

**I give notice that
an Ordinary Meeting of Council will be held on:**

Date:	Tuesday, 31 May 2022
Time:	11.00am
Location:	Council Chamber 107 te Heuheu Street Taupō

AGENDA

MEMBERSHIP

Chairperson Mayor David Trewavas
Deputy Chairperson Cr Christine Rankin

Members

- Cr John Boddy
- Cr Kathy Guy
- Cr Tangonui Kingi
- Cr Kylie Leonard
- Cr John Mack
- Cr Anna Park
- Cr Kevin Taylor
- Cr Kirsty Trueman
- Cr Yvonne Westerman
- Cr John Williamson

Quorum 6

Gareth Green
Chief Executive Officer

Order Of Business

- 1 **Apologies**
- 2 **Conflicts of Interest**
- 3 **Confirmation of Minutes**
Nil
- 4 **Policy and Decision Making**
 - 4.1 Hearing of Submissions and Deliberations on the Whakamaru Water Extension Project3
- 5 **Confidential Business**
Nil

4.1 HEARING OF SUBMISSIONS AND DELIBERATIONS ON THE WHAKAMARU WATER EXTENSION PROJECT

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Authorised by: Tony Hale, Three Waters Manager

PURPOSE

To receive, hear and deliberate on the submissions that were received on the Whakamaru Water Extension Project and to decide if the project should proceed.

RECOMMENDATION(S)

1. That Council receives the submissions on the Whakamaru Water Extension Project.
2. That Council decides to proceed with the project and extend the existing reticulated water network in Whakamaru.

BACKGROUND

A Council reticulated water network is located throughout part of Whakamaru and provides treated drinking water to 15 properties. The network does however not extend to 31 properties along Tihoi Road, Forest View Road and one property on State Highway 30. The properties who are not currently connected to the Council water scheme provide their own water supply. The orange highlighted properties in Image 1 below, identify those properties not currently connected to the water supply.



Image 1: Orange Highlighted properties are not currently connected to water. Blue lines identify the existing water mains

As part of the Long-term Plan 2021-31 (LTP), Council committed to constructing a water pipe in 2021/22, which would enable Whakamaru residents who are not currently connected to the Council water network to connect. The project will involve the construction of new water pipelines and extend the reticulated water network along Forest View Road, Tihoi Road (SH32) and State Highway 30.

At the ordinary Council meeting on 31 August 2021, Council adopted a proposal to undertake public consultation with respect to Whakamaru water extension project. This proposal included a financial contribution of 50% by residents towards the project. The contribution would be spread over a 25 year period and collected with the introduction of a targeted rate, this is the approach taken for similar projects such as the Five Mile Bay water extension. The impact on water rates for properties in Whakamaru with this approach are outlined in Table 1 below, noting that increased rates would be applicable to those who do or do not connect due to existing Council policy of being within 100m of Council infrastructure and connection available.

Table 1: Rates payable under original funding model, where residents contribute 50% of the capital cost

Residents who choose to connect		Residents who choose not to connect	
Rate	Amount	Rate	Amount
District-wide water rate (annual)	\$536	District-wide water half rate (annual)	\$268
Capital cost targeted rate (annual for 25 years)	\$240	Capital cost targeted rate (annual for 25 years)	\$240
Total	\$776	Total	\$508

Consultation on the above was postponed due to the Covid-19 Pandemic. During this time Council decided to consult with the community as part of the Annual Plan on a change to the funding model used at Five Mile Bay and proposed to be used for the Whakamaru project. The change would see the capital costs of approved projects be funded by all water ratepayers as opposed to requiring financial contributions from some ratepayers through targeted rates.

With the new funding approach, it was decided that full consultation using the special consultative process was not required, instead a targeted approach with just those residents impacted by the project could be undertaken.

Table 2: Rates payable under new funding model

Residents who choose to connect		Residents who choose not to connect	
Rate	Amount	Rate	Amount
District-wide water rate (annual)	\$536	District-wide water half rate (annual)	\$268
Total	\$536	Total	\$268

With the targeted rate component now removed, a rate increase would still be incurred by Whakamaru residents whether they choose to connect or not. Whakamaru residents not currently connected pay \$167.71 per year for the benefit of fire hydrants (Whakamaru Fire Protection rate). The current district wide rate being \$536 would result in a rate increase for Whakamaru ratepayers of either \$368.75 if connected or \$100.52 if choosing not to connect. The reason for the rate increase applying to those ratepayers who choose not to connect is because of Council's standard policy referred to earlier. The Whakamaru Fire Protection will also be removed and no longer payable. There are two properties who do not currently benefit from the fire hydrants and therefore do not pay the rate, therefore they will incur a full new rate if the project proceeds.

OBJECTIVES OF THE PROJECT

- In March 2021, New Zealand's drinking water regulator Taumata Arowai was established as part of the government's current reform of the Three Waters (Drinking water, Wastewater and Stormwater) throughout the country. A major upgrade is currently underway to Council water treatment facilities that will ensure high quality drinking water. Extending the water supply network provides the community with treated water supply that will meet the Drinking Water Standards of New Zealand (DWSNZ).
- Whakamaru water scheme has been one of the highest in the district at \$1,271.80 per year. Through the 2021-31 LTP process, Council made a decision to move to district-wide water funding. Therefore,

instead of different rates for different schemes, from July 2021 onwards, Whakamaru residents now pay a much more affordable rate of \$536.

- Whakamaru wastewater scheme does not currently extend to residents on Tihoi, Forest View Roads (SH32) and State Highway 30 (SH30). Wastewater in these areas is generally disposed of via septic tanks and this may present risk to people’s health who rely on private water supplies should the tank leach untreated wastewater into the underground supply. Hence, extending the network will safeguard the water supply for the Whakamaru community from such potential risks.
- Extending water supply will also improve fire protection for the community through the installation of additional fire hydrants on Tihoi, Forest View Roads (SH32) and SH30.

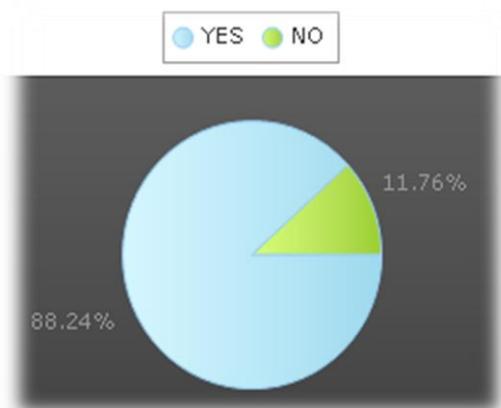
DISCUSSION

The Whakamaru Water Extension project was consulted on between 31 March 2022 and 2 May 2022 with 17 submissions received within this timeframe. There were no late submissions. One submitter indicated that they wanted to be heard, however since have indicated they no longer wish to speak to their submission. A full copy of submissions which includes comments is provided in Appendix 1. Appendix 3 captures just comments made.

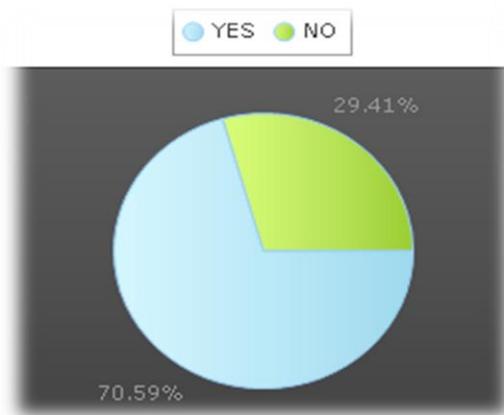
All submissions were received from property owners and/or residents of Whakamaru Village, with 14 of the submissions received from property owners and three from occupiers.

Two questions were asked as part of the consultation. Question 1 was “Should the water network in Whakamaru Village be extended?” and Question 2 was “If the water network is extended, will you request a new connection to the Council supply?” There was high support to extend the water network and the majority of submitters indicated that they would request a new connection. The charts below illustrate the response to the two questions.

Responses to Question 1:
Should the water network in Whakamaru Village be extended?



Responses to Question 2:
If the water network is extended, will you request a new connection?



The plan provided in Appendix 2 identifies the location of those submissions that were supportive and opposed to the reticulated water network being extended and those that would connect to the network if the project proceeded. A number of the submitters own multiple properties in Whakamaru and were referred to in the submissions. All properties referred to are therefore identified on the plan to capture that support or opposition.

A number of submissions included comments, these comments have been summarised below:

- If we choose not to connect, the fire protection rate should not be increased
- More important to install wastewater and replace septic tanks
- Property is vacant and/or has another use which does not require water
- Concern that new water regulations will impose requirements and current suppliers will not want to continue supplying water to other properties
- Council supplying water to the whole village will ensure water safety and sustainability

- Town water supply will remove potential risk of ground water becoming contaminated from an old septic tank and with so many around unsure where the contamination occurred.

Through the hearings process, Council will need to consider the submissions made.

CONSIDERATIONS

Alignment with Council's Vision

Council's vision is 'to be the most prosperous and liveable district in the North Island by 2022'. This is accompanied by a core set of values to underpin decision-making, the following of which are relevant to this particular proposal: World Class; Authentic; Charming; Vibrant; Quality; Resilient and Value.

Financial Considerations

The financial impact of the proposal is estimated to be \$240,000.

Long-term Plan/Annual Plan

The expenditure outlined is currently budgeted for under year 1 of the Long Term Plan 2021-31.

Legal Considerations

Local Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social, economic and environmental well-beings are of relevance to this particular matter.

The proposal has been evaluated with regards to a range of legislation. The key legislation applicable to the proposal has been reviewed and the relevant matters for consideration is as follows:

The Local Government Act and the Local Government Rating Act.

Policy Implications

The project is supported by the TDC Water Supply Strategy 2019 and in particular the key Water Supply Strategy outcome - We ensure the protection of Public Health.

Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report.

Engagement to date has included discussions with Raukawa and consultation as part of the Long Term Plan and Annual Plan.

Risks

The project budget was set as part of the Long-Term Plan during a benign period of low inflation and low interest rates. Since then, there has been a significant global rise in costs. There is a risk that the current project budget may be insufficient. Any shortfall against budget will be highlighted once design and contract tendering is complete.

A risk associated with the project not going ahead is possible contamination of ground water through leaching from onsite wastewater systems. All properties in Whakamaru Village dispose of wastewater onsite using septic tanks and the age of these existing systems is unknown. Contamination of ground water poses possible health and environmental implications for the community. The project also presents other benefits to the community including provision of fire fighting water supply to all properties.

SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Maori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016). This topic was consulted on because it was considered to be significant. This process seeks to allow submissions to be considered and the opportunity for Council to make a decision on whether the project to extend water supply to residents of Whakamaru Village (Tihoi, Forest View Roads (SH32) and SH30) should go ahead.

COMMUNICATION/MEDIA

Direct communication has been/will be carried out with affected parties/key stakeholders but no wider communication is considered necessary. The decision made by Council will be communicated with all ratepayers of the Whakamaru Village and submitters with response letters/emails.

CONCLUSION

That Council should hear the submissions and decide whether or not to proceed with the Whakamaru Water Extension project.

ATTACHMENTS

1. Appendix 1 - Submissions received, includes comments
2. Appendix 2 - Analysis of submissions
3. Appendix 3 - List of comments made by submitters