

Kaihu Raw Water Supply

Meeting: Council Briefing
Date of meeting: 5 February 2020
Reporting officer: Dean Nuralli Regulatory Manager,
Sue Davidson GM Sustainable Growth & Investment.

Purpose/Ngā whāinga

To provide the Council with the a history of the Kaihu water raw water supply project, and highlight the challenges to complete the project to provide potable water.

Context/Horopaki

The Kaihu district was identified and reported by the Medical Officer of Health (to the Infrastructure and Waters team) as a high health risk area with regards to their raw water users.

How & When the issue arose: The issue was identified in May 2017 by the Northland Medical Officer of Health due to the Kaihu Primary school failure with the NZDWS. The MoH reported a case of illness of vomiting and diarrhoea in the Kaihu area directly related to the raw water supply.

In response to this health concern, a sanitary survey was carried out in the Kaihu area to identify the actual number of illegal raw water users utilising the raw water as a potable drinking water source.

At this point in time all illegal raw water users were issued with an insanitary building notice.

The number of residential properties illegally tapped into the raw water line: After the sanitary survey was undertaken in the Kaihu area, (13 properties in total were identified). At this point in time it was signaled that we should probably carry out an additional raw water survey into the Maungaturoto area (whereby a further 8 properties in total where identified). The total number of raw water users equated to 21 throughout the district.

A community meeting was held to further raise awareness and the findings of the survey, next steps and the ballpark costs. The minimum drinking water standards required the raw water users to convert to a roof water supply. This was estimated by Council's officers to come at a cost of approximately \$10-15k per household.

At this time the funding arrangements for this project were explored by the residents with their mortgage lenders / banks, the Councils Finance Manager (should the Council approve loan agreements for the proposed works to be carried out).

On behalf of the Kaihu residents, Council officers Jenny Rooney & Francis Toko tried to explore other funding avenues to support the Kaihu residents and met with the ministry of social development, Te Runanga o Ngati Whatua, WINZ, Manaia PHO, NDHB, Te Ha and MSD: Te Puni Kokiri.

Discussion/Ngā kōrerorero

Council's initial response: It was decided by senior management that the residents would be provided with a bottled potable water supply to each identified property until the projects were complete. This would come at the Councils' expense.

When & why did the Council decide to provide a potable bottled water supply: The decision to provide a potable bottled water supply was determined by the acting CEO, Peter Tynan based on the advice that, from the Health Act 1956 (HA), Building Act 2004 (BA) and Local Government Act 2002 (LGA):

A building cannot be inhabited if it does not have a supply of potable water (BA)

When a Territorial Authority (TA) has reason to believe that a building may be dangerous or insanitary, the TA should investigate the matter by inspecting the building to determine whether it is dangerous or insanitary)., it should get the building owners to fix the situation by issuing a Notice to Fix or be evicted from the property. (BA)

The council cannot cut off the supply if it is the only supply relied on by the building occupiers without providing a suitable alternative supply. (HA)

After the water survey had been undertaken, it was identified that the 21 properties should be supplied with bottled water to the residents while they fix their insanitary buildings. This was a gesture from the Council to assist and avoid, as far as possible the possible eviction of the building occupiers especially over the Christmas break. We did not want another Havelock North water treatment outbreak in the Kaihu area.

The total cost of providing bottled potable water to date is approximately \$100,000 (since Jan 18 \$50,000 pa)

Council also responded - to explain the situation and encourage the homeowners to complete works themselves. Funding was not available so Council then looked to get quotes and fund loans to the remaining ratepayers

How many owners have completed the works themselves to date: Of the total 21 properties to date...

Maungaturoto area and 8 residential properties - 5 have been resolved / completed and their IBN's lifted, 3 are self-funding.

Kaihu area and residential 13 properties - 7 waiting for KDC finance, 3 have been resolved / completed and their IBN's lifted. 2 problematic and 1 self-funding (in progress).

Steps Council have taken to gain funding from other organisations: As further assistance and on behalf of the Kaihu residents, Council officers Jenny Rooney & Francis Toko explored other funding avenues by meeting with the ministry of social development, Te Runanga o Ngati Whatua, WINZ, Manaia PHO, NDHB, Te Ha and MSD: Te Puni Kokiri. It was overall a very disappointing outcome as they were unable to support with any monetary significance but would support KDC's application for any funding streams. They were also able to support with regards to any nursing assistance and other health care needs.

What was the Council resolution: Please find below and attached – resolution from draft Council minutes from yesterday's meeting and the full report that went to Council.

Kaipara District Council Raw Water Supply Funding Options – February 2018

[Secretarial Note: At the Mayor's discretion, this item taken out of order, commencing at 1.49 pm.]

General Manager Regulatory, Planning and Policy

4817.0

Moved Larsen/Curnow

That Kaipara District Council:

- 1 *Receives the General Manger Regulatory, Planning and Policy's report 'Kaipara District Council Raw Water Supply Funding Options' dated 20 February 2018;*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Determines that Council will provide assistance to affected dwelling owners in line with option A (owner fully pays) within the above-mentioned report or previous report (Council agenda 25 January 2018 Item 7.5) which was left to lie on the table.*

Carried

Please note this means that option A of the Council report was adopted by the Council. This also means that owners will need to pay for their own water supply. There will be no Council subsidy. Council can however assist with a partial or fully funded loan paid back via loan scheme. Council also has approved in the option the ability if necessary to carry out the work (subject to court order or voluntary owner approval) and place a statutory land charge over the property.

Loan documentation was completed by solicitors however when passed to finance the following was noted:

That the homeowners were on Maori land and the statutory charge is not viable

There were some issues with the loans as Council is not a bank.

That one property is in trust ownership and the owners may not sign the documentation and one property has an asbestos roof and the economic cost of any changes could be too expensive

Why this report has been brought to a council briefing: This matter has been brought to the Council for their briefing, as this is a new Council. The recent Audit and Risk committee came up with a number of questions surrounding the Kaihu raw water supply and in particular around the statutory land charges not being applicable.

The use of raw water in dwellings needs to be completed in order to minimise any further distress to affected dwelling owners. As such, Council needs to make a decision to provide a level of certainty for affected dwelling owners.

The Council previously made this decision to provide further funding and loan agreements for their assistance so that the residents could move forward. Indications are that negotiating for a loan to be put in place is the best option to get most of the properties to comply with having potable water. Unbudgeted costs are continuing to be incurred in providing the bottles of drinking water. The costs of providing bottled water are large and we want to get householders onto their new supply.

The local community has a stock of empty plastic bottles, which are a problem. We have to stop supplying bottled water and in order to do that we need to provide a loan to complete the works.

There is a risk in providing loans without security but Council needs to accept that the residents are acting with integrity as Council has been communicating with them and receiving positive feedback to the solution. The residents are relying on the fact we are proposing the best solution for them. A timeframe can be put in place to uptake the loans and cease bottled water provision.

The next action would be for those houses not having their own water supply, to put a timeframe on taking up the loans and potentially reissue the insanitary notice.

Next steps/E whaiake nei

To bring a new resolution to council recognising that any loan will not have a statutory charge on the land. Council will also need to notify the affected dwelling owners of Council's decisions and to continue working with them to resolve their non-potable raw water issues as quickly as possible.

Sue Davidson GM Sustainable Growth & Investment 22 January 2020.