council's (Council) wastewater system of a non-domestic nature.

Council's Policy with regard to the management of trade waste is through the Trade Waste Bylaw 2021.

A District wide strategy is needed to address current issues with the trade waste system such as:

- Understanding of how gaps identified in the current trade waste regime will be covered
- The need to introduce capital cost recovery for the long-term wastewater treatment solution
- Making sure the Council is recovering capital, operational and administrative costs via charges that are fair, appropriate and representative

A trade waste strategy is also required to help plan for and subsequently manage operation of future upgrades planned in the Wastewater Strategy.

This strategy will have impact on key stakeholders, such as trade waste dischargers, and Council, but also indirectly ratepayers.

Funding will be on a user-pays basis. This includes contributions from ratepayers and trade waste operators. Multiple options exist for allocation of recovery of expenditure.

The objectives of the Trade Waste Strategy are to:

- Build robust and effective systems and processes to enact the proposed Bylaw
- Give effect to CHBDC's policy/ies regarding the encouragement/ management of industry in providing employment and other financial benefits within the District
- Provide justification for the need to change the current trade waste regime
- Enable a collaborative approach between key stakeholders/contributors and the Council, working towards Strong Communities
- Provide a meaningful environmental benefit, impacting on the social and cultural wellbeing of the Central Hawke's Bay Region
- Ensure whole of life effectiveness of the Bylaw for current and future purposes
- Balance trade-offs between community, industry, economic and Council outcomes
- Provide a clear framework around which to build and develop future iterations of the Bylaw, TW consents, stakeholder engagement programmes, cost recovery decisions and internal resourcing for TW management

Major milestones will include:

- Adoption of updated Trade Waste Bylaw – completed May 2021
- Creation of practice notes to support the bylaw – underway, expected completion September 2021
- Adoption of trade waste strategy – this recommendation
- Completion of internal (Council) systems overhaul – underway, expected completion late 2021
- Issuing of new Trade Waste consents - underway, expected completion late 2021
- Use of new system (Infrastructure Data) to manage trade waste consents/ data - underway, expected completion late 2021

## BACKGROUND

A review of the trade waste regime in Council was undertaken in 2020, which identified gaps in the control and management of trade waste in the district. Findings from the review identified issues such as:

- Sampling and flow measurement issues
- Non-compliant discharges
- Roles and responsibilities not clear
- Data handling issues
- There could be trade waste discharges happening that the Council are not aware of

A review of the 2018 Trade Waste Bylaw was subsequently undertaken, which was adopted in May 2021. This included rewording the Bylaw to make it more easily understood, inclusion of the ability to issue Warning Notices to support control of trade waste, additional fees and charges categories, and clarity around classifications. The Bylaw has formed the Policy for the Trade Waste Strategy.

## DISCUSSION

A Strategy is needed to set the direction to develop a mature Trade Waste regime in Council. This will tie in with the [Wastewater Strategy](#)<sup>1</sup>, supporting the process of implementing the long-term wastewater treatment solutions, and into the future with the operation of the wastewater treatment plants.

The Wastewater Strategy identifies load management as Project #5 – where Trade Waste is a significant contributor to the load placed on our wastewater plants.

As some aspects of Trade Waste significantly affects our industry, and is an important mechanism for recovering operational and capital cost to support the delivery of our wastewater operational management and future capital upgrades, a strategy is required in order to clarify the approach, and provide a fully endorsed basis for the work involved in developing various aspects of the Trade Waste regime.

The inter-linking parts of the trade waste regime are complex. With the adoption of the reviewed bylaw, this also offers the Council the opportunity to reset the Trade Waste regime by:

- Starting afresh with a reviewed fit for purpose bylaw
- Requiring all traders (known and new) to apply for new consents
- Setting up robust systems and processes from scratch to control and manage trade waste in the District
- Building effective and enduring relationships with trade waste premises to work collaboratively with the Council going forwards, which supports the Thrive value of Strong Communities

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<sup>1</sup> District Wastewater Treatment and Discharge Management Strategy, September 2020 Report A:O.3

- Setting the Council up to work towards the solution for the new centralised waste water treatment plant

These will all provide a sustainable, structured and accountable trade waste regime for the Council to take into the future.

## RISK ASSESSMENT AND MITIGATION

### Adverse effect on business

- The Strategy outlines mechanisms for management and enforcement of Trade Waste from business premises. Negative effects on business financial position or operation may result. Mitigated by building a collaborative relationship with business owners and managers and not being unduly harsh.

## FOUR WELLBEINGS

1. **Cultural:** Has an indirect effect on wastewater quality entering the receiving environment by managing influent to treatment plant and improving the quality of the awa, while council being kaitiaki for our environment to give effect to Te Mana o Te Wai.
2. **Social:** Potentially large contribution to and impact on employment in the district. Affects Council reputation and relationship with key community stakeholders including businesses and business owners.
3. **Economic:** Potential impact to business and Council financial position. Relationships between the Strategy and Trade Waste fees and charges by informing cost to treat waste.
4. **Environmental:** As part of the big Wastewater story, driven by ensuring more favourable environmental outcomes for receiving environments.

## DELEGATIONS OR AUTHORITY

This report is within the CHBDC Chief Executive delegated authority but, due to impact on commercial owners, key stakeholders and potential reputational sensitivity, this paper is being presented to the Finance and Infrastructure committee.

## SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as significant due to the financial and operational impact on affected businesses.

## OPTIONS ANALYSIS

There are three options regarding the Trade Waste Strategy 2021:

- Option one: Adopt the proposed Strategy as presented.
- Option two: Revise the Strategy and re-present to the Finance and Infrastructure Committee at a later date.
- Option three: Reject the Strategy and continue with the existing approach.

<u>Option 1</u>	<u>Option 2</u>	<u>Option 2</u>
To adopt the Trade Waste Strategy 2021	Revise the proposed Trade Waste Strategy 2021 & re-present	To reject the Trade Waste Strategy 2021

<b>Financial and Operational Implications</b>	Direction for funding spend	Direction for funding spend  Delay on implementation	No direction for funding spend  Knock-on effects to WWTP design/build/operation
<b>Long Term Plan and Annual Plan Implications</b>	Consistent with LTP intentions	Consistent with LTP intentions	Not consistent with LTP intentions.
<b>Promotion or Achievement of Community Outcomes</b>	Helps achieve effective management of Trade Waste. Impacts business function.	Delayed achievement of effective trade waste management	Will not achieve further Community Outcomes
<b>Statutory Requirements</b>	Greater likelihood of meeting Regional Council Wastewater discharge consents	Potential to not meet statutory requirements due to delay	Less likelihood of meeting Regional Council Wastewater discharge consents
<b>Consistency with Policies and Plans</b>	Addresses significance and engagement policy.	Delay in addressing significance and engagement policy	No change from existing policies

### Recommended Option

This report recommends **Option One: Trade Waste Strategy 2021** is adopted and endorsed for implementation to support the recently adopted Trade Waste Bylaw for addressing the matter.

### NEXT STEPS

Implement the steps outlined in the strategy including:

- Continued stakeholder engagement

- Continued control and management system development and implementation.
- Report on improvements and progress of plans via key project status report for #thebigwastewaterstory.

**RECOMMENDATION**

- a) The Trade Waste Strategy 2021 is adopted and endorsed for implementation to support the recently adopted Trade Waste Bylaw.**



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL



# Trade Waste Strategy

July 2021



*#the BIG-  
Waste Water Story*

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Te Kāwanatanga o Aotearoa

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#THEBIGWASTEWATERSTORY – Trade Waste Strategy





## EXECUTIVE SUMMARY

Trade waste is defined as any liquid that is or may be discharged from a trade Premises or tanker to the Central Hawke's Bay District Council's (Council) wastewater system of a non-domestic nature.

Council's Policy with regard to the management of trade waste is through the Trade Waste Bylaw 2021.

A District wide strategy is needed to address current issues with the trade waste system such as:

- Understanding of how gaps identified in the current trade waste regime will be covered
- The need to introduce capital cost recovery for the long-term wastewater treatment solution
- Making sure the Council is recovering capital, operational and administrative costs via charges that are fair, appropriate and representative

A trade waste strategy is also required to help plan for and subsequently manage operation of future upgrades planned in the Wastewater Strategy.

This strategy will have impact on key stakeholders, such as trade waste dischargers, and Council, but also indirectly ratepayers.

Funding will be on a user-pays basis. This includes contributions from ratepayers and trade waste operators. Multiple options exist for allocation of recovery of expenditure.

The objectives of the Trade Waste Strategy are to:

- Build robust and effective systems and processes to enact the proposed Bylaw
- Give effect to CHBDC's policy/ies regarding the encouragement/management of industry in providing employment and other financial benefits within the District
- Provide justification for the need to change the current trade waste regime
- Enable a collaborative approach between key stakeholders/contributors and the Council, working towards Strong Communities
- Provide a meaningful environmental benefit, impacting on the social and cultural wellbeing of the Central Hawke's Bay Region
- Ensure whole of life effectiveness of the Bylaw for current and future purposes
- Balance trade-offs between community, industry, economic and Council outcomes
- Provide a clear framework around which to build and develop future iterations of the Bylaw, TW consents, stakeholder engagement programmes, cost recovery decisions and internal resourcing for TW management

Major milestones include:

- Adoption of updated Trade Waste Bylaw (May 2021)
- Completion of internal (Council) systems overhaul
- Issuing of new Trade Waste consents.

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#THEBIGWASTEWATERSTORY – Trade Waste Strategy





## 1 POLICY

Council adopted the [Trade Waste Bylaw](#) on 13 May 2021, which forms the policy for management of Trade Waste in the district. It sets the overarching direction and philosophy for managing trade waste in the District. This strategy document sets out the mechanisms by which the bylaw is given effect.

## 2 WHAT IS TRADE WASTE

Trade Waste is any liquid that is or may be discharged from a trade premises or tanker to the Council's wastewater system, of a non-domestic nature or quantity.

Trade Waste is categorised into three classifications in the 2021 bylaw:

- Permitted – this is less than 5 m<sup>3</sup>/day, less than 2 litres/second, and meets Schedule A (permitted discharge characteristics)
- Conditional – has conditions placed upon the consent holder by the Council
- Prohibited – a Trade Waste that has prohibited characteristics as defined in Schedule B and does not meet the conditions of Schedule A. The waste is not acceptable for discharge into the Council's wastewater system.

The District Council's three waters activities interact with Trade Waste in a number of ways:

- Council provide the water to use in production and cleaning
- Council provide the reticulation to convey the Trade Waste to the treatment plants
- Council treat the Trade Waste
- Once treated, Council discharge it to the environment
- Council control and manage the Trade Waste discharge
- In the medium to long term, Council will be managing re-use and or disposal of treatment residual such as biosolids on a daily basis

Other council functions also interact with the Trade Waste Premises in a number of ways such as:

- Building inspections
- Issuing of building consents
- Issuing compliance certificates
- Review of subdivision proposals
- Review of resource consents
- The provision of public health inspectors and monitoring staff, and most likely
- The roading team

Trade Waste Premises are part of the Central Hawkes Bay District community – the owners, managers and workers generally live in the district and are ratepayers for their private properties; their business services, produces goods and provides employment for the community; and the Premises pay for their water use and trade waste discharges.

### 2.1 Function of the Trade Waste Regime

The primary function of the Trade Waste regime in the Council is to enact the Part 23: Trade Waste Bylaw.

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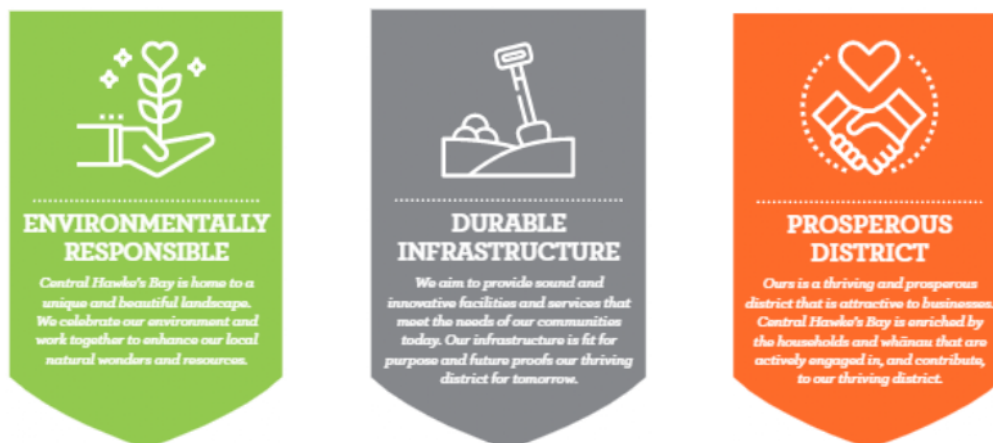
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The objective of the Council's trade waste bylaw is to control and monitor Trade Waste discharges into the wastewater system (public sewers) in order to:

- Protect public health and the environment
- Protect the wastewater system infrastructure
- Protect wastewater system workers
- Ensure compliance with resource consent conditions related to the wastewater treatment plant
- Provide a basis for monitoring discharges from industry and trade Premises
- Provide a basis for charging Trade Waste users of the wastewater system to cover the cost of conveying, treating and disposing of or reusing their wastes
- Ensure that the costs of treatment and disposal are shared fairly between Trade Waste and municipal dischargers
- Promote Cleaner Production
- Encourage waste minimisation
- Encourage water conservation

These are all important for the Council in achieving and sustaining the Council's goals of:



[Link to consultation document](#)

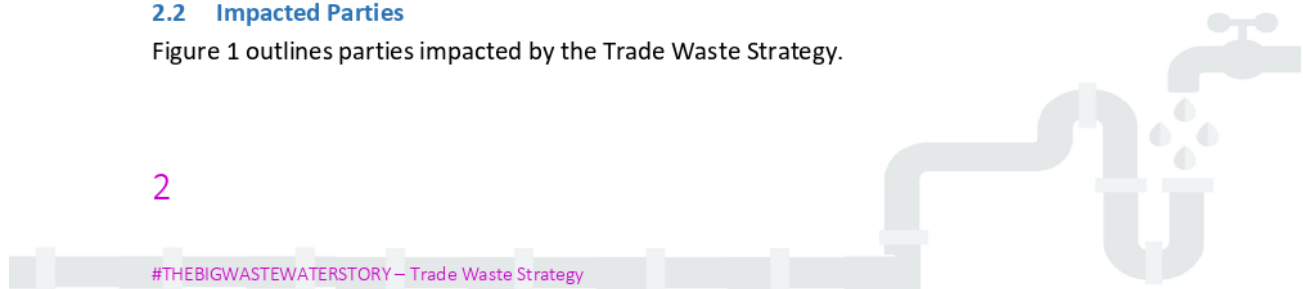
Challenges in the Long Term Plan 2021-2031 include

- Huge growth
- Failed wastewater treatment plants
- Ever increasing Central Government standards

Trade waste either contributes to, or is affected by all of these, and as such a strategy for management, control, and regime improvements is required.

## 2.2 Impacted Parties

Figure 1 outlines parties impacted by the Trade Waste Strategy.





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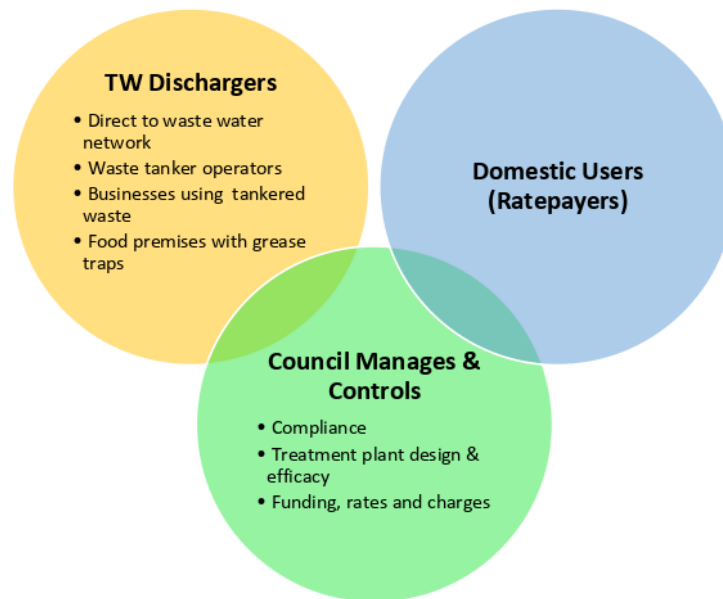


Figure 1- Summary of impacted parties and responsibilities

Domestic users are impacted being another wastewater system user, due to the cost to treat – if Trade Waste does not pay for its portion of the cost to treat, then ratepayers ultimately subsidise it.

Trade Waste comes from a variety of sources, with some being not immediately obvious. Communication and education are required in the business community to help them understand if they are discharging Trade Waste or not.

### 3 WHY WE NEED A TRADE WASTE STRATEGY & KEY FOCUS AREAS

A Strategy is needed to set the direction to develop a mature Trade Waste regime in CHBDC. This will tie in with the [Wastewater Strategy](#)<sup>1</sup>, supporting the process of implementing the long-term wastewater treatment solutions, and into the future with the operation of the wastewater treatment plants.

The Wastewater Strategy identifies load management as Project #5 – where Trade Waste is a significant contributor to the load placed on our wastewater plants.

As some aspects of Trade Waste significantly affects our industry, and is an important mechanism for recovering operational and capital cost to support the delivery of our wastewater operational management and future capital upgrades, a strategy is required in order to clarify the approach, and provide a fully endorsed basis for the work involved in developing various aspects of the Trade Waste regime.

<sup>1</sup> District Wastewater Treatment and Discharge Management Strategy, September 2020 Report A:O.3



### 3.1 Current Issues

A number of issues with the current trade waste regime were identified in 2020 through reviews, compliance issue investigations and design work undertaken for The Big Wastewater Story.

#### 3.1.1 The need for Capital Recovery

A new, centralised waste water treatment plant for Waipawa, Waipukurau and Otane (Project 1 in the Wastewater Strategy) was adopted in the Long Term Plan 2021 – 2031. A further new waste water treatment plant and discharge system is proposed for Te Paerahi with Porangahau (Project 2 in the Wastewater Strategy), and Takapau is proposed to continue with an existing, stand-alone waste water treatment plant but with discharge to land.

Trade Waste has a direct impact on the wastewater loads influencing the future centralised treatment plant design. Under the Local Government Act 2002 trade waste is charged on the basis of recovering reasonable costs. It cannot subsidise the cost to treat domestic waste, and vice versa. Therefore, it has to cover its proportion of costs to treat (through cost recovery), and therefore the capital cost of the proposed solution. The Trade Waste Bylaw 2021 includes the mechanism to charge trade waste discharges for their share of the capital cost of wastewater system improvements.

#### 3.1.2 Trade Waste Regime

When the trade waste regime was reviewed from an operational point of view (how the Council manages and controls Trade Waste), issues were noted such as:

- Unrepresentative sampling and flow measurements resulted in charging which was not representative of the discharge
- Trade Waste discharges are often non-compliant, with no action undertaken in recent times (last 1-2 years)
- Trade Waste consents to discharge were all expired
- Lack of knowledge in the team or a mechanism by which knowledge could be retained and passed to new team members
- Roles and responsibilities were not clear
- Data handling and safe storage was haphazard
- There could be trade waste discharges happening that the Council are not aware of

The review of the bylaw offered the opportunity for these issues to be addressed by updating the bylaw (now adopted).

##### 3.1.2.1 Beca Assessment

An assessment undertaken by Beca in 2020 highlighted the following opportunities for improvement.

### 3.2 Future Proofing

The inter-linking parts of the trade waste regime are complex. With the adoption of the reviewed bylaw, this also offers the Council the opportunity to reset the Trade Waste regime by:

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- Starting afresh with a reviewed bylaw
- Requiring all traders (known and new) to apply for new consents
- Setting up robust systems and processes from scratch to control and manage trade waste in the District
- Building effective and enduring relationships with trade waste premises to work collaboratively with the Council going forwards, which supports the Thrive value of Strong Communities
- Setting the Council up to work towards the solution for the new centralised waste water treatment plant

These will all provide a sustainable, structured and accountable trade waste regime for the Council to take into the future.

## 4 THE STRATEGY

In refreshing the Trade Waste regime, the key areas of focus are:

- Defining, publicising and implementing Council's Trade Waste Policies
- Individual Trade Waste consents (where necessary)
- Control and management of Trade Waste – how the rules are enacted by the Council, and the systems and processes that sit behind this
- User interfaces – how Trade Waste premises interact with the Council

### 4.1. Strategy Objectives

The objectives of the Trade Waste Strategy are to:

- Provide justification for the need to change the current Trade Waste regime
- Enable a collaborative approach between key stakeholders/contributors and the Council, working towards Strong Communities
- Provide a meaningful Environmental benefit, impacting on the social and cultural wellbeing of the Central Hawke's Bay district
- Ensure whole of life effectiveness of the Bylaw for current and future purposes
- Balance trade-offs between community, industry, economic and Council outcomes
- Build robust and effective systems and processes to enact the Bylaw

### 4.1 Strategy focus areas

The strategy focuses on the following 4 areas:

- Fees and Charges
- Control and Management
- User interfacing
- Future proofing

The purpose, objectives, and approach for each is provided in the following sections.

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#### 4.1.1 Fees and Charges

##### 4.2.4.1 Fees and Charges Objectives

The following objectives are identified for Fees & Charges:

- Implement a clear methodology which can be refreshed on an annual basis for cost to treat
- Recover costs of the management of Trade Waste (“user pays”)
- Develop easily understood invoices which are useful for Trade Waste dischargers in understanding their financial commitments

##### 4.2.4.2 Fees and Charges Approach

- A Trade Waste cost calculator has been developed, which can be updated on an annual basis to reflect the work undertaken in the capital upgrade programme. With the staged nature of the proposed waste water treatment plant upgrade programme, charges will be fluctuating annually according to capital expenditure commitments and associated operational costs as the upgrades progress and as various discharge consent conditions come into force. This will require clear communications to Trade Waste dischargers in order for them to understand the reasoning behind the fluctuations.
- Implement application fees and annual administration fees, keeping these at a reasonable cost (using comparisons with other councils, and with a clear understanding of what the costs are for and how they are calculated). Review these on an annual basis (as per Fees & Charges processes).
- Develop invoices which are useful to the Trade Waste dischargers, showing the current month, and historical data to indicate trends in their discharges.
- Develop a methodology for identification of (unknown) Trade Waste discharges across the district. Everyone should be paying their fair share.

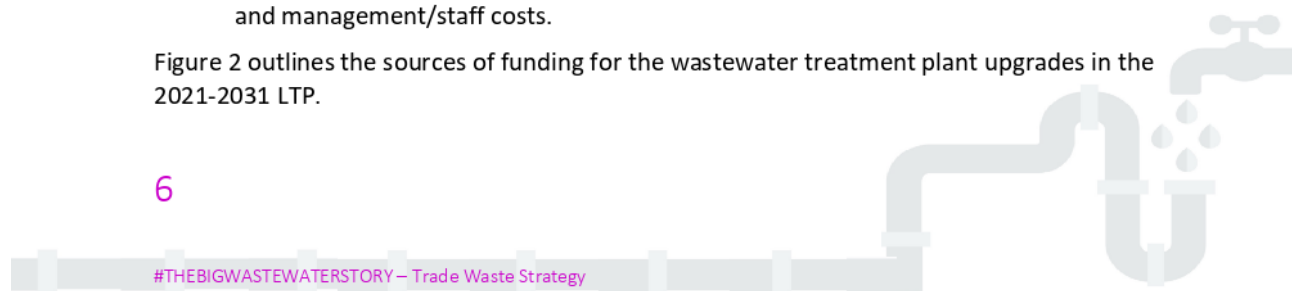
##### 4.2.4.3 Fees and Charges Reasoning

A user-pays system is required to be put in place relative to individual impact on the treatment plant. This will involve a balance between ratepayers (domestic) and Trade Waste dischargers.

In establishing the charges, the following items shall be considered:

- Capital expenditure includes items such as: professional fees, infrastructure procurement and upgrades, and
- Operational expenditure includes items such as: water sampling/testing regimes, operator labour, chemicals, energy, mechanical consumables, maintenance costs and management/staff costs.

Figure 2 outlines the sources of funding for the wastewater treatment plant upgrades in the 2021-2031 LTP.





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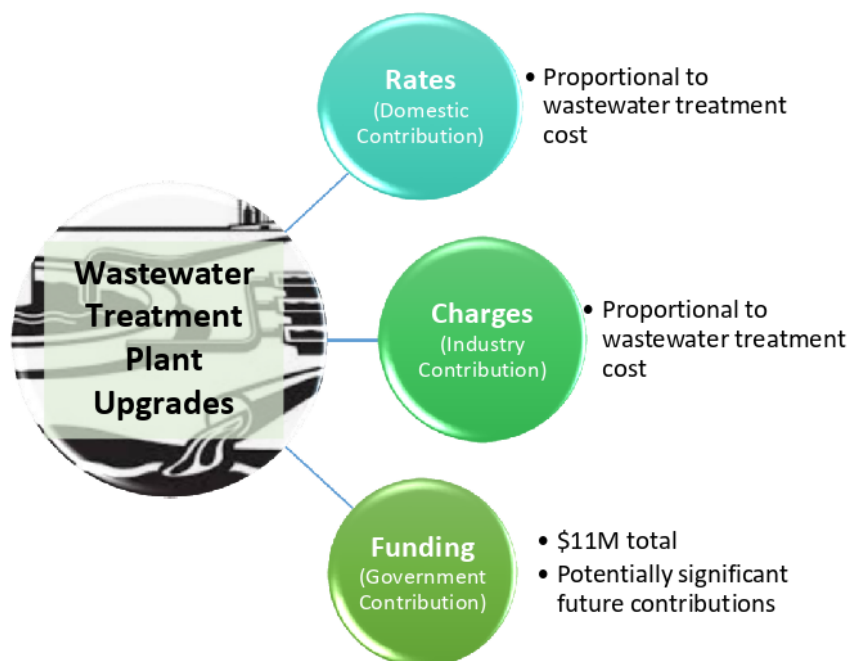


Figure 2 - Sources of funding for the proposed wastewater treatment plant upgrades programme of work

Table 1 summarises the key variables used in the cost to treat calculations. These have a significant impact in the resulting rates by parameter.

Table 1 Summary of variables used in cost to treat calculations

Item	Decision
What overall capital expenditure value should be charged each year.	Anticipated spend from Long Term Plan (year ahead)
Loan period	30 years
Required recovery period	Within the year
WWTP upgrade programme length	15 years
Expected Year 1 LTP capital recovery	\$375,000
Monitoring interval	Customised by consent
Invoicing	Monthly – trader to decide if rolling 12 month average or actual for month

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#### 4.1.2 Control and Management

##### 4.1.2.1 Control and Management Objectives

The Control and Management Review objectives are to:

- Build robust processes which are documented and embedded
  - Data capture and management
  - Reporting
  - Billing
  - Quality assurance and control
- Ensure bylaw implementation effectiveness
  - Ease of use/understanding
  - Buy-in from stakeholders
  - Full coverage of Trade Waste premises
  - Supporting documentation and information available

##### 4.1.2.2 Control and Management Approach

Investigate options, and implement an appropriate system for trade waste management.

This allows:

- All consents and data to be in one location
- Visibility of data, including trends and non-compliances
- A systematic approach to management of trade waste consents
- Efficient management of trade waste

Using a system which other local councils use, allows the ability to share skills and knowledge about the system, and implement best practice.

While a system can be used for managing the trade waste consents and data, processes will still need to be built around tasks, and documented for a standard approach.

Implementation of the bylaw includes developing processes such as:

- Application process and forms
- Consent setting
- Invoicing

These will need to be standardised from the outset, to make sure they are clear, transparent, and efficient.

In order to provide an efficient service during the initial round of applications from existing traders, they could be invited to submit their application with a couple of months' notice, to allow staggering of applications. This requires all processes and systems to be set up to receive their applications and be ready to handle their consents.

Businesses which are not currently known Trade Waste dischargers will need to be identified and approached as well.





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#### 4.1.2.3 Control and Management Reasoning

By utilising customised systems, control and management of Trade Waste dischargers becomes much more effective, allowing Council staff visibility of data, and having information at their fingertips. By being systematic, everything to do with trade waste is kept in one place, has a location, and is easily locatable.

#### 4.2.2 User Interfacing

##### 4.1.2.4 User Interfacing Objectives

The objectives for User Interfacing are:

- Develop enduring, open and honest relationships with traders
- Be responsive, consistent and transparent in all communications
- Provide useful information and data to trade dischargers in order for them to make informed decisions
- Provide easy to find information, which is clear and easy to understand
- Educate the business community, so they understand if they are trade waste dischargers or not

##### 4.1.2.5 User Interfacing Approach

The User Interfacing is about the experience the Trade Waste dischargers has with Council, with finding information, transactions, communications, face-to-face meetings and visits, enforcement of the bylaw, flexibility to adjust; but is also what Council requires from them – understanding their activities, future plans, flows and loads, revenue, data, notification of issues, etc.

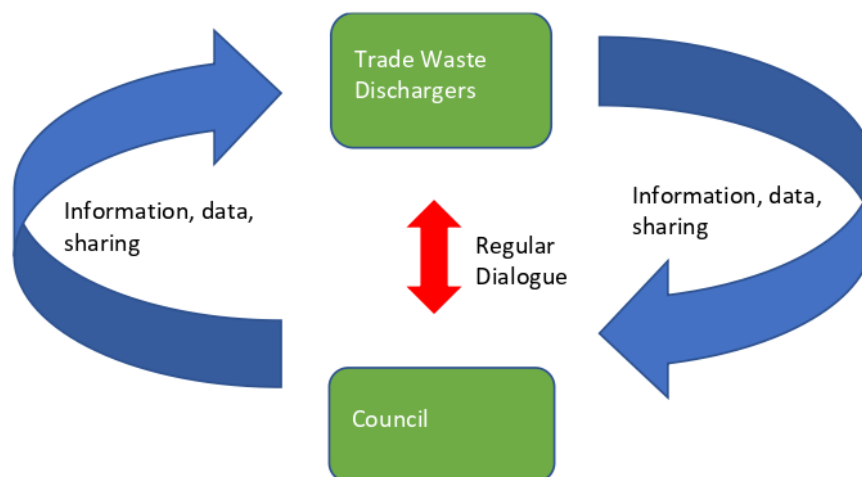


Figure 3 User interfacing concept

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#### 4.1.2.6 User Interfacing Reasoning

Current and future dischargers of Trade Waste will be the most impacted by this Strategy. An effective relationship between the Council and the Trade Waste dischargers will be crucial to the success of the Strategy.

#### 4.2.3 Future Proofing

Future proofing is part in parcel of the key areas of the strategy outlined in the sections above. Any systems and processes put in place should be forward-thinking and progressive.

#### 4.1.2.7 Future Proofing Objectives

The Future Proofing objectives include:

- Any new systems and processes adopted are robust, adaptable and well documented
- Relationships built with trade waste discharges are constructive, effective and enduring, and of a collaborative nature
- Identification of the direction of any future bylaws in order to progress towards the design and operation of the new WWTPs
- Any new consents issued are progressing towards the new WWTPs (will require improved control and management of the discharges, and conditions requiring improving levels of contaminants)

#### 4.1.2.8 Future Proofing Approach

By developing and implementing internal systems and processes within Council for the Trade Waste regime, this will allow an effective and efficient management and control of Trade Wastes in the District.

This goes hand-in-hand with taking Trade Waste dischargers on the same journey, allowing them to understand the need for, and develop their own systems and processes in order to discharge Trade Waste which is compliant with the conditions of their trade waste consents. Council will need to drive Trade Waste discharger behaviour, while maintaining the collaborative relationship that's needed, particularly leading up to locking down the design for the new WWTPs and conveyance. This is quite a change for both Council and the trade waste dischargers, as flagging of non-compliances and enforcement have not been evident in recent times.

#### 4.1.2.9 Future Proofing Reasoning

The pond-based treatment systems that Council currently operate are very forgiving as far as fluctuating incoming flows and loads are concerned. By transitioning the Trade Waste dischargers towards a more sensitive treatment process, this will ultimately benefit the operability of the WWTP and the receiving environment, and allow Council and the community to benefit from the centralised wastewater treatment.

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Relationships with Trade Waste dischargers are important, so if any of their activities are proposed to change, Council becomes aware of them early. The relationships with the traders are particularly important during the design phase for the new waste water treatment plants, in order to make sure the new waste water treatment plants are designed and built fit for purpose. Over-sized and under-sized waste water treatment plants are equally difficult to operate, but future growth must also be allowed for.

#### 4.2 Strategy Funding

This project will be funded in three ways. Central government DIA Water Reform funding will be a significant source of funding for this project, as summarised in Table 2 below.

Table 2 – Summary of funding sources and budgets for trade waste strategy

Item	Funding source	Budget
Central Hawke's Bay District Council resource (shared with Inflow and Infiltration Strategy)	Water Reform tranche 1	\$160,000
Trade Waste Bylaw review	Water Reform tranche 1	\$40,000
The Big Wastewater Story impacts	Within projects	
Trade Waste regime technical support	Recovered within operating charging	

#### 4.3 Trade Waste Strategy Implementation Timeline

Table 3 summarises the planned timescales proposed to implement the Trade Waste Strategy. With the accelerated programme leading up to the Bylaw adoption, there is now a lot of work getting systems and processes in place and operational.

Table 3 - Trade waste strategy timeline

Item	Timing
Review and adoption of Trade Waste Bylaw	Adopted May 2021
Development of application process for updated Bylaw <ul style="list-style-type: none"> <li>- Consent setting</li> <li>- Systems and processes</li> </ul>	July 2021
Development of processes for monitoring of Trade Waste discharges <ul style="list-style-type: none"> <li>- Consent condition management</li> <li>- Data handling and monitoring</li> </ul>	September 2021

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- Auditing programme	
New consents issued under new Bylaw	Existing traders by 31 December 2021
Identification of Trade Waste discharges not currently consented	By 31 December 2021

## 5 RISKS AND OPPORTUNITIES

The Trade Waste Strategy implementation risks will be identified and managed through the Implementation Plan. A number of initial risk items include:

Table 4 - Risks identified associated with the trade waste strategy

Risk	Potential Mitigation
Example 2048 capital recovery charges used in calculator are from other sites. May not be representative of actual Central Hawke's Bay situation. Risk of Trade Waste premise basing an investment decision on incorrect or incomplete information.	Refine regularly as quality of Central Hawke's Bay information matures.  More specific analysis of Waipawa concept design and adjusting calculator early.
Multiple revisions of trader calculators confuse Trade Waste premises. Risk of Trade Waste premise basing an investment decision on incorrect or incomplete information.	Clear communications when any revisions are sent out.  Latest version only on website.
Significant Trade Waste operator ceases discharging to system and leaves district before complete recovery of capital expenditure charge.	Capital expenditure charged in year work is completed, with no loan repayments.  Agreements to build in a mechanism for guaranteed recovery on early exit by a Trade Waste party could be used once the designs are locked in for significant upgrades/new Waste Water Treatment Plants.

With risks, come opportunities. The following opportunities have been identified:

Table 5 - Opportunities identified as part of the trade waste strategy

Opportunity	Mitigation
A Trade Waste strategy that is fair and flexible, which gives industries confidence to commit to long term investment in the District.	



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Trade Waste includes excess alkalinity, within an acceptable pH range that will enhance the stability of a nitrogen removal waste water treatment plant.

Could reduce purchase cost of supplementary alkalinity. Possible Trade Waste credit.

Trade Waste includes a high proportion of readily biodegradable Chemical Oxygen Demand (as a fraction of its total carbon load) that would aid in the process of denitrification of nitrate.

Could reduce purchase cost of supplementary rbCOD. Possible Trade Waste credit.

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## 6 REFERENCES

1. CHBDC Draft Trade Waste Bylaw [2021] - <https://www.chbdc.govt.nz/assets/Document-Library/Bylaws/Trade-Waste-Bylaw-2021.pdf>
2. The Wastewater Specialists [2017] <https://www.chbdc.govt.nz/assets/Uploads/20171100-Waipukurau-Waipawa-Wastewater-Treatment-Plant-Review-The-Wastewater-Specialists-Nov.pdf>
3. Beca, Waipawa WWTP Stage 1 Review [2017] <https://www.chbdc.govt.nz/assets/Uploads/20171218-NZ1-14965209-Waipawa-WwTP-Preliminary-Stage-1-Review.pdf>
4. CHBDC Wastewater Strategy [2020] <https://www.chbdc.govt.nz/assets/Uploads/CHBDC-Wastewater-Strategy-FINAL-20201009.pdf>
5. Beca Trade Waste Review 2020 [Internal link](#)  
Beca Trade Waste review 2020 file note [Internal link](#)

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## 7 DEFINITIONS

Trade Waste	Is any liquid that is or may be discharged from a trade Premises or tanker to the Council's sewerage wastewater system of a non-domestic nature
Trade Waste discharger	Premises discharging trade waste
Model bylaw	NZS:9201.23
Cleaner Production	As defined in the trade waste bylaw. This is around improvement of processes and activities in order to reduce contaminants being discharged as trade waste.
Premises	As defined in the trade waste bylaw. Summarised as the property or building the trade waste originates from.
Management Plan	As defined in the trade waste bylaw. Summarised as plan for the management of operations on a premises.

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## APPENDICES

Appendix A Practice Notes 1-9

Appendix B Fees and Charges

Appendix C Trade Waste Bylaw Statement of Proposal

Appendix D Trade Waste Bylaw Changes Summary - February 2021

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## APPENDIX A PRACTICE NOTES

Practice note number	Topic	Link
1	What is Trade Waste?	<a href="#">TW01</a>
2	Trade waste categories	<a href="#">TW02</a>
3	Fees and charges	<a href="#">TW03</a>
4	Offences and enforcement	<a href="#">TW04</a>
5	Tankered waste application process	<a href="#">TW05</a>
6	Conditional category application process	<a href="#">TW06</a>
7	Permitted category application process	<a href="#">TW07</a>
8	Pre-treatment	<a href="#">TW08</a>
9	Written approvals register	<a href="#">TW09</a>

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# Trade Waste

## PRACTICE NOTE TW01

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Trade Waste Bylaw 2021.

## What is Trade Waste?

Trade waste means any liquid that is or may be discharged from a trade Premises or tanker to the Council's wastewater system of a non-domestic nature.

## What are some examples of types or sources of trade waste?

Table 1 below includes some examples of trade waste types and sources (not an exhaustive list).

Type	Source
<b>Processing</b>	Beverage
	Dairy processing plants
	Food processing including canneries
	Meat, shellfish, fish
	Brewery, winery, distilleries
<b>Manufacturing, fabrication, finishing</b>	Concrete batching plants
	Bitumen, tar
	Electroplaters, Galvanisers, metal finishing
	Fellmongers, tanneries, leather finishings
	Foundries
	Chemical manufacturing
	Manufacture of chemical, petroleum, coal, rubber and plastic products
	Metal fabricators
	Manufacture of clay, glass, plaster, masonry, mineral products
	Fertiliser/soil amendment product manufacture and handling
	Manufacture of paper and paper products
	Wool scourers
	Paint, ink, dye
	Adhesives, resins, fibreglass, latex
	Pharmaceuticals
	Timber treatment and manufacturing
	Detergents, soaps, cleaning products

Other	Commercial laundries
	Dry cleaners
	Hospitals
	Mortuaries
	Scientific and medical laboratories
	Veterinary surgeries
	Landfill leachates
	Stock sale yards
	Stock truck washes
	Vehicle washes
	Tankered waste
	Photo processing
	Printers
	Spray painting facilities
	Textile fibre and textile processors
	Bakeries
	Restaurants
	Supermarkets
	Educational facilities with laboratories
	Premises with commercial macerators
	Dentists
	Workshops/service stations/mechanics
	Catering

Table 1 – examples of trade waste types or sources

### **I have a business and will be discharging trade waste, what should I do?**

Have a look through the information on Council's website, and contact us should you need to discuss your situation. Any trade waste discharges to the Council's wastewater network must comply with the Trade Waste Bylaw, and you will require permission to discharge.

See the Trade Waste Applications section for further information.



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# Trade Waste Categories

## PRACTICE NOTE TW02

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Trade Waste Bylaw 2021.

## What are trade waste categories?

There are three categories of trade waste:



### 1. Permitted

Trade wastes which meet the conditions of Schedule A are categorised as Permitted trade waste. The trade waste discharge must meet the conditions in Schedule A at all times. This category of trade waste is considered to be low risk to the wastewater system and workers, and as such is not routinely monitored.

Council keeps a register of Permitted trade waste discharges, and an application to discharge permitted trade waste is required. Council may visit your Premises to check on your activities and that they continue to meet the permitted trade waste category. You are required to notify Council if your activities change, you intend to cease to discharge to the wastewater system, or of any ownership changes for your business. If your business moves, you must also notify Council.

Trade waste from premises such as those below may be categorised as permitted trade waste, but an application to Council is required to confirm your activities meet the requirements of the permitted category.

Wastewater discharges from the following Premises are examples of potential Permitted trade waste:

- Bakeries
- Vehicle washes
- Community facilities with catering facilities
- Clothing manufacturers
- Doctors surgeries
- Hotels and motels with catering facilities
- Laundries
- Marae
- Mechanical workshops
- Laboratories
- Restaurants and cafes

- Wholesalers/retailers including butchers, greengrocers and fishmongers
- Educational facilities with laboratories
- Takeaway Premises
- Veterinary surgeries
- Hairdressers

Pre-treatment may be required in order to meet the requirements of the Permitted category. See Pre-treatment section below.



### 2. Conditional

Conditional trade wastes are those that do not meet one or more of the conditions in Schedule A, but don't trigger any of the conditions in Schedule B.

#### Conditional Tankered Waste

Any waste that is tankered is classified as conditional. Only domestic septic tank and grease trap waste can be tankered to an approved location under the conditions of a conditional tankered waste consent.

Any waste from a holding tank must have its own separate consent to discharge at an approved location – this must be arranged prior to the discharge.



### 3. Prohibited

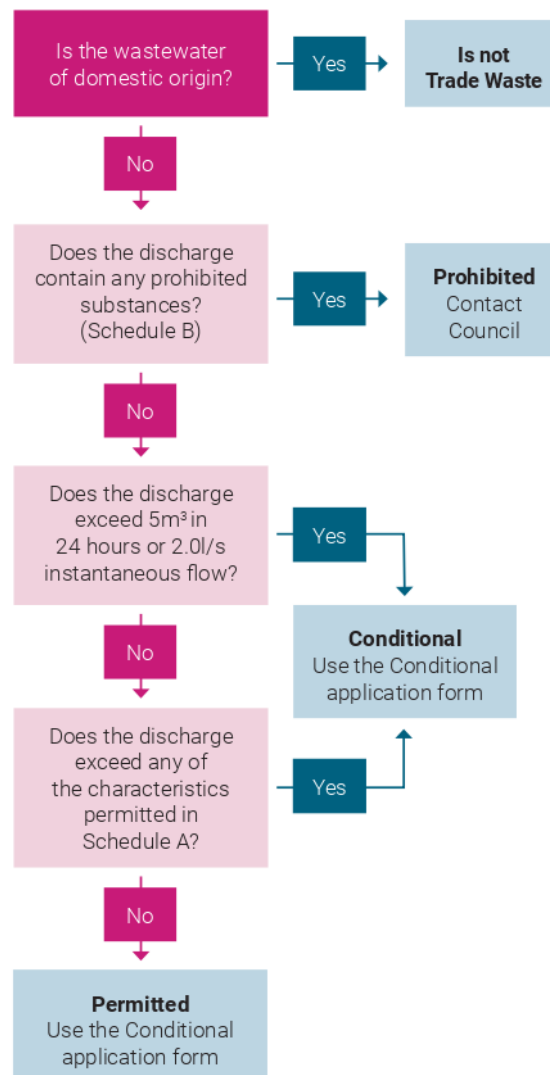
Where any trade waste discharges meet the conditions or characteristics in Schedule B, these must not be discharged to the Council wastewater system. Please contact Council to understand what options are available to you.

### How is trade waste categorised?

Trade waste classification is assessed at the time of application for trade waste discharge to Council but applies at all times. If your activity changes, your trade waste categorisation may have changed, so it is important to let Council know of any changes.

### How can I tell what category my trade waste discharge could be?

The flow chart in Figure 1 should be read in conjunction with Schedule A and Schedule B of the Trade Waste Bylaw 2021. The flowchart has been prepared to assist with determining what the likely category will be that is applied to your trade waste. The category will be confirmed by Council upon application.





# Fees and Charges

## PRACTICE NOTE TW03

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Trade Waste Bylaw 2021.

## What kind of fees and charges apply to trade waste?

Current year fees and charges can be found by searching "fees and charges" on Council's website. These are reviewed on an annual basis, and apply from 1 July to 30 June each year.

Charges apply at the time of application to discharge trade waste, and for the connection to the wastewater network. An administration fee is charged each year, which covers compliance monitoring, inspections, and administration associated with your trade waste discharge.

For tankered and conditional trade waste, invoices are sent on a regular basis (normally monthly unless otherwise agreed). These invoices include operational and capital charges, which are charged according to the amount you discharge in the period (flow and load).

While the calculations behind the rates you are charged are complex, your invoice will clearly show your charges, and how they have been calculated.

## What new categories for charging have been introduced in the 2021 bylaw?

New categories for trade waste charges have been introduced in the 2021 trade waste bylaw. The new categories develop on from B13 capital included in the 2018 trade waste bylaw. The new categories are summarised in Table 1.

Category	Description
B14 Inorganic Suspended Solids	Payment based on the mass of inert suspended solids \$/kg
B15 Volatile Suspended Solids	Payment based on the mass of volatile suspended solids \$/k.
B16 rbBOD	Rebate for readily biodegradable biochemical oxygen demand \$/kg
B17 Volume capex (Vc)	Payment based on the volume discharged \$/m <sup>3</sup>
B18 Organic Loading capex (BODc)	Biochemical oxygen demand or chemical oxygen demand \$/kg
B19 Nitrogen capex (TNc)	Payment based on the defined form(s) of nitrogen \$/kg
B20 Phosphorus capex (TPc)	Payment based on the defined form(s) of phosphorus \$/kg
B21 Inorganic Suspended Solids capex (ISSc)	Payment based on the mass of inorganic suspended solids \$/kg
B22 Volatile Suspended Solids capex (VSSc)	Payment based on the mass of volatile suspended solids \$/kg

Table 1 - new categories introduced in 2021 Trade Waste bylaw

B14 and B15 have been introduced, as B3 was already in use and was being split into inorganic and volatile suspended solids at the time of invoicing.

From 1 July 2021, charges for both operational and capital cost will be included in fees and charges.

Previously, only charges for operational costs were applied. This change is due to the need for trade waste dischargers to pay their share of the capital costs of the upgrades to the wastewater system as part of #thebigwastewaterstory programme of work.

Behind the rates that are being used for B17 – B22 are a complex series of calculations which apportion the cost of the wastewater capital programme to the

parameters the capital work will treat. The planned capital cost is reflected in B17-B22 from 1 July each year for the planned spend in that year.

An example of the apportionments is the new dissolved air flotation unit (DAF) which will be installed at Waipawa WWTP – this treatment unit will be addressing phosphorus removal, total suspended solids removal, and clarity for UV disinfection (apportioned to flow).

The total cost of the DAF installation has been apportioned across these three parameters, and forms part of the year 1 rates that apply from 1 July 2021 for B17, B20, B21 and B22.

### What fees and charges will you be charged?

There are two sets of rates you will be charged for – operational and capital. Each invoice you receive will show what you are being charged for.



### How are fees and charges calculated?

Trade waste dischargers will be charged the actual cost involved with treating trade waste received by Council into the wastewater system. The total cost to Council of receiving, conveying, treating and disposing of wastewater from within its district is made up of capital, maintenance, operating consumables, labour and administration costs.

The costs for each discharger of wastewater are apportioned to volume, Biochemical Oxygen Demand (BOD5), Inert Suspended Solids (ISS), Volatile Suspended Solids (VSS), total nitrogen (TN) and total phosphorous (TP) of discharged wastewater, and summed to give the total costs of reticulation to, and treatment at, the treatment plant.

The rates themselves can be found in Fees and Charges. These are reviewed on an annual basis.

**The annual trade waste charge (operational) is calculated using the following formula:**

$$\left( C_1 \times \frac{V}{Q} \right) + \left[ C_2 \times \left[ \left( \frac{V}{Q} \times \text{Volume} \right) + \left( \frac{B_T}{B_w} \times BOD_5 \right) + \left( \frac{D_T}{D_w} \times ISS \right) + \left( \frac{E_T}{E_w} \times VSS \right) + \left( \frac{F_T}{F_w} \times TN \right) + \left( \frac{G_T}{G_w} \times TP \right) \right] \right]$$

The variables in the formula above are defined in Table 2 below.

Variable	Units	Description
<b>Q</b>	m³/year	The average annual volume in cubic metres of all wastewater received at the Council's treatment plant where the Trade Wastes are treated, during each subsequent financial year
<b>BW</b>	kg/year	The average annual BOD5 in kilograms of all wastewater received at the Council's treatment plant where the Trade Wastes are treated, during each financial year
<b>DW</b>	kg/year	The average annual ISS in kilograms of all wastewater received at the Council's treatment plant where the Trade Wastes are treated, during each financial year
<b>EW</b>	kg/year	The average annual VSS in kilograms of all wastewater received at the Council's treatment plant where the Trade Wastes are treated, during each financial year
<b>FW</b>	kg/year	The average annual TN in kilograms of all wastewater received at the Council's treatment plant where the Trade Wastes are treated, during each financial year
<b>GW</b>	kg/year	The average annual TP in kilograms of all wastewater received at the Council's treatment plant where the Trade Wastes are treated, during each financial year
<b>C1</b>	\$	The estimated annual cost of receiving and disposing of (but not treatment) all such wastewater during each subsequent financial year
<b>C2</b>	\$	The estimated annual costs to the Council for treatment of all wastewater during each financial year, apportioned to volume, BOD5, ISS, VSS, TN and TP on a site specific basis relating to wastewater treatment processes
<b>V</b>	m³/year	Volume of wastes shall be based on either the measured volume of wastewater discharged from the premises or the volume estimated from the measured volume of water entering the premises during the period corresponding most closely with each financial year

Table 2 - definitions of variables used in calculations for operational rates

Where "T" is used in the calculations, this is the annual load (kilograms) discharged by the trade waste discharger for each parameter. The estimated apportionment of costs for C2 is shown in Table 3 below.

WwTP	% of total operational treatment cost apportioned to					
	Volume	BOD5	ISS	VSS	TN	TP
Waipukurau*	33%	45%	14%	6%	1%	1%
Waipawa*	46%	26%	17%	7%	2%	2%
Other WwTP	To be confirmed on an individual basis					

\* Based on existing pond-based treatment processes; to be revised following future upgrades

Table 3 - apportionment of costs by parameter for C2.

The charges in respect of BOD5, ISS, VSS, TN and TP is based on the measured composition of wastewater discharged from the premises during the period corresponding most closely with each financial year. This BOD5, ISS, VSS, TN and TP are respectively designated BT, DT, ET, FT, and GT (kg/year).

### How are operational charges invoiced?

While the calculations behind the rates used in Fees and Charges is complex, invoicing for trade waste discharges is relatively straightforward. There are two sets of rates you will be charged for – operational and capital. Each invoice you receive will show what you are being charged for.

Operational charges in each charging period are calculated based on:

$$(V \times B1) + (BOD \times B4) + (TN \times B5) + (TP \times B6) + (ISS \times B14) + (VSS \times B15)$$

Components of the formula are defined in C.2 and in the table below.

Variable	Definition
V	Volume discharged in charging period, m <sup>3</sup>
BOD	Mass of each parameter discharged in charging period, kg
TN	
TP	
SS	Mass of SS discharged in charging period, kg Consisting of the sum of ISS and VSS, kg

Table 4 - definition of variables used in each charging period

### How are capital charges invoiced?

Capital cost charges in each charging period will be calculated much as they are for the operational costs:

$$(V \times B1) + (BOD \times B18) + (TN \times B19) + (TP \times B20) + (ISS \times B21) + (VSS \times B22)$$

With the same definitions as per Table 4.

During the deliberations for the fees and charges to be used for the Long Term Plan 2021-2031 (LTP), the decision was made to phase in the capital cost rates B17-B22 as per Table 5. This will be applied to the capital rates only at the time of invoicing.

This allows trade waste dischargers time before the full rates are applied. This means that the districts' ratepayers will be subsidising the capital cost of trade waste discharges for the first 3 years of the LTP.

Year	Weight/differential
Year 1 – 2021/2022	0.50
Year 2 – 2022/2023	0.60
Year 3 – 2023/ 2024	0.85
Year 4 – 2024/2025	1.0
Year 5 – 2025/2026	1.0

Table 5 - capital cost rate multiplier for trade waste discharges



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# Offences and Enforcement

## PRACTICE NOTE TW04

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Trade Waste Bylaw 2021.

## Offences and Enforcement

In the 2021 trade waste bylaw, Warning Notices have been introduced. These may be issued following a review process if Council has concerns with the characteristics of the trade waste discharge from your premises. For example there is a consent compliance failure and the issue causing it remains unresolved, or there is concern the trade waste discharge quality has the potential to deteriorate and cause a consent breach either of the trade waste discharge, or has the potential to impact on the wastewater system.

Figure 1 summarises the approach Council may take if there are concerns with your trade waste discharge quality, or known issues at your premises which may impact on the trade waste discharge quality.

It is Council's intention to work with any trade waste dischargers having issues with their trade waste discharge quality to make sure that there is an improvement plan in place, and actions working towards resolution of the issues are clear and timely, to reduce the impact on the wastewater network. Any issues you have at your premises can affect what Council discharges to the environment from the wastewater system, which can affect a wide range of people and activities, not only in this district.

Council has powers under the Local Government Act 2002 (LGA) to recover costs where damage or nuisance has been caused by a discharge to the wastewater network, and can also take the formal enforcement route under the LGA if required. It should be noted that if issues cannot be resolved which impact on the quality of the trade waste discharge to the satisfaction of Council, and the process in Figure 2 is followed, Council can cancel your consent to discharge trade waste to the wastewater system. Council will make every effort to work with you before this point is reached.



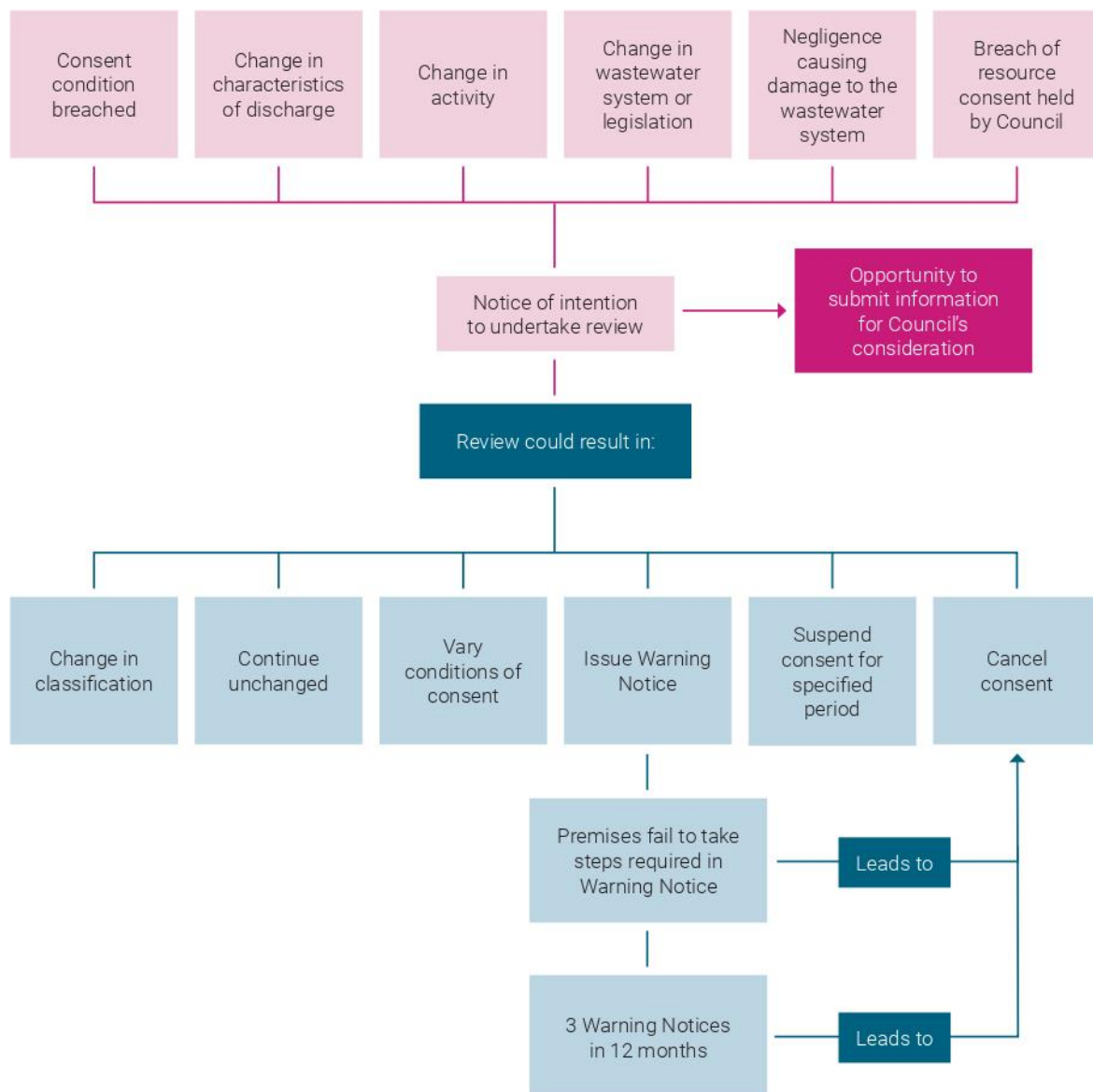


Figure 1 - control of trade waste - potential enforcement route



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## CONSENT APPLICATION PROCESS

# Tankered Waste

### PRACTICE NOTE TW05

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Trade Waste Bylaw 2021.

## What is tankered waste?

Water or other liquid, including waste matter in solution or suspension, which is conveyed by vehicle for disposal, excluding domestic sewage discharged directly from house buses, caravans, buses and similar vehicles.

### Waste from holding tanks

Waste from holding tanks (excluding septic tanks) must have Council written approval prior to transferring to the Approved Location. This is the responsibility of the Premises that has responsibility for the holding tank. The waste characteristics must be known and supplied to Council.

Tankered waste companies must make sure that written approval has been sought prior to picking up the waste.

### When is a trade waste consent application for tankered waste required?

Tankered waste will be subject to a more structured management and control approach going forwards.

All companies intending to discharge, or discharging tankered waste to the wastewater system must apply for permission to discharge tankered waste.

### Why is a trade waste application required for tankered waste?

Tankered waste dischargers need to apply to Council, so that Council can understand the scale of the operation, the nature of the wastes proposed to be discharged, and also what access is required at the Approved Location.

### How do I apply for a conditional tankered waste consent?

Companies wishing to discharge tankered trade waste should use the Tankered Waste application form, found on Council's website in the trade waste section.

Tankered waste to be discharged to the wastewater network can only do so at an approved location – this is normally one of the wastewater treatment plants, and is stated once the consent to discharge is granted.

The details provided on the application form allow Council to understand the scale of the tankered waste operation, and access requirements at the Approved Location.

The consent, once granted, will state conditions such as the records required to be submitted to Council, the types of discharges allowed, any requirements of Council systems the operator is to use, and Approved Location site requirements. A site induction for each driver will be required prior to their first discharge at the Approved Location.

### What happens once I have lodged an application with Council?

Once your application is received by Council, along with the application fee, Council will confirm (in writing) they have all the information they require, and how long it will take to process your application if longer than 15 working days. If Council does not have sufficient information to proceed with your application, they will let you know what further information is required, and when it is required by in order to progress your application.

Once your application is confirmed as complete, Council will contact you to discuss your application further, particularly with respect to proposed consent conditions and monitoring requirements.

### Why are conditions required?

Consent conditions are set based on what the wastewater network can receive. By controlling and managing what goes into the wastewater system, Council can make sure it's safe for workers, the infrastructure is not compromised, and the system can operate at its optimum, therefore protecting the environment.

### What happens if my application is declined?

Council will discuss your application with you prior to making any decision. In order for Council to accept your discharge and issue a consent to discharge, you may be required to manage how you discharge your tankered waste at the Approved Location due to constraints with the wastewater system. Some types of tankered waste may not be acceptable for discharge into the wastewater network, in which case they will need to be tankered to a suitable alternative facility.

If you cannot meet Council's requirements in order for it to accept your trade waste, your application will be declined, and the reasoning will be provided to you.

Should you require a review of the decision if you are not satisfied, you can contact the Chief Executive of Council no later than 20 working days after the decision notification, requesting them to review the decision. The decision of the Chief Executive shall be final.

### What happens if you change your activity?

If your activity changes at any time, you intend to cease discharging tankered waste, or your business moves, please notify Council. This helps Council understand what is discharging where in the wastewater system, and how it may affect Council's operation. Council also need to know about ownership changes.

You will be liable for all charges until Council acknowledges the ceasing of your discharge.

### My consent is about to expire, what should I do?

Council will be in contact with you prior to your consent expiring. You will be required to re-apply for a consent to discharge tankered waste into the Council wastewater system.





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**CONDITIONAL CATEGORY CONSENT**

# Application Process

## PRACTICE NOTE TW06

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Trade Waste Bylaw 2021.

## When is a trade waste consent application required?

All premises intending to discharge or discharging wastewater of a non-domestic nature to the wastewater system, must apply for permission to discharge trade waste.

### How do I apply for a conditional trade waste consent?

Premises discharging trade waste which fits in the conditional category should use the Conditional application form, also found on Council's website in the trade waste section.

Accompanying the application should also be the following:

- Management Plan
- Stormwater Drainage Protection Plan
- Sample data

The application fee must be paid before the application can be accepted.

## What is a Management Plan?

The Management Plan helps Council understand your discharges and the risks associated with them. It also demonstrates how you manage and control your trade waste discharge.

The Management Plan is required by Council to understand the premises activities, key contacts, site layout, any wastewater pre-treatment/treatment in use/ intended to be used, risks on the site, and information such as contingency plans in case of incidents.

A template is provided on Council's website in the trade waste section to help you develop your Management Plan. If you have a plan already developed which covers the Council's requirements in the Management Plan, you can provide that to us.

Cleaner Production techniques should be considered in your activity, and covered in your Management Plan. Cleaner Production is the implementation of effective operations, methods and processes appropriate to the goal of reducing or eliminating the quantity and toxicity of wastes. This is required to minimise and manage trade waste by

- Using energy and resources efficiently, avoiding or reducing the amount of wastes produced
- Producing environmentally sound products and services
- Achieving less waste, fewer costs and higher profits.

## What is a Stormwater Drainage Protection Plan?

In order to protect the environment in case of an incident or problem on your site, you need to have a contingency plan to prevent any discharges or chemicals getting into the stormwater system.

Guidance is provided on Council's website in the trade waste section to help you develop your Stormwater Drainage Protection Plan. If you have a plan already in place, please provide that to us.

### What is Sample Data?

This is data that Council can use to confirm which category your trade waste fits in, and also to enable Council to set your Consent Conditions. Council requires sufficient sample data to understand the nature of your discharge. If you are not currently producing any trade waste, data typical of your activities may be used until such time that you are producing trade waste which can be analysed.

Ideally sample data typical of the discharge, and worst-case discharge sample data should be provided, or an indication of what the characteristics could be in each case.

The following sample data is required in the application form:

**Table 2 - Sample data required at time of application**

- Total suspended solids
- Volatile suspended solids
- Settleable solids
- Biochemical oxygen demand
- Total nitrogen
- Total phosphorus
- Dissolved reactive phosphorus
- pH
- Temperature

The following should be provided if your discharge is likely to contain them in quantities greater than those shown in Schedule A:

**Table 3 - Sample data that may be requested at time of application**

- Total oil and grease
- Petroleum hydrocarbons
- Total kjeldahl nitrogen
- Ammonia
- Sulphide
- Heavy metal suite (boron, copper, zinc, mercury, cadmium, lead, nickel, chromium (III))

Council may request further sample data in order to better understand your trade waste discharge and set parameter limits in your consent.



### What happens if the trade waste is categorised as prohibited?

Premises which are likely to discharge trade waste which exceed the characteristics in Schedule A, and meet the conditions/characteristics in Schedule B, should contact Council. Contact details can be found in the trade waste section in Council's website to initiate discussions with the Trade Waste Officer. Treatment to enable the trade waste to meet the conditional category requirements may be possible, or the wastewater may have to be tankered to a facility that can accept the waste.



### What happens once I have lodged an application with Council?

Once your application is received by Council, along with the application fee, Council will confirm (in writing) they have all the information they require, and how long it will take to process your application if longer than 15 working days. If Council does not have sufficient information to proceed with your application, they will let you know what further information is required, and when it is required by in order to progress your application.

For conditional discharges, Council will contact you to discuss your application further, particularly with respect to proposed consent conditions and monitoring requirements.



### What happens if my application is declined?

Council will discuss your application with you prior to making any decision. In order for Council to accept your discharge and issue a consent to discharge, you may be required to install additional treatment to address characteristics which are not acceptable, or the wastewater system does not have the capacity to receive.

If you cannot meet Council's requirements in order for it to accept your trade waste, your application will be declined, and the reasoning will be provided to you.

Should you require a review of the decision if you are not satisfied, you can contact the Chief Executive of Council no later than 20 working days after the decision notification, requesting them to review the decision. The decision of the Chief Executive shall be final.

### What happens if you change your activity?

If your activity changes at any time, you intend to cease discharging trade waste, or your business moves, please notify Council. This helps Council understand what is discharging where in the wastewater system, and how it may affect Council's operation. Council also need to know about ownership changes.

You will be liable for all charges until Council acknowledges the ceasing of your discharge.



### My consent is about to expire, what should I do?

Council will be in contact with you prior to your consent expiring. You will be required to re-apply for a consent to discharge trade waste into the Council wastewater system.

#### Relevant information

- What is Trade Waste
- Trade Waste Categorisation
- Pre Treatment
- Trade Waste Fees and Charges
- Trade Waste Offences and Enforcement



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PERMITTED CATEGORY CONSENT

# Application Process

## PRACTICE NOTE TW07

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Trade Waste Bylaw 2021.

## When is a trade waste consent application required?

All premises intending to discharge or discharging wastewater of a non-domestic nature to the wastewater system, must apply for permission to discharge trade waste.

### Why is a trade waste application required for a permitted category?

Permitted trade waste dischargers need to apply to Council, so that your situation can be assessed to make sure it meets the requirements of the Permitted category. Council will keep a register of Permitted trade waste so inputs into the wastewater system are understood.

### How do I apply to discharge permitted trade waste?

Premises which consider their trade waste to meet the requirements of the Permitted trade waste category should use the Permitted application form, found on Council's website in the trade waste section.

The application fee must be paid before the application can be accepted.

### Relevant information

- What is Trade Waste
- Trade Waste Categorisation
- Pre Treatment
- Trade Waste Fees and Charges
- Trade Waste Offences and Enforcement



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# Pre-treatment

## PRACTICE NOTE TW08

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Trade Waste Bylaw 2021.

## What is pre-treatment?

Pre-treatment is where you treat your wastewater in some way prior to discharging it as trade waste to the wastewater network, in order to meet your trade waste classification and/or consent conditions. It may also be a resource recovery method for your activities.

## What types of pre-treatment are there?

Types of pre-treatment can include:

- pH correction
- Settlement to remove solids
- Grease trap/interceptor to reduce fats, oils and greases in your discharge
- Flow buffering to mix your wastewater streams, and/or provide balancing so you don't exceed your discharge flow rates or volumes
- Chemical treatment eg through a dissolved air flotation unit, to reduce contaminants being discharged
- Biological treatment to reduce the organic components being discharged

While pre-treatment will not form part of your consent conditions, Council does want to know what kind of pre-treatment you use/intend on using when you make your application. This is so Council can understand the impact your discharge may have on the wastewater system.

Some examples of pre-treatment for various activities are given in Table 4 below. This list is not intended to be exhaustive. Industry bodies may be able to help you with pre-treatment options that may suit your activity, or provide guidelines.

Type of business activity	Risk to the Wastewater system	Pre-treatment required
<b>Food premises including: Retirement villages, nursing homes, hospitals, day-care facilities, educational facilities with cooking on site</b>	<p>Fats, oils and greases (FOG) can cause issues and blockages in the wastewater network</p> <p>Macerated food waste combined with FOG can cause blockages</p> <p>Toxic cleaning products and wastes with a high nutrient load is more difficult and costly to treat at the WWTP</p> <p>Emerging contaminants in cleaning products pose a risk to the receiving environment and for Biosolids reuse</p> <p>Premises that operate more than 10 hours a day are likely to exceed the allowed discharge volumes of the Permitted category</p>	<p>Grease trap or interceptor</p> <p>Sink screens</p> <p>Food scraps into the bin or compost, not down the sink</p>

<b>Car/vehicle washes</b>	<p>Grit can cause blockages in the wastewater system</p> <p>Hydrocarbons are a hazard, and are be toxic to the bacteria at the WWTP</p> <p>Emerging contaminants in cleaning products pose a risk to the receiving environment and for Biosolids reuse</p> <p>Solvents and used oil must be collected and disposed of via approved routes</p>	Oil and/or grit interceptor
<b>Dentists</b>	Amalgam from fillings contaminate biosolids, and should be recycled	Amalgam trap
<b>Medical facilities including: Nursing homes, hospitals, veterinary surgeons, etc</b>	<p>Toxic waste is more difficult and costly to treat at the WWTP, and may impact on treatment performance</p> <p>Items such as dressings, bandages and plasters can block the sewer and wastewater pumps</p> <p>Emerging contaminants in cleaning products pose a risk to the receiving environment and for Biosolids reuse</p>	<p>Sink screens</p> <p>Plaster arrestors</p> <p>Toxic waste is separated and disposed of through an approved facility</p> <p>Refer to Schedule A and Schedule B regarding pharmaceuticals</p>
<b>Hairdressers</b>	<p>Hair can tangle around wastewater pumps and the screens at the WWTP, causing blockages leading to overflows from the wastewater system</p> <p>Emerging contaminants in products pose a risk to the receiving environment and for Biosolids reuse</p>	Sink screens
<b>Automotive/mechanical</b>	<p>Hydrocarbons are a hazard, and are be toxic to the bacteria at the WWTP</p> <p>Solvents and used oil must be collected and disposed of via approved routes</p>	Oil interceptors
<b>Laundries including facilities which have laundries</b>	<p>Emerging contaminants in detergents pose a risk to the receiving environment and for Biosolids reuse</p> <p>Phosphorus-containing detergents require more treatment at the WWTP to remove the phosphorus from the wastewater</p>	<p>Lint screens</p> <p>Cooling pit if &gt;40°C (see Schedule A)</p>



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# Written Approvals Register

**PRACTICE  
NOTE TW09**

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Trade Waste Bylaw 2021.

Approvals given under Trade Waste Bylaw

Date of Discharge	Duration	Nature of Discharge	Discharge Location	Sewer/Stormwater /drain	Operations Informed Y/N	Contact Details of Discharger	Council Contact



## APPENDIX B FEES AND CHARGES

Trade Waste Calculator

Link: [Trader calculator](#)

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#THEBIGWASTEWATERSTORY – Trade Waste Strategy






## APPENDIX C TRADE WASTE BYLAW STATEMENT OF PROPOSAL

[Internal link](#)

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#THEBIGWASTEWATERSTORY – Trade Waste Strategy





# Statement of Proposal

## Water Supply, Stormwater, Wastewater and Trade Waste Bylaw Review 2021

Water Supply, Stormwater and Wastewater

Public Consultation Period

01 March – 31 March 2021

Trade Waste

Public Consultation Period

12 February – 12 April 2021

*Together we Thrive! E ora ngātahi ana!*

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## BACKGROUND

Council bylaws and policies are a set of rules or regulations that are created to control specific activities within the Central Hawke's Bay District. Bylaws and policies are a useful way of developing a local solution to local nuisance problems. Bylaws and policies focus on those issues which Council have determined can be dealt with appropriately using regulatory enforcement.

## REASONS FOR THE PROPOSAL

### 1. Bylaws

The [Local Government Act 2002](#) (the Act) enables Councils to adopt bylaws for the following general reasons:

- To protect the public from nuisance;
- Protect, promote, and maintain public health and safety; and
- Minimise the potential for offensive behaviour in public places.

The Act also lists specific purposes for which Councils may make bylaws. These purposes include regulating activities such as trade wastes, solid wastes, keeping of animals and trading in public places. Council is also able to make bylaws to manage, regulate and protect its infrastructure, including reticulated wastewater, stormwater and water supply networks, cemeteries and parks and reserves from damage, misuse or loss. The Act also has special powers relating to the making of bylaws for alcohol control purposes.

Most bylaws, including those now subject to review, are made under the Local Government Act 2002. Some other Acts, such as the Dog Control Act 1996 also empower the Council to make bylaws on specific topics. Bylaws may be supported by accompanying policies.

The Act requires that a new bylaw is reviewed within 5 years of it being made.

### 2. Bylaw and Policy Review

In 2020, Council initiated a consolidated review of the following:

- 2018 [Drinking Water Bylaw](#)
- 2018 [Stormwater Bylaw](#)
- 2018 [Wastewater Bylaw](#)
- 2018 [Trade Waste Bylaw](#) and [Appendices](#)

### 3. The Review

The bylaws are intended to deliver on an integrated approach to three waters management in the District. Ensuring our approach aligns to, compliments and reflects the feedback we heard clearly from the community through Project Thrive, as well in the development of other projects such as the District Plan Review and the Integrated Spatial Plan 2020 – 2050.

These bylaws influence things like who can connect to our supplies, how much waste can be discharged, the requirement for water tanks at each property and how we manage stormwater.

Our current bylaws need to be refreshed to ensure they reflect the environmental and infrastructural demands of our time.

The new bylaws will inform how we approach asset management and durable infrastructure practices to support our sustainable water demand management plan and wastewater strategy. The impact of these bylaws is wide reaching – it ensures that step by step, we make positive changes which lead to smart growth while being environmentally sustainable.

#### **4. Guiding principles for bylaw / policy review and development**

The principles which have guided the review process are:

- i. That consideration was given to current bylaws and policies requiring review in advance of statutory review requirements.
- ii. A rolling programme of review, whereby groups of bylaws and policies are reviewed together.
- iii. The bylaws and policies selected for development and review were identified on the basis of the following matters:
  - a) Support and alignment with the district plan
  - b) Support the Revenue and Financing Policy to deliver a user pays model
- iv. The bylaws and policies subject to development and review will be made available for public consultation as one Statement of Proposal. The advantages being:
  - a) Cost and efficiency of process
  - b) Alignment and interaction between bylaws
- v. Each bylaw / policy focuses only on those matters that can, and will, be enforced by the Council
- vi. Unless required by statute, matters relating to fees and charges will be set by a separate annual special consultative procedure or by Council resolution.

#### **5. Developing and amending a bylaw / policy**

When developing or amending a bylaw / policy, Council must use the special consultative procedure and comply with section 86 of the Act if the bylaw concerns a matter identified in the Council's policy under section 76AA of the Act as being of significant interest to the public; or if the Council considers that there is, or is likely to be, a significant impact on the public due to the proposed bylaw or changes to, or revocation of, the bylaw. In this instance, the Council considers that the matters addressed by the bylaws require the use of the special consultative procedure as infrastructure assets relating to water, stormwater, and wastewater are identified as being of significant interest to the public in the Council's Significance and Engagement Policy.

Under the Local Government Act 2002, a bylaw must be made and reviewed by making the determinations required by section 155 of the Act. These are:

1. Identification of a perceived problem, and consideration of whether a bylaw is the most appropriate way of addressing the perceived problem (section 155(1) of the LGA 2002). In considering whether a bylaw is the most appropriate way to respond to a problem, the

Council must consider the other regulatory and non-regulatory tools that are available to it, including existing statute and public education.

2. If a bylaw is the most appropriate way of addressing the perceived problem, then the Council must decide before making the bylaw whether:
  - a. The bylaw is the most appropriate form of bylaw (section 155(2) (a)); and,
  - b. The bylaw gives rise to any implications under the New Zealand Bill of Rights Act 1990 (NZBORA) (section 155(3))

The sections at the end of this statement of proposal set out the perceived problems relating to the different aspects of three waters management in the District. The Council considers that bylaws are the most appropriate way to address these issues, as bylaws allow the Council regulate behaviours that affect three waters management and the use of three waters systems in the District. The Council considers that the most appropriate way to respond to these particular problems is through revoking and replacing the existing bylaws so that new bylaws can more efficiently and effectively deliver on an integrated approach to three waters management in the District.

The Council does not consider that the new bylaws proposed give rise to any implications under NZBORA.

#### **6. Other considerations**

When Council makes or amends a bylaw, it needs to take into account the general law that applies to bylaws. These include:

##### **a. Repugnancy**

A bylaw is in effect a local law and is subservient to primary legislation. The bylaw cannot seek to override legislation determined at a national level. If a bylaw sought to override another statute or the common law, then the bylaw would be found to be invalid because it is repugnant to the general laws of New Zealand. Section 14 of the Bylaws Act 1910 states 'no bylaw shall be invalid merely because it deals with a matter already dealt with by the laws of New Zealand, unless it is repugnant to the provisions of those laws.' Each bylaw contained within this Statement of proposal is found not to be repugnant to any legislation.

##### **b. Certainty**

A bylaw must be certain. In other words, there must be adequate information as to the duties of those who are to obey it. Each bylaw contained within this Statement of Proposal provides adequate information on the duties and expectations of the Council, its stakeholders, and the community.

##### **c. Reasonableness**

The reasonableness of any bylaw is a major consideration. There is case law about what constitutes 'unreasonableness' in a bylaw context. Generally speaking, the following considerations are taken into account when looking at reasonableness:

The surrounding facts, including the nature and condition of the locality in which the bylaw takes effect, the danger or inconvenience it is designed to remedy, and whether or not public or private rights are unnecessarily or unjustly invaded.

A bylaw which unnecessarily interferes with public right without producing a corresponding benefit to the inhabitants of the locality in which it applies is deemed unreasonable.

All bylaws being developed within this Statement of Proposal have been found to be reasonable.

## BACKGROUND TO THE BYLAW REVIEW

### 7. Pre-consultation

Council consulted informally about specific topics within the Water Supply Bylaw during August 2020. The information gathered during this pre-consultation informed the drafting of the Water Supply Bylaw and Stormwater Bylaw. For data from this pre-consultation process, see <https://www.chbdc.govt.nz/our-council/consultations/our-thriving-future/the-great-eight/>.

Council consulted informally about specific topics within the Trade Waste and Wastewater Bylaws during December 2020 and January 2021. The information gathered during this pre-consultation informed the drafting of the Trade Waste Bylaw. For data from this pre-consultation process, see <https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/>.

### 8. Stakeholder Engagement

As well as pre-consultation with the wider community, Council consulted with key stakeholders for specific bylaws. Their feedback informed the drafting of the relevant bylaws:

Bylaw	Key Stakeholders
Draft Wastewater Bylaw	General Community
Draft Trade Waste Bylaw	Industry Contributors, General Community
Draft Water Supply Bylaw	General Community, Developers
Draft Stormwater Bylaw	General Community

A schedule is a formal part of the bylaw and contains specific information to be read in conjunction with the bylaw. A schedule can only be changed using a formal process. These processes could either be through a Special Consultative Procedure, or through resolution of Council which requires Public Notification.

## CONSULTATION PROCESS

Anyone can make a submission about the proposals described in this proposal document. This document is intended to be a summary of the key changes proposed to be made to each of the current bylaws through this review. Council's "Have Your Say" website ([www.chbdc.govt.nz](http://www.chbdc.govt.nz)) includes additional information, including a tracked changes version of each of the draft bylaws and policy and a table for each of the draft documents that list all proposed changes and the reasons for those changes.

Hard copies of this Statement of Proposal, including the proposed new bylaws and tracked changes versions from the current bylaws and copies of the submission forms will be available, for the duration of the consultation period, from:

- Central Hawkes Bay District Council offices
- Council's website ([www.chbdc.govt.nz](http://www.chbdc.govt.nz))

Copies of the documents may also be obtained by contacting the Council on (06) 857 8060.

Submissions close at **5pm on the 31<sup>st</sup> March 2021** for the Water Supply, Stormwater and Wastewater bylaws and **5pm on the 12<sup>th</sup> April 2021** for the Trade Waste bylaw.

## 9. The Submission Process

The Water Supply, Stormwater and Wastewater bylaws contained in this document are open for public submission from **01 March to 31 March 2021**. The Trade Waste bylaw contained in this document is open for public submission from **12 February to 12 April 2021**.

This is your opportunity to let the Mayor and Councillors understand your views about the bylaw and policy proposals.

Operative bylaws and policies of Council may be found on the Council website, <http://www.chbdc.govt.nz/our-council/policies-and-bylaws/bylaws/> or viewed at Council's Administration Building in Waipawa, the Waipukurau Library and Service Centre, and the Waipawa Library.

Your submission or comments can be sent to Council by:

- Sending an email to [facingthefacts@chbdc.govt.nz](mailto:facingthefacts@chbdc.govt.nz)
- **Completing the online submission form**
- Completing the submission form at the end of this document and delivering it to:

Central Hawke's Bay District Council  
32 Ruataniwha Street  
Waipawa 4210

**Or mailing it to:**

Central Hawke's Bay District Council  
PO Box 127  
Waipawa 4240

Please state in your submission whether or not you wish to present your submission in person at a hearing.

Submitters should note that their submission will be copied and made available to the public after the submission period closes.

a. Hearing

A hearing will be held for those who wish to share their views with the Hearings Committee. The hearing is scheduled for the **13<sup>th</sup> and 14<sup>th</sup> April 2021**.

Council will contact submitters following the close of the submission period to confirm the time, date and venue for the Hearing.

10. What happens next?

Once the public consultation period has concluded, Council will determine a schedule for the hearing of submissions on bylaws in **April 2021**. Submitters will be advised of the hearing dates (anticipated to be **13<sup>th</sup> and 14<sup>th</sup> April 2021**), and those who have indicated that they wish to speak to their written submissions advised of their allocated speaking time. Council will consider all submissions received.

Submitters will be advised of the outcome of their submission following conclusion of the hearings process.

Long Term Plan Deliberations are proposed for **13<sup>th</sup> May 2021**.

The Long Term Plan and relevant Bylaws are anticipated to be adopted in **June 2021**.

## PROPOSAL

The following sections provide a summary of:

- The purpose of each bylaw
- The perceived problems they seek to address
- The key changes proposed to the bylaw through this review
- Whether the proposed bylaw would likely give rise to concerns under the Bill of Rights Act 1990.

## WATER SUPPLY BYLAW

### Purpose

The purpose of the Water Supply Bylaw is to:

- a) Enable the Council to manage and provide public water supply services;
- b) Protect the public water supply network from damage, misuse, and interference;
- c) Protect the environment and health and safety of the people using the public water supply;
- d) Ensure the efficient use of water and improve water resilience during periods of water shortage/restrictions.
- e) Align with the wider 'Sustainable Water Demand Management Plan'

### Perceived Problems

The proposed new Water Supply Bylaw seeks to address the following perceived problems in the Central Hawkes Bay District:

1. Contamination of drinking water supplies (e.g. from poorly constructed connections to mains, backflow of contaminants into mains from private networks, damage to mains and connections) potentially resulting in sickness or deaths within the communities served.
2. Loss of water or service pressures to other customers (damage to mains and connections by other service suppliers, uncontrolled removal of bulk water from hydrants, removal of restrictors where fitted on unmetered supplies).
3. Uncontrolled high water usage such that Council exceeds permitted water take resulting in fines for consent breaches from Hawkes Bay Regional Council or damage to aquifers.
4. Customers on limited or restricted supplies running out of water.
5. Damage to reticulated services from contractors excavating or drilling in close proximity to services.

### Key Changes to the Water Supply Bylaw

**Table 1** summarises the key changes proposed through the proposed new bylaw compared to the existing Central Hawkes Bay District Water Supply Bylaw 2018 and the reasons for the changes. Any section or clause references in the table relate to the tracked changes version of the Water Supply Bylaw 2018 that is available on Council's website.

Also available on the website is a table that shows all of the proposed changes to be brought about by this new bylaw, including section and clause references, and reasons for the changes (refer to "Proposed Changes to the Water Supply Bylaw").

**Table 1: Key Changes to the Water Supply Bylaw**

Key Change	Reason for the Change
1. Inclusion of an introductory note including the Overarching Purpose, Objectives and Context of the new Bylaw	To set the scene for a holistic and integrated approach to all three of Council's Water Services and meet Council's District Plan, Policies and Strategies

<b>2. Water tanks - Making dual purpose rainwater tanks mandatory for new urban residential dwellings</b>	Rain water tanks will provide relief to the potable water network in times of peak demand, and allow people to continue watering their gardens when and if water restrictions are imposed. In addition, there is also a benefit from the retention of rain water in terms of reducing the amount of water entering the storm water network during rainfall events (refer storm water Bylaw relating to storm water retention devices).
<b>3. Removal of requirement to provide water storage in rural areas for fire fighting</b>	It is not common to use storage tanks for fire fighting. Voids warranty and adding no value to customers or FENZ.
<b>4. Providing the Council with the ability to impose restrictions on water use</b>	Restricting the use of water will enable Council to maintain an adequate supply of drinking water during, for example, a drought or emergencies. This includes the ability to restrict the filling of domestic swimming pools.
<b>5. Expanding Council's ability to meter water usage for high users or to align with water sustainability outcomes</b>	<p>Our water is precious, and a range of tools are needed to manage its use. Meters are a valuable tool by which Council can measure how much water is being used; identify unaccountable water loss, provide information to users on how much water they are using; indicate to Council how it can plan for water use in the future.</p> <p>Councils existing bylaw provides for the installation of meters to manage high users only. Council wish, to expand the ability to meter where required for other water management criteria such as demand management, information capture, loss management etc. The proposed change does not mandate the installation of meters on any property at any time but merely provides Council with the ability to where necessary.</p>
<b>6. Water Safety</b>	Backflow is one of the biggest risks to the water supply. It is a potential source of contamination that can seriously affect the quality and safety of our drinking water. Amendments are proposed to provide clarity on customer responsibility for backflow prevention to ensure the safety of the water network.

**Assessment against the New Zealand Bill of Rights Act 1990**

Consideration has been given to the New Zealand Bill of Rights Act 1990. The proposed Central Hawkes Bay District Water Supply Bylaw 2021 will not give rise to any implications under the NZBORA and the limits imposed by this proposed bylaw is appropriate to the purpose of the bylaw.

## STORMWATER BYLAW

### Purpose

The purpose of the Stormwater Bylaw is to:

- a) To achieve a holistic and integrated approach to the management of stormwater as part of Council's overall three waters management.
- b) Minimise and control the discharge of Contaminants into the Public Stormwater Drainage Network.
- c) Minimise the effects of discharges from the Public Stormwater Drainage Network on the downstream receiving Environment.
- d) Manage the Public Stormwater Drainage Network, and the land, structures and infrastructure associated with that network, so as to protect the public from Nuisance and promote and maintain public health and safety.
- e) Enable the Council to meet relevant objectives, policies, standards and resource consents for discharges from the Public Stormwater Drainage Network to the receiving Environment.
- f) Protect the land, structures and natural features that make up the Public Stormwater Drainage Network.
- g) Prevent the unauthorised discharge of Stormwater into the Public Stormwater Drainage Network and ensure that Private Stormwater Drainage Systems are not causing a Nuisance or harm to the Council's networks infrastructure.
- h) Define the obligations of the Council, installers, Occupiers and the public in matters related to the discharge of Stormwater and management of the Public Stormwater Drainage Network and the administration of equitable costs and charges.

### Perceived Problems

The Stormwater Bylaw seeks to address the following perceived problems in the Central Hawkes Bay District:

- a) Discharge of contaminants into the stormwater and drainage networks and systems.
- b) Damage to the Council's public stormwater and drainage networks by contractors and other parties.
- c) Non-compliance with Council's requirements for the design, construction and operation of stormwater works.
- d) Discharges exceeding the capacity of Council's stormwater and drainage network.
- e) Stormwater discharges leading to non-compliance of Council's resource consents.
- f) Cumulative adverse effects of multiple stormwater discharges as well as other discharges.

### Key Changes to the Stormwater Bylaw

**Table 2** summarises the key changes proposed through this proposed new bylaw compared to the existing Central Hawkes Bay District Stormwater Bylaw 2018.

Also available on the website is a table that shows all of the proposed changes to be brought about by this new bylaw, including section and clause references, and reasons for the changes (refer to "Proposed Changes to the Stormwater Supply Bylaw").

**Table 2: Key Changes to the Stormwater Bylaw**

Key Change	Reason for the Change
1. Inclusion of an introductory note including the Overarching Purpose, Objectives and Context of the new Bylaw	To set the scene for a holistic and integrated approach to all three of Council's Water Services and meet Councils District Plan, Policies and Strategies
2. Introduce Stormwater Management Devices and Stormwater Retention and Detention Device requirements along with the concept of Cleaner Production	Such procedures are compatible with more sustainable approaches to stormwater management and their use will be compatible with achieving the overarching purpose of the new Bylaw
3. Water tanks - Making dual purpose rainwater tanks mandatory for new urban residential dwellings	Rainwater tanks will have dual purpose, to attenuate and retain stormwater so it can be used to provide relief to the potable water network in times of peak demand and allow people to continue watering their gardens when and if water restrictions are imposed.
4. Expand and strengthen contents in respect to prevention of contaminant discharges to the stormwater and drainage networks and systems	Current Bylaw needs strengthening in this respect in order to protect the infrastructure, safety and health of people and the receiving environment
5. Inclusion of reference to Council's operative stormwater discharge consents (issued by the Hawke's Bay Regional Council) and the need for stormwater dischargers not to cause exceedance conditions in these consents	Reference to these consents is not included in the current Bylaw

#### Assessment against the New Zealand Bill of Rights Act 1990

Consideration has been given to the New Zealand Bill of Rights Act 1990. The proposed Central Hawkes Bay District Stormwater Bylaw 2021 will not give rise to any implications under the NZBORA and the limits imposed by this proposed bylaw is appropriate to the purpose of the bylaw.

## WASTEWATER BYLAW

### Purpose

The purpose of the Wastewater Bylaw is to promote and protect the health of communities and the environment, and to protect the wastewater drainage system from damage and misuse.

### Perceived Problems

The Wastewater Bylaw seeks to address the following perceived problems in the Central Hawkes Bay District:

- a) If a defect notice is served on a premise (public, private or business property or building) and no action is taken by the owner, then there is nothing in the bylaw to enable Council to rectify the defect, other than through the onerous route of provisions in the LGA. This is particularly for addressing inflow and infiltration on private property.
- b) Inflow and infiltration are an issue in urban areas in the District. The stormwater bylaw and the wastewater bylaw cover this, but it is through Council processes that the ability to resolve I&I issues on private property needs to be managed and controlled.
- c) Caravan disposal points will be installed in the District. The current bylaw does not specifically cover these types of wastes.
- d) Wastewater disconnections can cause inflow of stormwater into the wastewater system. By capping them and having a record of a capped wastewater lateral in Council's system, this will assist with reducing inflow and infiltration (I&I), and for the next building connecting on that site for location of existing services.

### Key Changes to the Wastewater Bylaw

**Table 3** summarises the key changes proposed through this proposed new bylaw compared to the existing Central Hawkes Bay District Wastewater Bylaw 2018.

Also available on the website is a table that shows all of the proposed changes to be brought about by this new bylaw, including section and clause references, and reasons for the changes (refer to "Proposed Changes to the Wastewater Supply Bylaw").

**Table 3: Key Changes to the Wastewater Bylaw**

Key Change	Reason for the Change
1. Inclusion of an introductory note including the Overarching Purpose, Objectives and Context of the new Bylaw	To set the scene for a holistic and integrated approach to all three of Council's Water Services and meet Council's District Plan, Policies and Strategies
2. Format of the bylaw such as removing unnecessary headings, amending some of the language used in clauses and moving, condensing or deleting some clauses within the bylaw.	To improve readability and flow of the document by removing any duplication within the bylaw and with the Local Government Act and clarifying the intent of the bylaw.
3. A definition of tankered waste has been added into the bylaw and includes caravan disposal waste.	These are being installed in two locations in the district. Currently the bylaw does not cover caravan waste. This is now covered in the

	definition of tankered waste, defining it as domestic. The management and control of the caravan waste disposal points will be done through guidance on the Council website, and through Council processes.
<b>4. Disconnections have been updated to include the need for them to be capped.</b>	This will assist with the prevention of inflow into the wastewater network, and with locating the private drains for any future connection to the existing drain

**Assessment against the New Zealand Bill of Rights Act 1990**

Consideration has been given to the New Zealand Bill of Rights Act 1990. The proposed Central Hawkes Bay District Wastewater Bylaw 2021 will not give rise to any implications under the NZBORA and the limits imposed by this proposed bylaw is appropriate to the purpose of the bylaw.

## TRADE WASTE BYLAW

### Purpose

The purpose of the Trade Waste Bylaw is to control and monitor trade waste discharges into the wastewater system in order to:

- a) protect public health and the environment;
- b) protect the wastewater system infrastructure;
- c) protect wastewater system workers;
- d) ensure compliance with resource consent conditions related to the wastewater treatment plants;
- e) provide a basis for monitoring discharges from industry and trade premises;
- f) provide a basis for charging trade waste users of the wastewater system to cover the cost of conveying, treating and disposing of or reusing their wastes;
- g) ensure that the costs of treatment and disposal are shared fairly between trade waste and municipal dischargers;
- h) promote cleaner production;
- i) encourage waste minimisation; and
- j) encourage water conservation.

### Perceived Problems

The Trade Waste Bylaw seeks to address the following perceived problems in the Central Hawkes Bay District:

- a) Discharge flow is currently estimated by using water use data. This may not be a true reflection of the trade waste flow. Currently the bylaw allows Council to stipulate the installation of a discharge flow meter, but other districts have mandatory requirements for discharge flow meters. Council proposes moving towards a mandatory discharge flow meters in the next bylaw review (by 2026). That way, for the duration of this bylaw, if traders are doing any modifications in the discharge area, they can include the installation of a discharge flow meter. Council needs to notify stakeholders of the intention to make them mandatory.
- b) The definition of trade waste, how they are classified i.e. permitted, conditional or prohibited and what the triggers are for each is not clear.
- c) The bylaw needs to provide for the fair allocation of the cost for the wastewater treatment plants (WWTP) and the operation of them. How fees and charges for trade waste discharges are categorised and calculated in the bylaw is unclear and confusing such as the formula for annual charges, as there is no definition for all the components that make up the formula. Capital contributions are currently identified in the bylaw as a mechanism for Council to charge, however it is not clear how these are to be calculated – this is a driver for the bylaw review, with the focus on “user pays”.
- d) The bylaw has no enforcement mechanisms other than the onerous provision under the Local Government Act 2002 (LGA). Currently it would be difficult to prove nuisance at the existing WWTPs, but in the future Council needs to tighten up on keeping traders compliant. By adding the provision of a Warning Notice, this allows Council to address consent breaches with a specific notice.

- e) Wastewater disconnections can cause inflow of stormwater into the wastewater system. By capping them and having a record of a capped wastewater lateral in Council's system, this will assist with reducing inflow and infiltration (I&I), and for the next building connecting on that site for location of existing services.
- f) The bylaw is not very user friendly and difficult to follow. By simplifying it and supporting it with guidance documents and forms which will be available on Council's website, it will make it easier for businesses and council staff to use.
- g) Trade waste has a direct impact on the sizing of the future treatment facilities, and the operational costs for the wastewater system. Currently trade waste dischargers are providing Council monitoring data in an ad hoc manner and is not representative making this difficult for Council to manage and understand the trade waste discharges. Providing dischargers with a consistent format to provide data to Council will mean Council can more accurately monitor and understand the trade waste discharges.

#### Key Changes to the Trade Waste Bylaw

**Table 4** summarises the key changes proposed through this proposed new bylaw compared to the existing Central Hawkes Bay District Trade Waste Bylaw 2018.

Also available on the website is a table that shows all of the proposed changes to be brought about by this new bylaw, including section and clause references, and reasons for the changes (refer to "Proposed Changes to the Trade Waste Supply Bylaw").

**Table 4:** Key Changes to the Trade Waste Bylaw

Key Change	Reason for the Change
1. Inclusion of an introductory note including the Overarching Purpose, Objectives and Context of the new Bylaw	To set the scene for a holistic and integrated approach to all three of Council's Water Services and meet Council's District Plan, Policies and Strategies
2. Format of the bylaw such as removing unnecessary headings, amending some of the language used in clauses and moving, condensing or deleting some clauses within the bylaw.	To improve readability and flow of the document by removing any duplication within the bylaw and with the Local Government Act and clarifying the intent of the bylaw. Some clauses have been removed and will be included in a guidance note to support the bylaw. The application forms have also been removed and will sit on Council's website.
3. The definition of trade waste has been clarified.	To simplify and clarify what is a trade waste.
4. Clarification around how the trade waste discharges will be classified, when an application is required, the application and decision-making process and the criteria that will be used.	The classifications and process are not clear. There are some businesses that are discharging trade waste into the wastewater system and Council is not able to monitor the loads and discharge volumes that are affecting the wastewater treatment plants as Council does not have a record of these dischargers. This means there is a larger flow and load of waste going

	<p>into the system than what the wastewater treatment plant has been designed to manage.</p> <p>Clauses have also been amended and new clauses included for each of the trade waste discharge classifications to provide more clarity around how these will be classified by Council. Some clauses within the bylaw were contradictory and therefore needed to be reviewed to clarify the intent. Such as if permitted then a consent is not required however, Council would like to keep a register of these.</p> <p>The bylaw was also unclear how tankered waste was being managed and this has also been clarified with a new conditions section specific to this activity.</p>
<b>5. The application, review and decision-making processes around trade waste discharges has been simplified.</b>	The current wording was unclear and ambiguous around how these processes are intended to be undertaken. The bylaw has been restructured and reworded to simplify and provide clarity.
<b>6. Sampling and monitoring clauses have been condensed and simplified.</b>	<p>Council needs to understand if the traders are discharging in an optimal way and will undertake audits against management plans to demonstrate compliance. Wording in the bylaw has been amended to clarify this intent.</p> <p>New clauses have been included to specify that the samples must be representative of the discharge to allow for variability of what it is discharging daily. Safe access to the site to monitor and obtain samples has also been included.</p> <p>Wording in the bylaw has been updated to make the need for representative samples explicit, and the mass limits already in the bylaw can be utilised through Council processes.</p>
<b>7. The use of smart meters has been included</b>	Smart meters on flow meters allows for the efficient collection of data from the flow meters, and improving the accuracy of the data by removing the opportunity for human error.
<b>8. Warning Notices have been included</b>	Warning Notices allow the ability for Council to notify the Consent Holder of a breach of the conditions of their consent, and to state the timeframes to rectify the issue. This will be undertaken following the issue of a notice of the intention to undertake a review and why it is necessary. Discussions with the Consent Holder will be part of the process in order to understand the nature of any breaches, and actions required to prevent further breaches.

	A clause has been added to allow Council where Consent Holder actions are not sufficient following the issue of a Warning Notice, or three Warning Notices are issued in a 12 month period, the Consent to discharge can be cancelled.
<b>9. A biochemical oxygen demand (BOD) limit has been included.</b>	Currently there is no BOD limit, which means that a trader could discharge very strong waste in a small volume, and they would be considered permitted. The updated bylaw now includes a concentration limit.
<b>10. New wording has been added in relation to pharmaceutical waste.</b>	<p>The Ministry of Health has been requesting Councils to add wording into trade waste bylaws to manage pharmaceutical waste. This is to protect the downstream biological treatment systems and the discharge environment.</p> <p>The specific reason cytotoxic waste is mentioned is because the advice in NZS 4304:2002 Management of healthcare waste is outdated and needs to be revised, and until it is the Ministry is managing the risk by requesting that local authorities prohibit its discharge.</p>
<b>11. The system of charging in respect of volume and strength of trade waste has been removed from the bylaw and will sit in Council's guidance and/or strategy documents to be developed alongside this bylaw.</b>	<p>The Council is following a user pays and fair allocation of cost model going forward.</p> <p>Council's schedule of fees and charges includes trade waste charges and is reviewed annually.</p> <p>The bylaw still includes a list of potential trade waste charges that can be implemented by Council. How these charges are calculated best sits outside of the bylaw such as capital contributions and annual charges. These can then be reviewed in line with Council's annual fees and charges process.</p> <p>A capital contribution calculator is being developed to determine the level of recovery for capital upgrades relevant to the upgrade, this is in addition to the operational recovery, which remains as set out in fees and charges.</p> <p>Council is required to determine and set the % of industry related cost to recover annually.</p>

#### Assessment against the New Zealand Bill of Rights Act 1990

Consideration has been given to the New Zealand Bill of Rights Act 1990. The proposed Central Hawkes Bay District Tradewaste Bylaw 2021 will not give rise to any implications under the NZBORA and the limits imposed by this proposed bylaw is appropriate to the purpose of the bylaw.

**SUBMISSION FORM**

A submission will be loaded onto our website and appended to the physical documents separately to support this statement of proposal and bylaw review process.



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

# Three Waters Bylaw Review

**Have your say!**

## Bylaw Review Consultation

We are reviewing and consulting on our Water Supply, Wastewater (and Tradewaste), and Stormwater bylaws alongside the LTP from 1 to 31 March 2021.

The feedback we receive from you will help us to develop an integrated approach to three waters management in the District.

We want to ensure our approach aligns to, compliments and reflects the feedback we heard clearly from the community through Project Thrive, as well in the development of other projects such as the District Plan Review and the Integrated Spatial Plan 2020 – 2050.

The four bylaws we are consulting on are:



These bylaws influence things like who can connect to our supplies, how much waste can be discharged, the requirement for water tanks at each property and how we manage stormwater.

Our current bylaws need to be refreshed to ensure they reflect the environmental and infrastructural demands of our time.

The new bylaws will inform how we approach asset management and durable infrastructure practices to support our sustainable water demand management plan and wastewater strategy. The impact of these bylaws is wide reaching – it ensures that step by step, we make positive changes which lead to smart growth while being environmentally sustainable.

**We welcome you  
to have your say  
on our three  
waters bylaws.**

What should our stance be on recovering capital contributions towards our upcoming wastewater upgrades from industry?

Do you support council extending water meters as a key conservation tool?

Should every new build have to install a rainwater tank?

How should we address stormwater flows that enter our wastewater system illegally?

Should we extend our trade waste management to monitor smaller commercial and industry (e.g restaurants, dentists, mortuaries) to further support our wider wastewater strategy?

**To meet regulatory requirements the trade waste bylaw period for feedback is open for two months, and runs from 12 February - 12 April 2021.**



## Tell us what you think

Your views will help us create a sustainable and responsible approach to how we manage water demand and wastewater in the future

### Bylaw Review Statement of Proposal

View the statement of proposal on our website, containing more information about the rationale of the changes and the proposed bylaws at [www.chbdc.govt.nz](http://www.chbdc.govt.nz)

#### Stormwater Management:

##### Stormwater Runoff Management

Stormwater discharge from private properties and businesses is common. This discharge can enter our drainage networks, and ultimately our rivers. Some properties discharge a lot and some discharge a little. What is mixed in with the stormwater varies from property to property.

**Q: What would you like the Council to do more or less of to help manage stormwater runoff?**

##### Roof Water Tanks

Connecting a tank to capture roof water has several benefits for a property and for our local infrastructure. Two of the main benefits are that it lessens the impact of big rain events on our stormwater network, and reduces the demand on our drinking water network by using water captured in the tank for non-potable uses, like watering your gardens or washing your car.

**Q: Do you think the Council should introduce a policy for all new build homes to install a tank to capture roof water?**  
☐ Yes ☐ No

**Q: When a private property discharges contaminants into our stormwater network, breaching our bylaws, do you think we should:** ☐ a ☐ b (choose a or b from below)

a) Respond and clean up the incident in the first instance, recovering costs later?

b) Charge the private property immediately for the cleanup and response?

#### Water Conservation:

Council uses a range of techniques and tools to conserve water so there is enough water for everyone in Central Hawke's Bay. This can include the use of water meters on high use properties.

**Q: Do you think we should be monitoring high use properties with water meters?** ☐ Yes ☐ No

**Q: Are there other tools or conservation methods you think we should be using to save water in Central Hawke's Bay?**

**Trade Waste Management:**

We need to ensure that our wastewater systems and processes are developed efficiently, effectively and sustainably. Currently, businesses who discharge 'trade waste' into our wastewater network are charged in a different way than our residential ratepayers. Trade waste is generally waste of a greater volume or is a more concentrated load than domestic and generally comes from a non-residential property.

Community feedback to date supports a user pays approach. This means that those who discharge large amounts of waste, or highly concentrated waste, would pay more than they currently do.

**Q: Do you think the Council should charge businesses purely based on how much and what they discharge?**

☐ Yes ☐ No

**Q: Should the Council take into consideration other economic, employment or social benefits that a business may bring to the community when charging?** ☐ Yes ☐ No

**Q. Do you think the monitoring of industry or commercial wastewater should include smaller contributors to further protect our waterways?**

*(Smaller contributors include businesses like restaurants, dentists, hairdressers, and mortuaries etc.)*

☐ Yes ☐ No

**Wastewater Management:**

Council needs to manage the flows into our wastewater network. In wet weather events, there is a significant increase in flows into our networks – this is from a number of factors like cracked pipes from tree roots and unsealed manholes. But, it can also be from on-property issues like cracked laterals or down pipes catching roofwater that is then discharged into gully traps. We need to take steps to minimise these flows into our wastewater networks – we have set aside budget in the LTP to improve infrastructure, and are proposing to work with property owners to remedy issues on-property.

**Q. Do you support council issuing defect notices to property owners to remedy a down pipe or lateral?**

☐ Yes ☐ No

**Q. If the notice is not followed, do you support council fixing the issue and recovering costs from the property owner?**

☐ Yes ☐ No

**Do you have any other ideas or views about how we manage water in the district?**



APPENDIX D TRADE WASTE BYLAW CHANGES SUMMARY - FEBRUARY 2021

[Internal link](#)

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#THEBIGWASTEWATERSTORY – Trade Waste Strategy



Sensitivity: General

### Trade Waste Bylaw Review – Detailed Changes Summary

Current Bylaw Clause	New Draft Clause number	Draft Bylaw – Summary of change
Reference Documents	N/A	<ul style="list-style-type: none"> <li>Deleted as unnecessary to include in the bylaw and most standards were no referred to within the bylaw so superfluous. These can be included in a guidance document or councils processes if needed.</li> </ul>
<b>2300 - Introduction</b>		
2300.1 - Introduction	3 – Objective	<ul style="list-style-type: none"> <li>First sentence was kept unaltered and included in the new Objective clause which also included as a lead into the overarching purpose statement which is consistent across all 4 water related bylaws.</li> </ul>
2300.2 – Short Title and Commencement	1 – Commencement	<ul style="list-style-type: none"> <li>Date the bylaw comes into force will be amended following the consultation process and updated accordingly</li> </ul>
2300.3 – Revocation	2 – Revocation	<ul style="list-style-type: none"> <li>First sentence amended to be clear that this bylaw repeals the 2018 amendments and updated the reference to the 2018 bylaw.</li> <li>Second sentence deleted as was confusing and considered unnecessary</li> </ul>
2300.4 – Scope	4 – Purpose	<ul style="list-style-type: none"> <li>2300.4.1 - The current bylaw wording was largely taken from the model bylaw. This has been re-drafted as a purpose of the bylaw statement and simplified. The wording aligns with the LGA purpose.</li> <li>2300.4.2 – the clause around compliance with other acts has been deleted as this was just a statement of law which applies regardless. This can be reflected in the guidance documents that will support the bylaw.</li> </ul>
2301 - Definitions	5 – Definitions	<ul style="list-style-type: none"> <li>Some definitions have been deleted as they were not used or not required in the bylaw, such as: infringement, LTCCP, meter, sewer system, territorial authority, and wastewater authority. Reference to Wastewater Authority Council and Territorial Authority (TA) was removed as this was then defined as CHBDC which was then defined as Council. This was simplified to “Council” throughout the definitions and consequently throughout the bylaw.</li> </ul>

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		<ul style="list-style-type: none"> <li>• New definitions have been included for clarification, these are: approved location, change in activity, flow meter, grease converter, holding tank, trench water, warning notice, wastewater system.</li> <li>• Definitions that were amended included: <ul style="list-style-type: none"> <li>– Biosolids – last sentence was deleted.</li> <li>– Characteristic – word properties was used to replace characteristics in sentence.</li> <li>– Council – more text added to clarify that Council also includes an authorised officer</li> <li>– Permitted discharge – reference to schedule 1A updated to refer to clause 7.1.1.</li> <li>– Pre-Treatment – reference to sewerage system was amended to wastewater system throughout the bylaw.</li> <li>– Prohibited Trade Waste – reference to schedules were updated to reflect new numbering and the last sentence the last part of the sentence deleted as this was contradictory.</li> <li>– Schedule of rates and charges – rates were replaced with fees as there is no schedule of rates and charges.</li> <li>– Stormwater – further explanation was included to clarify that this included runoff from hardstands or a roof; and</li> <li>– Trade Waste – this definition was simplified to clarify what was a trade waste.</li> </ul> </li> </ul>
2302 - Abbreviations	N/A	<ul style="list-style-type: none"> <li>• Deleted as most abbreviations were not used in the bylaw.</li> </ul>
2303 – General	N/A	<ul style="list-style-type: none"> <li>• Deleted and unnecessary to include in the bylaw</li> </ul>
<b>2304 – Compliance with the Bylaw</b>		<ul style="list-style-type: none"> <li>• This heading was removed, and Control of Discharges lifted to a level 1 heading.</li> </ul>
2304.1 – Control of Discharges	6 – Control of discharges	<ul style="list-style-type: none"> <li>• Included potable water into c)</li> <li>• New subclause 2304.1.1 (e) added which was moved from old clause 2306.1 to minimise duplication.</li> <li>• Subclause 2304.1.2 (now 6.1.2) was amended to update cross references and to clarify that it applies to the “person” as defined by the bylaw and the view of council.</li> </ul>

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		<ul style="list-style-type: none"> <li>Subclause 2304.1.3 was deleted as was duplicated elsewhere and applies regardless.</li> </ul>
<b>2305 – Trade Waste Discharges and Consents</b>		
2305.1 – Classification of Trade Waste Discharges	7 - Classification of Trade Waste Discharges	<ul style="list-style-type: none"> <li>The three classifications of discharges have been clarified and new sub clauses drafted for each.</li> <li>Three new subclauses for each category have been drafted that defines each category and what is required by Council for each such as confirmation of the category, registration and/or consent.</li> <li>2305.1.3 has been deleted as this was a duplication of 2304.1.1.</li> </ul>
2305.2 – Application for a Trade Waste Consent	6.1 General and 8 – Application for a conditional trade waste consent.	<ul style="list-style-type: none"> <li>Simplified for clarity around general control of trade waste and what must not be discharged into the wastewater system.</li> <li>The application process has been clarified in that it only applies to conditional trade waste discharges and not permitted discharges. This has been further clarified in clauses 7 (classification) and 8 (application process). Permitted discharges do not require an application but are required to be registered with Council (clause 7.2).</li> <li>2305.2.2 has been deleted as this is already clear throughout the bylaw.</li> <li>2305.2.4 – This has been deleted as not required and is covered in the new application process outlined in clause 8.</li> <li>2305.2.5 – This subclause has been deleted as duplicated subclause 2305.4.</li> <li>2305.2.6 – This is covered by the fees and charges clause so is a duplicate and removed.</li> </ul>
2305.3 – Processing of an application	N/A	<ul style="list-style-type: none"> <li>This clause was also a duplicate of 2305.4.2 and has been captured under sub clause 8.1.5. This can also be covered in the guidance documents.</li> </ul>
2305.4 – Information and analysis	8.1.4	<ul style="list-style-type: none"> <li>2305.4.1 (b) was deleted from this clause and was included into sub clause 8.1.1 as a requirement to submit a management plan with the application form.</li> </ul>
2305.5 – Consideration of an Application	8.2 – Decision on application	<ul style="list-style-type: none"> <li>This is now clause 8.2.1.</li> </ul>

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2305.6 – Consideration Criteria  2305.7 – Conditions of Trade Waste Consent	8.3 – Conditions of Trade Waste Consent  Clause 8.4 – Conditions of Trade Waste Consent (Tankered)	<ul style="list-style-type: none"> <li>• Clause 2305.6 was largely deleted and now covered by clause 8.3.</li> <li>• Clause 2305.7 was revised and e), f), l) and o) to S) were deleted as covered elsewhere in the bylaw or duplicated.</li> <li>• These clauses have been redrafted to simplify and clarify what conditions may be applied by council.</li> <li>• A new set of conditions which apply only to tankered waste was included as clause 8.4 to specifically manage tankered waste as there are different issues to manage through conditions of consent to other trade waste discharges</li> </ul>
2305.8 – Duration	7 – Classification of Trade waste Discharges	<ul style="list-style-type: none"> <li>• This clause was deleted, and duration simplified and included with clause 7.</li> <li>• Permitted discharges no longer require an application so no duration is applicable provided they comply with the provisions of the bylaw.</li> <li>• Conditional consents were limited to a term not exceeding 5 years with most of the clause being captured through conditions on the consent. This can also be captured in the guidance documents to be drafted to support the bylaw.</li> <li>• The review clause was duplicated with 2305.9 and now captured clause 8.7.</li> </ul>
2305.9 – Technical Review and Variation	8.7 – Review of Trade Waste Discharge	<ul style="list-style-type: none"> <li>• This clause was amended to reflect that permitted discharges do not require a consent.</li> <li>• The ability to amend the schedules by resolution has been removed as not legally able to do this unless a full bylaw review is undertaken.</li> </ul>
2305.10 – Cancellation of the Right to Discharge	8.7 – Review of Trade Waste Discharge	<ul style="list-style-type: none"> <li>• These clauses have been redrafted and simplified to clarify the process.</li> </ul>
<b>2306 – Trade Waste Approval Criteria</b>		
2306.1 – Pre-Treatment	8.6 – Pre-Treatment	<ul style="list-style-type: none"> <li>• This clause has been redrafted to clarify when pre-treatment is required and a list of what types of pre-treatment may be suitable depending on the nature of the discharge.</li> <li>• The first and third paragraph were duplicates of 2305.7 and 2304.1.1 (c).</li> </ul>

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		<ul style="list-style-type: none"> <li>The second paragraph was moved to clause 6.1.1 e).</li> </ul>
2306.2 – Mass Limits	8.5 – Mass Limits	<ul style="list-style-type: none"> <li>Clarified the intent of the first paragraph that conditions (rather than controls) may be applied to specify mass limits.</li> <li>Reference to sewage system throughout the clause has been amended to wastewater system.</li> <li>This clause was also moved up to be before pre-treatment.</li> </ul>
<b>2307 – Sampling, Testing and Monitoring</b>	<b>Clause 9 – Sampling, Testing and Monitoring</b>	
2307.1 – Flow Metering	9.3 – Flow Metering	<ul style="list-style-type: none"> <li>Clause 2307.1.1 was deleted as this was already covered by clause 2305.7 (now clause 8.3.1 g) to J))</li> <li>2307.1.2 to 2307.1.6 are now subclauses 9.3.1 to 9.3.5.</li> <li>9.3.1 was clarified to outline how Council will require flow meters by adding in “as a condition of consent”.</li> </ul>
2307.2 – Estimating Discharge	9.4 – Estimating Discharge	<ul style="list-style-type: none"> <li>Clause 2307.2.2 has been simplified</li> <li>Clause 2307.2.3 has been clarified to state that tampering is an offence prior to stating what Council may do if tampering is considered to have occurred.</li> </ul>
2307.3 – Sampling and Analysis	9.2 – Sampling and Analysis	<ul style="list-style-type: none"> <li>Subclause 2307.3.1 (now 9.1.1) – This was reworded to simplify wording. An additional item (e) was added to the list around determining the most efficient means of operating the wastewater system.</li> <li>New subclause 9.2.1 included to specify that the consent holder is to provide an access point for samples to be taken.</li> <li>New subclause 9.2.2 included to specify that the sample must be representative of the discharge to allow for the variability of what is being discharged daily.</li> <li>Subclause 2307.3.2 (now 9.2.3) was amended to include sampling and the last sentence was deleted as a dispute resolution is not commonly included like this in a bylaw.</li> <li>New subclauses 9.2.4 to 9.2.6 have been included that simplify and condense clause 2307.4.</li> <li>2307.3.3 (now 9.2.7) – clarified under what section of the LGA the powers come from</li> </ul>

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		(i.e. s.172 of the LGA) and the last sentence was deleted.
2307.4 – Monitoring	9.1 – General Monitoring	<ul style="list-style-type: none"> <li>• Subclause 2307.3.1 (now 9.1.1) – This was reworded to simplify wording. An additional item (e) was added to the list around determining the most efficient means of operating the wastewater system.</li> <li>• New subclause 9.1.2 was included to clarify what “monitoring” may include.</li> <li>• New subclause 9.1.3 was included to specify that the frequency of monitoring may change if Council considers the bylaw and/or consents are not be complied with.</li> <li>• 2307.4.1 (now 9.1.4) – (b) was deleted as it didn’t add anything to (a) above, (d) was deleted as it was considered that Council wouldn’t want to specify an independent analysis with TELARC registration in the bylaw.</li> <li>• This clause was redrafted to simply and clarify when monitoring may be required and what this may include.</li> <li>• The revised clause outlines at a high level the procedures to be followed by Council.</li> <li>• 2307.4.2 – was deleted as this can be included in a guidance document and/or council processes.</li> <li>• 2307.4.3 – now covered under clauses 6.1.3, 7 (classification) and 8.4 (conditions). This was also to clarify that a consent is required for tankered waste.</li> <li>• 2307.4.4 – now covered by clause 9.5.1. Clarification was made that the approval process is to be written approval from Council.</li> </ul>
<b>2308 – Bylaw Administration</b>		
2308.1 – Review of Decisions	N/A	<ul style="list-style-type: none"> <li>• This clause was deleted. There is no such right of appeal under the LGA.</li> </ul>
2308.2 – Accidents and Non-Compliance	6.3 – Accidental Entry of Trade Waste Discharges	<ul style="list-style-type: none"> <li>• First paragraph is now 6.3.1</li> <li>• Second paragraph is now 6.3.2 but has been reworded to avoid duplication with other clauses and to clarify the intent of this clause.</li> <li>• Last paragraph – delete as is a duplication.</li> </ul>

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2308.3 – Charges and Payments	10.1 – Fees and Charges	<ul style="list-style-type: none"> <li>First paragraph was redrafted to clarify how fees and charges will be prescribed in accordance with section 150 of the LGA.</li> <li>Second paragraph was deleted as there are no rights of appeal and the review cause covers this.</li> <li>Third paragraph (now 10.1.2) slightly reworded to clarify council “may” set separate charges for catchment areas within the CHB district.</li> <li>2308.3.2 (now 10.1.3) a new sentence has been included to state all charges are to be paid within one calendar month of invoice. This was largely the sentence that was deleted from paragraph one.</li> <li>2308.3.3 – this was deleted as not clear what this clause refers to and there are no other provisions relating to a “Notice of Disconnection”.</li> <li>2308.3.4 (now 10.1.4) – clarified that a failure to pay may result in the right to discharge being suspended or cancelled by Council.</li> <li>2308.3.5 – This subclause was deleted as was unclear and restated the powers that sit under the LGA. Captured also by subclause 11.1.1 that it is an offence to breach the bylaw or conditions of consent.</li> </ul>
2308.4 – Authorised officers	N/A	<ul style="list-style-type: none"> <li>This was deleted as it either duplicated the LGA or other clauses within the bylaw such as 2307.3 (now clause 9.2)</li> </ul>
2308.5 – Transfer or Termination of Rights and Responsibilities	10.2 – Transfer or termination of rights and responsibilities	<ul style="list-style-type: none"> <li>Current 2308.5.1 (a) and (b) remained the same (c) was reworded to clarify that the point of discharge is specified in the consent.</li> <li>New (b) was added to capture a change in the activity on site.</li> <li>2308.5.2 (now 10.2.2) was amended to “transfer” rather than a consent renewal, sewage was amended to Trade Waste and the note was deleted.</li> <li>2308.5.3 and 2308.5.4 – remain unchanged.</li> </ul>
2308.6 – Service of Documents	N/A	<ul style="list-style-type: none"> <li>This clause was deleted as not necessary to include in the bylaw.</li> </ul>
2308.7 – Offences	11 – Offences and Enforcement	<ul style="list-style-type: none"> <li>This clause has been redrafted to clarify that it is an offence to breach the bylaw or conditions of consent or a notice.</li> </ul>

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		<ul style="list-style-type: none"> <li>The clause outlines when a consent maybe cancelled.</li> </ul>
2308.8 – Transitional Provisions	12 – Transitional Provisions	<ul style="list-style-type: none"> <li>No changes other than the year the bylaw was made i.e. 1993 amended to 2018.</li> </ul>
2309 – Bylaw Approval Date	13 – Bylaw Approval Date	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Appendix A – Application for Trade Waste Discharge	N/A	<ul style="list-style-type: none"> <li>This was removed as the application forms will be available on Councils website and can be more readily updated as and when required to capture the right information.</li> </ul>
Appendix B – Description of Trade Waste and Premises	N/A	<ul style="list-style-type: none"> <li>This was removed as the application forms will be available on Councils website and can be more readily updated as an when required to capture the right information.</li> </ul>
Appendix C – Application for Temporary Discharge	N/A	<ul style="list-style-type: none"> <li>This was removed as the application forms will be available on Councils website and can be more readily updated as an when required to capture the right information.</li> </ul>
Appendix D – Consent Form	N/A	<ul style="list-style-type: none"> <li>This has been removed as is an internal process .</li> </ul>
Schedule 1A – Permitted Discharge Characteristics	Schedule A	<ul style="list-style-type: none"> <li>The introduction has been reworded and simplified.</li> <li>The text around Mass Limits was deleted prior to each table as this is already captured in the bylaw and only applies to conditional consents not permitted.</li> </ul> <p><u>Physical Characteristics Table</u></p> <ul style="list-style-type: none"> <li>Solids (a) was reworded to clarify that the discharge must not be macerated to meet the 15mm dimension.</li> <li>The “Quick break” product was added as an approved degreaser to the physical characteristics table.</li> <li>Emulsions of paint, latex, adhesive, rubber, and plastic was removed from the physical characteristics table and added to Schedule B (prohibited discharge characteristics)</li> <li>Pharmaceutical Waste limits table was added at the request of MoH.</li> </ul> <p><u>Chemical Characteristics Table</u></p> <ul style="list-style-type: none"> <li>Organic strength was amended to include COD and include cBOD5 limits</li> </ul>

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Schedule 1B – Prohibited Discharge Characteristics	Schedule B - Prohibited Discharge Characteristics	<ul style="list-style-type: none"> <li>• A new characteristic was included at the request of MoH around pharmaceutical waste containing cytotoxic ingredients.</li> <li>• Emulsions of paint, latex, adhesive, rubber, and plastic was added</li> <li>• The use of grease converters was also added to the list of prohibited characteristics.</li> </ul>
Schedule 1C – System of Charging in Respect of Volume and Strength of Trade Wastes and Special Wastes	N/A	<ul style="list-style-type: none"> <li>• This schedule was removed from the bylaw as this will be captured in the overarching strategy which is currently being developed. How Capital Contributions will be calculated is still being worked through and will also be outlined in that strategy.</li> <li>• Fees and charges are not normally captured in a bylaw. The fee or charge is captured in the schedule of fees and charges which is a separate process to the bylaw.</li> </ul>
Schedule 1D– Fees and charges	Schedule C -Fees and Charges Categories	<ul style="list-style-type: none"> <li>• This has been updated to include a registration fee. The ability to charge for capital contributions is currently in the bylaw but not implemented through the schedule of fees and charges or financial policies. However, new categories that input into how capital contributions may be charged have been included as B14 to B22.</li> </ul>

## 6.8 INFILTRATION AND INFLOW (I&I) STRATEGY

**File Number:** COU1-1410

**Author:** Darren de Klerk, 3 Waters Programme Manager

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. **20210730 Inflow and Infiltration Management Strategy** [↓](#)

### PURPOSE

The matter for consideration by the Council is adoption of the I&I Management Strategy, which includes options for remediation (including funding) of defects contributing to inflow and infiltration to the sewer network from the private side of the boundary.

### RECOMMENDATION FOR CONSIDERATION

**That having considered all matters raised in the report:**

- a) **That the Finance and Infrastructure Committee approves the recommendation to adopt the I&I Management Strategy.**
- b) **That the Finance and Infrastructure Committee support and endorse Option 1 recommendation for private side defects to be repaired by the resident in the first instance.**

### EXECUTIVE SUMMARY

Inflow and Infiltration to wastewater systems occurs from sources on private property and through defects in the public network. An Inflow and Infiltration Management Strategy has been prepared (***attached 20210630 Inflow and Infiltration Management Strategy***), which presents the extent of the I&I problem across CHBDC's towns and develops a strategy to investigate and reduce I&I. The strategy provides an overarching strategic direction for addressing I&I throughout the district, covering the approach, investigations, design basis, management plan and implementation. Work done across the district will be in accordance with the strategy to ensure effective and appropriate use of public funds. The strategy focuses on both the public side and private side of the sewer network.

It has been estimated that up to half of the I&I in a network can come from the private side resulting in significant peaking across the wastewater network. To reduce this issue, Council can require (and recover costs from) remediation of identified defects through the adopted bylaw. Three major options exist on cost recovery: Private funding, Public funding or partial public funding. Private funding also includes recovery of costs via rates or property debts. Various implications exist for each option which are further explained within.

The approach recommended for approval is to work with the property owner to repair the defect. The defect will be highlighted to the property owner via a defect notice and will follow the process laid out in the defect notice practice note.

### BACKGROUND

All of CHBDC's wastewater networks experience high levels of inflow and infiltration (I&I) from stormwater and groundwater. This contributes to increased flows in the network and through the wastewater treatment plants, leading to reduced capacity, increased costs to upgrade, increased operating costs, and breaches of resource consent conditions.

I&I enters the private side of the network through roof downpipes connected directly into the gully trap or lateral pipe; broken or cracked laterals; broken septic tanks connected to the network; and low or broken gully traps in an area where surface water ponds. Typically, half of all removable I&I enters the network through the private side.

Central Hawke's Bay District Council (CHBDC) are currently in the process of upgrading and consenting their Wastewater Treatment Plant (WWTP) discharges for the communities of Waipukurau, Waipawa, Otane, Takapau, Porangahau and Te Paerahi as part of 'The Big Wastewater Story.'

Wastewater networks in these towns experience high levels of I&I posing a risk to the current wastewater upgrade project in terms of potential for higher capital costs (than necessary) and inefficient operation. Given the scale of investment anticipated it is important the design of the scheme is optimised. This includes optimising the network flows through managing I&I to efficiently size the wastewater treatment facilities and to minimise potential for uncontrolled discharges to the receiving environment.

In addition, the district is projected to experience large population growth, particularly in Waipukurau and Otane. Population growth in these towns will be largely driven by new subdivisions built to council infrastructure standards. These subdivisions should be subject to minimal I&I.

Conditions of CHBDC's resource consents to discharge wastewater from these plants include to implement I&I Management Plans. This report outlines the background and strategy for investigation and management of I&I. Management plans have previously been produced for each of the towns in 2010. These are to be updated and submitted to the Hawkes Bay Regional Council, concurrently with developing the strategy.

### **Previous CHBDC I&I Reduction Work**

An I&I reduction programme was previously undertaken in the district in 2009 across all towns. Following a typical process of issuing defects notices, re-inspecting properties, and issuing further defects notices, the Council achieved a 98% success rate of removing private side defects.

### **Illegal Stormwater Connection Legislation**

Council's bylaws may be used to enforce residents to repair defects on private property. The CHBDC Wastewater Bylaw 2021 requires that the customer must take reasonable steps to ensure that:

- There is no direct connection of any stormwater pipe or drain to the wastewater system
- Gully trap surrounds are sealed and set above stormwater ponding or overland flow path levels
- Inspection covers are in place and are sealed
- Private drains are kept and maintained in a state free from cracks and other defects

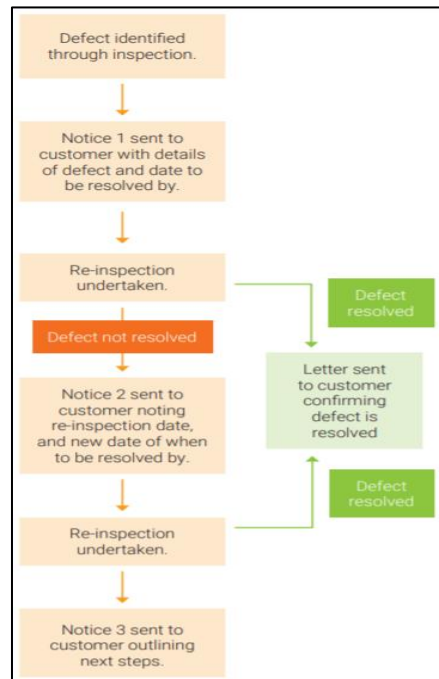
In the event that defects are identified, the Council may serve a defects notice advising of the defect and steps to be taken to remedy the defect, with the onus on the customer to remedy the defect. If the customer does not repair the defect, the bylaw allows the Council to repair the defect and to recover the cost.

The process for enforcing the bylaw typically follows the following steps:

- Inspect properties – identify defects
- Issue notices to repair to residents with defects by set timeframe
- Re-inspect properties to determine repaired and unrepaired defects
- Send second notice to properties with outstanding defects
- Reinspect properties with second notice
- Issue third notice to properties with outstanding defects, which actions that may include:
  - Add defect to LIM

- Council funds repair
- Council funds and recovers cost through rates levy
- Council funds and adds debt to property which is recovered upon sale of property

The typical process is outlined in Figure 1 below, taken from CHBDC's Wastewater Bylaw Defect Process Notice Practice Note WW01.



2. Figure 1: Typical defects notification process

### **Communications Strategy**

A communications strategy is being developed to engage with the residents. Educating the residents on the importance of I&I reduction, especially in relation to the other Big Wastewater Story projects, will be key to achieving strong compliance by residents and reducing reputational risks to Council.

The process for defects inspections and repairs will need to be conveyed to residents through communications with the public. The outcome of the F&I Committee decision on this paper will also need to be conveyed, in particular who pays, and what processes will be undertaken with non-compliant landowners.

### **DISCUSSION**

The key drivers for reducing I&I in the district are:

- Reduce capital costs for the new WWTPs, including conveyance, main hydraulic elements and storage
- Reduce operating costs from pumping and treating excessive wastewater volumes due to I&I
- Meet resource consent conditions to discharge treated wastewater effluent
- Free up capacity in the networks to support population growth
- Better environmental outcomes due to reduction in uncontrolled overflows and flooding at manholes or on properties, and exfiltration.

While the responsibility to remedy defects on the private side lies with the landowner, the Council will need to undertake on-property inspections to identify defects.

Typically following inspections, the Council will issue defects notices to landowners. A round of follow up inspections will be required to determine whether defects have been repaired. If defects

are not repaired the Council will need to decide whether to enforce the repairs under the bylaw and how to recover costs.

Enforcing repairs and recovering costs carries a reputational risk for the Council, particularly as self-funding the repairs is likely to be an issue for some low-income landowners.

If the Council wish to achieve rapid improvements in I&I from the private property side, they may consider partially or fully funding repairs. Otherwise, repairs will take longer and are likely to have an overall lower successful completion rate. It should be noted that the most successful private lateral rehabilitation programmes have involved agency funding.

If funding these repairs, the Council needs to consider potential political implications, such as ratepayer views on council funding private landowner defects and setting a precedent for repairing these private defects. This may be considered unequitable to any ratepayers who finance their own repairs.

Other schemes which may improve participation rates are where the Council engages a contractor to undertake repairs and recovers the cost from the resident. This could be through a rates levy, loan scheme or similar, to spread the cost to the resident. Benefits of the Council engaging the contractor are:

- Same contractor is undertaking each item of works, resulting in economies of scale and better familiarity with work and specifications
- Less effort required on behalf of the resident, therefore more likely to take up the offer
- May spread cost to ratepayer, making it more affordable for low income residents

## **RISK ASSESSMENT AND MITIGATION**

### **Reputational Damage**

- Due to increased cost to select members of the public, perceived inequality may influence poor public opinion of Council. This risk may be heightened if Council funds part or all of the repairs. This risk will be mitigated by public education campaigns emphasising the importance of the repair works.

### **Adverse effect on community**

- Due to cost of repairs, members of the public may be adversely affected. This risk may be lessened if Council finds part or all of the repairs. This risk may be mitigated by allocating remediation costs to rates repayments or property debt and working with public to produce a fair and palatable solution.

### **Health and Safety**

- Health and safety risks may be present on private property during inspections. This risk will be mitigated with properly trained staff with robust health and safety processes behind them.
- A legal opinion as to the legality of Council paying for private side repairs will be required if part or full funding of private repairs are selected.

## **FOUR WELLBEINGS**

### **Cultural:**

This project aims to result in lowering of frequency of wastewater overflows into the Waipawa river, an area where cultural sensitivity was identified through community consultation.

### **Social:**

This project aims to result in lowering of frequency of wastewater overflows into the Waipawa river, an area where social sensitivity was identified through community consultation. Furthermore, wastewater system remediation will result in greater levels of service to urban residents of Central Hawke's Bay through lessening of frequency and severity of wastewater overflows.

**Economic:**

This project will have positive economic benefits to the Council by reducing the volume of clean water entering the wastewater network. This reduces operating and capital costs, may allow deferral of capital upgrades and aids in meeting resource consent conditions.

Any procurement activity's will aim to further stimulate the local economy via a progressive procurement response from tenderers. Guiding this is the CHBDC progressive procurement toolkit, which Officers have reviewed jointly with the project team to identify focus areas from each section to be considered into tenders. A 20% loading will apply to this element of the evaluation.

- Section 1 - Social Wellbeing (H&S wellbeing or Engagement and local education initiatives).
- Section 2 - Cultural Wellbeing (Mana Whenua opportunities or Diversity inclusion).
- Section 3 - Economic Wellbeing (Job creation/Training or local supplier partnering).
- Section 4 - Environmental Wellbeing (Local supplier partnering or Kaitiakitanga/ energy efficiency).

**Environmental:**

This project aims to result in lowering of frequency of wastewater overflows into the Waipawa river, enhancing the health of the river and all its downstream receiving environments. This project also aims to lessen the frequency and severity of wastewater overflows throughout the network, which can result in a detrimental effect to their receiving environments.

**DELEGATIONS OR AUTHORITY**

The private side remediation component of the project is within the CEs delegations, but due to impact on property owners and potential reputational sensitivity, this paper is being presented to the Finance and Infrastructure committee.

**SIGNIFICANCE AND ENGAGEMENT**

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed of some significance.

Private homeowners are considered the major grouping affected by this proposal. Public education campaigns and direct engagement with landowners is planned to bring greater clarity and acceptance to affected parties.

This matter will also affect two major council asset groups, treatment plants (current and future) and reticulation systems, both of which will as a result of this project, require less operational expense and less capital expense due to lowering of flows. Incorporating this knowledge into public education campaigns will help mitigate some risks associated with this decision.

**OPTIONS ANALYSIS**

The funding strategy for private side repairs consist of three options:

1. Fully privately funded (Owner pays full cost)
2. Fully publicly funded (CHBDC pays full cost)
3. Private/public funding split (CHBDC pays partial cost)

The benefits and drawbacks of each option are presented in Table 1:

3. Table 1: Advantages and disadvantages for funding options

	Option	Advantages	Disadvantages	Commentary
1	Owner pays full cost	<ul style="list-style-type: none"> <li>• Lowest funding commitment from CHBDC</li> </ul>	<ul style="list-style-type: none"> <li>• Lower participation rates</li> <li>• Longer timeframe</li> </ul>	<ul style="list-style-type: none"> <li>• Enforcement mechanism for non-compliance</li> </ul>

			for completion <ul style="list-style-type: none"> <li>• Low income earners disadvantaged</li> </ul>	following third notice may result in negative publicity <ul style="list-style-type: none"> <li>• Loan scheme for low income earners may be more equitable</li> </ul>
2	CHBDC pays full cost	<ul style="list-style-type: none"> <li>• Higher Participation rates</li> <li>• Shorter timeframe for rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Increased cost</li> <li>• Precedent of CHBDC paying to repair private infrastructure</li> <li>• May be perceived as inequitable to residents who have made their own repairs</li> </ul>	<ul style="list-style-type: none"> <li>• Avoids situation where CHBDC enforces residents to make repairs</li> <li>• Funding may be more effective if spent on the public side of the network</li> </ul>
3	CHBDC pays partial cost	<ul style="list-style-type: none"> <li>• Higher participation rates than 1</li> <li>• More affordable than 2</li> <li>• Reduces burden to low-income owners</li> </ul>	<ul style="list-style-type: none"> <li>• Lower participation rates than 2</li> <li>• Less affordable than 1</li> <li>• Precedent of CHBDC paying to repair private infrastructure</li> <li>• May be perceived as inequitable to residents who have made their own repairs</li> </ul>	<ul style="list-style-type: none"> <li>• Determination of funding split</li> <li>• Funding may be more effective if spent on the public side of the network</li> </ul>

### **Option 1:**

Option 1 has the lowest cost to Council, and the bylaw requires that residents are responsible for their own repairs to illegal stormwater connections. Option 1 would follow the process outlined in Figure 1, and used previously in 2009.

The risk in Option 1 lies with enforcing landowners who do not repair defects following the third notice. Council has the ability in the bylaw to undertake repairs and recover funds. Enforcing this on low-income residents may result in negative publicity and reputational risk to the Council. The intention of how the Council will enforce the bylaw following the third defect notice needs to be communicated to the public at the outset of the project to ensure consistency.

There are various mechanisms for recovering the funds following the third defect notice:

- Council directly invoices landowner
- Council levies cost on to rates invoices. Could allow for staged recovery to reduce the financial burden to landowners.
- Loan scheme for low-income residents to undertake repairs

Details of the recovery of costs following the third notice have not been fully worked through, and it is intended this is the next step in the project should Option 1 be approved.

### **Option 2:**

Option 2 would result in the highest and fastest update of repairs however, it has the highest cost to Council, and may set a precedent of Council paying for repairs to private infrastructure. It also may appear inequitable to residents who have funded their own private drainage repairs prior to the programme of works.

Any public funding of private repairs needs to be weighed up against using that funding for repairs on the public network. Investigations in Otane found significant defects on the public side, particularly at manholes. Therefore, it is considered spending the funding on the public side will be as effective as the private side.

### **Option 3:**

Option 3 reduces the financial burden to low income households, and therefore will result in a higher number of repairs.

Having the Council pay a partial cost introduces another level of complexity. An equitable cost share should be determined between Council and ratepayers. This could be based on a flat amount up to Council's annual budget for the project based on a first come first serve basis, or cost share with Council to pay for certain types of repairs.

As per Option 2, Council funding needs to be weighed against the effectiveness of spending on the public side.

The 2021 Long Term Plan, identifies \$300,000 per year for I&I management as well as \$500,000 of water reform funding. This funding finances both public and private side defects, therefore to council-fund private defects reduces the amount available for much-needed I&I repairs to the public system.

Some operational expenditure will be necessary to identify and evaluate remediation effectiveness, the amount of which has not been evaluated exhaustively.

The impact of this decision could affect the sizing of the proposed wastewater treatment plant in Waipawa and associated infrastructure, potentially saving capital and operational costs. The extent of this has not yet been evaluated, though this consideration will lessen somewhat if existing pond infrastructure is used as storm buffer ponds.

The intention is to fund the investigation, management and council owned defects from the LTP funding.

### **Land Owners**

A comprehensive I&I investigation has already been undertaken in Otane, with the town used as a case study to extrapolate the potential costs of private side repairs. Using rates from local plumbers, it was estimated fixing all private property surface defects identified from inspections (i.e. low or broken gully traps and removing downpipes plumbed into the gully trap) would cost between **\$21,500** and **\$31,200** in total. This equates to an average of \$400 to \$650 per property with defects. More significant defects would need to be addressed on a case by case basis i.e. onsite drainage to stormwater.

<b><u>Option 1</u></b>	<b><u>Option 2</u></b>	<b><u>Option 3</u></b>
<b>Fully Privately Funded</b>	<b>Partial Public Funding</b>	<b>Full Public Funding</b>

<b>Financial and Operational Implications</b>	Lowest cost to Council  Likely lowest reduction in I&I and will involve significant monitoring and follow up by Council officers.	Middle range cost to Council  Administrative requirements to manage repairs and works with residents	Highest cost to council  Administrative requirements to manage repairs and works with residents
<b>Long Term Plan and Annual Plan Implications</b>	Long term plan benefits due to I&I reduction: reduced operating cost and deferred capital works upgrades	Long term plan benefits due to I&I reduction: reduced operating cost and deferred capital works upgrades	Long term plan benefits due to biggest I&I reduction: reduced operating cost and deferred capital works upgrades
<b>Promotion or Achievement of Community Outcomes</b>	More difficult for low-income residents, however most consistent across ratepayers	Introduces complexities as to fairness – who gets funding and how much? - Do people who refuse to pay end up benefitting?	May introduce inequities and set precedent for Council responsibilities for private assets  Places less burden on low-income earners
<b>Statutory Requirements</b>	Bylaw puts onus on resident, therefore most consistent with statutory requirements	Bylaw puts onus on resident, therefore inconsistent with statutory requirements.	Bylaw puts onus on resident, therefore inconsistent with statutory requirements
<b>Consistency with Policies and Plans</b>	Consistent with previous I&I reduction programme in 2009 which required landowners to undertake repairs	Inconsistent with previous I&I reduction programme in 2009 which required landowners to undertake repairs	Inconsistent with previous I&I reduction programme in 2009 which required landowners to undertake repairs

### Recommended Option

This report recommends Option 1 for addressing the matter. This recommendation is made on the following basis:

- The Wastewater Bylaw clearly states the landowner is responsible for removal of private stormwater drainage into the sewer
- No management of funds, making it simpler for Council to administer
- Does not set precedent of Council funding privately owned assets

- Based on the previous I&I reduction programme in 2009 is likely to still achieve a high degree of success
- Given the likely large number of defects on the public side of the network, this funding will likely be as effective at reducing I&I if spent on the public side of the network
- Funding is likely to be better spent on upgrading or maintaining stormwater infrastructure to maintain long term compliance
- Some consideration may need to be given to residents and towns where CHBDC has constrained or minimal stormwater networks to drain the roof water that is presently being discharged to gully traps – this will be dealt with on a case by case basis.
- A robust communications and engagement plan will be created to support the implementation of the strategy.

#### **NEXT STEPS**

- Commence implementation of I&I strategy
- Public education and community engagement undertaken.
- Inspections undertaken and defect notices issued.

#### **RECOMMENDATION**

- a) That the Finance and Infrastructure Committee approves the recommendation to adopt the I&I Management Strategy.**
- b) That the Finance and Infrastructure Committee support and endorse Option 1 recommendation for private side defects to be repaired by the resident in the first instance.**




**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

# Inflow and Infiltration Management Strategy

Report

30<sup>th</sup> July 2021

Prepared for Central Hawke's Bay District Council

Prepared by  **Beca**

**Revision History**

Revision N°	Prepared By	Description	Date
1	Logan Thomson	Draft for client review	01/06/2021
2	Ben Severinsen	Formatting & Content	03/06/2021
3	Logan Thomson	Final for Council approval	30/07/2021

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**Appendix A: Wastewater Network Plans**

**Appendix B: Wastewater Bylaw Practice Note WW01**

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## 1 Introduction

### 1.1 Background

Central Hawke's Bay District Council (CHBDC) are currently in the process of upgrading and reconsenting their Wastewater Treatment Plant (WWTP) discharges for the communities of Waipukurau, Waipawa, Otane, Takapau, Porangahau and Te Paerahi as part of *'The Big Wastewater Story.'*

Wastewater networks in these towns experience high levels of inflow and infiltration (I&I) from rainwater and groundwater entering the sewer network. This poses a risk to the current wastewater upgrade project in terms of potential for higher capital costs (than necessary) and inefficient operation. Given the scale of investment anticipated it is important the design of the scheme is optimised. This includes optimising the network flows through managing I&I in order to efficiently size the wastewater treatment facilities and to minimise potential for uncontrolled discharges to the receiving environment.

In addition, the district is projected to experience large population growth, particularly in Waipukurau and Otane. Population growth in these towns will be largely driven by new subdivisions built to council infrastructure standards. These subdivisions should be subject to minimal I&I.

Conditions of CHBDC's current resource consents to discharge wastewater from these plants includes to implement and periodically update I&I Management Plans. This report outlines the background and strategy for investigation and management of I&I. Management plans have previously been produced for the networks in 2007 and 2010. These are concurrently being updated to be submitted to the Hawkes Bay Regional Council.

A Request for Tender (RFT) is currently on the Government Electronic Tender Service (GETS) to procure a contractor to undertake physical investigations, repair of defects and replacement of defective infrastructure. This strategy and the management plans will help inform which parts of the networks to investigate first identify the "low hanging fruit". Once defects are identified and prioritised, the contractor will undertake repairs and replacement of infrastructure.

### 1.2 Funding

Funding for I&I management is derived from two sources and is summarised in Table 1-1. \$300,000 has been granted by the Department of Internal Affairs (DIA) as part of Tranche 1 funding for the New Zealand water industry reforms. The condition of this funding is to have the works completed in the 2021/22 Financial Year. \$100,000 of the DIA Tranche 1 Water Reform funding is currently being used to repair and replace manholes in Otane.

The remaining funding comes from CHBDC's Long Term Plan (LTP) budgets and is budgeted at \$300,000 per year for the next ten years.

Table 1-1: Summary of funding sources for the Inflow and Infiltration Management project.

Source	Financial Year Ending	Funding
Department of Internal Affairs (DIA) Tranche 1 Water Reforms	2022	\$300,000
Long Term Plan (LTP) budget	2021-2031 (\$300,000 per year)	\$3,000,000
<b>Total</b>		<b>\$3,300,000</b>

### 1.3 Project Drivers – The Big Wastewater Story

The Big Wastewater Story is CHBDC's programme of works to upgrade the WWTPs and wastewater networks, achieving better outcomes for the environment, regulatory compliance and ultimately the community. The Big Wastewater Story consists of five projects:

- Replacement of Otane, Waipawa and Waipukurau WWTPs with new single plant at Waipawa ("WOW")
- Upgraded Takapau WWTP
- Replacement of Te Paerahi and Porangahau WWTPs with new or upgraded WWTP at Porangahau
- Residual Management (i.e. sludge, screenings and grit)
- Loadings and Flow Management (management of I&I and trade waste)

Resource consents for several of CHBDC's WWTPs have expired, and designs are in progress for the new and upgraded WWTPs. Discharge consents for each of CHBDC's WWTPs are summarised in Table 1-2.

Table 1-2: Summary of existing CHBDC consents to discharge treated effluent

WWTP	Consent Number	Expires	Discharge Into
Te-Paerahi	DP030324La	31 <sup>st</sup> May 2021	Dunes via soakage
Porangahau	DP030233W	31 <sup>st</sup> May 2021	Porangahau River
Takapau	DP180115W DP180124A	31 <sup>st</sup> October 2021	Makaretu River
Waipukurau	AUTH-113118-04 (W) AUTH-113834-04 (A)	30 <sup>th</sup> Sept 2030	Tukituki River
Waipawa	AUTH-121814-02 (W) AUTH-113839-03 (A)	30 <sup>th</sup> Sept 2030	Waipawa River
Otane	AUTH-121814 (W) AUTH-121816-02 (W) AUTH-121818-02 (W)	31 <sup>st</sup> May 2042	Te Aute Drain then Papanui Stream

The following consent conditions are of note:

- The Otane discharge consent has a condition requiring a treatment plant upgrade by the 31<sup>st</sup> of March 2021
- The Waipukurau and Waipawa discharge consents require a Stormwater Infiltration (I&I) Management Plan to be submitted, and updated each year, to demonstrate CHBDC's work undertaken and strategy going forward to reduce I&I into the wastewater networks.

The consents for Te Paerahi and Porangahau have expired, and new consents are to be submitted at the end of July 2021. A new consent for Takapau was submitted on the 30<sup>th</sup> June 2021.

The benefits of reducing I&I in the district will be:

- Reduce capital costs for the new WWTPs, including conveyance, main hydraulic elements and storage
- Reduce operating costs from pumping and treating excessive wastewater volumes due to I&I
- Meet current resource consent conditions to discharge treated wastewater effluent, which stipulate a mean discharge limit and upper limit by which flow can only be exceeded 10% of the time.
- Assist in meeting new resource consent conditions, which are likely to require a higher standard of treatment
- Free up capacity in the networks to support population growth
- Better environmental outcomes due to reduction in uncontrolled overflows and flooding at manholes or on properties, exfiltration and reduction in hydraulic load at WWTPs.

## 1.4 Programme Drivers

Programme drivers for this project are:

- Undertake I&I reduction works and quantify new flow basis of design for WWTP upgrades. The WOW WWTP preliminary design is scheduled to commence in 2022.
- Meet the funding criteria for the various sources of funding.

## 1.5 Purpose

The purpose of this report is to propose a strategy to determine and prioritise investigations, renewals, upgrades, and new assets required to reduce I&I across the district.

## 1.6 Previous I&I Investigations

An I&I reduction programme was previously undertaken in the district in 2009. Records indicate works were undertaken across all towns. These consisted of:

- Private property inspections of low gully traps and directly connected downpipes
- Smoke testing
- CCTV filming
- Manhole inspections

The findings of the private property inspections are summarised in Table 1-3.

Table 1-3: Summary of faults found in 2009 private property inspections.

Network	Properties Inspected	Properties with Faults	Gully Trap Faults	Other Faults	Smoke Faults	Total Faults
Otane	206	30	31	4	4	39
Porangahau & Te Paerahi	171	25	22	2	4	28
Takapau	190	28	29	0	8	37
Waipawa	861	122	111	2	48	161
Waipukurau	1,994	394	397	10	109	516
<b>Total</b>						<b>781</b>

Repairs on the private side (i.e. laterals serving individual properties and located on private land) included diverting downpipes away from the wastewater, raising low gully traps and repairing or replacing broken lateral pipes. The study identified 781 faults on the private side. Only 12 outstanding faults remained at the end of the study period<sup>1</sup>, for a 98% success rate of private side defects remedies. The I&I reduction measures were successful at the time. Figure 1-1 shows the percentage of days in the previous year in which the resource consent limit of 225m<sup>3</sup>/day is exceeded. The consent allows the limit to be exceeded for 10% of time over the previous year. The chart shows that the I&I reduction works undertaken in Otane in 2009 and 2010 were successful in reducing high flows and helping CHBDC comply with the resource consent. From the chart it appears additional works were undertaken in 2011. Records of these works could not be obtained.

<sup>1</sup> Infiltration Update Report to Council 29<sup>th</sup> October 2009

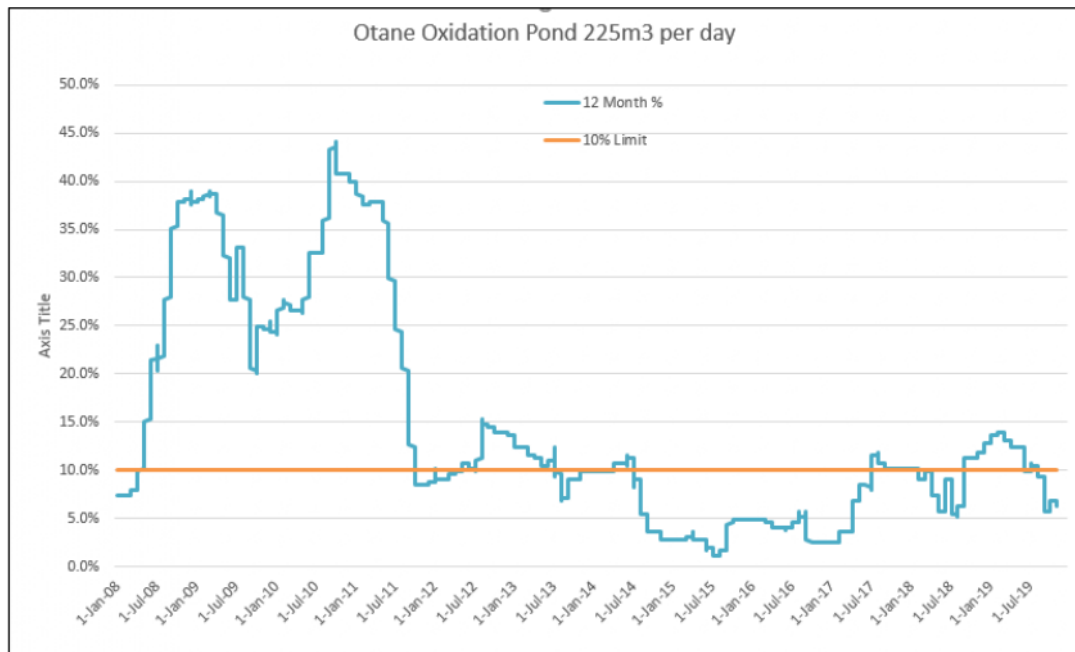


Figure 1-1: Percentage of days in which resource consent flow limit exceeded in previous year. Consent allows for flow limit to be exceeded 10% of the time.

This success rate of private defects repairs should be contrasted with more recent investigation work undertaken in Otane by Veolia in 2019 and 2020<sup>2</sup>. The 2009 work found 30 faults on private property in Otane. All of these faults were reported as having been repaired. Property inspections in 2019 and 2020 found 62 defects on the private side of the network. Seven of these were properties that also had defects repaired in 2009.

Repairs on the public side included diverting incorrectly connected stormwater catchpits to the stormwater network, manhole repairs and sewer repair, replacement and relining.

## 1.7 Concurrent Work

### 1.7.1 I&I Physical Works Contractor

A Tender is currently on the Government Electronic Tender Service to procure a physical works contractor to undertake investigations in the wastewater network to identify defects causing I&I. Once the defects are identified the contractor will commence a programme of repairs.

### 1.7.2 Wastewater Treatment Plant Upgrades

The wastewater treatment plants (WWTPs) in the district are to be upgraded to remove surface water discharges and improve environmental and community outcomes. The proposed upgrades are:

- Waipukurau and Otane WWTPs to be decommissioned and wastewater pumped to an upgraded WWTP at Waipawa. Disposal via Rapid Infiltration Basins (RIBs) and, ultimately, irrigation to farmland.
- Decommissioning of Te Paerahi WWTP and upgrade or decommissioning of Porangahau WWTP and replacement with a new treatment plant. Treated wastewater will be discharged to land or river via enhanced overland flow path.

<sup>2</sup> Otane Wastewater Network Repair/Rehabilitation Plan, Veolia, 27th May 2020

- Takapau to have upgraded WWTP and disposal or dispersal to land.

The proposed new plant at Waipawa will require significant capital investment and ongoing operating costs. Capital cost estimates for the new plant are \$51M, with a Net Present Value (NPV) of \$96M<sup>3</sup>. Therefore, meaningful reductions in I&I could result in significant capital and operating cost savings. Preliminary and detailed design of the proposed plant at Waipawa is scheduled to start in 2022. It is important that I&I reduction measures are implemented and adequately measured prior to commencing design so that design flows can be reconfirmed, and the overall scheme optimised.

### 1.7.3 Otane Remedial Works

Physical works for I&I management on public side infrastructure in Otane are already underway through a programme of manhole repairs. Work in Otane has not yet focused on the private side.

### 1.7.4 Wastewater and Stormwater Models

WSP are engaged to build a wastewater model of Waipukurau. Models for Waipukurau and Waipawa were previously built by Aurecon in 2009 and 2010 respectively. Flow monitoring for Waipukurau was undertaken by Field Services for a two-week period in 2019, and again for a three and a half month period from July to October 2020 to support the model build exercise. Flow monitoring provides high quality data to help understand the nature of the I&I (GWDII vs. RDII) and prioritise which catchments to investigate and repair first. This data has been made available to Beca and will be used to analyse flows in Waipukurau.

Stantec are engaged to build stormwater and wastewater models of Waipawa and Otane. It is understood the intention is to combine the stormwater and wastewater models into a single integrated model. As Otane has no reticulated stormwater system, the results of this model will be useful in determining options for private stormwater drainage in Otane - i.e. whether roadside drainage will be sufficient or whether reticulation is required.

### 1.7.5 Pipe Renewals

Along with the programme of I&I reduction, CHBDC have budgeted \$1.2-1.5m for the first 4 years of the LTP along with approximately \$600k per year for years 5-10 of the 2021 LTP for wastewater renewals. This equates to a total of \$9.7m for the 10 years between 2021-2031 of the LTP. Wastewater renewals are to be considered when investigating and proposing I&I reduction works. WSP have identified a draft programme of renewals, based on pipe age and material. The renewals programme is to be validated against recommendations of the I&I Management Plans and the network modelling results.

### 1.7.6 Stormwater Maintenance and Upgrades

A programme of works has commenced to review compliance with CHBDC's stormwater consent conditions, and to identify maintenance and upgrade projects. Maintenance of swales and culverts in Otane is proposed for the first physical works project under this programme.

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<sup>3</sup> Central Hawkes Bay District Council Waipawa and Waipukurau WWTP Upgrade Scheme Concept Design, Beca, August 2020

## 2 Inflow and Infiltration Overview

### 2.1 Inflow and Infiltration Background

Inflow and Infiltration (I&I) is the sum of Rainwater Derived Inflow and Infiltration (RDII) and Groundwater Derived Inflow and Infiltration (GWDII). RDII is typically derived from the following sources:

- Roof downpipes discharging into gully traps or directly to wastewater lateral pipes
- Low or faulty gully traps
- Stormwater sumps connected to the wastewater network
- Vented manhole lids in the overland flow path
- Leaky manhole lids

GWDII results in a continuous baseflow for an extended period of time (subject to seasonal groundwater fluctuations), and is generally due to:

- Cracked, broken or leaky mains, lateral pipes and manholes below the groundwater level
- Incorrectly installed pipe joints, lateral connections and manhole connections below the groundwater level
- Pipe joints that have deteriorated and failed with the passage of time such as lime mortar joints in earthenware sewers, spigot-socket joints with tree root intrusion
- Disused private drainage connected to the wastewater network (i.e. septic tanks)

Figure 2-1 shows typical sources of inflow and infiltration to the sewer network.

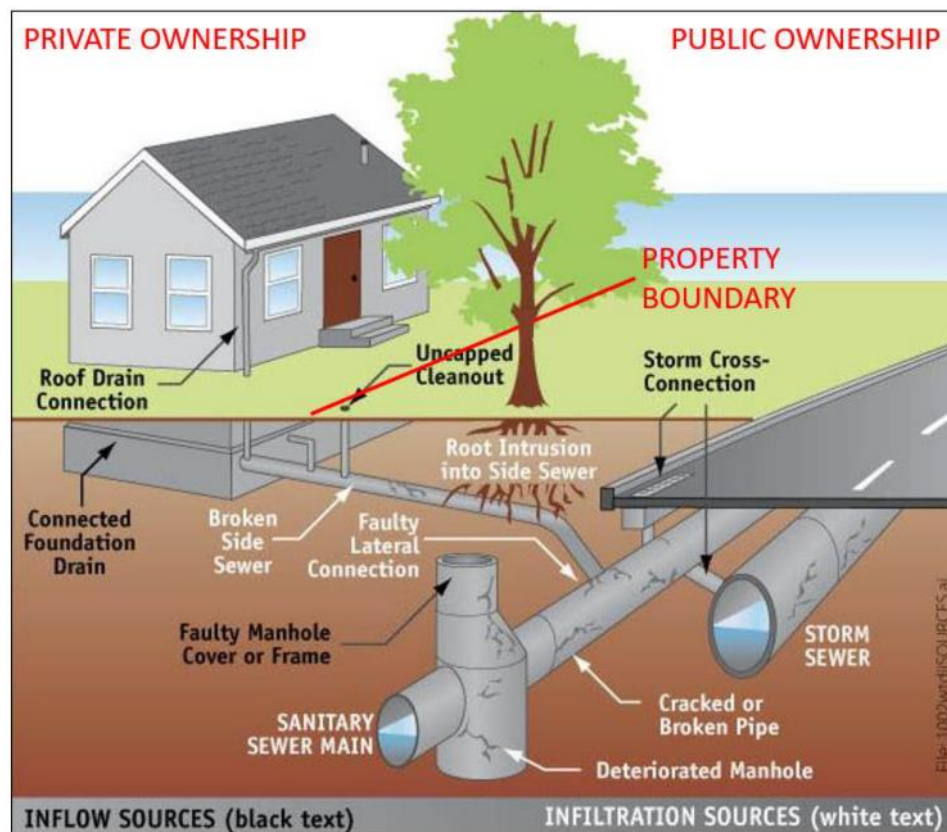


Figure 2-1: Typical sources of inflow and infiltration to the sewer network

RDII is characterised by fast and slow increases in flow in the network observed by elevated flows following a rainstorm. GWDII contributes a consistent low baseflow. Figure 2-2 shows a hydrograph demonstrating the different flow characteristics due to RDII and GWDII in a sewer network.

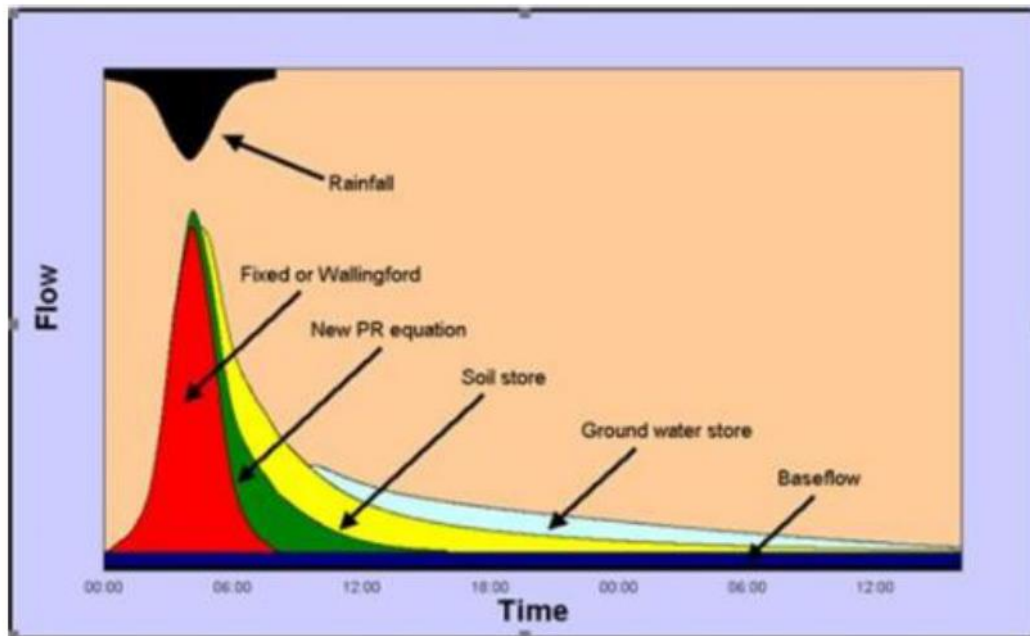


Figure 2-2: Hydrograph of different elements of I&I response following a rainfall event.<sup>4</sup>

From Figure 2-2 it can be observed that RDII results in fast, “peaky” increases in flow, while GWDII contributes a constant baseflow, as observed by the following areas in the plot:

- Fixed or Wallingford: Fast, direct response due to hardstand areas directly connected to the sewer network (i.e. roofs via downpipes to laterals, low gully traps in hardstand areas, stormwater sumps misconnected)
- New Percentage Runoff (PR) Equation: Medium speed, direct response due to runoff from permeable areas such as lawns and grass verges. Enters the network through the same vectors as fast response runoff.
- Soil Store: Slow indirect response through rainfall percolating through soil and entering cracked pipes
- Groundwater store: Very slow, indirect response due to the groundwater table rise following a rainfall event
- Baseflow: Groundwater entering the sewer network through cracked manholes and pipes, defective joints and root intrusion where the network is below the groundwater table,

Factors that influence the amount of I&I received in a network are:

- Extent of stormwater network and overland flow paths (particularly in relation to private gully traps and leaky manhole covers)
- Age and condition of network
- Pipe and lateral material
- Age of houses and standard of drainage works on private properties
- Dishonesty around the discharge location of downpipes

<sup>4</sup> Image source: [www.innovyze.com](http://www.innovyze.com)

| Inflow and Infiltration Overview |

- Frequency and extent of drainage contractor errors in regard to making connections into existing networks
- Groundwater levels and soil type

A corollary of leaky networks is that when groundwater levels drop below the pipe network, raw wastewater may seep out of the pipes and into the groundwater table via exfiltration from the pipe network. This creates potential environmental hazards and a risk to public health, particularly if drinking water supplies are drawn from the same water table.

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### 3 Existing Wastewater Networks

#### 3.1 Overview

##### 3.1.1 Network Description

The wastewater networks for Otane, Porangahau, Takapau and Te Paerahi were mostly constructed between 1979 and 1990 and are almost all plastic pipes. It is understood these networks replaced septic tanks, which were bypassed when the networks were constructed but remain in the ground (although it is reported that a significant source of I&I in the Porangahau network is from these septic tanks still being connected to the reticulation<sup>5</sup>).

The networks for Waipawa and Waipukurau are older, with sections first constructed in 1909 and 1922 respectively. As such these networks contain a mixture of earthenware, asbestos cement (AC), concrete and plastic pipes, with some older pipes in Waipawa having already been rehabilitated with Cure in Place Pipe (CIPP) liners. Plans of each network showing pipe material are shown in Appendix A.

Total pipe lengths for each of the CHBDC wastewater networks are summarised in Figure 3-1:

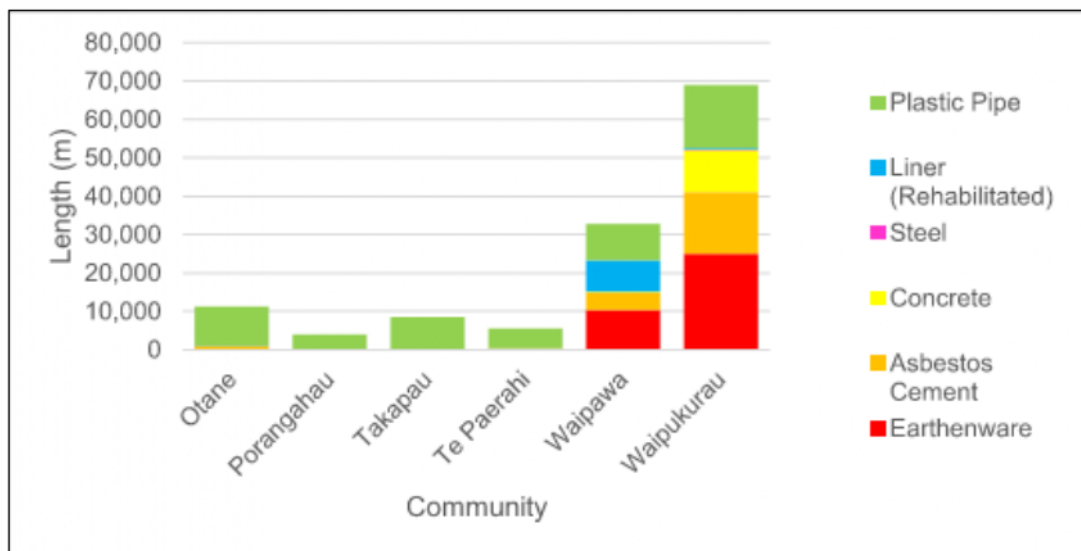


Figure 3-1: Total length of pipelines by pipe material for each network<sup>6</sup>

The material used typically reflects the construction date, with earthenware pipe installed from 1910 until the 1970's, and asbestos cement (AC) installed between 1960 to 1987. Plastic pipes have been installed from the 1970's onwards. Figure 3-2 shows the lengths of pipe across the district by age and material.

<sup>5</sup> Porangahau Stormwater Infiltration Management Plan, CHBDC, February 2010

<sup>6</sup> DRAFT Community Infrastructure Strategy – 2021 – 2051, CHBDC, October 2020

Existing Wastewater Networks

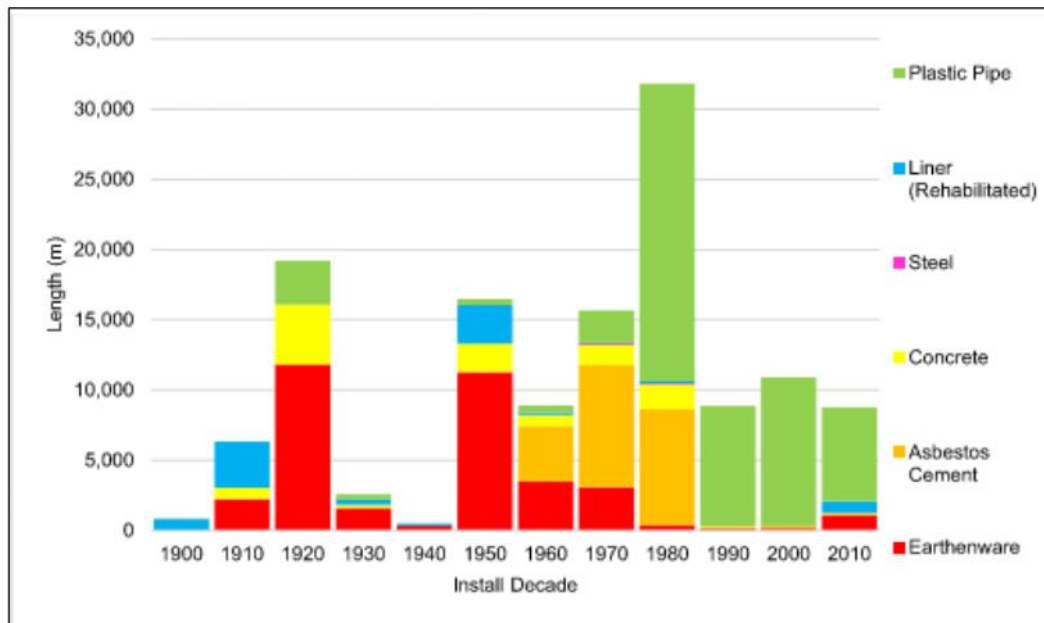


Figure 3-2: Wastewater pipes by age and material in CHBDC networks.

### 3.1.2 Groundwater

Groundwater across the region is typically high. Groundwater levels are summarised in Table 3-1 **Error! Reference source not found.** Levels have been taken from the previous year's data (April 2020 to March 2021) available from the nearest monitoring bore on the Hawkes Bay Regional Council website for Otane, Waipawa, Waipukurau and Takapau, and from a bore log drilled in 2003 for Porangahau.

Location	Seasonal High GW Depth BGL (m)	Seasonal Low GW Depth BGL (m)	Source
Well 16256 (Otane)	1.53	2.75	HBRC
Well 16208 (Waipawa)	0.31	0.66	HBRC
Well 5727 (Waipukurau)	1.92	2.01	HBRC
Well 5335 (Takapau)	3.52	5.54	HBRC
Porangahau	3		Well log 4993, HBRC <sup>7</sup>

Table 3-1: Indicative groundwater levels in study area.

The levels in Table 3-1 show that groundwater tables are generally shallow although can fluctuate by several meters. Therefore, lower lying parts of the networks in each of the towns are likely to be below the groundwater table for at least part of the year. Note that the monitoring bores are near but not in the towns, meaning there will be some variation in actual depth to groundwater in the towns.

### 3.1.3 Population Growth

The district is projected to experience significant population growth over the next 30 years. Population growth estimates are summarised in Table 3-2 **Error! Reference source not found.**

Town	2019	2051
Waipawa	2,180	2,852
Otane	710	1,756
Waipukurau	4,580	7,540
Takapau	620	1,137
Porangahau, Te Paerahi	830	1,868

Table 3-2: Projected population growth estimates<sup>8 9</sup>

The figures presented in Table 3-2 **Error! Reference source not found.** show that Otane and Porangahau/Te Paerahi are expected to more than double, Takapau and Waipukurau will almost double, while Waipawa has relatively low projected growth.

The projected population growth will put greater pressure on the wastewater network. However, new properties are unlikely to contribute significantly to I&I as new drainage will be required to meet modern infrastructure standards and will utilise modern materials less likely to leak. Overall, reducing current I&I over time will free up capacity in the network to help support growth, with such growth posing low risk of I&I for any planned capital works upgrades.

<sup>7</sup> Catchment Risk Assessment, Porangahau, Tonkin and Taylor, March 2021

<sup>8</sup> Population Growth Impact Assessments letter, Beca, 30<sup>th</sup> October 2020

<sup>9</sup> Growth Impact Assessments – Small WWTPs, Beca, 7<sup>th</sup> December 2020

### 3.1.4 Current Flows

Flow meter data has been analysed to quantify the magnitude of the I&I problem across the district. Where available, flows have been taken from the inflow meters to the WWTPs. Where not available, flows have been taken from the discharge meters from the WWTPs. Inflow meters are preferable for this analysis, for two reasons:

- All of the WWTPs have ponds. Ponds will provide some buffering of peak flows due to dynamic storage above the normal operating level.
- Direct rainfall on the pond surface will be adding additional volume measured through the outflow meter.

The inflow meters typically have a smaller data series to analyse than the outflow meters, as these have not been in place as long. Meter type and extent of data series are summarised in Table 3-3.

Table 3-3. Meter location and extent of data series for each WWTP in CHBDC district.

Plant	Meter Location	Data Series
Te-Paerahi	Outflow	Jan 2017 - Present
Porangahau	Outflow	Jan 2017 - Present
Takapau	Outflow*	Jan 2017 - Present
Waipukurau	Inflow	Jan 2017 - Present
Waipawa	Inflow	Sept 2020 - Present
Otane	Inflow	Oct 2018 - Present

\* Inflow meter exists but data series was incomplete, therefore outflow data has been used.

Daily flows from the SCADA data available have been analysed to understand the nature of the I&I and the magnitude of the problem. HBRC groundwater levels from nearby groundwater monitoring bores were analysed to identify periods of high and low groundwater. Daily flows during the high and low groundwater periods have been analysed to determine the extent of groundwater infiltration (or exfiltration).

Peak wet weather flows (PWWF) have been analysed and peaking factors determined based on the ratio of PWWF to the median average dry weather flow (ADWF). Total depth of rainfall and equivalent Average Recurrence Interval has been provided for the rainfall storm causing the PWWF, to provide context to the peaking factors. The equivalent ARI is based on comparing the historical storm to a storm of equivalent depth and duration from the HIRDS V4 tool. Note that the calculation of ARI becomes inaccurate below 1 in 1.58 ARI. Therefore, smaller storms are simply reported as being less than 1 in 1.58 ARI. It should also be noted that beyond an approximately 1 in 2-year ARI, incrementally larger storms are unlikely to have additional effect on flows observed at the WWTP. This is due to increased overflows in the network.

Note the recurrence interval of the rainstorm and rainfall depth do not directly correlate with wastewater flows received at the WWTPs, as antecedent conditions, ground saturation, groundwater levels, storm duration and nested or back to back storms all also contribute to peak flow events.

Flows are presented in Table 3-4.

| Existing Wastewater Networks |

Plant	ADWF (m³/day)			Population	ADWF Per Capita (l/person/day)	PWWF (m³/day)	Peak Factor	PWWF Rainfall Event
	Median	Low GW	High GW					
Te-Paerahi	67	N/A*		312	215	407	6.1	145mm (1 in 10yr)
Porangahau	134	N/A*		255	525	1,711	12.8	113mm (1 in 2yr ARI)
Takapau	93.5	45	255	620	151	873	9.3	23.5mm (<1.58 ARI)
Waipukurau	1,800	1,571	1,886	4,580	393	5,418	3.0	92mm (1 in 2yr ARI)
Waipawa	379	376	767	2,180	174	2,982	7.9	N/A**
Otane	91	87	177	710	128	542	6.0	48mm (<1.58 ARI)

\*Groundwater monitoring data unavailable for Te-Paerahi and Porangahau therefore only the median is reported

\*\*No rainfall was recorded at the nearest rain gauge to Waipawa during the peak flow event

Table 3-4: Ratio of average dry weather wastewater flows to peak wet weather flows

The figures presented in Table 3-4 show that:

- All networks have high peaking factors, except for Waipukurau
- Waipukurau has a lower peaking factor, however there is also a shorter period of SCADA data from which to analyse flows
- Takapau, Waipawa and Otane all have significant variation in ADWF between high and low groundwater periods, indicating significant infiltration
- Takapau has very low ADWF during low groundwater periods, indicating exfiltration.
- Porongahau and Waipukurau have high per capita consumption. Part of Waipukurau's high per capita consumption may be explained by trade waste and industrial users, which contribute approximately 15% of the town's flows<sup>10</sup>

Per capita flows of less than 170l/p/d are indicative of exfiltration, while flows of greater than 270l/p/d are indicative of significant groundwater infiltration<sup>11</sup>. This suggests that despite the approximately 15% of flow from industrial users, Waipukurau still has a groundwater infiltration problem. Porangahau has a significant groundwater infiltration problem. Porangahau's infiltration problem may be exacerbated or caused by the direct connection of septic tanks to the sewer system when the system was installed in 1988<sup>12</sup>.

The per capita flows during low groundwater periods also indicate both Takapau and Otane experience exfiltration. The fluctuation in dry weather flows between high and low groundwater periods indicate these two towns have particularly leaky networks.

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<sup>10</sup> The Big Wastewater Story – District Wastewater Treatment and Discharge Management Strategy, CHBDC, September 2020

<sup>11</sup> Infiltration & Inflow Control Manual Volume 1, Water New Zealand, March 2015

<sup>12</sup> Porangahau Stormwater Infiltration Management Plan, CHBDC, February 2010

## 4 Management Strategy

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### 4.1 Overall Approach

The management strategy presents a methodology for prioritising investigations; identifying defects causing I&I; developing a programme of field investigations; repairing defects, implementing asset renewals or capacity upgrades (to be determined by the hydraulic modelling), and quantifying the effectiveness of reduction measures.

The management strategy has been separated into different strategies for private and public side infrastructure. Repairs to the public side are simpler for the Council to implement as they own and have greater access to the asset. Repairs to the private side are more difficult as, although Council bylaws allow the Council to enforce repairs and recover costs if necessary, repairs are dependent on public compliance.

The steps in the strategy are described in the sections below and presented as a flow chart in Figure 4-1.

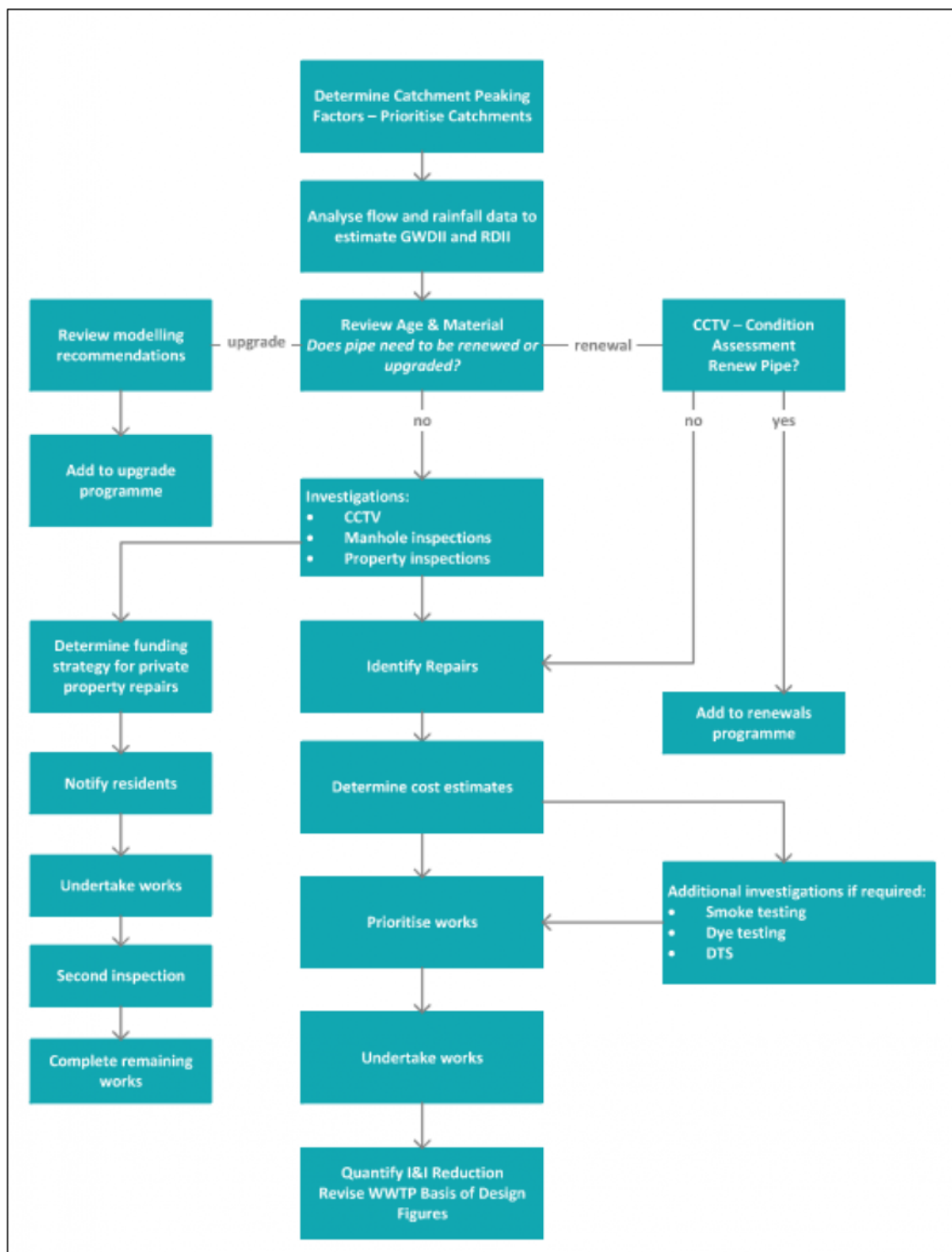


Figure 4-1: Proposed management strategy flow chart

Typically, approximately half of removable I&I enters the wastewater network through private laterals<sup>13</sup>. However, this factor is network specific. For the I&I reduction programme to be successful works are required on both the private side and public side of the network.

Factors to be considered when prioritising investigations, repairs and renewals are:

- Extent of stormwater system
- Catchment peaking factors
- Baseflow from GWDII
- Plans for downstream upgrades – i.e. new WWTPs
- Growth projections
- Historical evidence of causes of problem (i.e. septic tanks in Porangahau)

A leaky network prone to I&I may have high levels of exfiltration when seasonal groundwater levels are low. This poses a potential health risk if water supplies are drawn from the same groundwater table, particularly private bores where no reticulation exists. The lack of adequate stormwater infrastructure will make I&I reduction more difficult, and most of the towns have little to no stormwater infrastructure. This is discussed further in Section 4.2.4.

Table 4-1: Summary of extent of stormwater reticulation for CHBDC towns considered for I&I management strategy

Town	Stormwater Reticulation
Porangahau	Limited
Te Paerahi	Approx. half of town
Takapau	✖
Otane	Limited
Waipukurau	✓
Waipawa	✓

Wet weather peaking factors as per \*Groundwater monitoring data unavailable for Te-Paerahi and Porangahau therefore only the median is reported

\*\*No rainfall was recorded at the nearest rain gauge to Waipawa during the peak flow event

Table 3-4-4 show which towns have the biggest I&I problems. Removing the worst of the I&I first will be more cost-effective, as further reductions will become progressively harder to identify and repair.

Understanding the baseflow from groundwater infiltration will allow further prioritisation of catchments beyond only considering peaking factors.

Implementing repairs to Waipukurau, Waipawa and Otane first may allow review of the flow basis of design for the new Waipawa WWTP, reducing capital costs.

Growth projections will influence where I&I management should be focused, as reducing I&I frees up capacity in the network and treatment facilities. This provides capacity to support further growth and potentially delay upgrades.

<sup>13</sup> Infiltration & Inflow Control Manual, Water New Zealand, March 2015

## 4.2 Private Side Works

### 4.2.1 Illegal Stormwater Connection Bylaw

Council's bylaws may be used to enforce residents to repair defects on private property. The proposed CHBDC wastewater bylaw 2021<sup>14</sup> requires that the customer must take reasonable steps to ensure that:

- There is no direct connection of any stormwater pipe or drain to the wastewater system
- Gully trap surrounds are sealed and set above stormwater ponding or overland flow path levels
- Inspection covers are in place and are sealed
- Private drains are kept and maintained in a state free from cracks and other defects

In the event that defects are identified, the Council may serve a defects notice advising of the defect and steps to be taken to remedy the defect, with the onus on the customer to remedy the defect. If the customer does not repair the defect, the bylaw allows the Council to repair the defect and to recover the cost. The process of inspections and issuing of defects notices is outline in Appendix B.

### 4.2.2 Private Side Defects Repairs

While the responsibility to remedy defects on the private side lies with the landowner, the Council will need to undertake on-property inspections to identify defects.

Following inspections, the Council will issue defects notices to landowners. A round of follow up inspections will be required to determine whether defects have been repaired. If defects are not repaired the Council will need to make a political decision over whether to enforce the repairs under the bylaw and recover costs.

If the Council wish to achieve quick improvements in I&I from the private property side, they may need to consider partially or fully funding repairs. Otherwise repairs will take longer and are likely to have an overall lower successful completion rate. It should be noted that the most successful private lateral rehabilitation programmes have involved agency funding (i.e. council funding)<sup>15</sup>.

If paying for these repairs, the Council would need to consider potential political implications, such as certain residents appearing to get a "freebie" off the Council or setting a precedent for repairing private defects. This may be perceived as unequitable to any landowners who have recently financed their own repairs.

Other schemes which may improve participation rates are where the Council engages a contractor to undertake repairs and recovers the cost from the resident. This could be through a rates levy, loan scheme or similar to spread the cost to the resident. Other benefits of the Council engaging the contractor are:

- Same contractor is undertaking each item of works, resulting in economies of scale and better familiarity with work and specifications
- Less effort required on behalf of the resident, therefore more likely to take up the offer

For context, a programme of I&I reduction works by the former North Shore City Council achieved 75% rehabilitation of private laterals with the financial responsibility on the property owner<sup>13</sup>.

A paper is being prepared for presentation to the Council on the 12<sup>th</sup> of August presenting options for funding of private side repairs. Following the meeting the Council will decide on the approach for private side repairs.

### 4.2.3 Communications Plan

Achieving meaningful reductions in I&I on the private side of the boundary will depend on high levels of public engagement. A strong communications plan is critical in achieving this. Educating residents on the

<sup>14</sup> Part 22: Draft Wastewater Bylaw, February 2021

<sup>15</sup> Infiltration & Inflow Control Manual, Water New Zealand, March 2015

causes and effects of I&I, and the consequent environmental and public health benefits and savings to ratepayers from reduced capital and operating expenditure will help motivate some residents to implement works. Communications with the public typically take the form of:

- Dedicated website or web page on Council's website
- Public Meetings
- Brochures (dropped in mailboxes or handed out at public meetings)
- Dedicated email or webpage enquiry form

In the public communications plan it will be critical to outline who is responsible for payment for repairs on the private side of the property.

Marketing and branding of the I&I management programme may assist with public engagement. Gisborne District Council's (GDC) Drainwise project is an example of marketing the project to increase public engagement. The communications plan included making YouTube videos to explain the drainage network, inflow and infiltration, and why reducing overflows is important. The website also provides up to date details of the project, with a page for residents to submit flooding issues, while the GDC Facebook page provides high visibility of the project. GDC had a presence at community events to promote the initiative, such as the A&P show.

#### 4.2.4 Stormwater Reticulation

Reducing I&I from defects in the private side is complicated by the lack of reticulated stormwater networks in many of the towns. The absence of a stormwater system has been shown to significantly contribute to I&I due to the inability of stormwater to drain away and due to illegal direct connections made to the wastewater system in the absence of an alternative<sup>16</sup>. It may be difficult to enforce disconnection of downpipes connected to the wastewater system without an adequate stormwater system. If downpipes are disconnected, the Council may find landowners simply divert them back into gully traps to prevent surface flooding on property. Anecdotally this has occurred in the past.

Investigation into the requirement for and feasibility of a more comprehensive stormwater system in the towns with no stormwater infrastructure is recommended. Budget for this could be sourced from the I&I management programme, as improved stormwater drainage will assist I&I reduction. The results of the stormwater model for Otane being constructed by Stantec will help quantify the extent of the problem and identify solutions.

### 4.3 Field Investigations

#### 4.3.1 Public Side Field Investigations

Typical field investigations on the public side of the network consist of:

- Visual inspection of manholes
- CCTV filming of pipes and laterals
- Smoke testing
- Distributed Temperature Sensing (DTS)
- Dye testing

Visual inspections of manholes and CCTV filming of pipes are considered the highest priority field investigations as they are relatively low cost, can be provided by a number of service providers, and will be required to provide condition assessments to inform the renewals programme. As well as providing a condition assessment of the manholes, visual assessment of the depth and clarity of flow through the

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<sup>16</sup> Infiltration & Inflow Control Manual, Water New Zealand, March 2015

manhole channels is a good indication of GWDII when inspections are undertaken during dry weather. A similar assessment of characteristics such as clarity and flow rate in wet weather can help quantify RDII.

Smoke testing is relatively low cost and is good at identifying miss-connected stormwater sumps, house downpipes or other cross connections. The effectiveness is reduced in areas with high groundwater, surcharged pipes or deep pipes. Given potential high groundwater levels, smoke testing may be less effective in lower areas of Otane, Waipukurau and Waipawa.

DTS consists of laying a fibre optic cable through the invert of the pipeline. Pulses of light are transmitted through the cable which can accurately measure differences in water temperature at specific points along the sewer. Therefore, DTS is good at locating point source inflows from groundwater or rainwater, which tend to be colder than population derived wastewater flows. DTS is relatively new technology and City Care are currently the only known service provider in New Zealand. Christchurch City Council have had reasonable success in using DTS to inform I&I reduction programmes.

Dye testing typically involves flushing non-toxic dyes down stormwater drains and observing the wastewater network for the dye. It is a low cost and low technology test for identifying cross connections, although is labour intensive and has variable results due to the necessity to observe the correct sewer at the correct time. It is likely to be more beneficial for identifying defects on the private side of the boundary, which requires access permission. In particular, dye testing may be useful at identifying septic tanks still connected to the network.

Following inspections and CCTV, it can be decided whether further investigations are required. Further investigations may be implemented following completion of works identified by CCTV and inspections if necessary, depending on follow up analysis to quantify the success of the I&I management works and remaining budgets.

#### 4.3.2 Private Side Field Investigations

Private side field investigations will require property inspections to identify downpipes discharging to gully traps and low and cracked gully traps. Smoke testing and CCTV filming can be used to locate cracked laterals on the private side of the property. The network conditions will need assessed prior to undertaking smoke testing to determine whether it is an appropriate test.

A potentially large source of I&I from the private side is through disused septic tanks which may not have been disconnected correctly when the reticulations were installed. This is relevant to Otane, Takapau, Porangahau and Te Paerahi, which have relatively new reticulations (constructed in the 1980s). It has been noted previously that septic tanks in Porangahau were connected to the network at the time of construction. These could be identified through review of property files, CCTV of private laterals (although is slow and invasive due to need to film from gully trap), visual inspection and dye testing.

## 4.4 Priority Catchments

Priority catchments to inform the programme of investigation works are to be determined by:

- Assessing flows and peaking factors as per Table 3-4.
- Further assessment of flows from flow monitoring exercises in Waipukurau, Waipawa and Otane
- Pipe age and material
- Growth projections
- Preliminary visual observations
- Priority and scale of downstream upgrades (specifically WWTP upgrades)
- Compliance with resource consent limits for discharge

Pipe age and material has been provided by CHBDC in GIS layers. Along with peaking factors, age and material will be analysed as this will help identify pipes for renewals. Appendix A presents maps of each of

the wastewater networks, delineating pipes by material. By identifying the catchments with the worst I&I, we can focus investigations on areas most likely to have the “low hanging fruit”.

From the plan of Waipawa in Appendix A, a lot of the network in the lower lying areas has been rehabilitated by pipe re-lining. This was undertaken around 2009. Anecdotally, other territorial authorities have had sewer relining fail after 10 years. It is therefore proposed initial CCTV investigations review the relined sewers to assess the condition. As relining is a potential remediation, its previous success needs to be reviewed as part of this Strategy.

Consideration of growth projections may inform priority areas for investigations, as removing baseflow from areas with high predicted growth may allow deferring of capacity upgrades. It is assumed the scope of works for WSP and Stantec’s respective modelling exercises includes growth modelling and will identify mains requiring upsizing to support the growth. These recommendations are to be considered when undertaking repairs under the I&I Investigation and Repair contract as an upgrade may supersede the need to repair.

Reducing I&I potentially offers savings on proposed infrastructure projects downstream, therefore prioritisation of investigations and remedial works should be located where the largest capital works savings can be achieved. This is essentially Otane, Waipukurau and Waipawa due to the new WWTP proposed.

It is therefore proposed that the following areas are prioritised for investigation:

- Low lying areas in Waipawa, due to the extent of ADWF received during high groundwater periods and to assess effectiveness of previous relining projects, and the potential for large downstream savings in capital and operating costs
- Earthenware pipes in Waipukurau, due to relatively high per capita wastewater flows, extent of earthenware pipe in the network, and potential for large downstream savings in capital and operating costs
- Porangahau, due to the very high per capita wastewater flows and the potential for quick wins by removing disused septic tanks from being connected to the network.
- Takapau, due to the variation in ADWF between high groundwater and low groundwater periods, and the subsequent high levels of infiltration and exfiltration respectively.

The extent of investigations will need to be reviewed once the contract is awarded and contract rates established, to determine the investigations can fit within CHBDC’s budgets. Further prioritisation of investigations may be required depending on the budgetary requirements.

Further prioritisation will also be required depending on each discharge’s compliance with resource consent limits for discharge volumes. These are detailed in the I&I Management Plans for each of the networks.

Although Otane has high levels of I&I, comprehensive investigations have already been undertaken, and a programme of works is underway to repair or replace manholes. From the investigation results, it is likely the largest gains will be made on the private side, following manhole repairs. The success of private side defects repairs are also likely to be dependent on the recommendations from Stantec’s stormwater modelling project.

## 4.5 Update Management Plans

Conditions of the resource consents to discharge treated effluent from the Waipawa and Waipukurau WWTPs require Infiltration and Inflow Management Plans to be submitted and updated annually, detailing:

- Work carried out to reduce I&I
- Strategy going forward to further reduce I&I
- Timeframes for works

- Details of actions undertaken in accordance with the I&I management plans

A district wide I&I Management Plan was prepared in February 2007. Specific management plans were prepared for Porangahau and Te Paerahi in February 2010 and for Waipawa and Waipukurau in November 2010. These plans have not been updated since originally published and are currently being updated for submission to HBRC prior to the 1<sup>st</sup> of August 2021. Plans are being updated for all of the networks.

## 4.6 Implement Strategy

### 4.6.1 Physical Works

A Tender is currently out to market to procure a contractor to undertake investigations and to undertake physical works to reduce I&I in all networks across the district. Once the Tenders are received and the contract awarded, the contract rates can be used to build up a quantum of works to fit within the project budget. This will determine the extent of investigations of the priority catchments and whether further prioritisation is required.

Once investigations have been undertaken, repairs and renewals can be determined. Cost estimates will be prepared from the Contract rates and the Contractor (if repair method is not included in the rates) to determine that the quantum of work is within CHBDC's budgets, and to further prioritise works within those budgets.

### 4.6.2 Update Design Basis for WWTPs

Once I&I reduction works have been implemented, flows to the WWTPs will be reviewed to assess the effectiveness of reduction measures and revise the design basis for the new WWTPs. Note that the detailed design is set to recommence in 2022, therefore there will not be a large data series. In addition, other factors including rainfall events and groundwater levels will need to be considered. Changes to the design basis will need to err on the conservative side, given the short data series on which to draw conclusions.

Te Paerahi and Porangahau do not have flow meters on the terminal pump stations. It is recommended that flow meters are installed on the pump station rising mains to measure inflow to the WWTPs.

## 5 Recommendations

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It is recommended that the following catchments are prioritised for CCTV investigations once the I&I Investigation and Reduction physical works Contractor is appointed:

- Low lying areas in Waipawa, to determine the effectiveness of previous pipe relining, extent of groundwater infiltration and to capture any potential benefits to the design of the WOW project
- Earthenware pipes in Waipukurau, to identify and repair defects to capture any potential benefits to the design of the WOW project
- Porangahau, to determine the extent of disused septic tanks connected to the network, potentially enabling quick wins in reducing I&I in this catchment. This may allow reduced capital expenditure for the new or upgraded plant proposed in Porangahau.
- Takapau, due to the apparent amount of infiltration and exfiltration during high and low groundwater periods respectively. This is indicative of a particularly leaky network and removing these issues will result in improved environmental outcomes. Losing less wastewater to exfiltration will also allow for a more appropriate design basis for the new WWTP.

Prioritisation of investigations will also need to consider compliance with resource consent discharge limits, once all of the I&I Management Plans are complete.

Once the physical works contract is awarded, the extent of investigations will be valued to ensure it fits within the budget. Consideration will be required to implementing repairs in Waipawa and Waipukurau whilst leaving sufficient time to collect data to review the design basis for the WOW upgrade scheme.

It is also recommended that:

- CHBDC install flow meters on the terminal pump stations in Porangahau and Te Paerahi to allow measurement of inflows to the WWTP, and quantify reduction in I&I.
- Private side fault repair strategy in Otane is to consider the lack of stormwater network and the outcomes from Stantec's stormwater modelling.

Manhole repairs in Otane being done by Downer are on hold until groundwater levels rise, allowing for re-assessment of priority manholes.

[| Next Steps |](#)

## 6 Next Steps

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The next steps in the project are to:

- Update and submit I&I Management Plans to HBRC
- Evaluate Tenders and award Contract for physical works investigations and repairs
- Value investigation works against Contract rates and determine quantum of investigations
- Instruct Contractor to undertake investigations
- Review results of investigations, create schedule of repair works
- Review proposed repairs against outcomes of hydraulic modelling studies, to determine if pipes should be replaced rather than repaired.
- Review SCADA data to determine effectiveness of repairs and revise design basis for WOW scheme
- Prepare and submit paper to Council on options for funding private side defects
- Undertake programme of private side repairs, depending on outcome of Council decision
- Consider options for stormwater in Otane, following outcomes of Stantec modelling exercise

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- Growth Impact Assessments – Small WWTPs, Beca, 7<sup>th</sup> December 2020
- Porangahau Stormwater Infiltration Management Plan, CHBDC, February 2010
- The Big Wastewater Story – District Wastewater Treatment and Discharge Management Strategy, CHBDC, September 2020



Appendix A – Pipe Network Plans



File: \\Beca.net\projects\77777777-GIS-CHC\GIS\325329\_01.aprx\325329\_01a Author: BGP Date: 9/07/2021

**Legend**  
Wastewater Mains:  
AC  
Liner  
Concrete  
Earthenware  
GI  
HDPE  
MDPE  
PVC  
Steel  
Plant Main

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<div>Map Scale @ A3: 1:5,000</div> <div><div>050100200</div><div>Metres</div></div>	<div>N</div> <div></div>	<div>Revision</div> <div>Author</div> <div>Verified</div> <div>Approved</div> <div>Date</div>	<div>Title:</div> <div>Central Hawkes Bay Wastewater Network</div> <div>Map One: Otane</div>	<div>Client:</div> <div>Central Hawkes Bay District Council</div> <div>Project:</div> <div>Waipawa and Waipukurau WWTPs</div>	<div>Discipline:</div> <div>GIS</div> <div>Drawing No:</div> <div>GIS-325329-01a</div>
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# B

Appendix B – Wastewater Bylaw Practice Note WW01



# Defect Notice Process

## PRACTICE NOTE WW01

This Practice Note is part of a series of notes developed to assist with the use and implementation of the Central Hawke's Bay District Council's Wastewater Bylaw.

## Defect notices

Defect Notices are issued where the wastewater and/or stormwater installation on premises (including private property) does not meet the New Zealand Building Code, NZS4404:2010 Land development and subdivision infrastructure, or Council's requirements under the Wastewater Bylaw 2021, or the Stormwater Bylaw 2021, or via any consents issued.

Non-compliant installations can result in stormwater getting into the wastewater system. This can cause overflows from the wastewater system – at people's houses and into the environment. It can also mean toilets can't be flushed and water can't be used in the house in some situations, particularly in wet weather.

## Defect Notice Process

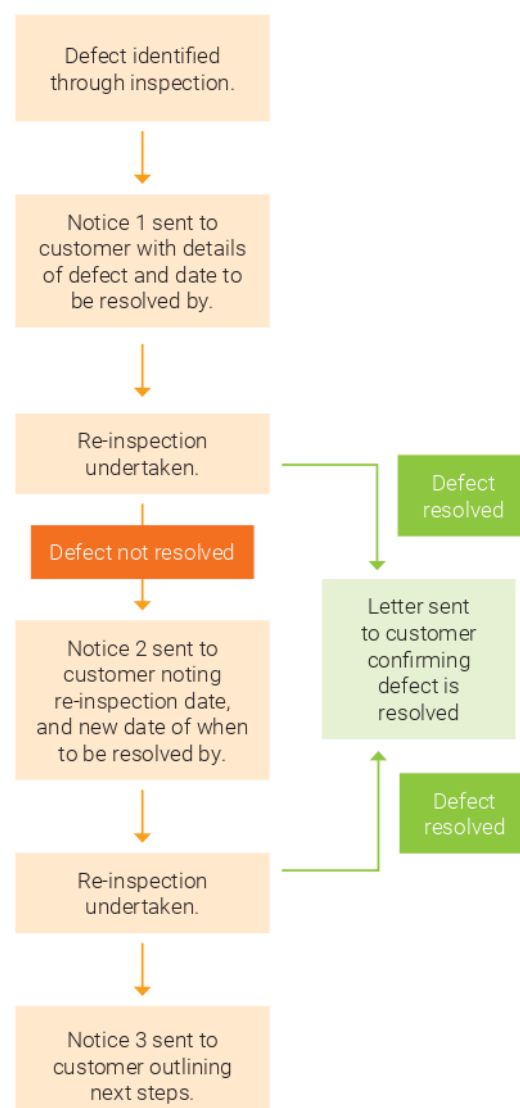
The first Defect Notice issued will contain information regarding the defect Council has identified on the premises. It will give a due date for the defect to be remedied – normally 1-2 months. Resolving the defect is the Customer's responsibility.

A re-inspection is to be undertaken after the deadline date given in the letter.

If the defect is not resolved, Notice 2 will be sent to the Customer, noting the fact that the defect was not resolved when the property was re-inspected (noting date of re-inspection). A new deadline date is to be given in the letter – again, normally 1-2 months.

A re-inspection is to be undertaken after the deadline date given in Notice 2.

If the defect is not resolved after the second re-inspection, a third notice is to be sent to the Customer, outlining the next steps.



**6.9 REQUEST TO BRING FORWARD POURERERE PUBLIC TOILET CAPITAL FUNDING****File Number:** COU1-1410**Author:** Jennifer Leaf, Places & Open Spaces Manager**Authoriser:** Monique Davidson, Chief Executive**Attachments:** Nil**PURPOSE**

The matter for consideration by the Committee is to bring forward capital funds in year 2 of the LTP for the replacement of the Pourerere Beach public toilets to support the funding received through the Ministry of Business Innovation and Employments Tourism Infrastructure Fund.

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

- a) **The capital funding in year 2 of the 2021 - 2031 Long Term Plan for the Pourerere Beach public toilets be brought forward to the current year (year 1) to support funding from Ministry of Business Innovation and Employments Tourism Infrastructure Fund.**

**EXECUTIVE SUMMARY**

Council has identified the need for improved and waterless toilets at Pourerere Beach through its asset management planning and funding through the 2021-32 Long Term Plan.

In year 2 of the LTP \$53,202 was approved for renewal and \$180,000 for upgrading the Pourerere Beach public toilets. Additional funding was sought through Ministry of Business, Innovation, and Employment's Tourism Infrastructure Fund (TIF) to help meet the actual cost of project. On 15 July, Council received notification that it has been awarded \$209,440 towards this project (\$108,800 capital expenses and \$28,640 operational expense) against a total project cost of \$442,642.

By bringing forward the funds in year 2 of the LTP to year 1, Council will be able to complete the project to its full extent with the assistance of the TIF funding.

**BACKGROUND**

The current Pourerere Beach public toilets and change rooms make up the stark white building of cinder block construction built in 1975 that is a third of the way down Pourerere Beach Road on Recreation Reserve land. They are functional when water is available, but are otherwise aging, not accessible, or built to current standards. The existing septic system while functional, is aged and does not meet current standards, more generally acting as a holding tank.

During the development of the LTP budget renewal and upgrade funds were requested. Ongoing issues over the summer however, clearly indicated that a larger and a dry vault system was required. Council submitted a request to fund the project in round 5 of the Tourism Infrastructure fund this past autumn. On 15 July notification was received that Council was successful in being awarded funding for the project.

Water is the key issue and the toilet block is fed from a spring on private land approximately 1.5-2 kilometres west across hills and Gibraltar Road. There is an agreement with the landowner that Council is able to use half of the water. This is often exceeded and the landowner either turns off the water or water is in greater demand at the toilet block than is able to refill the tank in a timely manner. The water is unpotable, yet despite signage and other measures, the water at times is still used as a potable supply by campers on site.

When there is no water at the toilet block toilets continue to be used and are quickly blocked up, usually during the height of the summer camping season. This creates an unhygienic situation and reflects poorly on the district. It also takes more time and cost to clean.

Bringing in water and servicing are an additional cost. During the peak camping/visitor season it is typical for Council to fill the water tank at least three/four times. Council has also provided 8-10 additional port-a-loos during this time that require regular cleaning and a tank service to remove waste. It is expected that 2-4 port-a-loos would still be required during the peak season, but there is still considerable savings.

The new toilets would provide 6 pans and be accessible. Their design also makes them easier to clean. Their appearance would be a better fit with the natural environment and have a similar façade to those installed at Te Paerahi. The holding tank is 3000 litres. Solar power would provide for lighting and ventilation.

## DISCUSSION

The report is brought to Council to enable this project by bringing funds from year 2 of the LTP forward to this current year 1 and thereby being able to access the \$209,440 from the Tourism Infrastructure Fund.

The TIF funding is contingent on Council's funds and would not otherwise be available. Without TIF funding the project could not be completed in year 2 with the funds currently approved through the LTP process. The intent through the LTP was to seek external funding, this funding has simply been realised earlier than projected.

The total project cost is \$442,642. The breakdown of the project costs and funding is shown in table that follows:

Project Budget: Pourerere Toilet Block		
Item	Cost	Note
6 Pan Mono-pitch Roof Dry-Vault with covered waiting area (inclusive of solar lighting, battens, ventilation fans)	\$273,202.00	As per Permaloo quote (estimate only - site visit needed)
Demolition of existing block & Turn-Key Delivery & Installation	\$63,250.00	As per Permaloo quote (estimate only - site visit needed)
Additional project costs -Building and resource consent, Geotech, blessing/launch costs	\$26,425.00	Estimates only, based on previous projects
Improvements to carparking, accessible paths, landscaping	36,775	Estimates only, based on previous projects
contingency 10% of works	\$14,350	
Port-a-loos and cleaning during installation	\$28,640.00	Operational costs during build
<b>PROJECT TOTAL</b>	<b>\$442,642</b>	
<b>FUNDING</b>		
Co-funding awarded from TIF CAPEX	\$180,800.00	TIF Funding
Co-funding awarded from TIF OPEX	28,640	TIF Funding
CHBDC LTP Improvements Pourerere Toilet	\$180,000.00	Request bring forward
CHBDC Pourerere Toilet Renewal	\$53,202.00	Request bring forward
<b>FUNDING TOTAL</b>	<b>\$442,642.00</b>	

The financial impact of bringing the loan funding forward from year 2 to year 1 is approximately \$28,300 (the principal loan payment, loan interest and the depreciation non-FIS costs forward a year earlier).

### **RISK ASSESSMENT AND MITIGATION**

The risk is a reputational one if we do not bring forward the fund to access the funds awarded to us through the Tourism Infrastructure fund, with Council confirming its need for the funds and the services.

### **FOUR WELLBEINGS**

The four wellbeings are all supported through this project that provides a much needed amenity at the Pourerere Beach. Visiting or camping at the beach is a social and cultural experience that many New Zealanders take as a right. Economically, it supports our tourism infrastructure for both domestic and international visitors. Environmentally, we know what occurs when such amenities are not available, not to mention the water savings using this dry vault system.

### **DELEGATIONS OR AUTHORITY**

A Council decision is required for changes to the LTP approved funding.

### **SIGNIFICANCE AND ENGAGEMENT**

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of some significance.

### **OPTIONS ANALYSIS**

There are primarily two options: for Council to consider:

#### **Option 1: Bring LTP year 2 capital funding forward to year 1 for the Pourerere Beach Toilets**

As mentioned previously there are already capital funds approved in the LTP for upgrading the Pourerere Beach toilets: \$180,000 in improvements and \$53,202 in renewals (both in year 2). These are loan funded monies and to bring them forward is an increase in the debt costs by **xxxxxx**.

Being that Pourerere is our closest beach for day visitors as well as camping spot, the new toilets would improve the water issue that we currently deal with on site and improve the overall aesthetic with new fit for purpose accessible toilets.

The opportunity to achieve this project with \$209,440 of Tourism Infrastructure Funding

#### **Option 2: Do not bring forward capital funding for the Pourerere Beach Toilets**

This option means that we would have only have \$233,202 in year 2 which would be insufficient for a 6 pan dry-vault unit, demolition and removal of existing toilet block, and improvements to footpaths and car-parking. The project would not go ahead unless existing funds were sought.

<u>Option 1</u>	<u>Option 2</u>
<b>Bring LTP year 2 capital funding forward to year 1 for the Pourerere Beach Toilets</b>	<b>Do not bring forward capital funding for the Pourerere Beach Toilets</b>

<b>Financial and Operational Implications</b>	Ability to receive TIF funds from central government to support Council funds and deliver upgraded toilets. Will be operational savings. Loan funding related costs will be an additional \$28,300.	Insufficient funds in year 2 to upgrade the Pourerere Beach public toilets.
<b>Long Term Plan and Annual Plan Implications</b>	There will be implications for the current financial year. These are discussed in the report, with the loan funding impact resulting sooner.	Unlikely for monies to be spent if there is insufficient funds to complete project properly. Is likely Council will not be able to fully fund toilet block.
<b>Promotion or Achievement of Community Outcomes</b>	This option supports a number of community outcomes outlined in project thrive such as a proud district and providing durable infrastructure, but most notably the toilet block is environmentally responsible.	It is not clear how this option would achieve community outcomes.
<b>Statutory Requirements</b>	Upgraded toilets will meet new building code and be accessible	Insufficient funds to be fit for purpose
<b>Consistency with Policies and Plans</b>	Reflects needs in asset management of public toilet activity	Reflects needs in asset management of public toilet activity and is consistent with the funding in the LTP

### Recommended Option

This report recommends **option 1, Bring LTP year 2 capital funding forward to year 1 for the Pourerere Beach Toilets** for addressing the matter.

**NEXT STEPS**

If approved, ensure that capital funds in line items in GL codes: 5362C002 'Pourerere Beach Toilet' Upgrade and 5362C501 'Replace Pourerere Toilets' be moved in budget to year 1 from year 2.

**RECOMMENDATION**

**That having considered all matters raised in the report:**

- a) The capital funding in year 2 of the 2021 - 2031 Long Term Plan for the Pourerere Beach public toilets be brought forward to the current year (year 1) to support funding from Ministry of Business Innovation and Employment's Tourism Infrastructure Fund.**

**6.10 DRAFT FINANCIAL REPORT AND CARRY FORWARDS FOR THE 2020/2021 FINANCIAL YEAR****File Number:** COU1-1410**Author:** Brent Chamberlain, Chief Financial Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Draft Activity Funding Impact Statements for 30 June 2021 [↓](#)**PURPOSE**

The matter for consideration by the Council is to give Councillors an early indication of the draft financial results for 2020/2021, and for Council to approve the proposed allocations to carry forwards, special funds, and between activities for the 2020/2021 Financial Year.

**RECOMMENDATION FOR CONSIDERATION**

That having considered all matters raised in the report:

- a) That Council receives the report entitled Draft Financial Report and Carry Forwards for the 2020/2021 Financial Year.
- b) Council approve the proposed allocations to carry forwards and special funds for the 2020/2021 Financial Year.
- c) Council approve that the 2020/2021 activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.
- d) Council approves funding the \$428k shortfall in drinking water renewal budget via loan funding.

**EXECUTIVE SUMMARY**

This report brings to Council the draft unaudited Financial Statements for the Council for the year ended 30 June 2021.

Contained in the report is a list of movements in Special Funds/Carry Forwards that are proposed to be funded from this year's activities, and a proposal that where a general rate funded activity has a surplus, that this surplus be applied to those general rate rated activities that have deficits.

**BACKGROUND**

Throughout the year Council has received quarterly management reports on Council Finances. This report brings to Council an early draft unaudited financial results for the year ended 30 June 2021, and the funding impact statement for both the whole of Council and each group of activities undertaken by Council.

**DISCUSSION**

Set out below is a summary of the draft unaudited financial results for the 2020/21 financial year:

**Statement of Comprehensive Revenue and Expense for the year ended 30 June 2021**

	Actual 2020 \$000	Note	Budget 2021 \$000	Actual 2021 \$000
<b>Revenue</b>				
Rates revenue	20,793	2	21,453	21,364
Subsidies and grants	10,004	2	7,566	26,322
Interest and dividends	215		92	215
Fees and Charges	3,781	2	4,338	4,791
Development contributions	92		107	322
Other revenue	513	2	265	523
<b>Total revenue</b>	<b>35,398</b>		<b>33,821</b>	<b>53,538</b>
<b>Expenditure</b>				
Personnel costs	5,567		5,829	5,696
Depreciation and amortisation	12,397	2	13,065	11,971
Finance costs	429		462	580
Other operating expenses	17,490	2	15,316	26,408
<b>Total operating expenditure</b>	<b>35,883</b>		<b>34,673</b>	<b>44,654</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>(485)</b>		<b>(851)</b>	<b>8,884</b>
<b>Other (Gains)/Losses</b>				
(Gains)/Losses on Public Debt	0		0	0
(Gains)/Losses on Investments	0		0	0
<b>Total Other (Gains)/Losses</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Operating surplus/(deficit) before tax</b>	<b>(485)</b>		<b>(851)</b>	<b>8,884</b>
Income tax expense	0		0	0
<b>Net surplus/(deficit) after tax</b>	<b>(485)</b>		<b>(851)</b>	<b>8,884</b>
<b>Other comprehensive income</b>				
Gains/(losses) on the revaluation of property, plant and equ	2,417	10	14,928	0
Impairment of Recreation and Community Assets	(1,082)		0	0
<b>Total other comprehensive Income</b>	<b>1,335</b>		<b>14,928</b>	<b>0</b>
<b>Total comprehensive income for the year</b>	<b>850</b>		<b>14,076</b>	<b>8,884</b>

It is important to note that this is based on traditional accounting presentation requirements and is more akin to how a "For Profit" entity would report. It is quite different to the Funding Impact Statement that the Local Government Act requires which looks at all sources of income/funds received and then how it has been applied/spent.

This years financial results have significantly been impacted by unbudgeted revenue and costs that relate to Central Government initiatives such as the Provincial Growth Fund, 3 Waters Reform, and economic stimulus packages post Covid.

Councils revenue is nearly \$20m ahead of budget, but almost all of this is in subsidises and grants received from external parties, and hasn't come from the rate payer.

This includes subsidises and grants include such projects as:

- 3 Waters Reform (water infrastructure upgrades) \$4.1m

- |   |        |
|---|--------|
| • Route 52 Roothing Upgrade (PGF)                     | \$6.2m |
| • Nga Ara Tipuna – Cultural Tourism (MBIE and others) | \$2.4m |
| • Economic Recovery/Job Creation (MBIE)               | \$3.6m |
| • Responsible Camping (MBIE)                          | \$0.1m |

In addition to the earned subsidies and grants listed above, Council has received a further \$3.4m of unearned subsidies and grants as at 30 June 2021 and these have been treated as a liability (revenue in advance) rather than revenue. For example to date Council has received \$5.5m of 3 waters reform money, but it had only spent \$4.1m of it by balance date and the remaining \$1.4m has been treated as revenue in advance.

The business as usual revenue lines have tracked closely to budget.

Fees and Charges are slightly ahead of budget particularly in the consenting area and reflects the hot property market, and the higher than normal sub-division and building activity experienced in our community.

When you turn your attention to expenses, you will note that these too are ahead of budget, particularly in the operational costs area.

Again much of this relates back to the additional external funding being spent. \$1m of the 3 waters reform money has been used to fund 3 waters operational costs (the balance in asset creation), the \$2.4m Nga Ara Tipuna Project has also been treated as operational (Council is essentially project managing the project on behalf of an independent trust), and \$3.6m Economic Recovery and \$0.1m Responsible Camping are also both operational.

As stated earlier, these financial results are early draft unaudited financial statements. The auditors don't arrive on site until the 23<sup>rd</sup> August 2021 and as a result the results are subject to refinements and audit adjustments.

For example you'll note that there is currently no revaluation movements recorded as officers are waiting on external contractors to pair review the revaluation of Council's roading assets. Stantec have provided the first draft of their report which shows an increase of Council's roading assets of \$8.9m (although most of this is asset additions during the year).

Also, Council (in conjunction with DOC), sold 5 former reserves in early 2021. To date Council has incurred significant sales costs and these have been funded through special funds account "S001 Capital Projects Fund" which is why this account is currently overdrawn by \$217k. The solicitors are in the process of finalising the sales proceeds and costs incurred by both parties, but it is expected that Council will receive approximately \$305k once the dust settles. This sale is yet to be booked as we are waiting on the final details.

### **External Debt/ Investments/ Asset Creation**

During 2020/21 Council's external debt has remained unchanged at \$20m. This was partly because we drew some debt early (before it needed) late last year and held this money as an investment till it was required, and during the year Council has received 3 Waters reform money which has allowed some capital works to be externally funded.

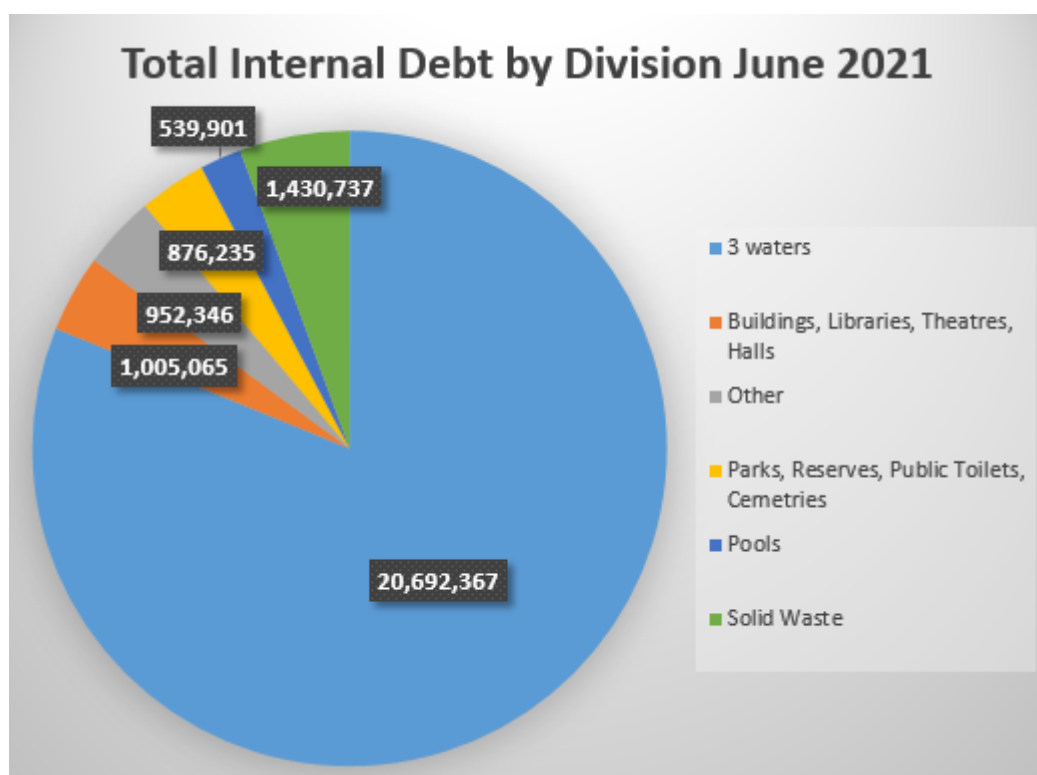
Council's weighted average cost of funds is 2.28% (2020: 2.28%), and the maturities are as the table below:

<u>Debt Position</u>	<u>Draw Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u> <u>30/06/2020</u>	<u>Amount Now</u>	<u>Movement</u>
LGFA - Fixed Rate	28/08/2017	25/08/2025	3.85%	2,000,000	2,000,000	-
LGFA - Fixed Rate	22/07/2019	15/04/2024	2.19%	10,000,000	10,000,000	-
LGFA - Fixed Rate	16/12/2019	15/04/2023	1.96%	4,000,000	4,000,000	-
LGFA - Fixed Rate	16/03/2020	15/04/2027	2.03%	4,000,000	4,000,000	-
ANZ Seasonal Facility (\$1,500,000)				-	-	-
Total Debt			2.28%	20,000,000	20,000,000	-

Since balance date, Council has drawn a further \$2m for a period of 1 year at an interest rate of 1.25% pa.

During 2020/21 Council has spent \$25.9m on acquiring new assets or renewing existing assets.

While Council has external debt of \$20m, it also has internal debt (i.e. borrowings from other Council reserves). Total debt at 30 June was \$25.5m which means in addition to the \$20m external debt, Council has used \$5.5m of Councils internal funds to fund its infrastructure assets. The pie chart below shows how this debt is allocated to the various Council activities.



### Special Funds

Special Funds and Trust Accounts are funded held for a specific purpose and are allocated interest annually from Councils investments/internal borrowings. Special Funds total just over \$7m.

Each year Council allocates its investment revenue to these special funds, and for 2020/21 Council is proposing to allocate \$206k of interest to Councils special funds which will represent an average 2.9% pa return.

Obviously, during 2020/21 Council has seen investment returns fall, so this year Officers propose a tiered interest payment to its special funds.

**Tier One** – these special funds are held for infrastructure replacements and require returns sufficient to offset inflation, and to provide an alternative to 100% rate funding of infrastructure. Officers propose to pay interest of 3.25% pa to this group.

Tier Two – These are Councils Scholarship Funds where Council gives away the interest to the scholarship recipients. Officers propose to pay interest of 3.00% pa to this group to maintain the capital base of these scholarship funds.

Tier Three – Mayoral Fund – this fund requires sufficient interest to top the fund back up to \$5k each year, rather than being based on a pure return basis.

Tier Four – Everything else. Here officers propose to provide a return of 1.5% pa which is in line with term deposit rates being offered by the high street banks.

Below is a table listing the various special funds, the current balance being held, and the proposed interest return:

<b>Account</b>	<b>2020/21 Opening Balance</b>	<b>2020/21 YTD Actuals June</b>	<b>Interest Allocation</b>	<b>Interest Rate</b>
S001. Capital Projects Fund	157,813	217,368	0	Overdrawn
S012. Ruahine W/d Disbursement Res	(673,362)	(614,644)	(9,875)	1.50%
S022. Ruataniwha W/d Disbursement Res	(37,729)	(18,295)	(566)	1.50%
S030. Aramoana W/d Disbursement Fund	(228,980)	(189,204)	(3,225)	1.50%
S110. Elections & Byelection Funding	(42,860)	(38,531)	(606)	1.50%
S438. Esplanade Reserves Fund Acct	(349,567)	(224,811)	(5,244)	1.50%
S515. Ruahine W/d Halls Maintenance Res	(42,926)	(43,570)	(644)	1.50%
S620. Rural Fire Reserve	(99,881)	(61,379)	(1,498)	1.50%
S621. Landfill Aftercare Reserve	(205,606)	(263,278)	(6,929)	3.25%
S625. Vehicle Depreciation Reserve	(460,015)	(516,440)	(14,951)	3.25%
S626. LT Vehicle Depreciation Reserve	(113,178)	(133,239)	(3,940)	3.25%
S630. Mayoral Fund	(7,420)	(6,366)	(1,776)	Top up to \$5k + WEIT
S635. Adverse Events Fund	(153,263)	(1,059,686)	(17,796)	3.25%
S637. Catastrophic Events Fund	(2,906,090)	(2,492,413)	(86,323)	3.25%
S675. Stormwater Renewal Reserve	(221,160)	(3,756)	(3,596)	3.25%
S711. Water Rates Smoothing Reserve	(275,000)	(275,000)	(8,938)	3.25%
S720. Wastewater Upgrade Reserve	(852,885)	(677,354)	(24,469)	3.25%
S765. Te Aute Drainage Scheme Reserve	(50,352)	(51,107)	(755)	1.50%
S861. Bridge Replacement Funding	(103,122)	(160,608)	(4,217)	3.25%
S862. Road Legalisation Funding	(22,159)	(22,491)	(332)	1.50%
S870. Recreation & Community Facilities Reserves	0	(20,150)	(150)	1.50%
S873. Waipukurau Libraries Donations Res	(6,126)	(6,218)	(92)	1.50%
S874. Waipawa Libraries Donations Res	(142,720)	(144,860)	(2,141)	1.50%
S875. EQC/DOC Grant Pourerere	(3,957)	(4,017)	(59)	1.50%
S877. District Landfill Levy Res	(44,325)	0	(577)	1.50%
S890. Housing Depreciation Reserve Acct	(139,882)	(118,238)	(2,098)	1.50%
S935. WPA Building Soc Scholarship Trust	(111,225)	(114,562)	(3,337)	3.00%
S940. Eric Tate Scholarship Trust	(70,920)	(73,048)	(2,128)	3.00%
S944. Rural Travel Fund Reserve	(63)	(64)	(1)	1.50%
	(7,206,959)	(7,115,961)	(206,263)	2.90%

The movements in the special funds during the year include the funding of, or the additional provision for:

- Water Security Funding - \$69k spent
- Nga Ara Tipuna Contribution - \$210k spent
- Te Paerahi Public Toilet - \$23k spent
- By Election Costs - \$5k spent
- Vehicle Replacements – \$57k provision
- Landfill Aftercare - \$51k part repay leachate loan
- Mayoral Fund - \$3k spent
- Adverse/Catastrophic Events – \$389k provision ex Reorganisation of balances, and addition of NZTA refund and surplus budget
- Stormwater Renewal - \$221k Tutaneikai Helicoil Project Spend
- Wastewater Upgrade - \$200k Wetlands Project Spend
- Drinking Water - \$9k Spend budget shortfall

Bridge Replacement - \$53k provision  
 Planting - \$20k provision ex bequest  
 Waste Minimisation - \$45k spend on Glass Bunker and education  
 Retirement Housing - \$23k budget shortfall

## Carry Forwards

Carry Forwards is the practice where Councils take projects that were budgeted to occur in a financial year, and therefore rated for but remain unspent at year end. These projects are expected to be completed in the following financial year so Council "Carries Forward" the rates funding to the following year to allow that project to be undertaken.

For the 2020/2021 below is a list of the Carry Forwards (note these are cumulative and include any carry forwards from previous years that remain unspent):

Account	2019/20 Full Year Actuals	2020/21 YTD Actuals June	Composition of Carry Forward	
CF401. Leadership Carry Fwd	- 37,984	- 46,993	Maori Engagement unspent	45,431
			CVOS Grants	1,562
CF406. Health Carry Fwd	- 25,000	- 17,460	District Licensing Committee	17,460
CF411. Solid Waste Carry Fwd	- 9,793	-	Solid Waste Carry Fwd	-
CF412. Water Carry Fwd	- 1,703	-	Water Carry Fwd	-
CF413. Waste Water Carry Fwd	- 49,536	-	Waste Water Carry Fwd	-
CF414. Stormwater Carry Fwd	- 278,001	- 476,471	Stormwater Carry Fwd	476,471
CF415. Parks Reserves Pools Carry Fwd	- 20,962	- 89,862	Te Reo Signage	5,400
			Parks Renewals	562
			War Memorial Renewals	4,500
			Waipukurau Camp Ground	60,000
			Camp Ground Renewals	9,400
			District Wide Renewals	10,000
CF419. Theatres Halls Carry Fwd	- 42,564	- 93,580	Civic Theatre	5,632
			District Halls	22,320
			Municipal Theatre	5,608
			Settlers Museum	10,424
			Memorial Hall	21,078
			Waipawa Pool	28,519
CF420. Cemeteries Carry Fwd	- 13,000	- 25,649	Cemeteries Carry Fwd	25,649
CF421. Properties Carry Fwd	- 67,787	- 115,176	Admin Building	28,263
			Library Renewals	54,877
			Library Book Replacements	8,981
			Library Program Donations	19,302
			Community Renewals	3,753
CF422. IT Carry Fwd	- 133,222	- 40,500	Server Relocation to HDC	40,500
CF423. Administration Carry Fwd	- 155,081	- 120,583	Document Scanning	95,583
			PBE Staff Training	25,000
CF424. Chief Exec CFWD	- 4,021	- 23,023	CE professional Development	8,023
			Residents Survey	15,000
CF425. Finance Services Carry Fwd	- 72,483	- 13,721	Finance Staff Training	4,100
			Maori Land	9,621
CF429. GIS Carry Fwd	- 82,122	- 135,391	Aerial Mapping	135,391
CF470R. LT Sub Carry Fwd Renewal	- 1,419,132	- 174,487	Adverse Events	100,000
			Footpaths	74,487
CF471R. LT Unsub Carry Fwd Renewal	- 28,013	- 125,623	Footpaths	85,623
			Carpark	40,000
	- 2,440,404	- 1,498,519		1,498,520

You'll note that in the community facilities space there is significant renewals being carried forward. That is because they tend to rate for capital works over several years, and then undertake a significant piece of work once the funds are available.

### Group Surplus and Deficits

Once you that taken into account the operating result of each Council Activity, and the movements in Special Funds and Carry Forwards above, Council is still left with a surplus/(deficit) in each activity.

For those activities are aren't funded by targeted rates we are able to apply the surpluses against the deficits and this looks like the following table:

Activity	Surplus/(Deficit)
Leadership	22,608
Economic and Social Development	(35,347)
District Planning	2,166
Resource Consents	(75,446)
Building Control	158,602
Public Health	(2,104)
Animal Control	5,829
Compliance	18,390
Solid Waste	(72,092)
Parks & Reserves	28,774
Public Toilets	7,466
Community Facilities	(23,987)
Properties	(34,861)
Total	-

For those activities that are funded through targeted rates (3 Waters and Roading) any surpluses and deficits are ring fenced to those activities. Any surpluses are carried forward to future years, and any deficits are funded from prior year surpluses from that activity.

This has been achieved in all cases except Drinking Water. Below is the Funding Impact Statement (FIS) for Drinking Water and as you can see from the highlighted line Council has spent \$637k more on renewals than budgeted, or rated for. While through the use of carry forwards and reserves we have managed to fund \$209k of this, the remaining \$428k could not be covered and has had to be borrowed.

In the Long Term Plan for years 1-5 Council has programmed a large renewal program that will be loan funded, however due to failures throughout the year of Councils reticulation network some of this work has had to be undertaken this year and officers propose to reduce renewal work in year 1 of the Long Term Plan by the \$428k to offset this early loan drawdown. Essentially Council has (due to asset failures) had to get ahead of the curve and do some of the work planned for year 1 of the Long Term Plan, before the start of the new financial year. This situation was signalled earlier in the year when Council considered the end of year forecast.

Account	2019/20 Full Year Actuals	2020/21 Approved Budget	2020/21 YTD Actuals June	2020/21 YTD Variance June
<b>Grand Total</b>	0	0	0	0
<b>Sources of Operating</b>	-3,160,466	-3,419,340	-3,658,977	-239,637
Targeted rates	-3,155,798	-3,416,220	-3,330,827	85,393
Subsidies and Grants for Operating Purposes	0	0	-318,530	-318,530
Fees, charges	-4,667	-3,120	-9,620	-6,500
<b>Applications of Operating</b>	2,475,392	2,571,852	2,948,807	376,955
Payments to staff and suppliers	1,849,178	1,522,166	2,361,694	839,528
Finance costs	112,173	346,566	130,440	-216,126
Other operating funding applications	514,040	703,120	456,673	-246,447
<b>Sources of Capital</b>	-5,152,301	-1,724,945	-2,806,531	-1,081,586
Subsidies and grants for capital expenditure	-263,131	0	-1,628,618	-1,628,618
Development and financial contributions	-84,796	-50,000	-218,042	-168,042
Increase (decrease) in debt	-4,804,374	-1,674,945	-959,870	715,075
<b>Applications of Capital</b>	5,837,375	2,572,433	3,516,701	944,268
to improve the level of service	5,867,200	1,990,394	2,092,589	102,195
to replace existing assets	215,518	832,039	1,469,264	637,225
Increase (decrease) in reserves	-245,344	-250,000	-45,152	204,848

Having done all done all this Council has a balanced Funding Impact Statement (as per the table below):

Account	2019/20 Full Year Actuals	2020/21 Approved Budget	2020/21 YTD Actuals June	2020/21 YTD Variance June
<b>Grand Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Sources of Operating</b>	<b>(29,777,697)</b>	<b>(28,828,051)</b>	<b>(38,052,676)</b>	<b>(9,224,625)</b>
General rates, uniform annual general charges and rates penalties	(13,379,846)	(13,949,917)	(13,942,328)	7,589
Targeted rates	(7,413,116)	(7,503,245)	(7,421,275)	81,970
Subsidies and Grants for Operating Purposes	(4,496,855)	(2,714,626)	(11,177,398)	(8,462,772)
Fees, charges	(3,781,277)	(4,336,604)	(4,791,269)	(454,665)
Interest and dividends from investments	(214,937)	(92,294)	(214,922)	(122,628)
Local authorities fuel tax, fines, infringement fees and other	(491,666)	(231,365)	(505,484)	(274,119)
<b>Applications of Operating</b>	<b>23,251,180</b>	<b>21,564,866</b>	<b>32,550,150</b>	<b>10,985,284</b>
Payments to staff and suppliers	22,887,102	21,325,154	32,103,362	10,778,208
Employee Costs	5,567,072	5,829,438	5,695,588	(133,850)
Operational & Maintenance	15,745,691	13,830,377	24,824,068	10,993,691
Grants	502,046	537,745	485,412	(52,333)
Uncontrollable	1,072,292	1,127,594	1,098,294	(29,300)
Finance costs	364,078	419,390	446,788	27,398
Other operating funding applications	(0)	(179,678)	0	179,678
<b>Sources of Capital</b>	<b>(23,617,962)</b>	<b>(7,755,297)</b>	<b>(15,487,436)</b>	<b>(7,732,139)</b>
Subsidies and grants for capital expenditure	(5,507,054)	(4,851,768)	(15,145,013)	(10,293,245)
Gross proceeds from sale of assets	(18,811)	(34,661)	(20,183)	14,478
Development and financial contributions	(92,097)	(106,972)	(322,240)	(215,268)
Increase (decrease) in debt	(18,000,000)	(2,761,896)	0	2,761,896
<b>Applications of Capital</b>	<b>30,144,479</b>	<b>15,018,482</b>	<b>20,989,962</b>	<b>5,971,480</b>
to improve the level of service	12,439,478	5,651,907	8,105,268	2,453,361
to replace existing assets	7,324,211	9,554,195	17,750,453	8,196,258
Increase (decrease) in reserves	(468,641)	0	(6,865,759)	(6,865,759)
Increase (decrease) of investments	10,849,431	(187,620)	2,000,000	2,187,620

## RISK ASSESSMENT AND MITIGATION

The proposed actions ensure that the targeted rates remain ring fenced for the use of 3 waters and roading, and that the general rate funds are only applied to those activities that are to be funded by general rates under Council's Revenue and Financing Policy.

## FOUR WELLBEINGS

This report delivers an update on Council's finances, and shows that Council is acting in a transparent, fiscally prudent manner, with the best interests of Central Hawkes Bay District in mind.

## DELEGATIONS OR AUTHORITY

While much of the movements in special funds and carry forwards reflect previous Council resolutions, how to deal with the residual activity surplus (deficits) needs to be decided.

## SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of some importance.

## OPTIONS ANALYSIS

Council as the ability to approve the proposed allocations to carry forwards and special funds, and the drinking water renewal loan of \$428k for the 2020/2021 Financial Year and that the 2020/2021

activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.

Or Council can chose not approve the proposed allocations, and provide officers with guidance how they wish to allocate the surplus/ (deficits) between special funds/carry forwards/and activities.

### **Recommended Option**

This report recommends option number one, approving the proposed allocations for addressing the matter.

### **NEXT STEPS**

Officers will action whatever decision is made, and proceed to have the Auditor General audit these financial statements.

<b>RECOMMENDATION</b>
<b>a) That Council receives the report entitled Draft Financial Report and Carry Forwards for the 2020/2021 Financial Year.</b>
<b>b) Council approve the proposed allocations to carry forwards and special funds for the 2020/2021 Financial Year.</b>
<b>c) Council approve that the 2020/2021 activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.</b>
<b>d) Council approves funding the \$428k shortfall in drinking water renewal budget via loan funding.</b>

<b>FUNDING IMPACT STATEMENT FOR Community Leadership</b>				
<b>Funding impact statement for the year ending 30 June 2021</b>				
	2020	2021	2021	2021
	Long Term Plan	Long Term Plan	Annual Plan	Actual
	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	1,229	1,251	1,406	1,405
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	47	48	35	6,146
Fees, charges	0	0	29	41
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>1,276</b>	<b>1,299</b>	<b>1,470</b>	<b>7,592</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,010	1,032	1,142	8,161
Finance costs	0	0	0	0
Internal charges and overheads applied	281	282	343	332
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>1,291</b>	<b>1,315</b>	<b>1,485</b>	<b>8,493</b>
<b>Surplus (deficit) of operating funding</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(901)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(15)	(15)	(15)	(901)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(901)</b>
<b>Surplus (deficit) of capital funding</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>901</b>
<b>Funding balance</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

<b>FUNDING IMPACT STATEMENT FOR Planning &amp; Regulatory</b>				
<b>Funding impact statement for the year ending 30 June 2021</b>				
	2020	2021	2021	2021
	Long Term Plan	Long Term Plan	Annual Plan	Actual
	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	785	807	823	819
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges	1,030	1,041	1,393	2,108
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	21	22	17	3
<b>Total operating funding</b>	<b>1,836</b>	<b>1,870</b>	<b>2,233</b>	<b>2,930</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,329	1,334	1,583	2,606
Finance costs	9	19	35	6
Internal charges and overheads applied	482	484	585	627
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>1,821</b>	<b>1,837</b>	<b>2,202</b>	<b>3,239</b>
<b>Surplus (deficit) of operating funding</b>	<b>15</b>	<b>33</b>	<b>31</b>	<b>(309)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	194	201	695	392
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>194</b>	<b>201</b>	<b>695</b>	<b>392</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	234	726	0
- to replace existing assets	208	0	0	0
Increase (decrease) in reserves	0	0	0	83
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>208</b>	<b>234</b>	<b>726</b>	<b>83</b>
<b>Surplus (deficit) of capital funding</b>	<b>(15)</b>	<b>(33)</b>	<b>(31)</b>	<b>309</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUNDING IMPACT STATEMENT FOR Land Transport**  
**Funding impact statement for the year ending 30 June 2021**

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	6,564	6,707	6,854	6,854
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	2,554	2,571	2,613	3,660
Fees, charges	19	19	36	67
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	162	165	162	462
<b>Total operating funding</b>	<b>9,299</b>	<b>9,462</b>	<b>9,664</b>	<b>11,043</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	4,602	4,635	4,705	5,706
Finance costs	0	0	0	0
Internal charges and overheads recovered	1,169	1,178	1,497	1,622
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>5,771</b>	<b>5,813</b>	<b>6,201</b>	<b>7,328</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,528</b>	<b>3,649</b>	<b>3,463</b>	<b>3,715</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	4,499	4,663	4,852	12,110
Development and financial contributions	3	3	3	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>4,502</b>	<b>4,666</b>	<b>4,855</b>	<b>12,110</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	300	300	1,000	1,602
- to replace existing assets	7,713	7,999	7,299	14,795
Increase (decrease) in reserves	16	16	19	(572)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>8,029</b>	<b>8,315</b>	<b>8,318</b>	<b>15,825</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,528)</b>	<b>(3,649)</b>	<b>(3,463)</b>	<b>(3,715)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUNDING IMPACT STATEMENT FOR Solid Waste**  
**Funding impact statement for the year ending 30 June 2021**

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	1,193	1,195	1,196	1,227
Targeted rates	236	242	373	374
Subsidies and grants for operating purposes	53	54	53	132
Fees, charges	1,132	1,156	1,713	2,002
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>2,614</b>	<b>2,648</b>	<b>3,335</b>	<b>3,735</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,911	1,942	2,472	2,936
Finance costs	92	85	44	27
Internal charges and overheads applied	341	342	501	484
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,344</b>	<b>2,369</b>	<b>3,017</b>	<b>3,447</b>
<b>Surplus (deficit) of operating funding</b>	<b>270</b>	<b>278</b>	<b>318</b>	<b>288</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	20
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(115)	(122)	(129)	(54)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions		0	0	0
<b>Total sources of capital funding</b>	<b>(115)</b>	<b>(122)</b>	<b>(129)</b>	<b>(34)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	80
- to replace existing assets	95	97	97	94
Increase (decrease) in reserves	59	59	93	80
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>154</b>	<b>157</b>	<b>190</b>	<b>254</b>
<b>Surplus (deficit) of capital funding</b>	<b>(270)</b>	<b>(278)</b>	<b>(318)</b>	<b>(288)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUNDING IMPACT STATEMENT FOR Water Supply**  
**Funding impact statement for the year ending 30 June 2021**

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	3,109	3,272	3,416	3,331
Subsidies and grants for operating purposes	0	0	0	319
Fees, charges	0	0	3	10
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>3,109</b>	<b>3,272</b>	<b>3,419</b>	<b>3,660</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,223	1,532	1,522	2,363
Finance costs	453	616	347	130
Internal charges and overheads recovered	509	511	703	457
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,185</b>	<b>2,659</b>	<b>2,572</b>	<b>2,950</b>
<b>Surplus (deficit) of operating funding</b>	<b>924</b>	<b>613</b>	<b>847</b>	<b>710</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	1,629
Development and financial contributions	5	5	50	218
Increase (decrease) in debt	6,319	220	1,675	960
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>6,324</b>	<b>225</b>	<b>1,725</b>	<b>2,807</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	1,990	2093
- to replace existing assets	7,123	1,088	832	1469
Increase (decrease) in reserves	125	(250)	(250)	(45)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>7,248</b>	<b>838</b>	<b>2,572</b>	<b>3,517</b>
<b>Surplus (deficit) of capital funding</b>	<b>(924)</b>	<b>(613)</b>	<b>(847)</b>	<b>(710)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FUNDING IMPACT STATEMENT FOR Wastewater</b>				
<b>Funding impact statement for the year ending 30 June 2021</b>				
	2020	2021	2021	2021
	Long Term	Long Term	Annual Plan	Actual
	Plan	Plan		
	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	3,319	3,573	2,932	2,933
Subsidies and grants for operating purposes	0	0	0	743
Fees, charges	240	245	417	(83)
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>3,559</b>	<b>3,818</b>	<b>3,349</b>	<b>3,593</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,404	1,519	1,459	1,879
Finance costs	620	698	375	213
Internal charges and overheads recovered	509	511	675	782
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,533</b>	<b>2,728</b>	<b>2,509</b>	<b>2,874</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,026</b>	<b>1,090</b>	<b>841</b>	<b>719</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	1,387
Development and financial contributions	10	10	50	96
Increase (decrease) in debt	2,163	1,100	977	2,143
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>2,173</b>	<b>1,110</b>	<b>1,027</b>	<b>3,626</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	4181
- to replace existing assets	3,168	2,168	1,609	408
Increase (decrease) in reserves	31	32	259	(244)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>3,199</b>	<b>2,200</b>	<b>1,868</b>	<b>4,345</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,026)</b>	<b>(1,090)</b>	<b>(841)</b>	<b>(719)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

<b>FUNDING IMPACT STATEMENT FOR Storm Water</b>				
<b>Funding impact statement for the year ending 30 June 2021</b>				
	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties		0	0	0
Targeted rates	670	713	782	784
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>670</b>	<b>713</b>	<b>782</b>	<b>784</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	258	250	312	216
Finance costs	27	28	17	7
Internal charges and overheads recovered	165	166	208	227
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>451</b>	<b>444</b>	<b>538</b>	<b>450</b>
<b>Surplus (deficit) of operating funding</b>	<b>220</b>	<b>269</b>	<b>245</b>	<b>334</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	7
Increase (decrease) in debt	70	(43)	(19)	(11)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>70</b>	<b>(43)</b>	<b>(19)</b>	<b>(4)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	9
- to replace existing assets	304	226	226	344
Increase (decrease) in reserves	(15)	0	0	(23)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>289</b>	<b>226</b>	<b>226</b>	<b>330</b>
<b>Surplus (deficit) of capital funding</b>	<b>(219)</b>	<b>(269)</b>	<b>(245)</b>	<b>(334)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

<b>FUNDING IMPACT STATEMENT FOR Recreation &amp; Community</b>				
<b>Funding impact statement for the year ending 30 June 2021</b>				
	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	3,400	3,561	3,644	3,637
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	17	17	13	178
Fees, charges	554	566	746	646
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	130	6	51	41
<b>Total operating funding</b>	<b>4,100</b>	<b>4,150</b>	<b>4,454</b>	<b>4,502</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,303	2,375	2,659	3,033
Finance costs	166	174	98	75
Internal charges and overheads recovered	773	776	934	903
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>3,241</b>	<b>3,324</b>	<b>3,691</b>	<b>4,011</b>
<b>Surplus (deficit) of operating funding</b>	<b>859</b>	<b>826</b>	<b>763</b>	<b>491</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	4	4	4	1
Increase (decrease) in debt	134	185	129	(160)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>138</b>	<b>189</b>	<b>133</b>	<b>(159)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	120	0	326	79
- to replace existing assets	698	959	586	378
Increase (decrease) in reserves	179	56	(16)	(125)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>997</b>	<b>1,015</b>	<b>897</b>	<b>332</b>
<b>Surplus (deficit) of capital funding</b>	<b>(859)</b>	<b>(826)</b>	<b>(763)</b>	<b>(491)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

**6.11 QUARTERLY NON-FINANCIAL PERFORMANCE REPORT APRIL - JUNE 2021****File Number:** COU1-1410**Author:** Brent Chamberlain, Chief Financial Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Non-Financial Quarterly Report [↓](#)**PURPOSE**

The purpose of this report is to present to Council the Quarterly non-financial performance report for the period 1 January – 31 March 2021.

**RECOMMENDATION**

**That having considered all matters raised in the report:**

That the Quarterly Non-Financial Performance Report 1 April – 30 June 2021 be received.

**SIGNIFICANCE AND ENGAGEMENT**

This report is provided for information purposes only and has been assessed as not significant.

**BACKGROUND**

These reports seek to provide Council a quarterly update on non-financial performance measures, as set out in the Long Term Plan 2018-2028.

Non-financial performance measure (often referred to as Statements of Service performance (SSPs)), compare performance on levels of service against benchmarks set by Council when adopting the Long Term Plan (LTP) or Annual Plan (AP).

Some of these SSPs are set by regulations from Central Government and are, therefore, measures that are used throughout New Zealand.

The 2018-2028 Long Term Plan sets out a range of performance measures which Council are required to report on quarterly. Over the course of the annual cycle, these performance measures then form the basis of the Annual Report.

This particular report, highlights the pressures of growth in Building and Resource Consents and the impact that is having on service level with regards to timeframes for consentings. While the target is not going to be achieved, every effort is getting taken, into ensure this issue is mitigated.

**DISCUSSION**

The report is **attached**.

**IMPLICATIONS ASSESSMENT**

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;

- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

**NEXT STEPS**

The fourth quarter non-financial performance measures will be reported to Council on the 23<sup>rd</sup> September 2021 in order to give Council visibility ahead of the Annual Report 2020-2021 process.

**RECOMMENDATION**

**That having considered all matters raised in the report:**

That the Quarterly Non-Financial Performance Report 1 April – 30 June 2021 be received.

Central Hawke’s Bay District Council			Non-Financial Quarterly Report: 1 April 2021 – 30 June 2021	
<b>Leadership and Governance</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What Customers Want/Customers Value	Customer levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
Council that listens to its community, responds efficiently and effectively, communicates well and has a can-do customer services attitude.	Responsive	The percentage of people who consider that Council has responded well or very well to community needs and issues.	75%	<b>Achieved</b> 82% of the community consider that Council has responded well to community needs and issues in the last 12 months.
	Compliant	The percentage of formal consultation which follows legislative and policy requirements.	100%	<b>Achieved</b> Council met legislative and policy requirements with regards to consultation.
	Responsive	Every time consultation occurs more than 4 engagement methods are used.	>4	<b>Achieved</b> Council is on track to achieve this outcome, with robust engagement and consultation occurring through a varied of methods.
	Compliant	The percentage of Council and Committee agendas made available to the public four working days before the meeting.	100%	<b>Achieved</b> All meetings agendas were made public four days before the Council or Committee meeting.
	Informative	The percentage of people who consider that Council has communicated well on Council business.	80%	<b>Achieved</b> 90% of people consider that Council has communicated well on Council business.

CHBDC - Quarterly Financial Report

Together we Thrive! E ora ngātahi ana!

	Inclusive	Council meets formally with Taiwhenua o Tamatea at least 4 times a year.	4	<b>Achieved</b> Through Council's partnership with manawhenua and Te Taiwhenua o Tamatea in the development of The Maori Engagement Strategy, Nga Ara Tipuna, and key projects including Vegetation, Rakei Ora – Bringing Wellbeing to Marae, He Ringa ora Whanau and He Kura Kainga are further projects where Council is partnering with Taiwhenua in the delivery of services.
	Compliant	Documents audited receive an unmodified audit opinion.	100%	<b>Achieved</b> The 2019/2020 Annual Report received an unmodified audit opinion.

Economic and Social Development				
What Customers Want/Customers Value	Customer levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
To have a strong Council voice that advocates and leads change in economic and social issues and opportunities for the District.	Participates	Council actively participates in regional collaborative initiatives around economic and social development.	Yes	<b>Achieved</b> Council remains an active participant in regional social development initiatives including Hawke's Bay Funders Forum, Hawke's Bay Housing Coalition, and Hawke's Bay Safe Communities Forum.  Council is an active participant and leader in regional economic development initiatives including Matariki HBRDS, and THINK HB.

	Leads	Council develops and implements a Community Wellbeing and Economic Development Strategy.	Yes	<b>Achieved</b> The Community Wellbeing Strategy is being actively implemented. The Economic Development Action Plan (EDAP) has been adopted by Council and implementation remains underway. An economic recovery plan has been developed to respond to the challenges of COVID-19 and drought, and this sits alongside the EDAP in the short-medium term, or as long as necessary.
	Inclusive	The percentage of the Youth Action Plan that is implemented and achieved.	80%	<b>Achieved</b> 80% implemented and achieved to date.
	Inclusive	The percentage of the Safer CHB Action Plan that is implemented and achieved.	80%	<b>Achieved</b> 80% implemented and achieved year to date.
	Inclusive	The percentage of the Older Persons Action Plan that is implemented and achieved.	80%	<b>Achieved</b> 80% implemented and achieved year to date.
	Inclusive	The percentage of the Disability Action Plan that is implemented and achieved	80%	<b>Achieved</b> 80% implemented and achieved year to date.
	Effectiveness	The annual visitor spend increases by \$1m annually.	+\$1m	<b>Achieved</b> Overall growth of 6.1% to May 2021 EFTPOS transactions only, and 8.6% domestic visitors growth to May 2021. Note official advice from MBIE is to focus on the % trend, rather than the actual \$\$ number

	Accessibility	The number of participants in events financially supported by Council.	3000	<b>Achieved</b> The Ongaonga Victorian Fair alone saw over 3,000 people in attend this Council financially supported event early in Q2. The Central Hawkes Bay Christmas Carnival held in December attracted an estimated 2000- 2500 people into the Waipukurau town centre.
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	Effectiveness	Support the creation of net new jobs within the District.	50	<p><b>Achieved</b></p> <p>Through rapid deployment programmes including Vegetation, Rakei Ora and Tuki Tuki Trails, over 45 people have been put into employment, creating new fixed term jobs.</p> <p>The Jobs in Central Hawke's Bay project which is funded through the Mayors Taskforce for Jobs and MSD has seen 466 referrals come through the mobile employment hub and has placed 186 people into employment. Of these 186, 70 can be counted towards the MTFJ contract as they are Youth or people who have been displaced due to COVID.</p> <p>On Thursday 22 April, we hosted Prime Minister Jacinda Ardern in our Mobile Employment Hub at the Green Patch in Waipukurau. It was an opportunity to celebrate the success of Jobs in Central Hawke's Bay, while giving Jacinda the opportunity to meet some of our successful jobseekers and learn about their pathway to employment through Jobs in Central Hawke's Bay.</p> <p>"I've met people today whose lives have truly been changed by employment opportunities made possible by the Mayor's Taskforce for Jobs programme. This is a fantastic example of what can be achieved through strong place-based local government leadership." - Prime Minister Jacinda Ardern</p> <p>The Jobs in Central Hawke's Bay team maintain a close and effective working relationship with MSD. "The partnership with MSD is achieving results that no organisation or agency could have achieved on</p>
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				<p>their own, when we support young people to find meaningful employment or training pathways, we all benefit." - Noa Woolloff - MTFJ National Coordinator</p> <p>The Team also continues to work closely with the Project Management Office to assist contractors who secure tenders within the district to find local employees. To date we have facilitated the placement of 7 local job seekers with local contractors.</p>
	Quality	The percentage of the community is satisfied with the Economic and Social Development activity of the Council.	95%	<p><b>Not Achieved</b></p> <p>84% of residents were satisfied with the Economic and Social Development activity of the Council.</p>

<b>District Planning</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What Customers Want/What Customers Value	Customer Levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
The District Plan is kept up to date and relevant to the needs of our community – helping us to maintain a well-designed and sustainable district	Effectiveness	Review of the District Plan is completed within timeframes.	Rolling Review of Operational District Plan	<b>Will not be achieved</b>  While the timelines of achieving an operational plan in 2020 are now redundant the new levels of service proposed for the review are inconsistent with those recommended to Council for the new LTP. Until Council formally adopts the new Levels of Service proposed for the review this inconsistency will remain.  It should be noted in the interim, however, that the Proposed District Plan was formally notified on 28 May 2021 in alignment with timeframes in the District Plan work programme.  Notification is a significant milestone for the Council and effectively makes the beginning of the formal and statutory phase of the review.  Notification of the Proposed District Plan followed a report to an Extraordinary Council Meeting on 27 May 2021 seeking Council approval to adopt and notify the Proposed District Plan and associated Section 32 Reports on 28 May 2021.  The Proposed District Plan is open for consultation until 6 August 2021. In accordance with the requirements of the Resource Management Act 1991 (RMA) a summary of submissions will then be prepared and notified for further submissions.  Submissions on the Proposed District Plan will be heard by the District Plan Hearings Panel and the appointment of Commissioners to this Panel is

				<p>currently being organised. A report to be presented to the Council on 29 July recommends the appointment of two independent accredited Commissioners to act as Chair and panel member to support the remaining members of the panel as well as a Tikanga expert.</p> <p>Officers are currently holding planning drop-in sessions every Wednesday during the consultation period to provide assistance with the submission form or explain provisions of the Proposed District Plan.</p>
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### Land Use and Subdivision Consents

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer Levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
The land use and subdivision consent process is compliant, efficient and user friendly.	Timeliness	The percentage of resource consents (non-notified) processed within 20 working days (the statutory timeframe).	100%	<p><b>Will not be achieved</b></p> <p><b>TOTAL RESOURCE CONSENTS</b>  Average processing days = 25.2 days  45.7 % of consents issued within 20 days</p> <p><b>Land Use Consents</b>  Average processing days = 19.0 days  38.5% of consents issued within 20 days</p> <p><b>Subdivision Consents</b>  Average processing days = 27.0 days  27.0% of consents issued within 20 days</p> <p><b>Permitted Boundary Consents</b>  Average processing days = 12.4 days  80% of consents issued within 20 days</p>

CHBDC - Quarterly Financial Report

Together we Thrive! E ora ngātahi ana!

				<p>The increase in consent application numbers has exploded in the past period on the back of the proposed District Plan and Development Contributions changes with several large and complex residential proposals still in processing. Processing times for subdivisions has improved slightly since last period with almost all consents processed by external consultants. While the percentage of consents processed within 20 days appears low at 45.7 %, the average processing time of 25.2 days is only marginally over the statutory timeframe. The heavy reliance on external resources including engineering, infrastructure and planning has contributed to the increase in processing times.</p> <p>While mandatory timelines are in some cases exceeded by a small number of days, every effort is made to communicate with applicants and affected parties and the number of complaints or dissatisfied customers is very low.</p>
	Customer Service	The percentage of customers satisfied with the land use and subdivision consent services provided	90%	<p><b>Not Achieved</b></p> <p>73% of customers are satisfied with the land use and subdivision consent services provided.</p>

<b>Building Control</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer Levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
The building consent process is compliant, efficient and user friendly	Timeliness	The percentage of building consents processed within 20 working days (the statutory timeframe).	100%	<b>Will not be achieved</b> <b>88.3% consents processed within 20 working days</b> <ul style="list-style-type: none"> <li>• 161 consents processed this period</li> <li>• Average processing days = 15</li> <li>• \$20,122,377 value of consents processed this period</li> <li>• 110 consents processed in the same period 2019</li> <li>• \$15,392,750 value for same period 2019</li> </ul> <p>Due to the current volume and staff vacancies, most consents are processed externally. In late October we were advised by National Processing that timeframes were likely to extend beyond the service level agreement based on the increased volumes they are also experiencing from other BCA's. In April we were advised of a three-week stand down period while external contractors caught up on the backlog with a reduction in volumes thereafter. This resulted in all consents having to be processed internally and balancing timeframes around ensuring building inspections were able to still meet customer demand and expectations. A small delay in both consent processing and inspection timeframes has been communicated to the industry. We have recently appointed two Building Control Officer Cadets to build</p>

				resilience and manage the increase in consent numbers expected off the back of the increase in resource consents seen in the last 6 months. As a reference point CHBDC timeframes are still significantly below that of both Hastings and Napier. We expect to need external support for processing in peak periods only with most consents to be managed in house by the end of 2021 allowing us to be closer to the 100% objective.
	Safety	The maintenance of building consent authority accreditation status.	Achieved	<b>Achieved</b> Council regained accreditation in November 2020. The next IANZ assessment is in 2022. Very positive feedback was provided by the independent assessors who commented on CHB being the only Council ever assessed to receive no technical non-conformances with the only non-conformances noted as procedural.
	Customer Service	The percentage of customers satisfied with the building consent services provided.	90%	<b>Not Achieved</b> 73% of customers are satisfied with the building consent services provided. A targeted survey will be implemented 2021 to provide more meaningful information.

<b>Public Health</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer Levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
The public health process is compliant, efficient and user friendly.	Health and Safety	The percentage of food and other premises inspected at least once a year.	100%	<b>Not Achieved</b>  Under legislation and regulations, we are not required to inspect every premise every 12 months. This is a higher level of service than required in legislation and not provided for within current resourcing and budgets.  The premises inspected this quarter include: <ul style="list-style-type: none"> <li>• 0 food and other premises inspected this quarter that we are required to inspect.</li> <li>• 69 of the 110 food and other premises have been inspected year to date.</li> </ul> ★ We register National programmes food premises but do not inspect or verify these, these are required to be verified by a third party verifier. We have 6 premises currently registered on National Programmes (these are not included in the 109 total food and other premises inspected).
	Health and Safety	Where premises do not meet minimum standards, a corrective plan is put in place to help them within 10 working days	100%	<b>Achieved</b>  There were 0 premises issued with corrective action plans.
	Responsiveness	Complaints received are responded to within 3 working days.	100%	<b>Achieved</b>  100% of complaints have been responded to within the timeframe.

	Customer Service	The percentage of customers satisfied with the public health services delivered.	95%	<b>Not Achieved</b> 94% of customers are satisfied with the public health services delivered.
<b>Animal Control</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Excellent customer service is provided to our customers and the animal control activity minimises nuisance and makes our community a safer place to live.	Compliance	The percentage of known dogs registered.	>95%	<b>Not Achieved</b> 92% of known dogs are registered.
	Safety	Percentage of serious dog incidences responded to within 2 hours	100%	<b>Achieved</b> 100% - 17 Rushing/attacks and stock worrying calls were received this quarter.
	Safety	Response to all stock complaints and requests within 24 hours	100%	<b>Achieved</b> 100% - 12 Stock wandering calls were received this quarter and responded to within the timeframe.
	Customer Service	The percentage of users satisfied with the Animal Control service provided	90%	<b>Not achieved</b> 71% of customers are satisfied with the Animal Control service provided.

<b>Compliance and Monitoring</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer Value	Customer levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
The compliance and monitoring process is compliant, efficient and user friendly	Safety	Owners, or their agents, advised that their BWOF has lapsed within one month of expiry.	100%	<b>Achieved</b> Swimming pools - New tracking tool in place. Monthly letters are issued and followed up as required. BWOF – 100% of buildings now have current BWOFs. This has been a key focus area this year with many requiring new compliance schedules due to outdated documentation. The focus will now shift to introducing an audit programme for larger, higher risk premises in line with best practice.
	Efficiency	All PIMs, LIMs, and CCCs issued within the statutory timeframe.	100%	<b>Will not be achieved</b> 19 LIMs issued -100% within statutory timeframe this period (127 LIMs issued – 97% within statutory timeframe this year) <ul style="list-style-type: none"> <li>The boom in the local housing market has significantly increased the volume of applications and stretched processing resources. Additional administration support in the last period has resulted in 100% delivery again.</li> </ul> 118 CCCs issued - 97% within statutory timeframe <ul style="list-style-type: none"> <li>Further to the IANZ audit in November and a MBIE update, changes were made to the CCC processing requirements. The non-achieved result in this area is a direct result.</li> <li>0 PIMS issued - not commonly requested</li> </ul>

	Timeliness	Respond to complaints about non-compliance with bylaws within 3 days.	100%	<b>Achieved</b> 100% for this quarter
	Compliance	The percentage of resource consents monitored within two years of being issued.	100%	<b>Achieved</b> New reporting tool in development to increase relevance with full implementation in line with adoption of the proposed district plan early 2020.
	Customer Service	The percentage of users satisfied with the Compliance and Monitoring service provided.	90%	<b>Not achieved</b> 72% of customers are satisfied with the Compliance and Monitoring service provided.

<b>Land Transport</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
The provisions of a safe and secure local roading network that meets the needs of our community	Safety	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Reduce total number to 0	<b>Not achieved</b> Fatalities this quarter = Nil Fatalities YTD 2020/21 = Nil Fatalities 2019/20 = 1 Serious Injuries this quarter = 2 Serious Injuries YTD 2020/21 = 6  Serious Injuries 2019/20 = 5 Council continues to work with the Police and RoadSafe Hawkes Bay to understand crash statistics and crash data. General condition have not been a contributing factor in the listed accidents above.
	Quality	The average quality of ride on a sealed local road network, measured by smooth travel exposure	Between 85 & 90%	<b>Achieved</b> 88.8% measured and recorded RAMM
	Quality	At least 20% of the footpaths in excellent condition and no more than 10% of the footpaths in poor condition measured annually	Excellent >50% Poor <10%	<b>Achieved</b> The footpath rating has been completed with 61.6% excellent and only 1% poor

	Quality	The percentage of the sealed local road network that is resurfaced	Between 6 and 8%	<b>Not Achieved</b> The reseal season started in January, and we have completed approximately 5.5% of the sealed road network due to pushing some work out to obtain better value by combining some works with the 3 waters team
	Responsive ness	The percentage of customer service requests relating to road and footpaths to which the territorial authority responds within 3 working days	100%	<b>Not achieved</b> 90% of requests have been responded to within 3 days.
	Customer Service	The percentage of users satisfied with the roading service provided	90%	<b>Not Achieved</b> 68% of users are satisfied with the roading in Central Hawke's Bay.

<b>Solid Waste</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Council supports and provides incentives for waste reduction, reuse and recycling in line with its Waste Management & Minimisation Plan	Effectiveness	The tonnes of recyclables through the centre each year	>1500 tonnes	<b>On track to be achieved</b> Total for Q1: 205 T. Total for Q2: 421 T. Total for Q3: 218.9 T. Total for Q4: 218.6 T. <b>YTD: 1063.5 Total Tonnage of recyclable materials.</b>  <b>Q1 comments:</b> The effects of COVID lockdown saw dramatic reductions in the amount of recycling diverted from landfill during the first quarter as many National processing facilities closed and took some months to re-open. This meant a volume of recycling needing to go to landfill during this time.  Overall collected volumes at the kerbside and through our centres continue to increase with contamination remaining a key factor in the total volumes diverted from landfill.  <b>Q2, Q3, and Q4 comments:</b>

				<p>Q2 – Christmas/summer period</p> <p>Q3 - data shows that there is still significant work to do in ensuring that we have a more engaged community that actively participates in recycling.</p> <p>Q4 – New kerbside recycling service rolled out in August 2021 – this will see an increase in recyclable materials being processed. CHB recyclable materials will go straight to Whakatu MRF to ensure we have accurate tonnage data from July 2021 onwards. Weighbridge funding through MFE has been applied for both Waipukurau and Waipawa sites – this will assist with tonnage data.</p>
	Effectiveness	The amount of green waste processed each year	>2,250m <sup>3</sup>	<p><b>Achieved</b></p> <p>Q 1:</p> <ul style="list-style-type: none"> <li>1233m<sup>3</sup></li> </ul> <p><b>Total 1233m<sup>-3</sup></b></p> <p>Q 2:</p> <ul style="list-style-type: none"> <li>Oct 420m<sup>3</sup></li> <li>Nov 480m<sup>3</sup></li> <li>Dec 510m<sup>3</sup></li> </ul> <p><b>Total 1410 m<sup>3</sup></b></p> <p>Q 3:</p> <ul style="list-style-type: none"> <li>Feb 850m<sup>3</sup></li> <li>March 720m<sup>3</sup></li> </ul> <p><b>Total 1570m<sup>3</sup></b></p> <p>Q 4:</p> <ul style="list-style-type: none"> <li>Apr 446m<sup>3</sup></li> </ul>

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				<ul style="list-style-type: none"> <li>• May</li> <li>• June</li> </ul> <p>No data for green waste for May and June as this green waste will be processed in mid August as part of Composting NZ's Hawkes Bay collection run.</p> <p><b>Total YTD - 4213m<sup>3</sup></b></p>
	Awareness	The number of schools participating in waste minimisation programmes	75%	<p><b>Achieved</b></p> <p><b>81%</b> of schools participating in waste minimisation programmes</p> <p><b>Enviroschools programme:</b></p> <ul style="list-style-type: none"> <li>• Argyll East School – Bronze</li> <li>• Elsthorpe School</li> <li>• Omakere School – Bronze</li> <li>• Ongaonga School</li> <li>• Otane School</li> <li>• Pukehou School – Bronze</li> <li>• Sherwood School – Silver</li> <li>• CHB College</li> </ul> <ul style="list-style-type: none"> <li>• Waipawa Kindergarten (ECE) – Silver, Hunter Park Kindergarten (ECE)– Bronze, Lakeview Kindergarten (ECE) – Bronze = ECE data not included in the %</li> </ul> <p><b>Zero Waste Programme:</b></p> <ul style="list-style-type: none"> <li>• Omakere School</li> <li>• Flemington School</li> <li>• The Terrace School</li> </ul>

				<ul style="list-style-type: none"> <li>• Takapau School</li> <li>• St Joseph's School</li> <li>• Elsthorpe School</li> <li>• Porangahau School</li> </ul>
	Awareness	Hold waste minimisation promotional events in the District	4	<p><b>Achieved</b></p> <p>Q1 - 1 event</p> <ul style="list-style-type: none"> <li>• free green waste day</li> </ul> <p>Q2 – 3 events</p> <ul style="list-style-type: none"> <li>• e-waste</li> <li>• Free Christmas tree disposal</li> <li>• Work with Hunter Park Kindy – on their Environmental Funding project</li> </ul> <p>Q3 – 3 events</p> <ul style="list-style-type: none"> <li>• Second-hand Sunday</li> <li>• Childrens Day</li> <li>• LTP Landfill Site Tour</li> </ul> <p>Q4 – 7 events</p> <ul style="list-style-type: none"> <li>• CHB Retirement Expo</li> <li>• Bees wax wrap workshop x 2 – Libraries</li> <li>• Solid Waste Funding Roadshow</li> <li>• Waipukarau Community Composting Workshop</li> <li>• Waipawa Community Composting Workshop</li> <li>• E-Waste Day</li> </ul> <p><b>Total YTD – 15 Events</b></p>

	Customer Service	The percentage of users satisfied with the solid waste service provided	90%	<b>Not Achieved</b> 71 % of customers are satisfied with the transfer station services provided 92% of customers are satisfied with the kerbside rubbish collection 82% of customers are satisfied with the kerbside recycling collection
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### Water Supply

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer Value	Customer levels of service	Performance measure	Target 2020/2021	Achieved level of service
A continuous supply of water is provided at the right quantity, quality and pressure so that residents and industry can do what they need to do (for example, this should be deleted as we are not here to treat water for irrigation requirement or at least be changed to domestic irrigation, showering and recreation)	Safety	The extent to which the local authority's drinking water complies with part 4 of the drinking water standards (bacteria compliance criteria)	All potable supplies 100%	<b>Not Achieved</b> Otane 100% Waipawa 100% Waipukurau 100% Takapau 100% Kairakau 0% - Exempt due to small supply Porangahau 95% - Failed due to positive E-Coli sample for the Te Paerahi Zone

	Safety	The extent to which the local authority's drinking water supply complies with Part 5 of the drinking water standards (protozoal compliance criteria).	All potable supplies 100%	<b>Achieved</b> Otane 100% Waipawa 100% Waipukurau 100% Takapau 100% Kairakau 0% - Exempt due to small supply Porangahau 100%
	Quality	Percentage of real water loss from the local authority's networked reticulation system.	≤ 30%	<b>On Track to be Achieved</b> Work is underway to install meters and conduct night-flow analysis to accurately measure water losses. Currently this cannot be accurately measured.
	Responsiveness	Attendance for urgent callouts; from the time that the local authority received notification to the time that service personnel reach the site.	≤ 2 hours	<b>Achieved</b> The median response time for this quarter is 33 minutes.
		Resolution of urgent call outs; from the time that the local authority receives notification to the time the service personnel confirm resolution of the fault or interruption.	≤ 12 hours	<b>Achieved</b> 45 minutes
		Attendance for non-urgent call outs: from the time that the Local Authority receives notification to the time the service personnel reaches the site.	≤ 6 hours	<b>Achieved</b> The median response time for this quarter is 45 minutes.

		Resolution of non-urgent call outs: from the time that the Local Authority receives notification to the time the service personnel confirm resolution of the fault or interruption.	≤ 72 hours	<b>Achieved</b> The median resolution time for the quarter is 1 hours 40 minutes. There were 108 RFS's processed during the quarter.
	Customer Service	Number of complaints relating to drinking water received (per annum per 1000 connections to the local authority's networked reticulation system)  Drinking water clarity, Drinking water taste, Drinking water odour, Drinking water pressure or flow, Continuity of supply, The local authority's response to any of these issues.	≤ 5	<b>Achieved</b> 0 Complaints per 1000 connections this quarter. There was a total of 0 complaint for the quarter.
	Demand Management	The average consumption of drinking water per day per water connection	≤1.80m3	<b>Achieved</b> 1.97 average consumption of drinking water per day per connection for the quarter. There are currently 4084 water connections to the networked reticulation system. 735,125m <sup>3</sup> produced across the quarter or 8078m <sup>3</sup> produced per day. Water conservation and management strategy being reassessed.
	Customer Satisfaction	The percentage of users satisfied with the water supply service provided	90%	<b>Not Achieved</b> 83% of users are satisfied with the water supply service provided.

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<b>Wastewater</b>				
Performance measures intended to be reported in the Annual Report.				
The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer levels of service	Performance measure	Target 2020/2021	Achieved level of service
The sewerage system is convenient, safe and reliable	Quality	Target number of dry weather sewerage overflows (per 1000 connections to the total sewerage system).	≤10	<b>Achieved</b> 1 dry weather sewerage overflows (per 1000 connections to the total sewerage system) this quarter. 1 reported dry weather overflow for the quarter. There are currently 3434 sewerage connections to the total sewerage systems.
	Quality	Target number of total sewerage overflows (per 1000 connections to the total sewerage system).	≤30	<b>Achieved</b> 1 Sewerage overflows (per 1000 connections to the total sewerage system) this quarter. reported overflows for the quarter. There are currently 3434 sewerage connections to the total sewerage systems.
	Compliant	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:	0	<b>Achieved</b> Number of abatement notices received for the quarter: 0 Number of abatement notices received year to date: 0
		abatement notices	0	

		infringement orders	0	<b>Achieved</b> Number of infringement notices received for the quarter: 0 Number of infringement notices received year to date: 0
		enforcement orders and	0	<b>Achieved</b> Number of enforcement orders received for the quarter: 0 Number of enforcement orders received year to date: 0
		convictions, received by the territorial authority	0	<b>Achieved</b> Number of convictions received for the quarter: 0 Number of convictions received year to date: 0
	Responsive	Median response time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that the service personnel reach the site).	≤1hr	<b>Achieved</b> 51 minutes
		Median resolution time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that service personnel confirm resolution of the blockage or other fault).	≤ 4 hrs	<b>Achieved</b> 10 minutes

	Customer Service	Number of complaints received per annum per 1000 sewerage connections about any of the following: Sewage odour, Sewerage system faults, Sewerage system blockages or Council's response to issues with its sewerage systems.	≤ 10	<b>Achieved</b> 1 Complaints received per 1000 sewerage connections this year. There was a total of 1 complaints for the year. There are currently 2867 sewerage connections to the total sewerage systems.
	Customer Service	The percentage of users satisfied with the wastewater service provided.	90%	<b>Achieved</b> 93% of users are satisfied with the wastewater service provided.

<b>Stormwater</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer Value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
A safe and operational stormwater drainage network for design events	Quality	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	0	<b>Achieved</b> 0 habitable floors affected in flooding events this quarter (per 1000 properties connected). There are currently 3219 storm water connections to the networked reticulation system.
	Compliant	Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of abatement notices.	0	<b>Achieved</b> Number of abatement notices received for the quarter: 0
		infringement orders	0	<b>Achieved</b> Number of infringement notices received for the quarter: 0
		enforcement orders; and	0	<b>Achieved</b> Number of enforcement orders received for the quarter: 0
		successful prosecutions, received by the territorial authority in relation to those resource consents.	0	<b>Achieved</b> Number of prosecutions received for the quarter: 0

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	Responsive	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤2hr	<b>Achieved</b> The median response time for the quarter is 1.04 Hrs. There were 1 flooding events for quarter
	Customer Service	The number of complaints received about the performance of the stormwater system (expressed per 1000 properties connected to the stormwater system).	≤ 5	<b>Achieved</b> 0 Complaints received per 1000 stormwater connections this quarter.  There were 0 complaints for the quarter There are currently 3219 storm water connections to the networked reticulation system.
	Customer Service	The percentage of users satisfied with the stormwater service provided.	90%	<b>Not Achieved</b> 85% of users are satisfied with the stormwater service provided.

<b>Parks, Reserves and Pools</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
A range of parks and reserves that are affordable, well maintained and safe that provide for the sporting, cultural and well-being of the community.	Safe	Safety checks on playground equipment are carried out monthly	Achieved	<b>Not achieved</b> Total: 98.8% for year Q4: 100% Q3: 100% Q2: 95% (20/21) of playgrounds checks have been completed. One playground was not assessed within the month window. Q1: 100%.
	Accessible	The percentage of people that have used or visited a park or reserve in the last 12 months	65%	<b>Achieved</b> 85% of people have used or visited a park or reserve in the last 12 months.
	Quality	The percentage of people that are satisfied with the park or reserve used or visited in the last 12 months	90%	<b>Achieved</b> 95% of customers are satisfied with the park or reserve used or visited in the last 12 months.
Access to good quality swimming pool facilities for fun, recreation and exercise	Accessible	The number of A W Parsons pool users	78,000	<b>Not achieved</b> <b>Total for year 62,699</b> There were lower numbers due to pool operating under strict COVID level 2 guidelines which meant no recreational swimming was allowed and also impacted on number of children in Learn to Swim Programme.

	Accessible	The number of Waipawa pool users	3,120	<b>Achieved</b> <b>Total for Year 10,228</b> <ul style="list-style-type: none"> <li>• Q4: Closed</li> <li>• Q3: Total: 7,770 (Schools 5,720 &amp; public 2050)</li> <li>• Q2: Total: 2458 (Schools 1,829 &amp; public 629)</li> <li>• Q1: Closed</li> </ul>
	Safe	Both pools comply with the lifeguard pool safety standard Requirements.	Achieved	<b>On track to be achieved for Waipawa Pool</b> <ul style="list-style-type: none"> <li>• Q4 Closed</li> <li>• Q3: Achieved for Waipawa Pool</li> <li>• Q2: Achieved for Waipawa Pool</li> <li>• Q1: Closed.</li> </ul> <p>The data is not available to Council for reporting for AW Parsons pools</p>
	Quality	The percentage of people that are satisfied with the swimming pools used or visited in the last 12 months	65%	<b>Achieved</b> 89% of people are satisfied with the swimming pools used or visited in the last 12 months.

### Public Toilets

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Facilities are clean, safe, in good working order and meet the needs of our community & visitors	Health and Safety/ Quality	The percentage of the public satisfied with the cleanliness and provision of public toilets.	90%	<b>Achieved</b> 91% of users are satisfied with the cleanliness and provision of public toilets.

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<b>Retirement Housing</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer Value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Safe, well maintained and comfortable community housing for the ageing population in the District living on fixed income	Responsiveness	The percentage of retirement housing units that are occupied.	95%	<b>Achieved</b> Q4 100% Q3 100% Q2 100 % Q1 100%
	Quality	Tenants' overall satisfaction with Council's Retirement Housing service.	80%	<b>Achieved</b> 94% Satisfaction

<b>Libraries</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer levels of service	Performance measure	Target 2020/2021	Achieved level of service
Our libraries are inclusive places and all people are encouraged to make use of the library's services	Accessibility	The percentage of the Central Hawke's Bay population that use the library services.	65%	<b>Not achieved</b> 54% of the Central Hawke's Bay population have used the library services. This does not include Children or Teen users
	Accessibility	The number of people visiting our libraries measure by: <ul style="list-style-type: none"> <li>Physical visits</li> <li>Online visits</li> </ul>	Physical visits – 119,519  Online visits – 4,358	<b>Not on track for achievement</b> <b>Physical visits not achieved</b> <b>On-line visits achieved</b> Q2 Physical visits 17666. Q3 Unable to provide above as we are in the process of updating the system. Q4 Unable to provide as system faulty and we are waiting for a part. Q2 Online visits: 5978 Q3 Online visits: 5431 Q4 Online visits: 6147 Online visits year to date 21456
	Quality	The percentage of library users satisfied with the service provided.	90%	<b>Not achieved</b> 88% of library users are satisfied with the service provided. This does not include Children or Teen users

<b>Theatres, Halls and Museums</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer Value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Safe, affordable and appropriate facilities that provide for the cultural and social well-being of the communities	Safety	All Community Owned Halls have a current BWOF	100%	<b>Achieved</b>  Q4 100%  Q3 100%  Q2 100%  Q1 100%

	Accessibility	The number of users of the Memorial Hall	5,200	<p><b>Not achieved</b></p> <p><b>Total: 4444</b></p> <p>Q4 estimated participants 1601 from 106 bookings</p> <p>Q3 estimated participants: 1338 from 72 bookings</p> <p>Q2 estimated participants: 956 from 61 bookings</p> <p>Q1 estimated participants: 549 from 64 bookings</p> <p>Since the announcement of potential earthquake proneness and limiting occupancy Sports Hawke's Bay have dropped off our list e.g. mini ball, kiwi seniors, indoor hockey as well as any Council run activity. A cooking class has started up, Age Concern &amp; the Rug Man still in the mix and a couple of new users. The Vintage Fair had good numbers and Amo reports users are following the guidelines. As of Q4 miniball is now back in the mix</p>
		The number of users of the Civic Theatre.	17,150	<p><b>Not achieved</b></p> <p>TOTAL:9,680</p> <p>Q4 2,518</p> <p>Q3 1,788</p> <p>Q2 1,346</p> <p>Movies started coming back during 2<sup>nd</sup> quarter with only regular numbers starting to be achieved just since Boxing Day. <i>This Town</i> premiere and release gave us the significant numbers in 1st quarter.</p> <p>Q1 4,028</p>

	Accessibility	The number of bookings of the CHB Municipal Theatre	187	<b>Not achieved</b> TOTAL: 108 Q4:39 Q3: 9 large attendance numbers e.g. 650 Jan and Feb generally quiet. March was quieter than normal Q2:40 Only 37% of yearly total at midway point Q1: 29 July – August was down with the majority of the bookings up in September.
	High Quality	The percentage of hirers that are satisfied with the Memorial Hall.	85%	<b>Achieved</b> 100%
	High Quality	The percentage of hirers that are satisfied with the Civic Theatre.	85%	<b>Not on target for achievement</b> Due to the data being unable to be supplied, achievement of the measure cannot be made.
	High Quality	The percentage of hirers that are satisfied with the CHB Municipal Theatre	85%	<b>Achieved</b> 100%

<b>Cemeteries</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer levels of service	Performance measure	Target 2020/2021	Achieved level of service
Cemetery grounds provide a special place of remembrance for loved ones amongst attractive and well maintained grounds	Availability	The number of plots available for burial or cremation in the District	500	<b>Achieved</b>  630 plots are available for burial or cremation in the district.  During the 4 <sup>th</sup> quarter, there have been 7 burials (5 into reserved plots and 2 into new plots) 8 ashes burial (5 into reserved plots and 3 into new plots)
	Quality	The percentage of the community satisfied with cemetery facilities	90%	<b>Achieved</b>  96% of the community are satisfied with the cemetery facilities.
	Accessibility	All burial records available to be viewed on the internet	100%	<b>Achieved</b>  100% burial records are available to be viewed on the internet during Q1-4

<b>Properties and Buildings</b> Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Ensure safe buildings for public use	Safety	Monthly Building Warrant of Fitness (BWOFF) checks are carried out	Achieved	<b>Achieved</b> Q1-4 100% of monthly BWOFF's have been carried out in

<b>LGOIMA Requests</b>			
<b>Subject</b>	<b>Business (if applicable)</b>	<b>Date Received</b>	<b>Date Completed</b>
Solid Waste Submissions		1 April 2021	19 April 2021
Organisational figures		6 April 2021	7 April 2021
Swimming pool inspections		26 March 2021	12 April 2021
AoG Contracts		30 March 2021	23 April 2021
2021 Ratepayers report	Ratepayers NZ	19 March 2021	27 April 2021
3 Waters	BayBuzz	28 April 2021	26 May 2021
Drug and Alcohol Pathology Testing		3 May 2021	28 May 2021
Shovel Ready projects	BayBuzz	8 May 2021	21 May 2021
HBDHB and 2022 General Elections	DIA	14 May 2021	25 May 2021
CIP Projects	BayBuzz	20 May 2021	20 May 2021
Psychometric Testing		20 May 2021	14 June 2021
Class 4 Funding	RNZ	25 May 2021	28 May 2021
Closed Council Meetings	NZ Taxpayers Union	8 June 2021	18 June 2021

## Quarterly Activity Reporting

### Wastewater Treatment Quality Results

Showing number of exceedances in YTD sampling.

**5 exceedances** are allowed in 12 months. The exception is

Otane where 4 exceedances are allowed in 48 months

	pH	cBoD <sub>5</sub>	SS	DRP		Ammonia	E.Coli	
Waipawa	1	10	17	19		26	23	X
Waipukurau	1	0	7	26		26	2	X
Otane	0	6	5	X				
Porangahau	0	0	1	✓				
Te Paerahi	0	0	0					

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				✓
Takapau	0	0	4	✓

**Wastewater Treatment Quality Results for the rolling 12 months**

Showing number of exceedances in 12 months of sampling.

5 exceedances are allowed in 12 months. The exception is

Otane where 4 exceedances are allowed in 48 months

	pH	cBoD <sub>5</sub>	SS		DRP	Ammonia	E. Coli	
Waipawa	1	10	17		19	26	23	X
Waipukurau	1	0	7		26	26	2	X
Otane	0	6	5	X				
Porangahau	0	0	1					

				✓
Te Paerahi	0	0	0	✓
Takapau	0	0	4	✓

**Wastewater Flow Volumes for the rolling 12 months**

	FLOW			
	Limit	Exceedances Allowed	Result	
<b>Waipawa</b>	1,500 m <sup>3</sup> per day	36 days	19 Exceedances	✓
<b>Waipukurau</b>	4,000 m <sup>3</sup> per day	36 days	11 Exceedances	✓
<b>Otane</b>	225 m <sup>3</sup> per day	36 days	13 Exceedance	✓
<b>Porangahau</b>	415 m <sup>3</sup> per day	18 days	9 Exceedance	✓
<b>Te Paerahi</b>	190 m <sup>3</sup> per day	18 days	0 Exceedance	✓
<b>Takapau</b>	216 m <sup>3</sup> per day	No limit	Not Applicable	✓

**6.12 REVIEW OF LAND TRANSPORT POLICIES****File Number:** COU1-1410**Author:** Josh Lloyd, Group Manager - Community Infrastructure and Development**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Land Transport Policies [↓](#)**PURPOSE**

The matter for consideration by the Committee is the adoption of revised Land Transport Policies

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

- a) **That the Committee adopt the reviewed Land Transport Policies, noting those components of the policy now to be captured as operational policies.**

**BACKGROUND**

Council currently utilises a number of separate, specific and sometimes disparate Policies to provide policy positions for a range of Land Transport topics. The intent of the specific policies is similar in that they seek to provide consistent and clear decision making guidance to decision makers and to those impacted by decisions (stakeholder's / road users). The separation of the Policies in their current form means that there is room for ambiguity and confusion between policies as they may relate to one another and also that they are practically more difficult to use.

Councils Governance Policy Framework (the Framework) prescribes Councils approach holistically to setting Policies creating and implementing Council policies.

**DISCUSSION**

Opportunity exists to bundle existing Land Transport Policies into a single policy with specific sections covering each key topic area that would previously have been a unique Policy.

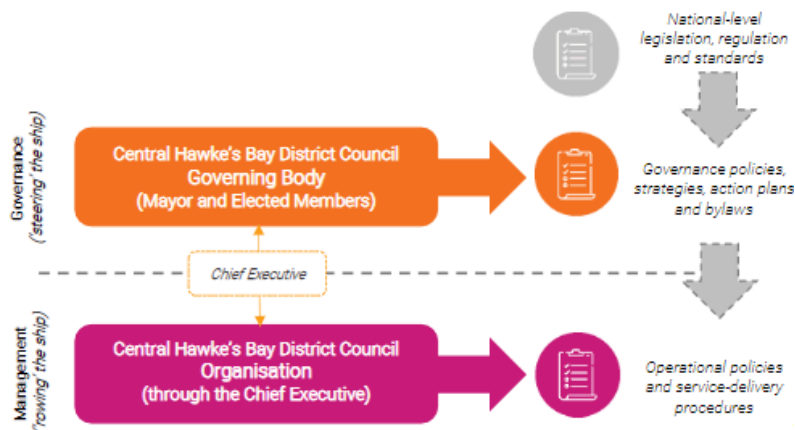
There is not a drive for significant policy position change in any of the Policy areas covered by this report, instead the changes presented in this report by bundling the policies are about usability and clarity.

12 unique Land Transport Policies have been bundled and updated into a single Policy for consideration and adoption today. The Policies that have been bundled to become 'topics' in a single Policy are:

- Dust Suppression
- New Footpath Construction
- Allocation of Property Numbers
- Formation, Subdivision and Maintenance of No-Exit Roads
- Enclosure of Road Reserve (License to Occupy)
- Roadside Stabilisation and Tree Management
- Stock Underpass
- Use of Road Reserve for Permanent Commercial Display
- Roadside Weed Control
- Naming of Streets and Roads
- Ad-hoc Road Signs

- Vehicle Crossings

Since the listed policies above were adopted or last reviewed, Council has clarified its approach to policy development and implementation through the creation of a clear Governance Policy Framework (the Framework). The Framework sets out different levels of Policy with a key differentiation between Governance and Organisational/Operational Policies as illustrated in the diagram taken from the Framework below:



Governance Policies are further broken down into two sub-categories being 'strategic' and 'directional' as illustrated in the diagram below:



Reviewing the Land Transport Policies now has provided the opportunity to clarify their respective position within the Framework. This report seeks direction from Committee about the placing of each policy within the Framework with the important note that this will affect how policies are adopted and brought back for engagement with Council / Committee.

The attached policies differentiate between Governance Directional Policies and Operational Policies. Should Council adopt the recommended resolution, those policies identified as “operational” will no longer require a Council decision for changing. The policies are included in one document though to benefit the customer / stakeholder.

## **RISK ASSESSMENT AND MITIGATION**

There are minimal risks considered in adopting the revised Policies as no substantive or policy position changes have been made. The revised Policies are bundled for ease of use and to ensure alignment/consistency between them.

## **FOUR WELLBEINGS**

The Policies at their core are designed to deliver on aspects of Councils Land Transport Strategic Framework ensuring a safe, resilient and usable transport network for the residents and road-users of Central Hawke's Bay.

The Policies support economic wellbeing by ensuring prudent, consistent and transparent decisions making in particular as it relates to the investment of public funds to build, manage and maintain road assets.

The Policies support environmental wellbeing with specific policy position for the mitigation of environmental impacts including dust.

The policies support social wellbeing through the physical connections promoted and maintained through the provision of resilient and reliable transport infrastructure. The policies also ensure that our communities can see how and why Council is making decisions.

The Naming of Streets and Roads policy/topic contains reference to the use of Te Reo Maori place names and references issues of cultural sensitivity as key decision-making criteria for the changing of a road/street name.

## **DELEGATIONS OR AUTHORITY**

The Committee has delegated authority to make changes to the referenced policies. Should Council adopt the recommended resolution, those policies identified as “operational” will no longer require a Council decision for changing.

## **SIGNIFICANCE AND ENGAGEMENT**

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of some importance.

## **OPTIONS ANALYSIS**

Two options are presented to Committee for consideration:

1. Adopt the revised / bundled Land Transport Policies

Do not adopt the revised / bundled Land Transport Policies and provide officers with direction on next steps.

### **Option 1**

**Adopt the revised / bundled Land Transport Policies**

### **Option 2**

**Do not adopt the revised / bundled Land Transport Policies and provide officers with direction on next steps.**

<b>Financial and Operational Implications</b>	There are no financial implications.  Operational improvements will be made by bundling the policies and making minor clarifications to improve usability and consistency.	This to be discussed based on feedback/direction from Committee members if Policies are not adopted.
<b>Long Term Plan and Annual Plan Implications</b>	No implications	No implications
<b>Promotion or Achievement of Community Outcomes</b>	It is considered that the revised and bundled Policies have a higher chance of achieving and promoting community outcomes through improved usability.	This to be discussed based on feedback/direction from Committee members if Policies are not adopted.
<b>Statutory Requirements</b>	A number of the Policies contain statutory references and have requirements to meet statutory needs. The revised policies in draft for adoption are in line with these requirements.	This to be discussed based on feedback/direction from Committee members if Policies are not adopted.
<b>Consistency with Policies and Plans</b>	No implications	No implications

### Recommended Option

This report recommends option 1 '**Adopt the revised / bundled Land Transport Policies**' for addressing the matter.

### NEXT STEPS

If the Policies are adopted as they are presented, then Officers will replace existing policies available online with the updated policies. Future policy reviews will only include those policies

identified as “governance policies”, as all operational policies will be reviewed at an operational level.

**RECOMMENDATION**

**That having considered all matters raised in the report:**

- a) That the Committee adopt the reviewed Land Transport Policies, noting those components of the policy now to be captured as operational policies.**



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

## Land Transport Policy

Adopted: xxxx

Review: xxxx

*Together we Thrive! E ora ngātahi ana!*

Central Hawke's Bay District Council

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DRAFT

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Central Hawke's Bay District Council

## Introduction

Council own and operate a network of more than 1,200km of roads across Central Hawke's Bay with approximately 2/3 sealed and 1/3 unsealed. As well as roads, Council also manage a network of bridges, culverts, walls, signs, footpaths and access-ways. This non-exhaustive list of assets are together referred to as the activities of Councils 'Land Transport' team.

This Policy provides guidance to decision makers at Council and to a range of stakeholders (including our direct residents and road-users) about key aspects of how Council will manage its Land Transport network.

## Application

This Policy applies to all Council owned and/or operated/managed land transport assets. This Policy applies to all Council staff and contractors.

Each section of this Policy contains specific direction and a policy position for a specific topic. In total there are **12** topics in this Policy.

## Policy Objectives

This Policy is designed to provide clarity and consistency to those making decisions and those affected by decisions on Councils Land Transport network. The Policy is intended to be clear and digestible by a range of stakeholders. Ultimately the Policy contains positions and direction that are designed to deliver on the objectives/principles of Councils Land Transport Strategic Framework.

## Governance (Directional) Policy Positions:

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## Dust Suppression

### DESCRIPTION

The effects of dust create issue for road users and property owners on/near unsealed roads. This Policy provides Councils approach to sealing unsealed roads for the purpose of controlling dust and its known effects.

### APPLICATION

This Policy applies to all Council unsealed roads.

### POLICY POSITION

Property owners with houses adjacent to metal roads may apply to Council for permission to form, pave and seal the road frontage adjacent to their property for a length of 200 metres.

Council will work with the property owner to determine the responsibilities for up-front construction and ongoing maintenance and the standard to which all works are undertaken.

Council will also work with the property owner to determine who will bear the costs of the works. Council will use a set of its own guidelines to inform its decision making process as to whether or not it contributes financially to the works. "Council will consider its own contribution to funding in light of the funds available, the criteria above being met and where external funding is available.

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## New Footpath Construction

### DESCRIPTION

Central Hawke's Bay District Council provides footpaths to the urban areas within the District to enable our citizens to connect with each other and access available services and amenities. The intent of this policy is to ensure that all newly created footpaths and enhancements to existing footpaths (widening) are done in a sustainable and methodical way in order to obtain value for money and meet the highest needs of our various communities.

The district has 68.9km of footpaths spread throughout the various communities. In 2018 Waka Kotahi became an investment partner in footpath maintenance, renewals and new footpath construction with a funding assistance rate of 60%. This supplemented the current rates funding and has allowed the district the flexibility to progress the construction of new footpaths which has necessitated the re-writing of the footpath policy.

In providing the funding assistance Waka Kotahi require that the Districts have a reasonable set of criteria for creating new footpaths based on need, value for money, must be owned by the Council, must have access 24/7 and must be connected to the wider footpath network. This necessitates the Council to have a very well thought out policy for the construction of new footpaths and the widening of others that are sub-standard.

### APPLICATION

This policy is applicable to the construction of any new footpaths within the district and to the widening or upgrading of any existing footpaths to increase capacity.

### POLICY POSITION

The footpath policy relies on the use of available funding and a simple yet robust weighted multi-criteria decision support tool to prioritise investment. All areas of the district being considered for new footpath construction (either through customer requests or by Council network analysis and assessment) are prioritised using the tool.

The use of the tool will ensure consistent and transparent decision making processes and is intended to:

- Enhance the footpath users experience and access within the district communities
- Ensure that the council footpath construction and widening programme is transparent prioritisation is transparent and passes scrutiny from our public, NZTA, and any auditors
- Ensure value for money by choosing the right project for the right reasons at the right time are completed

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## Formation, Subdivision and Maintenance of No-Exit Roads

### DESCRIPTION

This section encompasses all unformed roads and ensure the Council meets its obligations under the LGA 1974 to provide access to all lots within the district

### APPLICATION

This will be applied as required throughout the district

### POLICY POSITION

The formed roading network will continue to be maintained to the extent outlined in the Council's Road Asset Maintenance Management system (RAMM) of maintained roads

Where existing titles are presently unserved by a formed road, Council will not form a road to serve the title. The owner of the existing title must notify the Council if they wish to form the road and must form the road to the Council's Satisfaction. The formation of a road to a formed status or the improvement of an existing formed road is to be carried out by the owner at the owner's expense.

Where a request for the formation of the road is by way of a subdivision approval it shall be the responsibility of the developer to form the new road up to the first boundary of the last property that needs access in the subdivision. The formed road must meet council specifications as outlined in NZS4404 and the Hastings District Council Code of Compliance

Where a gate across a public road is clearly marked with a permanent sign saying 'Public Access', Council will ensure access by working with the property owner(s).

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### Use of Road Reserve for Permanent Commercial Display

#### DESCRIPTION

This Section preserves the integrity of the road and road reserve. Its purpose is to ensure that no objects are placed that would create a safety hazard or a distraction for the road user

#### APPLICATION

This section will apply to all roads within the District

#### POLICY POSITION

The use of the road reserve for the erection of permanent signs and displays for commercial purposes is not permitted.

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## Operational Policy Positions:

### Allocation of Property Numbers

#### DESCRIPTION

Central Hawke's Bay District Council has implemented the Rural Address Property Identification (RAPID) system to ensure all rural property numbers are correct to enable accurate electoral, postal and emergency application. Requests to change numbers from the correct number will not be granted by the Council so as to maintain the integrity of the numbering system. This also includes changing numbers that are duplicated or wrong and assigning the correct numbers.

The carrying out and on-going implementation of this policy shall be the responsibility of the Land Transport Department.

RAPID numbers will be determined using a vehicle equipped with a calibrated Distance Measuring Instrument (DMI) installed in a Council vehicle. Odometers on Council vehicles shall not be used due to their inaccuracy.

Council will comply with the Australian / New Zealand Standard – Rural and Urban Addressing – AS/NZS 4819:2011

#### APPLICATION

This policy will be applied throughout the District. The original cost of the numbers shall be the responsibility of the Council. The on-going renewal of numbers that become worn or faded will be at the cost of the rate-payer. Numbers that are issued for non-residential rarely used buildings or sections will be the cost of the rate-payer and will be issued by the Council at the request of the rate-payer.

#### POLICY POSITION

Under the Local Government Act 1974 – 319B, a Local Authority (District Council), for electoral, postal and other purposes may allocate a number to any area of land or building or part of a building within its district and may change the number allocated to any such area of land or building.

One of the main purposes of doing this is to ensure emergency services have the ability to quickly locate a property should the need arise along with providing a unique identifier for property owners for mail delivery and other identification purposes.

This policy is intended to clarify how the Central Hawke's Bay District Council will implement the authority provided under the Local Government Act 1974 – 319B.

The system adopted by most Council's in New Zealand is the Rural Address Property Identification (RAPID) system. The system was chosen in 1991 by a national working party comprised of New Zealand Fire Service, New Zealand Ambulance Board, New Zealand Police, Local Government Association, Land Information New Zealand and Federated Farmers.

RAPID is based on providing a unique number to each property based by dividing the number of kilometres that property is from the start point of the road by 100 (Example: 1.650 kilometres from the start of Blackhead Road provides a property number of 165 Blackhead Road).

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### Enclosure of Road Reserve (License to Occupy - LtO)

#### DESCRIPTION

This is the mechanism by which land owners can utilise road reserve for private needs primarily property beautification and grazing

#### APPLICATION

This will apply to all roads within the district and will be administered using a License to Occupy (LtO) issued from the Land Transport Department. Property owners must contact council for a LtO which will state the conditions the property owner must adhere to.

#### POLICY POSITION

Property owners or occupiers adjacent to the road may apply to Council for a LtO to occupy land that encroaches into the adjoining road reserve. Should a property owner wish to have an LtO on to a road on a property that is not adjacent to the property they own they must have the written permission of the property owner adjacent to the road reserve and must comply with any wishes of said property owner. All construction, materials and or plantings must meet Council specifications/standards and be approved by the Land Transport Department of the Council prior to any work taking place.

The LtO holder shall be responsible for maintaining all appliances within the enclosed area in good workable condition that meets Council's requirements inclusive of any fences. Council will exercise its right to enter private property to carry out maintenance operations after giving no less than 24 hours' notice to the land owner/occupier, under Section 171 of the Local Government Act 2002.

All enclosures of road reserve shall be at Council's discretion. The Council reserves the right to withdraw the permit to enclose a road reserve by giving 2 months notification to the LtO holder. Council has the right to instruct the LtO holder to remove any item that constitutes a safety hazard or has a negative impact on the road reserve. Any agreement with Council is non-transferable to heirs or subsequent property owners. Heirs and subsequent property owners must re-apply to Council for a permit.

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## Roadside Stabilisation and Tree Management

### DESCRIPTION

This section is for the protection of the road and safety of the road user. It describes the process Council will follow if required

### APPLICATION

This will be applied on all land that is identified as instable that threaten the integrity of the road asset

### POLICY POSITION

Any land identified as containing areas of instability that threaten the integrity of the road assets will be retired from grazing and considered for planting in suitable varieties of trees.

Council will enter into a formal agreement with land owners whereby the maintenance of both trees and fencing are the responsibility of each land owner and whereby upon maturity of the trees (if commercial), the landowner becomes the owner of the timber.

Upon maturity of the trees the landowner may either undertake a replanting programme or, if the area is considered sufficiently stabilised, the land may be returned to pasture.

Have removed section that stated that following maturity, landowner could return land to pasture but would have to pay Council an amount.

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### Stock Underpass

#### DESCRIPTION

The construction of acceptable stock underpasses to ensure the movement of livestock from one side of the road to the other does not damage the road asset

#### APPLICATION

This will be applied across the District as requested by the property owner

#### POLICY POSITION

Financial assistance for the construction of stock underpasses will be in accordance with New Zealand Transport Agency policies. The applicant for construction of a stock underpass will pay the local share remaining after any financial assistance is received from the New Zealand Transport Agency (Waka Kotahi). The applicant will be responsible for the maintenance and cleaning of the structure. The project must be identified as part of Council's Roading Programme and at the beginning of each LTP funding cycle. If the stock underpass is no longer required, then the owner must remove it at their expense and reinstate the road to the Council's satisfaction.

(Suggesting the policy to be deleted as it is combined with Enclosure of Road policy and will be carried out under a License to Occupy)

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## Roadside Weed Control

### DESCRIPTION

CHBDC will carry out roadside weed control as required for traffic safety, to prevent re-infestation of adjacent properties and to comply with relevant legislation. Areas where the stability of the ground depends on the presence of those plants will not be treated.

### APPLICATION

This applies to all rural roads within the District

### POLICY POSITION

Council is responsible as a neighbouring land owner to work with property owners to ensure that weeds that are harmful do not spread and negatively impact property owners. Council is also responsible for the safety of the road user and as such must ensure that road delineation is visible. This will be carried out using a suitably qualified spraying contractor obtained using our procurement strategy

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Central Hawke's Bay District Council

## Naming of Streets and Roads

### DESCRIPTION

This Policy outlines the requirement required for the naming of streets and roads within the Central Hawke's Bay District

### APPLICATION

This will be applied throughout the district.

### POLICY POSITION

#### 1. NEW ROADS

Requests for new road names are to be submitted with the application for subdivision consent. The subdivider shall submit three names in order of preference with reasons for the suggestions and results from any consultation undertaken. In cases where subdividers/developers do not wish to submit preferred options for road names, the Chief Executive or a delegated officer will provide three options which will be included in the report that requests a new road name. The Finance and Infrastructure Committee will approve or decline requests.

Clarity added about using F&I Committee rather than Council to make decisions.

#### 2. RENAMING ROADS

Council does not encourage the changing of road names because of the cost of the procedures and the inconvenience caused to the public. A name change will only be made if Council considers that the change will result in a clear benefit to the community and the owners of land fronting the road are generally in agreement with the proposal. Reasons for changing road names may include;

- a) Spelling correction.
- b) Prevention of duplication in spelling or sound.
- c) Prevention of confusion arising from major layout changes to the roads.
- d) Geographical corrections.
- e) Issues of cultural sensitivity.

Where an owner or occupier of a property in a particular road or a member of the public seek to have a road name changed and the change does not meet the above criteria for changing road names, Council will only consider initiating the change if:

The request takes the form of a petition signed by at least 80% of the owners whose properties front the road OR Council deems a name change necessary or is requested to do so by emergency services.

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The name suggested by the applicants must be acceptable to Council in terms of the criteria for naming new roads.

The applicants or petitioners agree to meet all costs and disbursements incurred by Council (including costs of signs, renumbering, administration, official notifications etc).

The *Finance and Planning Committee insert correct committee* will consider the request and recommend to Council new road names for the roads with reference to the Naming of Streets and Roads Section of this Policy approval criteria and style guide.

### **3. APPROVAL CRITERIA**

The following factors shall be taken into account when selecting names:

- a) Historical or geographical significance.
- b) Well known or previously well-known names of farms, properties or run holdings.
- c) Maori names of local significance. Appropriate consultation and advice from the Maori Consultative Committee may be required.
- d) Names of local residents who have achieved prominence in their chosen fields such as arts, sport, commerce, science, politics, local government, military etc. Naming after persons living should generally be avoided. Permission of surviving relatives should be obtained where deemed appropriate.
- e) Continuing an established theme in a neighbourhood.
- f) A significant feature in the area (for example, geographical feature, landscape, flora or fauna). Naming after features which do not exist in the area should be avoided (for example, naming after native trees or plants that are not evident in the area or views that cannot be identified).
- g) Where an existing street is being extended, the street extension will be the same as that of the existing street.
- h) Names cannot be offensive, racist, insensitive or commercially based.
- i) Council may not necessarily accept the marketing name for the development as a road name for any road within a development.
- j) A new road shall not be named the same or similar to a road already in existence within the Central Hawke's Bay District.
- k) In some circumstances reference to the New Zealand Geographic Board Nga Pou Taunaha o Aotearoa, Rules of Naming in New Zealand may be made by Council to guide its decisions regarding street naming.

### **4. STYLE GUIDE FOR NAMES**

To ensure a consistent standard of road naming, the following style guide should be applied.

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a) In general the "road type" of a road will reflect the public nature of a road or the geography of the area. For example, an urban road would be a "Street", "Place", "Avenue" or "Crescent" whereas a remote rural road would be a "Road".

b) Full names will only be used where the name is of reasonable length and the first name needs to be used to correctly identify the individual being commemorated. Full names longer than 15 letters will not usually be considered. In these instances, consideration will be given to using only the surname.

Under no circumstances will initials be used in any part of the name.

c) Short names for short streets, private rights of ways and the like are suggested for practical reasons.

d) Printed symbols such as apostrophes and hyphens should not be used, to ensure the clarity of signs is maximised.

#### **ROAD TYPES**

- The road type must reflect the functions and characteristics of the road
- The road type must be selected from the list in Appendix B of the Standard AS/NZS 4819:2011
- Council reserves the right to require the use of a different term if it believes that the term suggested is not suitable

#### **NUMBERING**

Once the Road/ Accessway name has been approved, Council will allocate numbers to the affected properties. Council will update their records and forward details to LINZ, NZ Post and the local delivery centre in Napier, Chorus, Emergency Services contacts via Corelogic (Terralink & Property IQ) and Hawke's Bay Regional Council via Quoteable Value. Property Owners will need to update their own records and contact details accordingly.

#### **5. PRIVATE WAYS AND ACCESS DRIVES**

Clause 4.2.1 of the NZ Standard Rural and urban addressing AS/NZS 4819:2011 *check reference* states that all formed roads, including private roads, that are generally open to the public or to services shall be named except as set out in Clause 4.2.2 *check reference* where it allows roads and accessways servicing five sites or less to not be named. The District Plan requires that access to more than ten lots must be by legal road.

#### **REQUEST FOR A NEW ACCESSWAY NAME**

- The subdivider/developer shall submit to Council three names in order of preference with reasons for the suggestions and results from any consultation taken
- Proposed names must comply with NZ Standard Rural and urban addressing AS/NZS 4819:2011 *check reference*

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- In cases where subdividers/developers do not wish to submit preferred options for private accessway names, the Chief Executive or a delegated officer will provide three options
- Preferred option(s) will be presented to the Council
- Council and Land Information New Zealand (LINZ) can approve or decline the preferred name if they believe that it is not suitable

#### ACCESSWAY NAME SELECTION

The following provides some guiding principles on choosing new names. Short names that consist of a single word are preferred. The Name must

- be unique, clear and unambiguous.
- be shorter in length, rather than longer, especially where the road itself is short
- be easily pronounced and spelt and be easily understood when written or in conversation

The Name must not:

- be offensive, racist, derogatory or demeaning
- include apostrophes or hyphens
- be the same or similar to an existing road name within the Central Hawkes Bay District

#### SIGNAGE & COSTS

- Accessway signage, installation and maintenance is at the cost and responsibility of the subdivider/ developer
- Signage must comply with the relevant sign rules as set out in the District Plan. The main contact for signage requirements is the *Senior Planner Landuse Consent check reference* at Council
- The subdivider/developer may wish to add the words Private Way to the road sign

**Current and future maintenance and road sealing of Private Accessways does not fall under the responsibility of Council.**

AS/NZS 4819:2011 Appendix B: list of the 32 official road types

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Road Type	Abbreviation	Description	Open Ended	Cul-de-sac	Pedestrian Only
Alley	Aly	Usually narrow roadway in a city or towns.	x	x	
Arcade	Arc	Covered walkway with shops along the side.			x
Avenue	Ave	Broad roadway, usually planted on each side with trees.	x		
Boulevard	Blvd	Wide roadway, well paved, usually ornamented with trees and grass plots.	x		
Circle	Cir	Roadway that generally forms a circle; or a short enclosed roadway bounded by a circle.	x	x	
Close	Cl	Short enclosed roadway.		x	
Court	Crt	Short enclosed roadway, usually surrounded by buildings		x	
Crescent	Cres	Crescent shaped roadway, especially where both ends join the same thoroughfare.	x		
Drive	Dr	Wide main roadway without many cross-streets.	x		
Esplanade	Esp	Level roadway along the seaside, lake or a river.	x		
Glade	Gld	Roadway usually in a valley of trees.	x	x	
Green	Grn	Roadway often leading to a grassed public recreation area.		x	
Grove	Grv	Roadway that features a group of trees standing together.		x	
Highway	Hwy	Main thoroughfare between major destinations.	x		
Lane	Lane	Narrow roadway between walls, buildings or a narrow country roadway.	x	x	x
Loop	Loop	Roadway that diverges from and rejoins the main thoroughfare.	x		
Mall	Mall	Wide walkway, usually with shops along the sides.			x
Mews	Mews	Roadway in a group of houses.		x	
Parade	Pde	Public roadway or promenade that has good pedestrian facilities along the side.	x		
Place	Pl	Short, sometimes narrow, enclosed roadway.		x	
Promenade	Prom	Wide flat walkway, usually along the water's edge.			x
Quay	Qy	Roadway alongside or projecting into water.	x	x	
Rise	Rise	Roadway going to a higher place or position.	x	x	
Road	Rd	Open roadway primarily for vehicles.	x		
Square	Sq	Roadway which generally forms a square shape, or an area of roadway bounded by four sides.	x	x	
Steps	Stps	Walkway consisting mainly of steps.			x
Street	St	Public roadway in an urban area, especially where paved and with footpaths and buildings along one or both sides.	x		
Terrace	Tce	Roadway on a hilly area that is mainly flat.	x	x	
Track	Trk	Walkway in a natural setting.			x

Land Transport Policy  
ADOPTED xxxx - REVIEW xxxx

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Walk	Walk	Thoroughfare for pedestrians.			x
Way	Way	Short enclosed roadway.		x	x
Wharf	Whrf	A roadway on a wharf or pier.	x	x	x

Land Transport Policy  
ADOPTED xxxx - REVIEW xxxx

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Central Hawke's Bay District Council

## Ad Hoc Road Signs

### DESCRIPTION

Council will ensure that:

1. The requester will bear the cost of the road signs, their installation and their maintenance.
2. All signs will meet council specifications before they are approved
3. The road signs will remain in place for as long as Council determines that they are necessary. Once the sign is deemed unnecessary the requester will be notified and asked to remove the sign. Should the requester fail to remove the sign in a reasonable time frame then the Council will remove the sign and invoice the requester for all costs incurred

### APPLICATION

This section will apply to all Ad Hoc Road Signs requested

### POLICY POSITION

This section allows individuals and groups to install ad hoc signage within the road reserve and defines the parameters within which they are allowed.

Council also has a mandate to ensure that the road reserve remains uncluttered and that signage does not create a distraction for the user of the road thus creating a safety hazard

Land Transport Policy  
ADOPTED xxxx - REVIEW xxxx

***E ora ngātahi ana!***

Central Hawke's Bay District Council

## Vehicle Crossings

### DESCRIPTION

This policy describes outlines the Council's and the ratepayers responsibility for the construction and maintenance of vehicle crossings in the Central Hawke's Bay District

### APPLICATION

This policy applies to all accesses throughout the District

### POLICY POSITION

Council has determined that property owners are responsible for the construction of vehicle crossings to Council specifications and procedures subject to approval by Council, and once constructed they are also required to maintain the vehicle crossing to Council's standards and specifications. The rationale for this policy is that property owners gain the greatest benefit of having vehicle crossings from the road to their property. As this is largely a private benefit, it would be unfair and inequitable for ratepayers to bear this cost. By requiring property owners to be responsible for their own vehicle crossings there will be a reduced burden on ratepayers for the future maintenance of these crossings.

Land Transport Policy  
ADOPTED xxxx - REVIEW xxxx

***E ora ngātahi ana!***

**6.13 KEY PROJECT STATUS REPORT - PORANGAHAU TO WIMBLEDON ROADS PGF PROGRAMME****File Number:** COU1-1410**Author:** Darren de Klerk, 3 Waters Programme Manager**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. PWPGF Quarterly Status Report for April to June 2021 [↓](#)**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**

**PURPOSE**

To add a level of oversight on this significant programme for CHBDC, this report aims to inform and keep council and the community updated on the progress of this important externally funded programme of works.

**SIGNIFICANCE AND ENGAGEMENT**

This report is provided for information purposes only and has been assessed as not significant.

**BACKGROUND**

In June 2019 Council received \$20.1m in Provincial Growth Funding (PGF) from the Ministry of Business, Innovation and Employment (MBIE) to improve transport infrastructure for communities on Porangahau and Wimbledon Roads.

With growing volumes of freight using the route, reliability and resilience needs to be assured if the regional economy is to be protected and opportunities for productivity are enhanced. This project will provide future generations with safe and durable roading infrastructure along with what is a key thoroughfare in our district.

**DISCUSSION**

This report will provide regular information on the fixed objectives and dynamic progress of the PGF programme of works across Porangahau and Wimbledon Roads. The report also provides an introduction on background and contextual information on the PGF programme of works across Porangahau and Wimbledon Roads then becomes more detailed discussing programme and project progress and risk.

**The expected outcomes of the project align with the PGF objectives of;**

- Improving links between the district and major transport hubs and markets
- Safeguarding and expanding visitor and business access to and within the district;
- Improving connectivity and access to communities by providing a resilient route that is fit for purpose
- Increases investments in the region by improving business confidence to invest in the region; and
- Generates local employment and training opportunities through direct employment on the project and increased investments creating indirect jobs

The programme continues to make solid progress, with 25% of the budget spent on the works, and approx. 30% of the work completed across the programme. A significant portion to date has been spent on investigation, design, procurement and works preconstruction. This now turns to mostly construction activities, with contractors in place for most of the physical works.

Communicating the story of the programme remains important to the project team, and we have recently updated our interactive map and storyboard – located here: [https://experience.arcgis.com/experience/947a211cafb4d4a96a063fcd1e8d3a461/page/page\\_10/](https://experience.arcgis.com/experience/947a211cafb4d4a96a063fcd1e8d3a461/page/page_10/)

The website also remains an important communications medium and can be located here: <https://www.chbdc.govt.nz/our-district/projects/porangahau-wimbledon-road-upgrade/>

Our newsletters also play a key communication tool #6 here, with #7 to be released late July 2021. <https://mailchi.mp/827d08da1906/knv52ydxn8-13439328>

## **IMPLICATIONS ASSESSMENT**

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

## **NEXT STEPS**

Continued progress and delivery of the programme and sub projects within the programme of works as outlined within the key project status report.

## **RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**

# JUNE 2021

## MONTHLY REPORT TO THE PROVINCIAL GROWTH FUND

**Porangahau and Wimbledon Road UPGRADE**

SUPPORTED BY



**PROVINCIAL GROWTH FUND**  
TUAWHENUA  
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DATE 30 June 2021

### MONTHLY REPORT TO THE PROVINCIAL GROWTH FUND

This report for **Route 52: Waipukurau – Porangahau Resilience and Strengthening Works** covers the month from 01 June to 30 June 2021.

### EXECUTIVE SUMMARY

June 2021 has seen great progress on a number of sub projects within the programme.

Our first **bridge** is nearing completion at Wallingford with only surfacing and line marking to be completed, slightly delayed by some poor weather at the back of June 2021, concurrently works has commenced at the next bridge at Kokomoko. This bridge was focussed more on strengthening the beams underneath the bridge and refastening the structure, but due to some issues found onsite, the design is having to be revisited. This will see the team move to the next bridge on the programme and return to Kokomoko once the design has been re-completed.

The upgrades at **Flaxmill** have seen the first of the five stages completed slightly ahead of schedule, and the upgrades hold well during the recent heavy down pour, our contractor is aiming to re-establish to commence the second stage from the 5<sup>th</sup> July 2021. Stages 3 will roll on concluding the road lifts. Stage 4 involves replacing and upgrading culverts at Ugly Hill – this is aimed to be undertaken later in 2021 once the fish spawning and trout restrictions are lifted. Stage 5 involves the waterway improvements and providing greater capacity in the stream.

The fourth and fifth **retaining wall** in the programme have been completed on Wimbledon Road. A guardrail is being completed on retaining wall number three at Bird Road/ Porangahau Road intersection which will fully complete five retaining walls. Work is underway to finalise designs on three further retaining walls. The remaining scope of this programme will see a significant project along Wimbledon Road to essentially relocate the road away from a subsiding edge. This work is currently being designed alongside landowner engagement.

Due to some of the above projects coming in slightly below expected budget, council has created a new project to undertake a **route wide safety improvement programme**, this will target demarcation, delineation, shoulder widening, vegetation control and line marking at key points across the route. A community session is planned for Friday 16<sup>th</sup> July 2021 in Porangahau to allow the community to feed into the programme and offer areas of concern to the project team.

Additionally a project to introduce one maybe two **slow vehicle bays** is being design and engaged on with landowners to improve safety on the route – more information on this next month.



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## PROJECT SUMMARY AND PROGRESS UPDATE

Key activities completed during the month and summary of how the project is tracking:

**Stage 1:** Bridge inspections and retaining structures, pavement and resurfacing inspections, geometric and safety inspections.

- Completed.

**Stage 2:** Quick-Wins construction, Geotechnical Investigations, Topographical surveys, HPMV assessment, Procurement Plan draft.

### Quick -Wins

- CON1075: Guard rail installation program is being finalised.
- CON1076: Both sites completed.

### Geotechnical Investigations

- Completed.

### Topographical Survey

- Completed.

### HPMV Bridge Evaluations and Assessment:

- Evaluations are progressing on remaining culverts.

### Procurement Plan and Strategy

- Completed.

### Pavement Assessment

- Completed.

### Safety Assessment

- Completed.

**Stage 3:** Simple Construction, Detailed Design, Procurement Plan update

### Simple Construction

- CON1077: Completed.

### Detailed Design

- CON1096 Bridges:
  - Bridge 173 Wallingford - Detailed design complete.
  - Bridge 174 Kokomoko - Initial Detailed design complete, redesign underway to issues onsite.
  - Bridge 175 Sixty Pound - Detailed design is progressing.
  - Bridge 176 Saleyards - Detailed design is being finalised.
  - Culvert designs (MacKenzies, North Watermark) – Detailed design being programmed.
- CON1097 Flaxmill Inundation Remediation Project:
  - SP1 – Detailed design is complete.
  - SP2 – Detailed design is complete.
  - SP3 – Detailed design is being finalised.

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- SP4 - Preliminary design of the Ugly Hill Road culverts and the storm water structures under Flaxmill Bridge is progressing.
  - SP5a – Detailed design of debris and silt removal under bridge and the bulk silt removal from Taurekaitai Stream is progressing.
- **CON1098 Retaining Walls:**
  - RW277 design is complete.
  - RW440 design is complete.
  - RP13600 site concept design is complete, detailed design to follow.
  - Lower Wimbledon Retreat - Concept design is complete. Investigations to be complete to be completed in July. Detailed design to follow.
  - RW184 North – Design is complete.
  - RW283 South – Design is complete.
- **Mass Safety Improvements**
  - CHBDC road maintenance contractor scoping and pricing safety improvements identified in previous route safety assessment. Programmed for start in July.
- **Slow Vehicle Bay – Porangahau Road**
  - Concept design is complete. Concept design is complete. Investigations to be complete to be completed in July. Detailed design to follow.

#### Procurement Plan

- Completed.

#### Stage 4: Procurement and Construction

##### Procurement

- **CON1096 Bridges, CON1097 Flaxmill Inundation, CON1098 Retaining Walls** – Completed.
- **Slow Vehicle Bay** – Procurement plan to be submitted to Council in July.
- **Safety Improvements** - Procurement plan to be submitted to Council in July.

##### Construction

- **CON1096 Bridges**
  - Wallingford Bridge – 95% complete, with only chip sealing and line marking to be finished. Expected completion date of 30 June.
  - Kokomoko Bridge – Construction has commenced, abutment strengthening has been completed.
- **CON1097 Flaxmill**
  - SP1 is complete.
  - SP2 and 3 to commence soon.
- **CON1098 Retaining Walls**
  - RW283 has been completed. RW277 nearing completion (95%).

#### Additional:

- Te Taumata (World's Longest Place Name) – Safety improvements on hold pending landowner and Iwi consultation.

## PROJECT DELIVERABLES

Expected Start Date	Project Deliverable	Progress	As at Date
Commencement Date	Confirmation that the below activities have commenced: <ul style="list-style-type: none"> <li>Bridge Inspections</li> <li>Pavement Inspections</li> <li>Geometric and Safety Investigations</li> </ul>	100% 100% 100%	30-06-20 30-06-20 30-06-20
By 30 July 2020	Confirmation (and submission of any supporting documentation) that the below activities have commenced: <ul style="list-style-type: none"> <li>Quick Wins Construction works CON1075, CON1076</li> <li>HPMV assessments</li> <li>Geotechnical inv – Bridges</li> <li>Geotechnical inv – Flaxmill</li> <li>Geotechnical inv – Retaining Walls</li> <li>Topographical surveys</li> <li>Procurement Plan - Quick Wins</li> </ul>	98% 95% 100% 100% 100% 100% 100%	30-06-21 30-06-21 30-10-20 30-11-20 30-10-20 21-05-20 30-06-20
By 30 Sept 2020	Confirmation (and submission of any supporting documentation) that the below activities have commenced: <p>Simple Construction works</p> <ul style="list-style-type: none"> <li>CON1077</li> </ul> <p>Detailed design</p> <ul style="list-style-type: none"> <li>Bridges</li> <li>Flaxmill</li> <li>Retaining Walls</li> <li>Slow Vehicle Bay</li> </ul> <p>Procurement Plan update</p> <ul style="list-style-type: none"> <li>Bridges</li> <li>Flaxmill</li> <li>Retaining Walls</li> <li>Slow Vehicle Bay (new scope)</li> <li>Safety Improvements (new scope)</li> </ul> <p>Evidence of social procurement undertaken in accordance with clause 6 of the Special Terms (Item 13) "The recipient will include measurable and appropriate social procurement outcomes in their tender documents, to the satisfaction of the Ministry. The Ministry will work with the Recipient on determining these outcomes and engaging with their potential suppliers on delivery of the outcomes."</p>	100% 65% 88% 50% 0% 100% 100% 100% 20% 20% 100%	28-02-21 30-06-21 30-06-21 30-06-21 30-06-21 24-09-20 30-10-20 30-10-20 30-06-21 30-06-21 30-09-20
By 30 Jan 2021	Confirmation (and submission of any supporting documentation) that the below activities have commenced: <p>Procurement for complex works complete:</p> <ul style="list-style-type: none"> <li>CON1096 (Bridges)</li> </ul>	100%	22-01-21

	<ul style="list-style-type: none"> <li>• CON1097 (Flaxmill)</li> <li>• CON1098 (Retaining Walls)</li> </ul> <p>Commencement of complex works construction:</p> <ul style="list-style-type: none"> <li>• CON1096 (Bridges)</li> <li>• CON1097 (Flaxmill)</li> <li>• CON1098 (Retaining Walls)</li> </ul> <p>Evidence of social procurement undertaken in accordance with clause 6 of the Special Terms (Item 13) <i>"The recipient will include measurable and appropriate social procurement outcomes in their tender documents, to the satisfaction of the Ministry. The Ministry will work with the Recipient on determining these outcomes and engaging with their potential suppliers on delivery of the outcomes."</i></p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>	<p>31-03-21</p> <p>30-01-21</p> <p>30-01-21</p> <p>30-01-21</p> <p>30-01-21</p> <p>30-06-21</p>
By June 2022	<p>Confirmation (and submission of any supporting documentation, including certificate of practical completion under the relevant construction contract) that the construction works are complete.</p> <ul style="list-style-type: none"> <li>• CON1096 (Bridges)</li> <li>• CON1097 (Flaxmill)</li> <li>• CON1098 (Retaining Walls)</li> <li>• CON1xxx (Safety Improvements)</li> <li>• CON1xxx (Slow Vehicle Bays)</li> </ul>	<p>30%</p> <p>30%</p> <p>20%</p> <p>5%</p> <p>5%</p>	<p>30-06-21</p> <p>30-06-21</p> <p>30-06-21</p> <p>30-06-21</p> <p>30-06-21</p>

## RECOMMENDATIONS, DECISIONS OR ACTIONS REQUIRED

None.

## ANY MAJOR PROGRAMME RISKS

- Future COVID-19 lockdowns or level restrictions causing delays in the programme.
- Contractor and consultant performance and local capacity to deliver.
- Weather related delays.
- Potential risk to programme with current timber shortage and lead time of 10-12 weeks.
- Design changes required due to site findings
- Deterioration of existing infrastructure requiring changes to priorities

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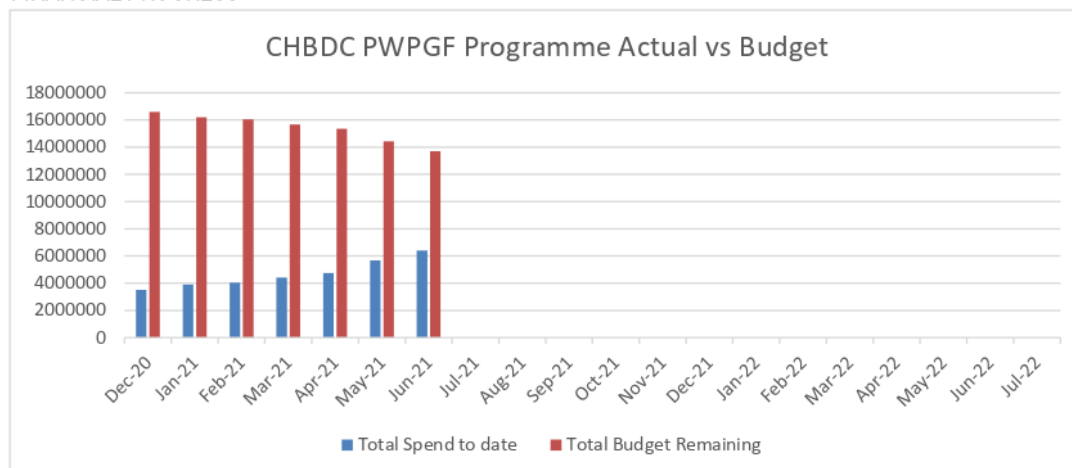
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## FINANCIAL PROGRESS



Budget Summary				
Item	Supplier	Updated Budget	Actual to Date	Remaining Budget
Investigation Design Procurement Costs	Stantec	\$ 4,500,000	\$2,630,849.66	\$1,471,753.45
Investigation – Geotech and Others	Subcontractors		\$396,296.89	
Post Construction Safety Audits	Urban Connection			
Economic Development Inputs	Third Bearing		\$1,100.00	
Council & Communications Related Costs	CHBDC	\$ 250,000.00	\$107,616.18	\$142,383.82
Physical Construction Costs				
CON1075 – Quick Win: Ret Walls	Downer NZ	\$ 550,000.00	\$446,448.84	\$103,551.16
CON1076 – Quick Win: Ret Walls & AWPT	Russell Roads	\$ 800,000.00	\$748,222.77	\$51,777.23
CON1077 – Simple Construction: AWPT	Russell Roads	\$ 420,000.00	\$399,767.62	\$20,232.38
CON1096 – Bridges	Concrete Structures	\$ 4,000,000.00	\$758,812.13	\$3,241,187.87
CON1097 – Flaxmill	Russell Roads	\$ 4,500,000.00	\$384,897.30	\$4,115,102.70
CON1098 – Retaining Walls	Fulton Hogan	\$ 2,500,000.00	\$490,336.62	\$2,009,663.38
TBC – Longest Place Name Improvements	TBC	\$ 250,000.00	\$-	\$250,000.00
TBC - Slow Bays	TBC	\$ 1,000,000.00	\$-	\$1,000,000.00
TBC – Safety Improvements	TBC	\$ 750,000.00	\$-	\$750,000.00
TBC – Pavement Improvements	TBC	\$ 500,000.00	\$-	\$500,000.00
TBC – Wimbledon Road Improvements	Downer NZ	\$ 80,000.00	\$40,476.48	\$39,523.52
<b>TOTAL</b>		<b>\$20,100,000.00</b>	<b>\$6,404,824.49</b>	<b>\$13,695,175.51</b>

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Budget Related to Physical Construction Works					
Item		Supplier	Contract Total (Excl GST)	Claim Month	Payment Claim (Excl GST)
C-1075 Ret Walls	RP27488 RP28537	Downer NZ Ltd	\$ 535,975.40	30-Oct-20	\$ 94,961.14
Total claimed					\$ 443,661.51
C-1076 Ret Walls	RP14650 RP13350	Russell Roads Ltd	\$ 658,385.00	30-May-21	\$ 163,400.86
Total claimed					\$ 745,620.16
C-1077 AWPT	RP7.99 – 8.19 RP8.56 – 8.97	Russell Roads Ltd	\$ 394,413.70	31-Dec-20	\$ 2,467.25
Total claimed					\$ 394,413.70
C-1096 Bridges	SP1 - Wallingford SP3 - Kokomoko	Concrete Structures Ltd	\$ 836,252.63 \$ 559,263.00	30-May-21	\$ 283,328.65 \$ 29,478.76
Total claimed					\$ 668,649.98
C-1097 FIRP	SP1	Russell Roads Ltd	\$ 3,815,000.00	30-May-21	\$ 171,793.55
Total claimed					\$ 377,102.48
C-1098 Ret Walls	RW277	Fulton Hogan	\$ 1,351,230.00	30-May-21	\$ 76,953.00
Total claimed					\$ 489,673.36

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Budget – Investigation & Design Works					
Supplier	Stantec Fee	Subconsultant	Total OOS	Stantec Labour	Remaining Fee
<b>Stantec - Stage 0 - Priority Route 1 &amp; 2 Retaining Walls Total</b>	102,360.00	-	102,360.00	102,360.00	-
<b>SUBTOTAL STAGE 0</b>	<b>102,360.00</b>	<b>-</b>	<b>102,360.00</b>	<b>102,360.00</b>	<b>-</b>
<b>Stantec - Stage 1 - Initial Investigations</b>					
Governance/Planning/Workshops/Meeting	33,500.00	-	33,500.00	33,500.00	-
Flaxmill	77,033.00	-	77,033.00	77,033.00	-
Bridge HPMV Evaluation	168,534.00	9,175.00	177,709.00	168,534.00	-
Retaining Walls	60,517.00	-	60,517.00	60,517.00	-
<b>SUBTOTAL STAGE 1</b>	<b>339,584.00</b>	<b>9,175.00</b>	<b>348,759.00</b>	<b>339,584.00</b>	<b>-</b>
<b>Stantec - Stage 2</b>					
Flaxmill Options Assessment	68,096.50	46,510.00	114,606.50	67,422.57	673.93
HPMV Bridge Evaluation	471,952.00	27,252.00	499,204.00	463,613.89	8,338.11
HPMV Bridge Hydrology Assessment & Topo Survey	49,754.00	28,100.00	77,854.00	49,754.00	-
HPMV Bridge Geotechnical Investigations	93,277.50	47,730.00	141,007.50	93,020.10	257.40
Quick Wins: Retaining Walls	319,681.98	-	319,681.98	319,681.00	0.98
MSQA CON1076	151,141.49	-	151,141.49	151,141.49	-
Retaining Wall Geotechnical Investigations	72,629.50	194,867.81	267,497.31	72,629.50	-
Quick Wins: AWPT/Procurement	142,738.67	11,100.00	153,838.67	142,734.76	3.91
Safety Assessment	35,510.00	-	35,510.00	35,061.77	448.23
Credit applied (Stantec internal)	-	-	-	(1,870.00)	-
<b>SUBTOTAL STAGE 2</b>	<b>1,404,781.64</b>	<b>355,559.81</b>	<b>1,760,341.45</b>	<b>1,393,189.08</b>	<b>9,722.56</b>
<b>Stantec - Stage 3</b>					
Bridge 173 Wallingford Detailed Design	66,368.00	-	66,368.00	65,257.48	1,110.52
Bridge 174 Kokomoko Detailed Design	63,262.00	-	63,262.00	63,262.00	-
Flaxmill Preliminary Design	417,647.61	44,702.08	462,349.69	342,951.07	74,696.54
Retaining Wall Detailed Design	242,114.12	3,600.00	245,714.12	105,749.60	136,364.52
Bridge 175 Sixty Pound Strengthening Design	71,538.00	-	71,538.00	28,141.21	43,396.79
Eval. of Alt. Contractor Option for Culverts/Earth Pressure Analysis - Kahika & Sixty Pound	46,501.00	-	46,501.00	46,501.00	-
Eval. of Alt. Contractor Option for Culverts/Earth Pressure Analysis - North Watermarks	2,500.00	-	2,500.00	2,335.00	165.00
Bridge 176 Saleyards Strengthening Design	154,769.00	-	154,769.00	115,352.25	39,416.75
Culvert Strengthening Design 348 Kahika, 352 North Watermarks, 364 McKenzies)	-	-	-	-	-
Defects Liability Period	12,653.98	-	12,653.98	-	12,653.98
<b>SUBTOTAL STAGE 3</b>	<b>1,077,353.71</b>	<b>48,302.08</b>	<b>1,125,655.79</b>	<b>769,549.61</b>	<b>307,804.10</b>
Programme Management	345,175.12	-	345,175.12	291,828.42	53,346.70
Environmental Impact Assessment	13,672.20	-	13,672.20	12,771.15	901.05
Cultural Impact Assessment	10,483.80	-	10,483.80	10,287.50	196.30
Web App	11,418.00	-	11,418.00	11,417.00	1.00
Dashboard	5,560.00	-	5,560.00	1,258.75	4,301.25
<b>SUBTOTAL</b>	<b>386,309.12</b>	<b>-</b>	<b>386,309.12</b>	<b>327,562.82</b>	<b>58,746.30</b>
<b>TOTAL</b>	<b>3,310,388.47</b>	<b>413,036.89</b>	<b>3,723,425.36</b>	<b>2,932,245.51</b>	<b>376,272.96</b>
Economic Development Inputs - Third Bearing	-	-	1,100.00	-	-
<b>TOTAL</b>	<b>3,310,388.47</b>	<b>413,036.89</b>	<b>3,724,525.36</b>	<b>2,932,245.51</b>	<b>376,272.96</b>

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## UPCOMING MILESTONES

- Ongoing design delivery
  - Saleyard Bridge detailed design completed
- Ongoing construction delivery
- Procurement of contractor for Slow Vehicle Bays
- Commencement of Safety Improvements
- Community pop in meeting – 16 July 2021

## RELEVANT MARKETING, MEDIA AND COMMUNICATIONS

- The interactive map remains live [here](#).
- Website remains up to date: <https://www.chbdc.govt.nz/our-district/projects/porangahau-wimbledon-road-upgrade/>
- Programme overview video released by Stantec: <https://youtu.be/t82eyane-SQ>
- Further details below in **appendices**.

## CONFIRMATION

(Confirmation that no Termination Event is subsisting and that each of the warranties under clauses 3 and 7 of this Agreement are correct as at the date of the report)

Confirmed.

## ANY OTHER INFORMATION

N/A

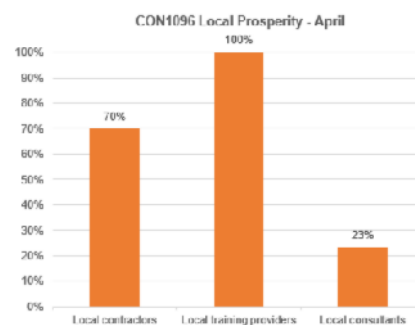
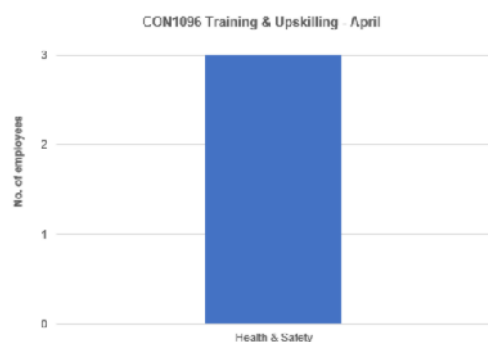
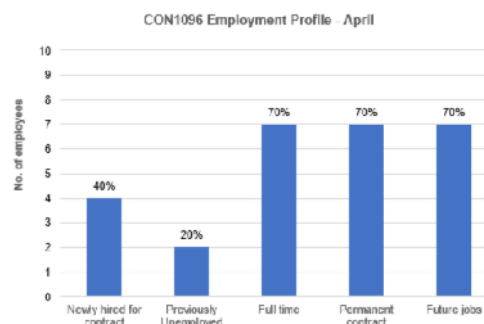
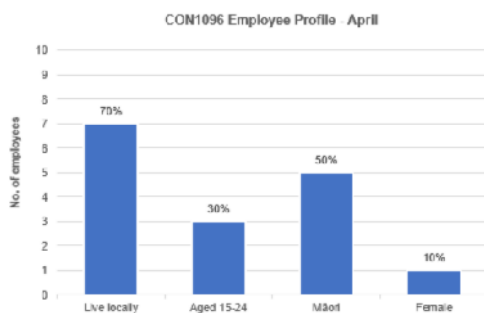
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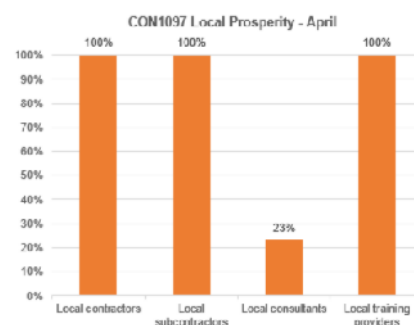
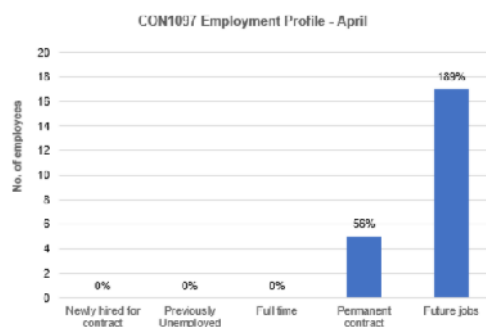
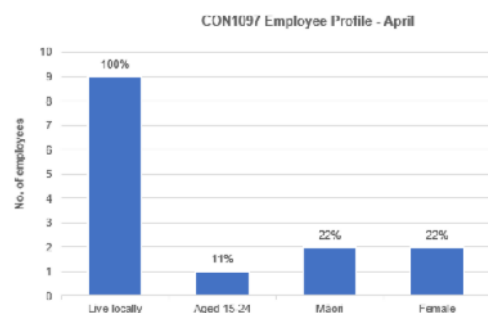


## BROADER OUTCOMES

## CON1096 – Porangahau &amp; Wimbledon Road Bridges



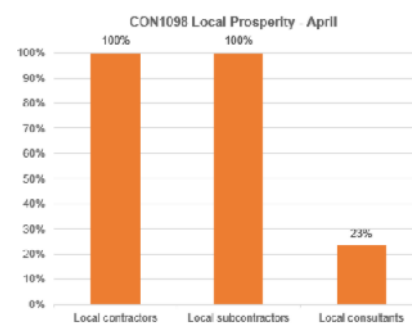
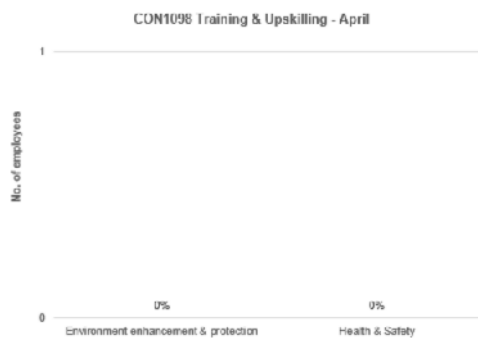
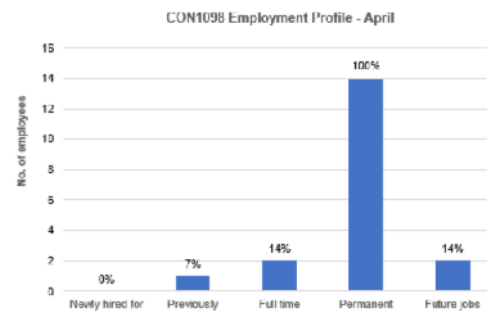
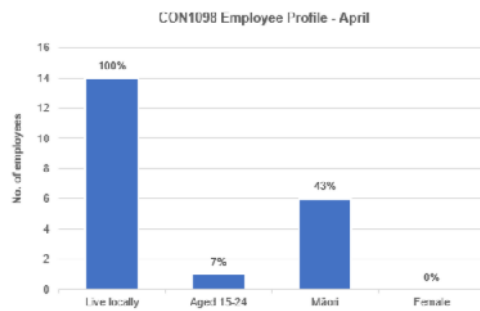
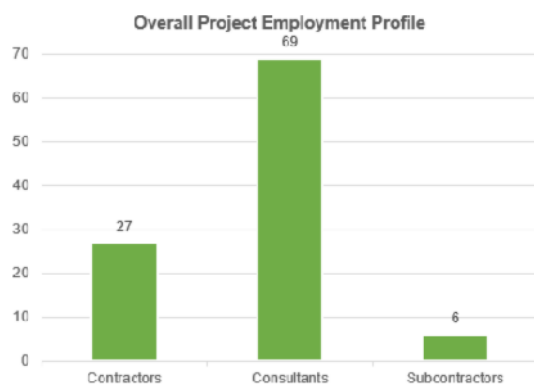
## CON1097 – Flaxmill Inundation Remediation Project



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**CON1098 – Porangahau & Wimbledon Road Retaining Walls & Slope Strengthening****Monthly Job data**

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**Stantec**

**CENTRAL HAWKE'S BAY**  
DISTRICT COUNCIL

## APPENDICES

PROGRAMME OVERVIEW VIDEO: <https://www.youtube.com/watch?v=t82eyane-SQ>



Figure 1: Stantec programme video

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PHOTOS: C1076 Quick Wins – Retaining Wall 283 (Wimbledon Road) - COMPLETE



Figure 3: RW283 Wimbledon Road - 17.06.21 - completed (northbound view)



Figure 2: RW283 Wimbledon Road - 17.06.21 - completed (southbound view)

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PHOTOS: C1096 Bridge Upgrades (Wallingford Bridge)



Figure 4: Wallingford Bridge 21.06.21 (northbound)



Figure 5: Wallingford Bridge 21.06.21 (southbound)

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PHOTOS: C1096 Bridge Upgrades (Kokomoko Bridge)



Figure 6: Kokomoko Bridge Strengthening - 22.06.2021

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PHOTOS: C1097 Flaxmill Upgrades (Stage 1 of 5) - COMPLETE



Figure 8: Flaxmill Upgrade - Stage 1 completed (Northbound)



Figure 7: Flaxmill Upgrade - Stage 1 completed (Southbound)

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PHOTOS: C1098 Retaining Walls (RW277 – Wimbledon Road)



Figure 9: Completed RW 277 (Southbound)



Figure 10: Completed RW 277 (Northbound)

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This project is supported by:



**6.14 ELECTED MEMBERS EXPENSES FOR MARCH 2021 TO JUNE 2021****File Number:** COU1-1410**Author:** Brent Chamberlain, Acting Chief Financial Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:****PURPOSE**

The purpose of this report is to update the Committee on the Elected Members' Expenses for the four months covering March 2021 to June 2021.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the Elected Members Expenses for March 2021 to June 2021 report be noted.**

**SIGNIFICANCE AND ENGAGEMENT**

This report is provided for information purposes only and has been assessed as being of some importance.

**DISCUSSION**

For the sake of transparency the table below shows the elected members' expenses for the past four months. The expenses included in the totals below are mileage reimbursement, car expenses, Councillor iPad data charges, phone costs, meeting and conference expenses including accommodation and meals. Also included is conference, training and development costs.

In the below table is the Elected Member Expenses for the period March 2021 to June 2021.

	<b>Mileage Expenses</b>	<b>Conferences, Meetings &amp; Training</b>	<b>Phone and Ipads</b>	<b>Total</b>
Mayor Alex Walker	Work Car Supplied	5,032.10	143.69	<b>5,175.79</b>
Cr Kelly Annand	164.82	2,161.02	60.00	<b>2,385.84</b>
Cr Tim Aitken	0.00	795.80	60.00	<b>855.80</b>
Cr Jerry Geer	0.00	781.81	63.60	<b>845.41</b>
Cr Gerald Minehan	0.00	795.80	60.00	<b>855.80</b>
Cr Brent Muggeridge	0.00	795.80	60.00	<b>855.80</b>
Cr Kate Taylor	636.32	2,478.41	63.60	<b>3,178.33</b>
Cr Exham Wichman	0.00	2,161.02	63.60	<b>2,224.62</b>
Cr Pip Burne	0.00	2,191.45	75.00	<b>2,266.45</b>
Roger Maaka	0.00	795.80	60.00	<b>855.80</b>
<b>Total</b>	<b>801.14</b>	<b>17,989.01</b>	<b>709.49</b>	<b>19,499.64</b>

During this period, as per Schedule 7 of the Local Government Act 2002 and the Local Government Members (2020/21) (Local Authorities) Determination 2020, a vehicle has been provided to the Mayor for restricted private use.

As per the Determination, Restricted Private Use means—

- a) the vehicle is usually driven home and securely parked by the mayor or regional chairperson; and
- b) the vehicle is otherwise generally available for use by other local authority members or staff on local authority business; and
- c) the vehicle is used solely for local authority business; and
- d) all travel in the vehicle is recorded via GPS tracker.

## **FINANCIAL AND RESOURCING IMPLICATIONS**

There are no financial or resourcing implications included in this report. These costs are covered within existing budgets.

## **IMPLICATIONS ASSESSMENT**

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

## **RECOMMENDATION**

**That, having considered all matters raised in the report, the Elected Members Expenses for March 2021 to June 2021 report be noted.**

**6.15 MAYORAL FUND EXPENSES FOR JULY 2020 TO JUNE 2021****File Number:** COU1-1410**Author:** Brent Chamberlain, Acting Chief Financial Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** Nil**PURPOSE**

The purpose of this report is to update the Committee on the Mayoral Fund Expenses for year ended 30 June 2021.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the Mayoral Fund Expenses for year ended 30 June 2021 report be noted.**

**SIGNIFICANCE AND ENGAGEMENT**

This report is provided for information purposes only and has been assessed as being of some importance.

**DISCUSSION**

For the sake of transparency the table below shows the Mayoral Fund Expenses for the past year.

In the below table is the What Ever It Takes Fund for the Year:

		<b>Total</b>
Opening Balance Brought Forward		<b>2,420.00</b>
Less Expenditure		
CHB Country Music Club Rates Payment	1,053.51	
<b>Closing Balance</b>		<b>1,366.49</b>

In the below table is the Mayoral Fund for the Year:

	<b>Total</b>
Onga Onga Historical – Victorian Fair	300.00
Spirit of Adventure	500.00
Cranford Hospice	250.00
Spirit of Adventure	500.00
Workplace Wellbeing	200.00
Terrace End School – Lego Club	100.00
<b>Total</b>	<b>1,850.00</b>

**FINANCIAL AND RESOURCING IMPLICATIONS**

There are no financial or resourcing implications included in this report. These costs are covered within existing budgets.

**IMPLICATIONS ASSESSMENT**

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the Mayoral Fund Expenses for year ended 30 June 2021 report be noted.**

**7 PUBLIC EXCLUDED****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
<b>7.1 - Resolution Monitoring Report</b>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
<b>7.2 - Procurement Plan - PWPGF Slow Vehicle Bays</b>	<p>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</p> <p>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)</p>	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

**8 DATE OF NEXT MEETING**

**RECOMMENDATION**

THAT the next meeting of the Central Hawke's Bay District Council Finance and Infrastructure Committee be held on 7 October 2021.

**9 TIME OF CLOSURE**