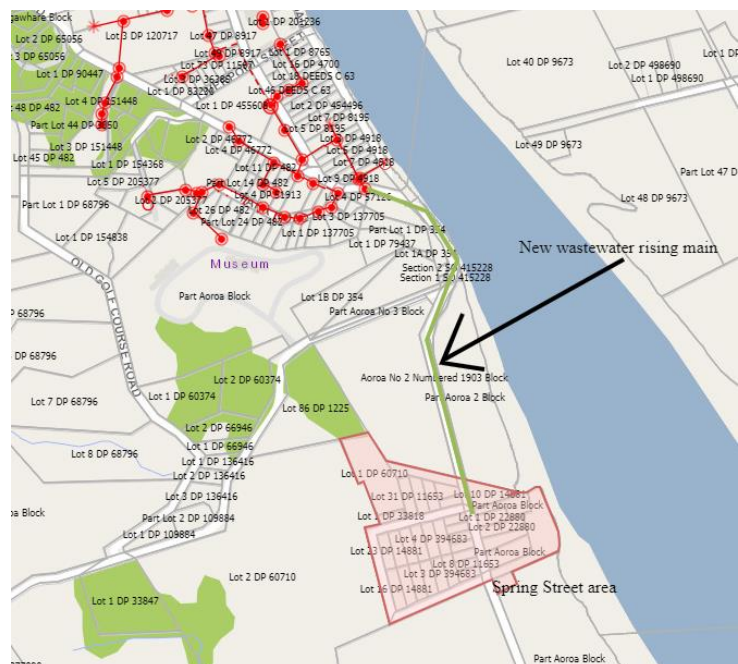


- a) Approves, in principal, the extension of the Dargaville Wastewater Scheme (DWWS) to include the Springs Street residential area and for engagement and preparatory works to be continued in the 2020/21 financial year.



Context/Horopaki

The Spring Street Residential Area was approved in the 1920's by Council but residential development was not allowed until the 1970's/1980's after the implementation of the Local Government Act. 15 properties have subsequently been developed over time with waste disposal systems which were consented and appropriate at the time.

It has been identified that these waste systems are failing and there is an immediate requirement to address this as part of our responsibilities through the respective Health Act 1956 and Building Act 2004. The worst-case scenario is that the properties are classified as insanitary and that the occupants are removed.

With the development being in a low-lying area, the costs of providing on site solutions is significant (circa \$30k) and it has been identified that an extension of the existing Dargaville Wastewater Scheme is the most cost-effective solution.

A briefing paper was presented to Council on 19 November 2019 which highlighted the need to develop a response with the affected community. A report has been commissioned which has provided a recommended solution and engineers estimate

- Pressurised rising main 1.3km long \$158,750
- On-site wastewater low pressure pump station \$12,000

Consultation with the community was intended to be held prior to the lockdown due to COVID-19. It is anticipated that those existing properties which have already invested in a wastewater system will have serious concerns given that their current system was, at the time, approved by Council.

Discussion/Ngā kōrerorero

The current method of managing waste disposal is not tenable and that the best value for money solution is to extend the existing wastewater scheme.

- Private system (if feasible) Circa \$30k
- Cost of total system split between all 32 sections Circa \$17k.

The extension of the existing system will provide a connection for parts of town which are identified for growth in the emerging Spatial Plan as well as the sections of the Spring Street which have not yet been developed (17 properties).

For existing sections who have failing waste systems (15 properties), it is recognised that they have already invested in domestic wastewater systems which were consented and approved by Council at the time of construction. There are also affordability considerations to be considered for existing owners who are faced with this additional cost.

Ultimately, having an additional 32 customers on the Dargaville Wastewater Scheme is a benefit to the whole community as it reduces the burden of ongoing maintenance costs.

Options

The only option for Council to consider at this stage is to extend or not, the wastewater scheme to include the Spring Street Residential Area (the decision required in this paper).

A secondary consideration is how the existing and future residents of Spring Street contribute to the wastewater scheme (decision required at this point is only to support continued investigation).

Extending the Wastewater Scheme

It is considered that extending the scheme is the most economically efficient and effective option for addressing the failing private wastewater.

The benefits of this option are that:

- The immediate threat to existing residents is addressed
- It would add 32 residents to the Dargaville Wastewater scheme approx. 15 connected (full wastewater rate) and 17 connectable (3/4 the annual wastewater rate for the Dargaville scheme per annum in continuum)
- Health and environmental risks are addressed
- Ongoing maintenance and operations are controlled within a robust structure

- The low pressure system installed will be more resilient to the effects of climate change and will handle the effects of sea level rise and increased ground water levels than a traditional system.

If Council decides not to extend the system, then the impact is that the community will either upgrade the system themselves or Council will advise that the properties are not sanitary.

Financing the extension and connections

With regards to the financial contribution of the system, there is a balance to be struck between

- How much is absorbed by the Dargaville Wastewater Scheme targeted rate
- How much could be recovered through land owners in the Springs Street Residential Area who will need to invest in a waste water system to get their Building Consent
- How much existing property owners in the Springs Street Residential Area contribute.

These financial arrangements are considered in the table below against the three main components:

	DWWS Costs	Future residents	Existing residents
Pressurised rising main 1.3km long - \$158,750	Yes - Reasonable to include here as there are benefits to extending the scheme in terms of reduced maintenance costs	Yes - Reasonable to include particularly as the connection will also service growth areas in the Spatial Plan	No - Could be considered less reasonable given the residents have paid for a previously approved and consented system
On site pump stations – existing properties	Maybe – Balance the costs that everyone shares versus what owner could reasonably pay		Maybe – Reasonable to expect existing owners to pay something towards however if there is an affordability concern.
On site pump stations – future properties	No – Would expect new developments to pay for their own connection costs	Yes – Would just be a cost up front as part of Building Consent. Demonstrable that this is less costly than a private system	

It is suggested that Council direct officers to further investigate and consult on two general options noting that the costs provided are an indication only and that further work is required to calculate the actual costs.

Option 1: Extend the scheme in financial year 21/22 and fund primarily through DWWS Targeted Rate

- Cost to DWWS ratepayers Minimal – Costs of extension largely offset by reduced maintenance costs per ratepayer
- Cost to existing residents Minimal – Connection fee
- Cost to future residents \$12,000 (Cost of pump, connection only)

The benefit of this approach is that Council is able to control the installation and meet the requirements of both the building act and the Health act.

Option 2: Extend the system with a mix **of user pay and growth**

- Cost to DWWS ratepayers Minimal (Costs of extension largely offset by reduced maintenance costs per ratepayer)
- Cost to existing residents Circa \$6k (subsidised connection)
- Cost to future residents Circa \$4.5k (Cost of pump + 50% of main extension)

It is considered that placing all costs on the Spring Street area alone not be taken forward as this would likely require a separate targeted rate which is overly complicated given there is already a DWWS targeted Rate.

Other disbenefits are:

- Construction would not be able to start until all outstanding debts are paid, unless council loan funds the cost and recovers this from those affected
- If residents do not have the liquid assets available, they will need to get a loan, or council will need to loan fund the work and recover it from those affected
- If a resident does not have the ability to pay for the work, council will need to complete the work against their wishes and recover the funds from the resident, this may mean that the work completed will need to be loaded on to their property and if they are unwilling to pay council will need to force the sale of the property to recover their costs.

If at any time a resident is unwilling to have the work proceed then council will need to enact the clauses under either the Health act or the Building act and declare the property insanitary and the resident may need to be forced from their home through legal avenues, police etc.

Preparatory work

Further investigation and engagement will be undertaken. This would include a final recommendation to Council. This will allow appropriate agreements and consultation to be undertaken ahead of the 2021 Long Term Plan.

Policy and planning implications

There is no policy or planning implications at this stage. Future decisions may affect rating policy.

Financial implications

A limit of \$5,000 is suggested for prep works which would be predominantly internal resource.

Risks and mitigations

- Litigation by residents – connect them to the Dargaville wastewater scheme,
- Health act and Building act is triggered and building is declared insanitary – Council implements a scheme that will remediate any health issues through failed wastewater schemes.

Significance and engagement/Hirahira me ngā whakapāpā

The value of the work and the fact that it was not originally included in the last Long Term Plan will trigger the KDC significance and engagement policy, council employees have previously consulted with affected residents and propose to continue engaging.

As the funding will potentially affect the DWWS Targeted Rate, there will be a need to engage with all affected parties. This would likely occur as part of the LTP consultation.

Next steps/E whaiake nei

Subject to Council approving the extension of the GWWS, officers will undertake preparatory works including engagement, in preparation for construction as part of the 2021 LTP.