

Te Tai Tokerau Water Trust

Meeting: Council Briefing
Date of meeting: 07 April 2021
Reporting officer: Matt Smith, Infrastructure Planning Manager

Purpose | Ngā whāinga

To provide Council with an update on progress towards creating a community scale water storage and distribution scheme near Te Kopuru.

Context | Horopaki

The principal objective of the Trust project is to develop storage reservoirs and water delivery for two schemes within Northland that would enable a shift towards sustainable higher-value horticultural land uses which will lift the wellbeing of local communities, whilst caring for the environment.

The areas identified for development are near Kaikohe in the Mid North and on the northern Pouto peninsula, south of Dargaville. The schemes will provide infrastructure to develop approximately 7000ha of new horticulture, significantly increasing Northland's area in horticultural production.

The project has suffered some minor setbacks within the Kaipara District due to unfavourable ground conditions, but an option is currently in progress that looks promising and is set to be delivered by 2021/2022.

Kaipara District Council have included investment to connect to the reservoir through the construction of a water treatment system at Te Kopuru and a connection to the Dargaville System.

Discussion | Ngā kōrerorero

As council is aware the above water scheme is in the process of consenting and construction with stage 1 set to start within the next 3 months.

Whilst the scheme is not primarily set to provide water for municipal services, there is the option for council to connect to the scheme and to secure a raw water source that will benefit the communities of Dargaville, Baylys, Te Kopuru and possibly Glinks Gully. Councils focus is about water resilience and being able to mitigate the effects of drought, now and into the future.

The TTWST have confirmed that to be able to access the water shares will need to be purchased, this is currently identified at \$25,000 per 3,000cu.m of water, for the 300,000 cu.m of water desired this will be an indicative cost to council of \$2,500,000. This cost is calculated on the value recoverable for the costs of the scheme construction, very similar to a Development Contribution and would guarantee council the volume of water indicated.

There would also be a yearly annual charge, this would be to cover operational costs such as depreciation of assets, interest repayments etc. An indicative cost of \$1200 per 3,000cu.m of water annually or \$0.4 per cu.m of water, this is currently proposed as a volumetric charge; Council currently recovers its cost through volumetric charges at approx. \$3.42 per cu.m. there is also an option of securing priority rights to the water with a 5% - 10% increase on the annual volumetric charge, the annual charge would also be susceptible to an increase to recover costs if there are not enough users in the system to cover the interest charges at the outset.

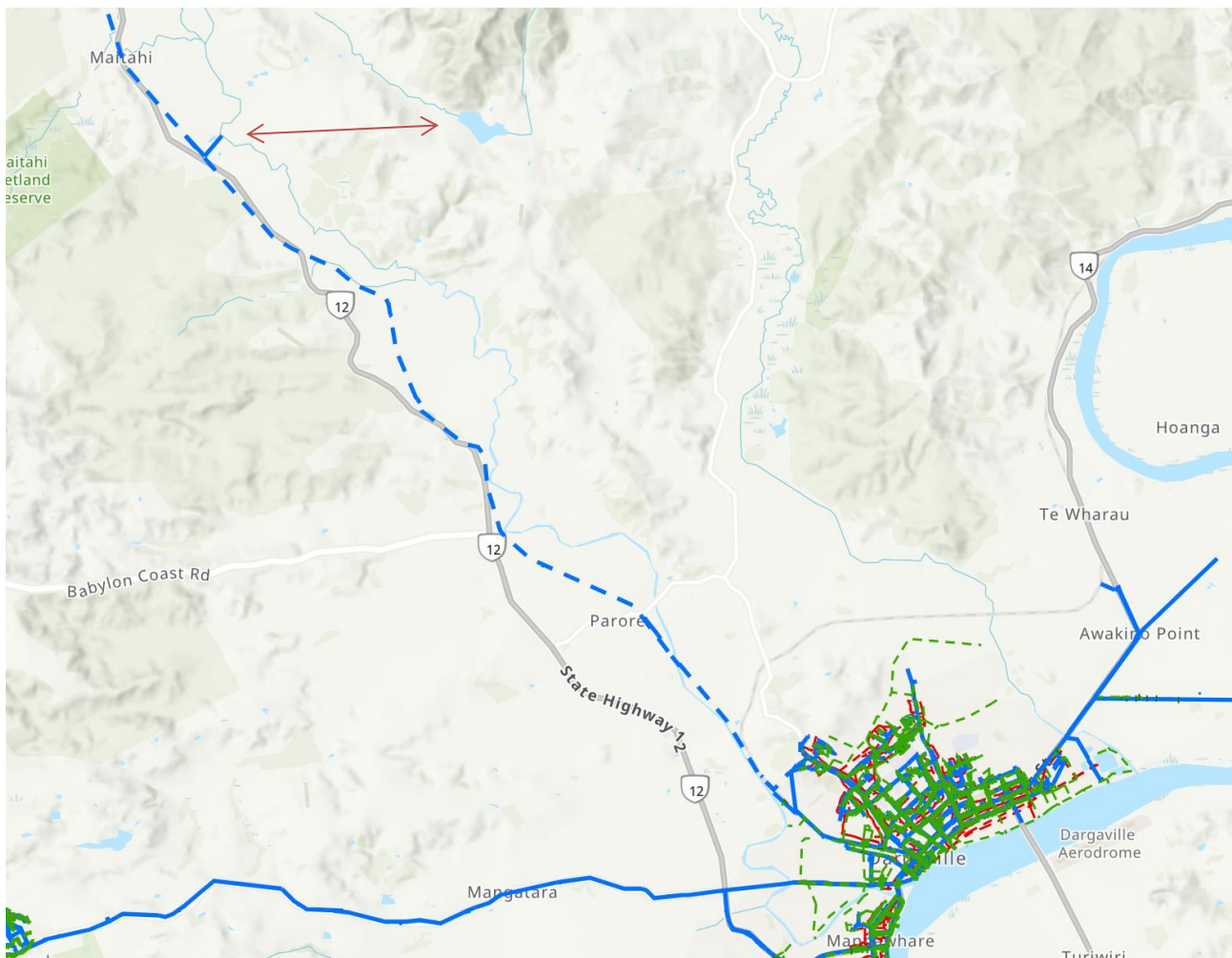
There are benefits to the scheme that will be outlined in a paper to council fully once we have been able to explore options, but the most significant is the ability for the scheme to expand as more users buy into the scheme, with the fully constructed scheme incorporating a string of connected dams, and harvesting water from as far afield as the Kaihu.

Council has identified an agreement in principal with the scheme, but there are further investigations required to be able to bring a decision paper to council, such as:

- Cost benefit analysis, of the scheme and all soft benefits including benefits to other communities,
- Payment and costs share options,
- Funding options from external agencies,
- Cost share with interested local parties,
- Benefits of full control vs scheme participation,
- Investigation, design, and cost analysis of alternative construction options.

Council has currently included \$2,100,000 within the Long-Term Plan budgets. If approved in the 2021 Long Term Plan, a Detailed Business Case will be developed which will provide clarification of costs and benefits. The full costs to council and the community will not be realised until a full investigation has been completed on the option decided by the council, and the apportioning of costs with other external and local interested parties has been agreed.

The Business Case will also assess an alternative option which is for the existing reservoir at 700 Opanake Road, Parore (Lot 1 DP 513991). This connection would allow for water to be pumped from the intakes on the Kaihu River when extraction from the river is favourable, and drawn from the dam in periods of drought. Costs have not been calculated at this stage however investigations are underway.



Next steps | E whaiake nei

- Funds approved in LTP 21-32 utilised to completed investigations and cost analysis.
- Final Decision paper to council no later than April 2022.

Attachments | Ngā tapiritanga

- Presentation delivered by Te Tai Tokerau Water Trust,