

Kaihu raw water supply

Meeting: Kaipara District Council
Date of meeting: 26 February 2020
Reporting officer: Sue Davidson, GM Sustainable Growth & Investment

Purpose/Ngā whāinga

To seek approval to provide assistance in the form of a loan to those affected Kaihu dwellings on raw water as stated in this report. This is to ensure the homes are connected to a potable water supply and the residents have no further potential health risk from the current raw water supply.

Executive summary/Whakarāpopototanga

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.

Twenty-one properties were identified as being on a raw water supply in both Maungaturoto and Kaihu. Most owners have found their own solution, however there are still eight properties to connect. Two of these may still be problematic. Council has quotes for all the properties to install a water tanks and just needs to finalise the loan documentation. In January 2018, Council passed a resolution that there was to be a statutory land charge on the properties. All the properties are on Maori land and this is not possible. To move this project forward, Council approval is now sought to provide the finance, but with the recognition that a statutory land charge is not possible.

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Approves that financial assistance by way of loan be given to identified affected dwelling owners in the Kaihu area to allow them to install water tanks on their property.
- b) Notes that statutory land charge will not be required where the land is Maori land.

Context/Horopaki

Council's initial response was that the residents would be provided with a bottled potable water supply to each identified property until the projects were complete. This has been done and come at the Council's cost of approximately \$50,000 pa.

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

Council resolved the following in February 2018:

That the Kaipara District Council:

- 1 *Receives the General Manager 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.*

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.

Council has not completed the loan documentation as it has become obvious that those properties now without a potable water supply are on Māori land and a statutory land charge will not be possible.

Discussion/Ngā kōrerorero

The aim of Council is to secure a potable water supply for these people and remove the health risk at the least cost to Council. Council officers have explored other funding avenues to no avail.

Options

Option 1: Approves that financial assistance by way of loan be given to identified affected dwelling owners in the Kaihu area to allow them to install water tanks on their property.

Note: A statutory land charge will not be required where the land is Maori land.

The advantage of this is that the public health risk is resolved for at least 6 of the houses and Council has legal documentation in place for the loan to be repaid.

The risk is that Council is not a bank with a loan portfolio and no software to manage this and that the homeowners may not repay the loan. The maximum risk is approximately \$60,000.

Option 2: Status quo, continue supplying bottled water until the residents themselves put in a water tank. This could come at a cost of \$50,000 pa and there are no other funding entities to approach.

Option 3: Enforce insanitary building notice and evict residents. This should not be pursued at this stage until we have exhausted all other options

The recommended option is **option 1**.

Policy and planning implications

There is no policy or planning implications.

Financial implications

Council will fund approximately \$60,000 in loans with no security.

Risks and mitigations

There is a public health risk if we do not get these homeowners connected to a potable water supply.

There is a risk that some of the homeowners do not repay their loans. We have to assume they are willing to repay and assume they have integrity to adhere to the conditions the loan was advanced on.

Significance and engagement/Hirahira me ngā whakapapa

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy.

Consultation has occurred with each homeowner as a group and individually. Finance, iwi and plumbing staff will meet with each homeowner before they sign the documentation to answer questions.

Next steps/E whaiake nei

Loan documentation will be finalised and any outstanding issues brought back to Council.