

A G E N D A

Council Meeting

**Council Chambers
36 Weld Street
Hokitika**

**Thursday
28 July 2016
commencing at 9.00 am**

His Worship the Mayor, M.T. Havill – Apology
Deputy Mayor, P.M. Cox (Chairperson)
Cr. J.H. Butzbach, Cr. M.S. Dawson,
Cr. D.G. Hope, Cr. L.J. Martin, Cr. M.D. Montagu,
Cr A. P. Thompson, Cr. C.A. van Beek



COUNCIL MEETING

NOTICE IS HEREBY GIVEN THAT AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 28 JULY 2016 COMMENCING AT 9.00 AM

Tanya Winter
Chief Executive

22 July 2016

COUNCIL VISION

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental, cultural and natural resource base to enhance lifestyle and opportunity for future generations.

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

Health & Safety Briefing

Health & Safety Snapshot

	Accidents	Incidents	Near Misses
November 2015	0	1	0
December 2015	0	0	0
January 2016	0	1	0
February 2016	0	0	0
March 2016	1	0	0
April 2016	0	1	0
May 2016	0	1	0
June 2016	0	1	0
To 22 July 2016	0	0	0

1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Apologies & Leave of Absence

Apologies: His Worship the Mayor, M.T. Havill.

1.2 Interest Register

2 CONFIRMATION OF MINUTES

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Ordinary Council Minutes – 23 June 2016

(Pages 7-16)

3 PUBLIC FORUM

The public forum section will commence at the start of the meeting.

4 BUSINESS

4.1 Mayor's Report

4.2 Update from Councillors

4.3 Financial Performance: May 2016

(Pages 17-26)

4.4 Whataroa Cemetery Trustees – Reimbursement Request (Pages 27-55)

Trustees of the Whataroa Cemetery will be in attendance at the meeting at 10.00 am to speak to the above matter.

4.5 Statement of Proposal for Consultation – Funding Mechanism for The New Wastewater Treatment Plant at Franz Josef (Pages 56-92)

4.6 Local Government Act Amendment Bill No. 2 - Draft Joint Submission to the Local Government and Environment Select Committee

The Group Manager: Planning, Community and Environment will speak to this item.

Attached at **Appendix 1** is a submission on behalf of the West Coast Councils which endorses the LGNZ and SOLGM submissions on the above Bill and provides additional commentary relevant to the West Coast.

(Page 93)

The LGNZ and SOLGM submissions are also attached at **Appendix 2 and Appendix 3** respectively.

(Page 95)

Letter from the Office of the Mayor, Waimate District Council at **Appendix 4.**

(Page 174)

A copy of the Local Government Act Amendment Bill is available at this link:

<http://www.legislation.govt.nz/bill/government/2016/0144/latest/whole.html#DLM6868108>

5 ADMINISTRATIVE RESOLUTION

5.1 Warrant of Appointment – Christopher Wieblitz

- An Officer pursuant to Section 174 of the Local Government Act, 2002;
AND
- An Authorised Officer pursuant to Section 222 of the Building Act, 2004;
AND
- An Enforcement Officer pursuant to Section 371 B of the Building Act 2004; AND
- An Officer pursuant to Section 11 of the Fencing of Swimming Pools Act, 1987; AND

- An Enforcement Officer pursuant to Section 38 of the Resource Management Act, 1991; AND
- An Officer under the Westland District Council Bylaws

5.2 Warrant of Appointment – David Kingipotiki

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise; AND
- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

5.3 Warrant of Appointment – Dave Kingipotiki

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise; AND
- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

5.4 Warrant of Appointment – Terry Dalzell

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise; AND
- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

5.5 Warrant of Appointment – Danielle Brown

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise; AND
- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

5.6 Warrant of Appointment – Darcy McLiskey

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise;
AND
- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

6 MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

6.1 Confidential Minutes – 23 June 2016

6.2 Risk Register

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
6.1	Minutes	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
6.2	Risk Register	Confidential Report	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)

Date of Next Ordinary Council Meeting

25 August 2016

Franz Josef

MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 23 JUNE 2016 COMMENCING AT 9.00 AM

1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Members Present

His Worship the Mayor, M.T. Havill (**Chairperson**)

Deputy Mayor P.M. Cox

Cr J.H. Butzbach, Cr. M.S. Dawson (until 2.50 pm), Cr. L.J. Martin (part of the meeting), Cr M.D. Montagu, Cr A.P. Thompson, Cr. C.A. van Beek.

Staff in Attendance

T.L. Winter, Chief Executive; G.L.J. Borg, Group Manager: Corporate Services; V. Goel, Group Manager: District Assets; J.D. Ebenhoh, Group Manager: Planning, Community and Environment; and D.M. Maitland, Executive Assistant.

1.2 Apologies and Leave of Absence

Cr D.G. Hope.

Moved Cr Montagu, seconded Cr Butzbach and **Resolved** that the apology from Cr D.G. Hope be declined.

1.3 Interest Register

The Interest Register was circulated and one amendment was noted.

2 CONFIRMATION OF MINUTES

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Extraordinary Council Minutes – 25 May 2016

Moved Deputy Mayor Cox, seconded Cr Thompson and **Resolved** that the Minutes of the Extraordinary Council Meeting held on the 25 May 2016, be confirmed as a true and correct record of the meeting subject to the following amendment:

Cr J.H. Butzbach was an apology for the meeting.

2.1.2 Ordinary Council Minutes – 26 May 2016

Moved Cr Dawson, seconded Cr Butzbach and **Resolved** that the Minutes of the Ordinary Meeting of Council, held on the 26 May 2016 be confirmed as a true and correct record of the meeting.

2.1.3 Extraordinary Council Minutes – 30 May 2016

Moved Cr Butzbach, seconded Cr Thompson and **Resolved** that the Minutes of the Extraordinary Council Meeting, held on the 30 May 2016 be confirmed as a true and correct of the meeting subject to the following amendment:

Cr D.G. Hope was an apology for the meeting.

2.1.4 Extraordinary Council Minutes – 9 June 2016

Moved Deputy Mayor Cox, seconded Cr Butzbach and **Resolved** that the Minutes of the Extraordinary Council Meeting held on the 9 June 2016 be confirmed as a true and correct record of the meeting.

3 PUBLIC FORUM

The following members of the public attended the Public Forum Section of the meeting:

3.1 Jacquie Grant

Ms Grant provided a Powerpoint Presentation regarding the Pioneer Monument.

His Worship the Mayor thanked Ms. Grant for providing the presentation to Council.

3.2 Barry Veale

Mr Veale spoke regarding Perry Lane and enquired why it was turned into one way for traffic.

His Worship the Mayor thanked Mr. Veale for attending the meeting and noted that the Group Manager: District Assets will be in contact with him to discuss further.

4 BUSINESS

4.1 Mayor's Report

Mayor Havill provided the following update:

- Highlight in the past month was the Charlie Douglas Function at the Regent Theatre. Thanked everyone involved in the celebration, including the Hokitika Museum and the Regent Theatre Trust.
- Annual Plan 2016/17 - to get the rates increase down to 4.8% was a credible result.
- Received a lot of positive comments about the Council finally doing something about the Whitcombe Valley Road leading to the Hokitika Gorge.

His Worship the Mayor advised that he is an apology for the 28 July 2016 Council Meeting and Deputy Mayor Cox will be chairing the meeting.

4.2 Update from Councillors

Councillors provided the following updates:

A) Deputy Mayor Cox

- Attended to usual Council business.
- Worked with constituents on various issues.
- Attended Council Meetings during May and June 2016.

B) Cr Martin

- Attended to usual Council business.
- Attended Council Meetings during May and June 2016.
- Attended monthly Community Groups meetings.
- Looking forward to discussing the adoption of the Annual Plan and debating that.

C) Cr Butzbach

- Attended Council Meetings.
- Attended a PHO meeting in Greymouth.

D) Cr Thompson

- Attended Council Meetings during May and June 2016.
- Noted there were no flooding issues during the last month.

E) Cr Montagu

- Represented His Worship the Mayor at the Rural/Provincial meeting and provided an update on topics that were covered at the meeting.
- Road naming/street naming – supported places of remembrance.
- Made reference to Standing Orders.
- Success of the Charlie Douglas Exhibition.

Moved Cr Montagu, seconded Cr van Beek and **Resolved** that a letter be written to the Hokitika Museum staff congratulating them on the success of the Charlie Douglas Exhibition.

F) Cr van Beek

- Attended Council Meetings during May and June.
- Visited Whitcombe Valley Road, Hokitika Gorge area.
- Safer Community Council are now the Safe Community Coalition.

Moved Cr Butzbach, seconded Deputy Mayor Cox and **Resolved** that the verbal presentations from the Mayor and Councillors be received.

The following items were taken out of order to the agenda papers.

4.7 Health and Safety Report – April 2016 to June 2016

The Chief Executive spoke to this report.

Moved Cr Dawson, seconded Cr Montagu and **Resolved** that the Health and Safety Report from April 2016 to June 2016 be received.

4.8 Financial Performance: April 2016

*The Finance Manager and Group Manager: Corporate Services spoke to this report
The Group Manager: District Assets and Operations Manager spoke regarding the NZTA funding and claims.*

- *Noted that receipt of funding for the West Coast Wilderness Trail is imminent.*

- *Noted the Carry-Forwards Report will be on the 25 August 2016 Council Agenda.*

Cr Martin suggested that the projects be listed with an indicative timeline.

Moved Cr Dawson, seconded Cr Montagu and **Resolved** that the Financial Performance Report to 30 April 2016 be received.

4.3 Presentation to Council – Department of Conservation – “Battle for our Birds”

Mr Bob Dickson, Acting Director for Western-South Island, Department of Conservation attended the meeting and provided a Powerpoint Presentation on “Battle for our Birds” 1080 Aerial Pest Control 2016.

His Worship the Mayor thanked Mr Dickson for attending the meeting and providing the presentation to Council.

4.4 Community Services Award – Merv Grewar

Mr. Merv Grewar, with supporters, was in attendance at the meeting to receive a Community Service Award from His Worship the Mayor for Mr. Grewar’s service to the Hokitika Swimming Pool for over 40 years.

The meeting adjourned for morning tea with Merv Grewar and supporters at 10.17 am and reconvened at 10.49 am.

4.13 Adoption of Westland District Council Water Supply Bylaw 2016 (Risk ID: 52)

The Group Manager: District Assets and the Operations Manager spoke to this report.

Moved Cr Montagu, seconded Cr Thompson and **Resolved** that Council adopt the Westland District Council Water Supply Bylaw 2016.

4.5 Presentation to Council – Enviroschools

Ms. Zoe Watson attended the meeting and gave a Powerpoint Presentation on Enviroschools. Belle Ramsey, Riley Fleming and Georgia Ritchie, students from Kaniere School, were also in attendance and spoke regarding the initiatives that the school undertakes.

His Worship the Mayor thanked Zoe, Belle, Riley and Georgia for attending the meeting and their presentations to Council.

4.14 Additional Funding Requirements for Ross Hall Upgrade

The Group Manager: Planning, Community and Environment and Community Development Advisor spoke to this report.

Moved Cr Butzbach, seconded Cr Dawson and **Resolved** that Council approves payment of up to an additional \$14,700 from the Ross Endowment Fund for the remaining costs of the Ross Hall Upgrade, including the building consent fees, beyond the \$62,000 already approved for this project from the Endowment Fund.

4.15 Rates Write Offs and Remissions 2015-16

The Group Manager: Corporate Services spoke to this report.

Cr van Beek asked that the list of rate write-offs be circulated to the Mayor and Councillors.

Moved Cr Montagu, seconded Cr Dawson and **Resolved** that Council approves the total proposed rates write offs and remissions of \$387,659 including GST for the financial year ending 30 June 2016.

Cr van Beek abstained from voting.

4.6 Update from Electionnz.com

Anthony Morton, Electoral Officer from Electionnz.com and Christine Abbott, Deputy Electoral Officer attended the meeting and provided an update to Council on the Local Body Elections on 8 October 2016.

4.16 Policy on Elected Members' Allowances and Recovery of Expenses

The Chief Executive spoke to this report.

Moved Cr Montagu, seconded Cr Thompson and **Resolved** that:

- A)** Council adopt the Elected Members Allowances and Recovery of Expenses Policy reinstating a Communications Allowance of \$400.00 for costs associated with technology (including printing, data, phone).
- B)** The Elected Members Allowances and Recovery of Expenses Policy be sent to the NZ Remuneration Authority for their approval.

4.9 Rating Policy 2016/17

The Group Manager: Corporate Services spoke to this report.

Councillors reviewed the indicative rates for the 2016-2017 Annual Plan, which included rates sampling for various properties throughout the District.

The Group Manager: Corporate Services then provided live rates modelling to enable Councillors to assess the distribution of rates through adjustments to factors within the Rating Policy

The meeting adjourned for lunch at 12.33 pm and reconvened at 1.03 pm.

Councillors then continued reviewing options and live rates comparisons.

Moved Cr Dawson, seconded Deputy Mayor Cox and **Resolved** that the Council Meeting be adjourned at 1.18 pm to enable a workshop to be held with the Directors of Westland Holdings Limited.

Moved Cr Dawson, seconded Cr Butzbach and **Resolved** that the Council Meeting be reconvened at 2.10 pm.

Councillors then continued reviewing options and live rates comparisons

Moved Cr Dawson, seconded Cr van Beek, and **Resolved** that the Rating Policy for 2016/2017 be adopted, with the amendments that the Uniform Annual General Charge be set at \$656.72 per property and the General Rate differential for the Rural Sector be set at 0.95.

Cr Martin and Cr Montagu recorded their votes against the motion.

4.10 Adoption of Draft Annual Plan 2016/17, Revised Policy on Dogs, and Fees Regime Under Food Act 2014

The Group Manager: Corporate Services spoke to this report.

Moved Cr Montagu, seconded Cr Butzbach and **Resolved** that Council:

- A) Adopts the updated Annual Plan 2016/17 as presented with the following amendments:
 - i) That the rates calculation and the Funding Impact Statement reflects the Uniform Annual General Charge set at \$656.72 and general rates per dollar capital values as follows:

Sector		Rate in the \$
Residential		\$0.0016006
Rural Residential		\$0.0012004
Commercial		\$0.0032012
Rural		\$0.0015206
Uniform Annual General Charge	Set at a fixed amount per rating unit on each rating unit in the District.	\$656.72

- B) Adopts the revised Policy on Dogs.
- C) Adopts the Food Act 2014 fees regime.
- D) Instructs the Chief Executive to publicly notify these documents in accordance with statutory provisions.

Cr Martin recorded his vote against the motion,

4.11 Rates Resolution 2016/17

The Group Manager: Corporate Services spoke to this report.

Moved Cr Thompson, seconded Cr Butzbach and **Resolved** that Council:

- A) Adopts the Rates Resolution subject to the general rate and Uniform Annual General Charge being amended to reflect the updated Funding Impact Statement contained in the adopted Annual Plan.
- B) Instructs the Chief Executive to strike the Rates in accordance with the Annual Plan 2016-17.

Cr Martin recorded his vote against the motion.

Cr Martin left the meeting at 2.38 pm and returned to the meeting at 3.02 pm.

4.12 Departures from Liability Management Policy

The Group Manager: Corporate Services spoke to this report.

Moved Cr Montagu, seconded Cr Thompson and **Resolved** that Council:

- A) Approves the retention of a Multi Option Credit Line with no debt facilities maturing beyond 5 years until appropriate consultations regarding Council's funding requirements have concluded, for a maximum of 12 months.

- B) Acknowledges that the Annual Report 2015/16 will disclose the departure from the Liability Management Policy

5. **MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

Moved Cr Butzbach, seconded Deputy Mayor Cox and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 2.45 pm.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

6.1 **Confidential Minutes – 26 May 2016**

6.2 **Risk Register**

6.3 **District Economic Stimulus Fund Applications**

6.4 **Extension to the Street Litter Bin Collection Contract (10/11/18)**

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
5.1	Minutes	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
5.2	Risk Register	Confidential Report	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
5.3	District Economic Stimulus Fund Applications	Confidential Report	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
5.4	Extension to the Street Litter Bin Collection Contract	Confidential Report	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)

This resolution is made in reliance on Section 48(1)(a) and 48(2)(a)(i) and (ii) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Item	Section
5.1, 5.2	Protection of privacy of natural persons/organisations.	Section 7(2)(a)
5.3, 5.4	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; and also to maintain legal professional privilege	Section 7(2)(b)(ii) Section 7(2)(g)

Moved Cr Butzbach, seconded Cr Martin and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and accordingly the meeting went back to the open part of the meeting at 3.11 pm

6. PUBLIC EXCLUDED INFORMATION RELEASED INTO THE PUBLIC ARENA

6.1 Extension to the Street Litter Bin Collection Contract (10/11/18)

The Council resolved in the Public Excluded part of the meeting to release the following information into the public arena:

- A) Council approves a twelve month extension to the Contract Litter Bin Collection Contract WDC 10/11/18, and that a Variation to Budget of \$6,000 be approved.
- B) Council instructs the staff to present an options report on Street Litter Bins to Council by 30 December 2016.

MEETING CLOSED AT 3.11 PM

Confirmed by:

Mike Havill
Mayor

Date

Date of Next Ordinary Council Meeting
28 July 2016
Council Chambers

Report



DATE: 28 July 2016

TO: Mayor and Councillors

FROM: Finance Manager

FINANCIAL PERFORMANCE: MAY 2016

1 SUMMARY

- 1.1 The purpose of this report is to provide an indication of Council's financial performance for one month to 31 May 2016.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives the financial performance report to 31 May 2016, attached as **Appendix 1**.

2 BACKGROUND

- 2.1 Council receives monthly financial reporting so that it has current knowledge of its financial performance and position against targets and objectives adopted in the Long Term Plan 2015/25.

3 CURRENT SITUATION

- 3.1 Council now receives a monthly financial summary report in a consistent format.

3.2 The Financial Performance Report to 31 May 2016, is attached as **Appendix 1** and contains the following elements:

- 3.2.1 Segmental graphs for net cost of services, operating revenue and expenditure with the addition of the actual and forecast amounts.
- 3.2.2 Debt Position with the addition of monthly actual and forecast figures between activities.
- 3.2.3 Update on Rates Debtors.
- 3.2.4 Whole of Council Cost of Service Statement, including Full Year Forecast.
- 3.2.5 Balance Sheet
- 3.2.6 2015/16 Project progress report.
- 3.2.7 Carry overs.

4 OPTIONS

- 4.1 Council can decide to receive or not receive the report.

5 SIGNIFICANCE AND CONSULTATION

- 5.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance or consultation and no options analysis is required.

6 RECOMMENDATION

- A) **THAT** Council receives the Financial Performance Report to 31 May 2016

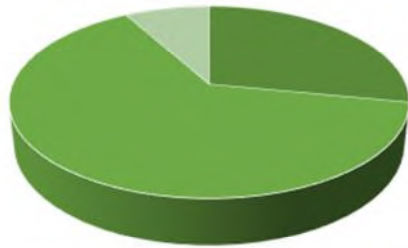
Lesley Crichton
Finance Manager

Appendix 1: Financial Performance May 2016



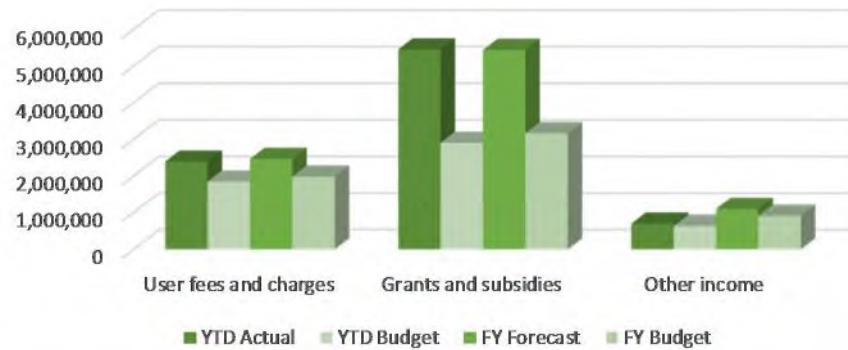
Financial Performance May 2016

Operating revenue Actual year to May



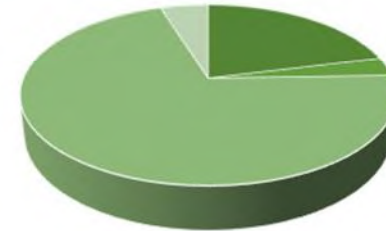
■ User fees and charges ■ Grants and subsidies ■ Other income

Operating revenue



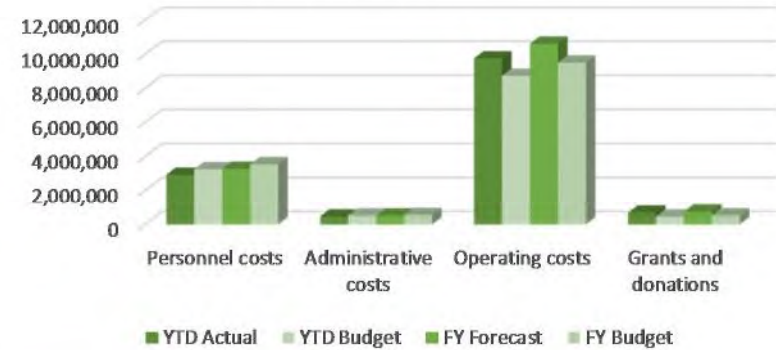
	User fees & Charges	Grants & Subsidies	Other Income
Actual YTD	2,396,342	5,456,886	699,751
Budget YTD	1,851,444	2,909,115	636,019
Variance	544,898	2,547,772	63,732
Forecast FY	2,469,719	5,445,491	1,103,679
Budget FY	1,988,303	3,171,625	910,430

Operating expenditure Actual year to May



■ Personnel costs ■ Administrative costs ■ Operating costs ■ Grants and donations

Operating expenditure

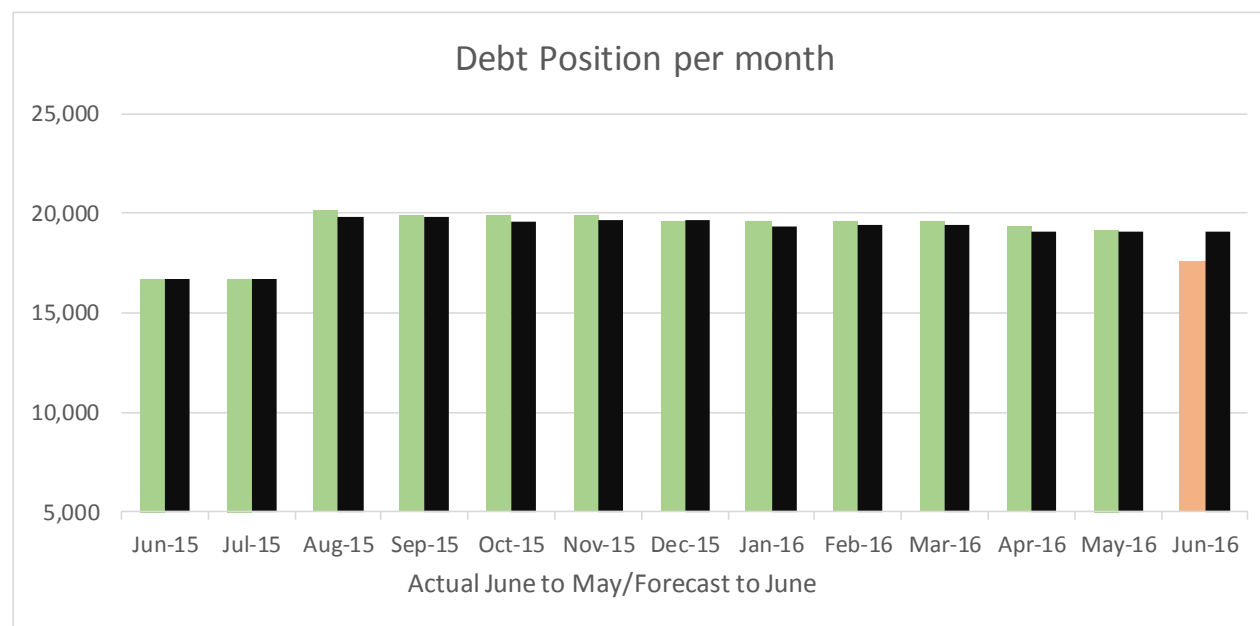


	Personnel	Administration	Operating	Grants & subsidies
Actual YTD	2,922,869	458,062	9,752,211	677,877
Budget YTD	3,245,817	514,041	8,728,579	461,250
Variance	(322,948)	(55,979)	1,023,632	216,627
Forecast FY	3,274,463	514,385	10,607,810	747,782
Budget FY	3,536,405	549,224	9,498,013	518,500

Debt Position

Forecast Debt Position per LTP 2015-16

Forecast as at	Jul-15	May-16
Opening Balance	16,660	16,660
Loan funded capex forecast	361	806
Loan funded WTP upgrade	3,100	2,190
Forecast repayments 2015-16	-1,105	-2,056
Forecast balance June 2016	19,067	17,600



Debt Position per month													
	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Forecast at 1 July 2015	16,711	16,711	19,811	19,811	19,608	19,674	19,674	19,355	19,385	19,435	19,067	19,067	19,067
Actual + Forecast	16,660	16,660	20,160	19,910	19,910	19,910	19,610	19,610	19,610	19,610	19,290	19,201	17,600
Waste Management loan	2,901	2,901	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,225	2,554
Water Supply loan	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,040	2,369
Holding Company loan	8,445	8,445	8,445	8,445	8,445	8,445	8,445	8,445	8,445	8,445	8,375	8,335	8,295
Other loan	0	0	56	56	56	56	56	56	56	56	56	56	56
Hokitika Water supply upgrade	2,250	2,250	5,345	5,095	5,095	5,095	4,795	4,795	4,795	4,795	4,545	4,545	4,326

Rates Debtors

Rates debtors at 30 April 2016		3,745,771
Rates installment		
Less payments received	-2,052,877	
paid in advance	73,635	
Write off's	-19,414	
Penalties	-6,651	
Court costs awarded	4,398	
		-2,000,909
Total rates debtors 31 May 2016		1,744,862
Arrears included above at May 2016	1,744,862	
Arrears at May 2015	2,417,555	
increase/(decrease) in arrears		-672,693

Rates debtors:

- 19 letters were sent out to 'The Occupier' where invoices had been sent back as the named person was not at this address, approx. 20% resulted in successfully changing details and accounts being paid.
- 346 insufficient payment letters sent out for ratepayers making automatic payments
- 19 accounts handed over to credit recoveries for collection

Rates debt - Aged at May 2016

Financial Year	May-16	Apr-16
Pre 2013	193,660	203,974
2013-14	159,736	173,550
2014-15	278,989	304,624
2015-16	1,112,477	3,063,624
	1,744,862	3,745,772

April-16 includes current rates installment

WESTLAND DISTRICT COUNCIL	Year to May			Full year 2015-2016	
	Actual	Budget	Variance	FY Forecast	Budget
Operating revenue					
Rates (includes targeted rates and metered water)	13,509,463	13,287,393	222,070	14,366,436	14,033,643
User fees and charges	2,396,342	1,851,444	544,898	2,469,719	1,988,303
Grants and Subsidies	5,456,886	2,909,115	2,547,772	5,445,491	3,171,625
Other income	699,751	636,019	63,732	1,103,679	910,430
Overhead recoveries	4,763,901	5,792,117	(1,028,216)	5,419,734	6,318,673
Total revenue (A)	26,826,344	24,476,088	2,350,256	28,805,058	26,422,674
Operating expenditure					
Personnel costs	2,922,869	3,245,817	(322,948)	3,274,463	3,536,405
Administrative costs	458,062	514,041	(55,979)	514,385	549,224
Operating costs	9,752,211	8,728,579	1,023,632	10,607,810	9,498,013
Grants and donations	677,877	461,250	216,627	747,782	518,500
Overheads	4,769,871	5,759,217	(989,346)	5,331,584	6,318,673
Total operating expenditure (B)	18,580,890	18,708,904	(128,014)	20,476,023	20,420,815
Net operating cost of services - surplus/(deficit) (A - B)	8,245,454	5,767,184	2,478,270	8,329,035	6,001,859
Other expenditure					
Interest and finance costs	756,253	808,934	(52,681)	829,792	882,473
Depreciation	5,011,342	5,012,405	(1,063)	5,468,077	5,468,077
(Gain)/loss on investments	2,836	0	2,836	6,817	0
(Gain)Loss on swaps	326,971	0	326,971	385,595	0
(Gain)Loss on disposals	834	0	834	834	0
Total other expenditure (C)	6,098,236	5,821,339	276,898	6,691,116	6,350,550
Total expenditure (D = B + C)	24,679,127	24,530,243	148,884	27,167,138	26,771,366
Net cost of services - surplus/(deficit) (A - D)	2,147,218	(54,155)	2,201,373	1,637,920	(348,691)

Variance Analysis

Operating revenue	
User fees and charges	Building and control Inspection and Processing fees remain above budget \$67k, however these are starting to slow down because of both seasonal and economy reasons. Museum visitor number higher than anticipated showing a positive variance of \$12k with strong retail sales continuing at present \$18k ahead of budget. Resource consents are \$20k higher than budget. Solid waste fees positive variance to budget due to additional waste fees and asbestos disposal \$323k.
Grants and Subsidies	\$1.9m invoiced for WCWT grant funding to be claimed. \$209k carried over Haast water subsidy. NZTA subsidy includes \$300k reclaimed for Emergency works
Other income	\$34k WW capital contributions received. \$38k legal fees awarded.
Operating expenditure	
Personnel costs	Personnel costs remain below budget overall due to vacancies that have not yet been filled.
Administrative costs	
Operating costs	Operating costs are higher than budget due to unbudgeted costs: Transportation - \$490k emergency works - District assets discussing reclaim with NZTA. Water Services - \$385k for replacement membranes - An insurance claim has been submitted and discussions are taking place, no accrual for recovery has been made as it is unclear at this time whether the claim will be successful. Wastewater - \$150k for Franz Flood. District assets admin - \$54k consultants costs - this cost overrun is offset with lower personnel costs than budgeted.
Other expenditure	
Depreciation	Asset valuation work is near completion. The analysis received to date indicates that <u>the charge will meet budget</u> .
(Gain)/loss on investments/Swaps	PwC have provided an amended year end forecast loss based on current yield curve predictions.

Balance Sheet as at 31 May 2016	Council		
	Actual	Budget	Actual
	May-16	Jun-16	Jun-15
	\$'000	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	3,282	2,582	3,936
Debtors and other receivables	4,155	2,238	3,301
Other financial assets	997	1,320	1,000
Inventory	0	0	0
Work in progress	0	0	0
<i>Total current assets</i>	8,435	6,140	8,237
Non-current assets			
Property, plant and equipment	401,365	389,065	399,595
Intangible assets	69	46	89
Derivative financial instruments	0	160	0
Council Controlled Organisations	8,695	8,695	8,695
Other Financial Assets	40	59	42
Investment property	0	0	0
Term inventory	0	0	0
Assets under construction	1,600	0	2,227
<i>Total non-current assets</i>	411,768	398,025	410,648
Total assets	420,203	404,165	418,884
Liabilities			
Current liabilities			
Creditors and other payables	1,394	2,271	3,522
Derivative financial instruments	11	0	29
Borrowings	0	1,712	0
Employee entitlements	296	236	296
Provisions	1,588	0	0
Tax payable	3	3	3
Other current liabilities	206	193	198
<i>Total current liabilities</i>	3,498	4,415	4,048
Non-current liabilities			
Derivative financial instruments	701	135	356
Borrowings	19,200	16,472	16,660
Employee entitlements	29	52	29
Provisions	1,588	1,666	1,588
Deferred Tax	30	90	30
<i>Total non-current liabilities</i>	21,549	18,415	18,663
Total liabilities	25,047	22,830	22,711
Net assets	395,156	381,335	396,173
Equity			
Retained earnings	151,466	152,759	152,292
Restricted reserves	3,895	3,734	4,087
Revaluation reserves	239,731	224,842	239,731
Other comprehensive revenue and expense reserve	64	0	64
Net assets	395,156	381,335	396,173

Project progress report

As at 31/05/2016
Carryover for 2016/17

						Legend - Key
		Forecast on Budget				Project Delayed - Will not be completed by 30th June 2016
		Forecast over Budget				Project on-Track - Will be completed by 30th June 2016
						Project Complete - 100% Progress
Project / Activity	YTD exp	2015-16	Forecast	Budget Track	Progress / Track	Progress comments
	\$0	\$0	\$0			
Museum						
Research Development Centre	-	22,000	0			Project will not start in this financial year. Carry-forward will be requested.
Retail Development	-	30,000	13,000			Work started in June, carry-forward of balance likely to be requested.
Total	-	52,000	13,000			
Corporate Services						
Shelving for Council records and archives	11,517	10,000	11,517			Complete
WATER SUPPLY						
Mains Upgrade (on-going) - Hokitika	56,997	100,000	100,000			Mains upgrade is complete. New air-valves installed on lake line in June. Expenditure to be finalised in June.
Replace Water meters (on-going)	0	200,000	200,000			Council split budget with Franz Josef. Some likely carry forward.
Mains Upgrade (on-going) - Ross	490	80,000	0			Scope revisited. Mains upgrade in Woolhouse Rd not required.
Permanent Generator in Harihari	22,337	30,000	37,850			Works are complete. Expenditure yet to be finalised.
Water supply service assurance	145,312	100,000	145,312			Water tanks are in. Expenditure yet to be finalised.
Replacement of Water Meters	23,499	50,000	50,000			Fox Glacier meters procured. Installation in progress. WIP- Carryover.
Total	248,635	560,000	533,162			
WASTEWATER						
West Dr Pump & Electrics Upgrade	-	40,000	40,000			Works complete. Expenditure yet to be finalised.
WWTP Improvements at Franz	36,685	50,000	50,000			Committed. Spending on design and build for new WWTP>
Total	36,685	90,000	90,000			
STORMWATER						
Mobile Generator	29,834	50,000	31,000			Generator received and being utilised. Expenditure yet to be finalised.
SOLID WASTE						
Landfills - Hokitika	327,525	350,000	350,000			Initial works are complete. Carryover is requested for the balance monies.
Landfills - Butlers Site Shed - Hazardous Washdown Facility	-	15,000				Not started. Need to determine scope and drawings & water source.
Intermediate Capping for Butlers	-	50,000				Carry over required for 2016-2017
Landfill- Haast - Digout new Cell	-	10,000				Carry over required for 2016-2017 previous cell receiving less waste.
Haast intermediate cap current cell	-	10,000				Carry over required for 2016-2017 previous cell receiving less waste.
Shed - Hazardous Facility - HAAST	5,030	5,000	5,030			Works are complete
Total	332,555	440,000	355,030			
CEMETERIES						
Hokitika Cemetery - Building Improvements	12,918	20,000	20,000			WIP. Security related, doors, fascia, roofing. Will be under budget
Hokitika Cemetery - Improvements	-	10,000	10,000			Scheduled for May - New Concrete Berms on northern side.
Berm Development	-	10,000	10,000			Complete. Awaiting invoice
Total	12,918	40,000	40,000			
Community Halls and Buildings						
Ross Hall - Upgrade/Replacement	137,573	90,000	137,573			Kitchen works completed in October -- remainder WIP- Earthquake Strengthening. ETA May 2016
Carnegie Building - Improvements	17,446	20,000	20,000			For exhibition lighting renewals. Work in progress. ETA May 2016
Total	155,019	110,000	157,573			
Community Township Development						
Footpath - Sale street	14,706	10,000	14,706			In progress - Preparation completed Gibson Q to Weld St - ETA May 2016
Footpath Tiles replacements	-	12,000				Fox. Business area. Not started. Community Association advised not to proceed, then re-scoped as winter job.
Footpath Tiles replacements	-	6,000				Fox. Business area. Not started - As above
New Footpath	11,527	15,000	17,000			Done - Repaired - Sealed. - Works completed in Jan 2016. Variance expected at 2K over budget
Upgrade footpaths and driveways over next three years	-	5,000	5,000			Kumara. Liaising with community representatives. Waiting on 4th Street works to complete first and then do minor repairs along with this job
Total	26,233	48,000	36,706			
Elderly Housing						
Pensioner Housing	-	45,000	45,000			Complete. Property Company
Information Services						
IT equipment Renewals	17,894	30,000	30,000			WiFi setup \$7000 - Fibre \$8000 April/May. When Kotui is up and running we will reconfigure Libsrvr
Inspection and Compliance						
Noise Meter	8,679	10,000	8,679			Complete
Land & Buildings						
Improvements in Hokitika - Car Parks	-	15,000	15,000			Primary School Pedestrian refuge works. St Mary's School speed calming devices to be funded from this cost centre. Park St and calming device to follow
Parks & Reserves						
Cass Square - Turf Improvements	-	120,000	-			Defer to after rugby season ie October 2016 with WCRFU agreement
Upgrade of Playground equipment	7,291	45,000	45,000			Lazar Park. Lions Club overseeing project. No progress since Dec.
Repair to Statues	-	5,000	-			Condition assessments on 4 large statues completed. Workshop held in April - Richard Seddon cleaned. Using c/f from previous years first. Unlikely this budget will be spent.
Marks road reserve improvements	-	10,000	10,000			Haast toilets and reserve. Scope to be defined.
Hokitika Waterfront Developments	-	30,000	30,000			Beachfront. Beachfront development planning & implementation.
Total	7,291	210,000	85,000			
Transportation						
Seal 4th Street Kumara	139,389	140,000	140,000			Works completed. Awaiting invoice claim and payment.
Vehicle Operations						
Replacing pool vehicle	27,687	33,000	27,687			Complete Ford Focus Wagon
New Vehicle -	27,934	38,000	27,934			Complete Civil Defence vehicle
Total	55,621	71,000	55,621			
Total	942,881	1,921,000	1,647,288			

Activity	Detail	Funded by	Approved \$	Actual \$	Forecast \$	Balance \$	Approved variance in 2016	Status
Museum	Museum Donations - for Exhibitions	Donations	- 11,167	- 11,167	- 11,167	-	Favourable income	Complete
Museum	Museum Donations - for Exhibitions	Donations	- 5,000	- 5,000	- 5,000	-	Favourable income	Complete
		Donations Total	- 16,167	- 16,167	- 16,167	-		
Community Development	Creative New Zealand	External Grant	- 5,403	- 5,403	- 5,403	-	Favourable income	Complete
		External Grant Total	- 5,403	- 5,403	- 5,403	-		
Wastewater	Haast WTP	Subsidy (\$240k) & Depreciation (\$160k)	73,732	10,690		63,041	Capital	Complete
		Subsidy/Depreciation Total	73,732	10,690	10,691	63,041		
Wastewater	Franz Josef WWTP	Loan	99,474	66,788	99,474	-	Capital	Committed - Being used for Franz prelim designs and scopes
Wastewater	Haast WWTP Improvements	Loan	35,167	8,094	8,094	27,073	Capital	Complete
Land & Buildings	Council HQ re-roofing	Loan	125,000	107,844	107,844	17,156	Capital	Complete
Solid Waste	Franz Josef Landfill	Loan	25,000	-	25,000	-	Capital	Works delayed. Rescoping required in consultation with WCRC
		Loan Total	284,641	182,726	240,412			
Building Control	Builder's Accreditation	Rates YE 2014	20,000	16,203	16,203	3,797	Operating adverse	Complete
Cemeteries	Hokitika Cemetery Capital Development	Rates YE 2015	10,000	-	10,000	-	Capital	Stage 1 completed. On schedule for completion and budget
Parks & Reserves	Cass Square Statues	Rates YE 2014	10,000	-	6,000	4,000	Capital	Spend likely to be \$6,000 in 2015-16. C/f \$4,000
Parks & Reserves	Cass Square Statues	Rates YE 2015	5,000	-	-	5,000	Capital	Will not be needed - carry forward
Leadership	CCO review	Rates YE 2015	6,988	10,020	10,020	- 3,032	Operating adverse	Complete
Solid Waste	Kumara CAP	Targeted Rates YE 2015	5,712	-	5,712	5,712	Capital	Complete
		Rates Total	57,700	26,223	47,935	15,477		
Wastewater	Hokitika WWTP Resource Consent	Renewal reserve - Depreciation	29,552	76,387	79,552	- 50,000	Capital	Recourse consent received. Works are complete. Expenditure yet to be finalised.
Land & Buildings	Upgrade fire-alarm system - Museum	Renewal reserve - Depreciation	30,000	-	30,000	-	Capital	Stage 1 Fire Engineer reviewing system.
Water Supply	Rural Water supply	Renewal reserve - Depreciation	49,475	68,368	68,368	- 18,893	Capital	Stage 2 Physical works likely to be carry forward
		Renewal reserve - Depreciation Total	109,027	144,755	177,920	- 68,893		Complete
Community Halls	Hari Hari Community Facility	\$100k Reserves Development fund, \$190k Hari Hari Community complex reserve fund	225,972	290,000	315,000	- 89,028	Capital	Complete- Cost to council \$190k HariHari reserve fund, \$100k Reserves development fund. Cost overrun \$25k to be investigated, they may be reclaimed from Hari Hari community committee
Franz Josef Cycle Trail	Franz Josef Cycle Trail	Reserves	48,000	-	-	48,000	Operating adverse	Carry forward.
Township Development	Franz Josef Urban Revitalisation plan	Reserves	100,000	-		100,000	Capital	Requires further carryover due to needing to wait for findings and direction of Council / community working party on Franz Josef / Waiau Future Planning.
Community Halls	Fox Glacier Community Centre	Reserves	100,000	100,000	100,000	-	Capital	Complete
Township Development	Hari Hari Township Development fund	Reserves	14,000	14,000	14,000	-	Operating adverse	Complete
		Reserves Total	487,972	404,000	429,000	- 58,972		
West Coast Wilderness Trail	Cycle Trail - Partner Programme Revenue	Stakeholder Contribution	- 21,125	- 21,125	-	- 21,125	Appropriation / operating	Carry forward - Unlikely this will be transferred before 30 June 2016
West Coast Wilderness Trail	Cycle Trail - Partner Programme Revenue	Stakeholder Contribution	- 6,808	- 6,808	-	- 6,808	Appropriation	Carry forward - Unlikely this will be transferred before 30 June 2016
			- 27,933	- 27,933	-			
			963,569	718,891	884,387	- 49,346		

Report

DATE: 28 July 2016

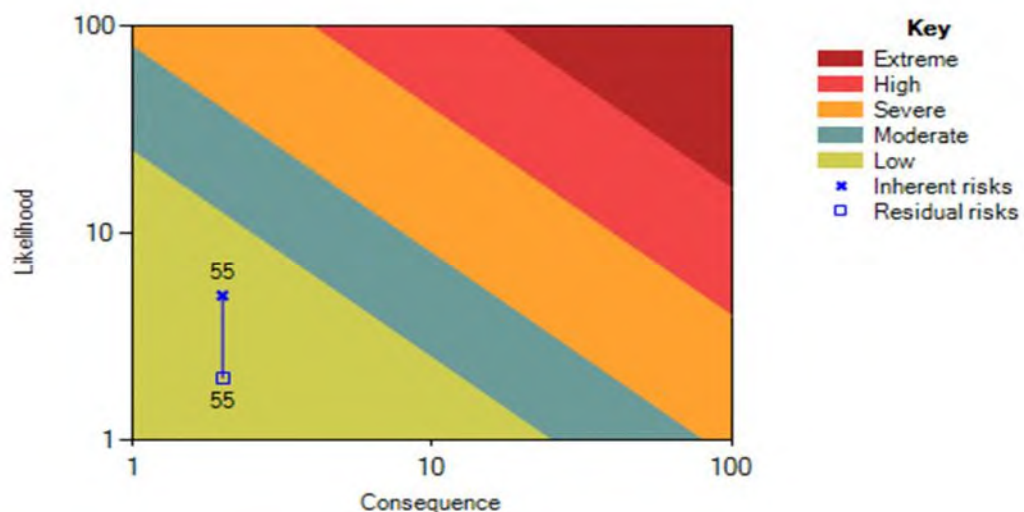
TO: Mayor and Councillors

FROM: Group Manager: District Assets

WHATAROA CEMETERY TRUSTEES – REIMBURSEMENT REQUEST **(Risk Reference id: 55)**

1 SUMMARY

- 1.1 The purpose of this report is to consider a maintenance costs reimbursement request from Whataroa Cemetery Trustees for Whataroa Cemetery.
- 1.2 This issue arises as a result of a request received from Whataroa Cemetery Trustees for reimbursement of costs for maintaining Whataroa Cemetery for the period March 2012 – March 2016.
- 1.3 The assessment for the risk associated with issue as per Council Risk Management Policy is:



- 1.4 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.

- 1.3 This report concludes by recommending that Council considers an unbudgeted one-off grant of \$2,475.00 (excl. GST) to the Whataroa Cemetery Trust for the 2016/17 financial year and considers including annual maintenance grants for community managed cemeteries in Westland in the 2017/18 Annual Plan.

2 BACKGROUND

- 2.1 Westland District Council (Council) owns several cemeteries in Westland District. Some of these cemeteries are managed by the Council, and others are managed by local communities.
- 2.2 The table below summaries the current status of the known cemeteries in Westland.

Cemetery	Status (Open/Close)	Managed by:
Kumara	Open	Council
Stafford	Closure process underway	Community
Hokitika	Open	Council
Ross	Open	Council
Harihari	Open	Community
Whataroa	Open	Community
Okarito	Closed	Community
Fox Glacier	Open	Community
Karangarua (South of Fox Glacier)	Open	Community
Haast – Okuru	Open	Community

Table 1: Current known status of the Cemeteries in Westland

3

- 3.1 Westland District Council, until 2012/2013, had on an ad-hoc basis reimbursed maintenance costs for community managed cemeteries. There are no formal

agreements in place to support this arrangement, and more recently no grants or allowances have been made for such costs.

- 3.2 Council has received a request for reimbursement for maintenance costs from the Whataroa Cemetery Trustees. The request is to consider all costs from March 2012 to March 2016. No reimbursement has been made by Council to the Trustees since March 2012. Copies of the information submitted is attached in **Appendix 1** to this report.

4 RISK ANALYSIS (Staff Assessment for Inherent and Residual Risk)

	<i>Inherent</i>	<i>Residual</i>
<i>Risk Score</i>	<i>10/Low</i>	<i>4/Low</i>
Likelihood	5	2
	Unlikely	Rare
Consequence	2	2
Financial/Economical	Insignificant	Insignificant
Environment	No impact	No impact
Governance/Reputation/Image	Insignificant	Insignificant
Business Disruption	No impact	No impact
Legal Compliance	No impact	No impact
Built Assets/Operational Capability	No impact	No impact
Human Resources	No impact	No impact
Information Systems and Information Management	No impact	No impact

The risk has been associated at a low acceptable level and hence is mitigated as an acceptable form of risk. No further assessments of options have been undertaken. The matter is more operational.

5 CURRENT SITUATION

- 5.1 The request from the Whataroa Cemeteries Trustees (the Trustees) is a total of \$6,052.86
- 5.2 The Trustees have also requested reimbursement for the clean-up costs associated with Cyclone Ita in 2014. This is an invoice of \$ 2,475.00 (excl GST).
- 5.3 The request for reimbursement presents a wider issue related to the management of cemeteries in Westland District.
- 5.4 As per Table 1 above, a large number of cemeteries are managed by local communities. Council staff have from time to time received requests for

assistance with works at these cemeteries in some form. This includes financial requests and one-off maintenance requests.

- 5.5 Staff believe that Council has an opportunity to consider this matter in the context of the wider Westland community and to consider making allowance in the next 2017/2018 Annual Plan for the maintenance of community-managed cemeteries.

6 OPTIONS

For the purpose of this report, staff are presenting brief options related to the matter, i.e. the reimbursement request from the Whataroa Cemeteries Trustees.

Council may choose to resolve now to include the maintenance allowance in the next Annual Plan (2017/18) or instruct staff to bring a detailed assessment report for maintenance and management of cemeteries in Westland at a later date for consideration.

- 6.1 **Option 1:** Council approves the reimbursement request as requested by Whataroa Cemetery Trustees, including the reimbursement of Cyclone Ita clean-up costs
- 6.2 **Option 2:** Council rejects the request altogether.
- 6.3 **Option 3:** Council approves the reimbursement of Cyclone Ita costs and considers an annual maintenance allowance for community managed cemeteries in 2017/18 Annual Plan.

7 SIGNIFICANCE AND ENGAGEMENT

- 7.1 In accordance with Council policy on Significance and Engagement, the matter is considered to be of low significance for the following reasons:

Area of significance	Applies (yes or no?)
Does it involve a Council Strategic Asset?	Yes
Impacts Service levels/ rates, and or Debt?	No
Degree of impact on community/individual/groups?	Minor impact
Cultural impact?	No

High Degree of public interest?	Not evident
Reversible Decision?	Yes.

- 7.2 For this matter regarding the Whataroa Cemetery request, staff met with some of the Trustees in June 2016 and inspected the Whataroa Cemetery. It was agreed that a report with staff recommendations would be included on the 28 July Council meeting agenda for Council to consider and make a decision.

8 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 8.1 **Option 1:** Council approves the reimbursement request as requested by Whataroa Cemetery Trustees, including the reimbursement of Cyclone Ita clean-up costs.

This is **NOT** a preferred option.

Advantages of the option:

- a. The local community would be very happy and would have reserve monies in their account for future maintenance and needs of the cemetery.

Disadvantages of the option:

- a. This option would set a precedent with other local communities, and Council could expect similar requests coming in the future.
- b. The option does not present a balanced approach for management of the activity.
- c. Any approvals are un-budgeted and not allowed for in the current budgets.

- 8.2 **Option 2:** Council rejects the request altogether.

This is **NOT** a preferred option.

Advantages of the option:

- a. There are no costs associated with this proposal.

Disadvantages of the option:

- a. Council will be perceived to take a hard-line approach.
 - b. Does not present a solution in the wider context of management of cemeteries.
 - c. Whataroa Cemetery Trustees could claim hardship and inability to maintain the cemetery in the long term.
- 8.3 **Option 3:** Council approves the reimbursement of Cyclone Ita costs and considers an annual maintenance allowance for community managed cemeteries in 2017/18 Annual Plan.

This is **THE PREFERRED** option.

Advantages of the option:

- a. This option would recognise a community effort and that a reimbursement for Cyclone Ita clean-up costs are justified.
- b. Considering a rate allowance in future Annual Plans for future management of cemeteries presents a balanced approach for Council.
- c. The option is not biased towards any particular community; all other communities are being considered as well in the wider context.

Disadvantages of the option:

- a. Whataroa Trustees would still feel at a financial loss.
- b. There could be community rates increases through future Annual Plans, as it would be the most likely source of funding for future maintenance of cemeteries. However, this decision would be made through the Annual Plan process rather than today.
- c. Any one-off approval would still represent unbudgeted costs.

9 PREFERRED OPTION(S) AND REASONS

- 9.1 Option 3 is the preferred option.
- 9.2 Option presents some form of grant to Whataroa Cemetery and also presents an opportunity to consider the maintenance for wider Westland cemeteries.

10 RECOMMENDATION(S)

- 10.1 **THAT** Council approves to reimburse Cyclone Ita clean-up costs incurred by Whataroa Cemetery Trustees in 2014 to the value of \$ 2,475.00 (Excl GST) and this will be a variance against the Cemetery budget for the year ended 30 June 2017.
- 10.2 **THAT** Council considers rating options including community rates for the management of community managed cemeteries in the preparation of the 2017/18 Annual Plan.

Vivek Goel

Group Manager: District Assets

Appendix 1: Information and request from Whataroa Cemetery Trustees.

Your Ref CEM 4

Whataroa Cemetery Trustees,
% P. S. Northcroft,
106 Purcell Rd,
RD 1,
Whataroa 7886.

24 May 2016

Westland District Council,
Private Bag 704,
Hokitika.

Attention: V. Goel

Dear Sir,

WHATAROA CEMETERY FUNDING

Following on from a conversation I had with Gary Borg on Thursday 19th, the Whataroa Cemetery Trustees would like to make the following comments in support for funding for the Whataroa Cemetery.

- Since 2003 the Whataroa Cemetery Trustees have been applying to Council and receiving reimbursement for the maintenance costs of the Whataroa Cemetery (2003, 2008 and 2012).
- Although we do not have a written undertaking from Council for ongoing funding, we have been given verbal advise from Maureen Pugh (when Mayor) and Council staff to continue claiming costs.
- In the past Council have agreed that cemetery rates have been collected and the Whataroa Cemetery should be receiving funding for running costs.
- The Whataroa Cemetery serves the communities of Whataroa, Franz Josef and Okarito.
- According to the 2014/15 Draft Annual Plan under Leisure and Culture (page 15), there is Cemetery funding of \$112 361 which is stated as being 1.1% of the rate take.
- Although this Cemetery is not Council run, the Council are using rates to support cemeteries in the Westland District and therefore Whataroa should not be excluded.
- There is a huge amount of work done in the Cemetery by a few people to keep the grounds in their current state which is neither paid nor is funding being sort.
- Before the new Trustee's took over from the old Trustee's in 2003, it is our understanding that they received no reimbursement for all the work that was done voluntarily and that they struggled to maintain the Cemetery to a high standard.

- The present Trustees are now doing catch up work, like new paths, berms, fencing and mowing, repairing sunken graves plus damage to graves because of Cyclone Ita. The storm put our vision for the Cemetery behind by 5 years as we do most of the work ourselves to keep costs down.

This said, I firmly believe that the future funding for the Cemetery should be made readily available with the approval of the financial controller and should not have to go before the full Council to be approved as a Grant.

I trust that you will give due consideration to the above statements and find in favour of funding The Whataroa Cemetery as part of the Councils funding initiatives.

Yours faithfully,



Phillip Northcroft
Secretary

Your Ref CEM 4

Whataroa Cemetery Trustees,
% P. S. Northcroft,
106 Purcell Rd,
RD 1,
Whataroa 7886.

23 May 2016

Westland District Council,
Private Bag 704,
Hokitika.

Attention : V. Goel

Dear Sir

WHATAROA CEMETERY MAINTENANCE REIMBURSEMENT

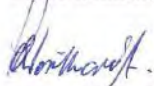
In line with previous years, we are seeking reimbursement for the running costs of the Whataroa Cemetery. The last reimbursement was to March 2012 and therefore we request payment of costs incurred from that date to 31 March 2016.

I have attached copies of those invoices which total \$6,052.83.

In addition to the above, we also have an outstanding invoice (\$2846.25) for work undertaken to clean up damage the cemetery in the wake of Cyclone Ita in 2014 which requires payment. As we currently do not have sufficient funds available, I would like to discuss with you how this can be dealt with.

If you require further information, please do not hesitate to contact me on ph 753 4150 or 0274 534 150, email at phil.northcroft@xtra.co.nz or atb the address above.

Yours faithfully



P. S. Northcroft
Secretary

TAX INVOICE/STATEMENT Date / / **715606**

To Whetson Cemetery Trustee
Cl- P. Northcroft.

From WT + NA Nobs Family Trust.
Whetson.

GST Reg. No. 51 754 727 Ref. O/N

Qty	Unit	Description	Unit Price	\$	c
		Excavator work @			
		Cemetery.			
		Trees + Drainage.			
		WCL Invoice 1460			
		Paid by the above			
		on 16/12/14			
		TOTAL		\$2846	25
TOTAL EXCLUSIVE GST \$					
PLUS % GST \$					
TOTAL INCLUSIVE GST \$				2846	25

COLLINS A5/50 TL NCR



**Westland
Contractors Ltd**

TAX INVOICE

Whataroa Cemetary
C/- Mr Wayne Nolan
233 Flat Road
RD 1
Whataroa 7886
South Westland

Invoice Date
26 Nov 2014

Invoice Number
INV-1460

GST Number
104-189-615

Westland Contractors
Limited
PO Box 46 HOKITIKA 7842
WESTLAND
Telephone (03) 755 5221
Freephone 0800 DIG 247
(0800 344 247)
office@westlandcontractors.
co.nz

Description	Quantity	Unit Price	Amount NZD
Transportation of equipment to and from site, per hour	1.00	180.00	180.00
Hire of 20 tonne excavator, clearing trees and drains, per hour	17.00	135.00	2,295.00
		Subtotal	2,475.00
		TOTAL GST 15%	371.25
		TOTAL NZD	2,846.25

Due Date: 20 Dec 2014

TERMS:

E & OE. Payment is due on the 20th of the month following the date of this invoice (unless otherwise stated). Should we need to formalise collection proceedings against you, you shall be liable for all costs incurred by us on a solicitor and client basis. You will also be liable for any other collection costs related to collecting your unpaid account. We reserve the right to charge penalty interest at 2% per month on all overdue accounts. We interim bill on a monthly basis. You are deemed to have accepted these terms by instructing us to commence work.

Please pay on Invoice, as no statement will be issued

This invoice is a payment claim issued in accordance with the Construction Contracts Act 2002

Bank details: ANZ Bank, Hokitika
Account No: 06-0849-0070040-000
Account Name: Westland Contractors Ltd

PAYMENT ADVICE

To: Westland Contractors Limited
PO Box 46 HOKITIKA 7842
WESTLAND
Telephone (03) 755 5221
Freephone 0800 DIG 247
(0800 344 247)
office@westlandcontractors.co.nz

Customer Whataroa Cemetary
Invoice Number INV-1460
Amount Due 2,846.25
Due Date 20 Dec 2014
Amount Enclosed

Enter the amount you are paying above

Handwritten:
Paid.
16/12/2014
Wayne Nolan
D.K.

Page - 39

Glacier Enterprises
 Tim Gibb State Highway 6
 P O Box 124
 Franz Josef, 7856

Date 15/08/2012
 Invoice # 320

Bill To

Whataroa cemetery
 Whataroa
 South Westland

Ship To

P.O. #

Terms

Ship Date 31/07/2012

Due Date 20/08/2012

Other

Tax	TAX Amt	Item	Description	Qty	Price	Amount
gst	99.00	concrete	concrete speacial price for cemetry job	4	165.00	660.00
<p><i>Paint 30/8/12</i> <i>Chg 102588</i></p>						

Internet bank info account number
 06 0801 0633828 00 Glacier Enterprises

Glacier Enterprises
 glacierenterprises@xtra.co.nz

037520170
 Fax 037520070

Subtotal	\$660.00
Sales Tax	\$99.00
Total	\$759.00
Payments/Credits	\$0.00
Balance Due	\$759.00

Whataroa Cemetery Trustees

C/- P Northcroft
Whataroa
SOUTH WESTLAND 7886

For The Period Ended
25 October 2012

Tax Invoice No: 15725

GST No: 074-593-038

Page: 1

TAX INVOICE / STATEMENT

DESCRIPTION	AMOUNT
ANNUAL ACCOUNTANCY - 2012	
Interview with Sue	29.10
Completion of tax return and advising you of tax position	95.88
Drafting and Typing up Trust Financial Statements	365.53
Management of Income Tax including Assessments, Payments & Refunds	15.50
General Accountancy Duties and other incidental services including dealing with ADOIT NZ	102.90
Total Fees / Costs based on time involved	609.91
Plus GST	91.34
TOTAL DUE	\$700.25
Interest of 1.25% per month is charged on all overdue invoices	

\$ 335.91

Chq 10235

Patrick Clarke Mowing
 PO Box 37
 Whataroa 7857
 Ph 03 7534 142 or 0273306606
 Email spider.clarke@xtra.co.nz

TAX INVOICE

GST Reg No : 71-734-161

Sold To

Whataroa Cemetery Committee
 C/ P Northcroft
 RD 1
 Whataroa

Invoice No. **IN1329**

Date 14/01/2013

Our Ref.

Cust Ref.

Terms

Description	Qty	Unit Price	Amount
Cemetery Lawn Mow ~ 05/01/12	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 29/01/12	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 03/03/12	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 02/04/12	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 09/04/12	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 06/11/12	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 24/11/12	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 09/12/12	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 20/12/12	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 16/01/13	1	\$40.00	\$40.00
Cemetery Lawn Mow ~ 27/01/13	1	\$40.00	\$40.00
Annual DONATION	-3	\$40.00	-\$120.00

Comments

Sub Total	\$320.00
GST	\$48.00
Total	\$368.00
Amount Paid	
Amount Due	\$368.00

*paid 25/2/13
 Clg. 102591*

Franz Hire Limited
P O Box 142, Franz Josef Glacier, South Westland
7856
Phone: 027 695 6988 Fax: 03 7520 146
Email: info@franzhire.co.nz

GST No 83 103 716

TAX INVOICE

Invoice to:
Whataroa Cemetery Trustee c/o P S Northcroft 106 Percell Road RD1 Whataroa 7886

Invoice No	Date	Due Date
568	28-Feb-13	07-Mar-13

Code	Description	Qty	Price	Total
002	1.5 ton Mini digger U15-3	1	\$160.00	\$160.00
	25th February one day hire minimum			

Sub Total	\$160.00
Plus GST	\$24.00
Total Amount Payable	\$184.00

Thank you for your business!

18/3/13
Chg 102592

Date 15/3/2023

To K/A. Kumar, General Manager, T. Nagar
C-1, P. N. S. Nagar, P. N. S.
 From K/A. Kumar, General Manager
C-1, P. N. S. Nagar, P. N. S.
 GST Reg No. 51734727

Qty	Description	\$	c
3	Sleek 90 lbs		
	Cream 8 lb. each		
	Alum also 60 lbs.		
	ca 160 ea / lb.		
	Total	\$ 160	ea
	Paid:		
	25/3/13		
	Chq. 102594.		
	TOTAL EXCLUSIVE GST \$		
	PLUS % GST \$		
	TOTAL INCLUSIVE GST \$		

COLLINS A5/50 DL DOCKET BOOK

2013 / 2014

Franz Hire Limited

P O Box 142, Franz Josef Glacier, South Westland
7856

Phone: 027 695 6988 Fax: 03 7520 146

Email: info@franzhire.co.nz

GST No 83 103 716

TAX INVOICE

Invoice to:
Whataroa Cemetery Trustee
c/o P S Northcroft
106 Percell Road
RD1
Whataroa 7886

Invoice No	Date	Due Date
734	09-Jan-13	16-Jan-13

Code	Description	Qty	Price	Total
	12th August minimum one day hire			
017	Hitachi 1.7 ton excavator	1	\$160.00	\$160.00

Sub Total	\$160.00
Plus GST	\$24.00
Total Amount Payable	\$184.00

Thank you for your business!

*Recd 1/10/13
Chq 102596*

Total : \$ 1739-60

Chq 102595

takeover

184.00

Address P O Box 325, HOKITIKA 7842
Phone 03 755 8866
Fax 03 755 8910
Website www.cuffs.co.nz
Email team@cuffs.co.nz



Tax Invoice

To: Whataroa Cemetery Trustees
 C/- P Northcroft
 Whataroa
 SOUTH WESTLAND 7886

Invoice Date 2 Oct 13
Due Date 20 Nov 13
Invoice Number 0643
GST Number 74-593-038
Client Code Whata1

Description	Total
Interview with Peter	92.50
Drafting and typing up Trust Financial Statements	380.15
Completion of tax return and advising you of tax position	121.52
Management of Income Tax including Assessments, Payments and Refunds	17.00
General Accounting Duties & other incidental services including contact for you with the Audit Office re documentation required, preparing letter with the documentation and forwarding all details to them for audit.	165.00
Discussion with Wayne regarding burial fees.	

Sub Total	776.17
Total GST 15%	116.43
TOTAL PAYABLE	\$892.60

Interest of 1.25% per month is charged on all overdue invoices

PAYMENT ADVICE

Please choose your preferred payment option

Client Whataroa Cemetery Trustees
Client Code Whata1
Invoice Number 0643
Due Date 20 Nov 13
Total Due \$892.60

Cheque
 Please make cheques payable to Cuffs Limited

Direct Credit
 Please make payment into the following account: Cuffs Limited, RNZ Holdings, 03-2243-000011000

Credit Card
 Please call us with your credit card details

To: Cuffs Limited
 P O Box 325
 HOKITIKA 7842

Important:

Please select your preference below and return this payment advice or visit www.fecymedirect.co.nz to arrange online.



1st & 2nd L.

One payment of \$209.92 and 6 monthly payments of \$159.92

Franz Hire Limited
P O Box 142, Franz Josef Glacier, South Westland
7855
Phone: 027 095 0988 Fax: 03 7520 146
Email: info@franzhire.co.nz

GST No 83 103 716

TAX INVOICE

Invoice to:
Whataroa Cemetery Trustee c/o P S Northcroft 106 Percell Road RD1 Whataroa 7886

Invoice No	Date	Due Date
810	31-Dec-13	20-Jan-14

Code	Description	Qty	Price	Total
	30th December			
017	Hitachi 1.7 ton excavator minimum one day hire	1	\$160.00	\$160.00

Sub Total	\$160.00
Plus GST	\$24.00
Total Amount Payable	\$184.00

Thank you for your business!

Recd 22/1/14
Clwyd 22/1/14

Patrick Clarke Mowing
 PO Box 37
 Whataroa 7857
 Ph 03 7534 142 or 0273306606
 Email spider.clarke@extra.co.nz

TAX INVOICE

GST Reg No : 71-734-161

Sold To

Whataroa Cemetery Committee
 C/ P Northcroft
 RD 1
 Whataroa

Invoice No. IN1446

Date 11/11/2013

Our Ref.

Cust Ref.

Terms

Description	Qty	Unit Price	Amount
Lawn Mow ~ 01/02/13	1	\$40.00	\$40.00
Lawn Mow ~ 26/02/13	1	\$40.00	\$40.00
Lawn Mow ~ 14/03/13	1	\$40.00	\$40.00
Lawn Mow ~ 04/04/13	1	\$40.00	\$40.00
Lawn Mow ~ 12/06/13	1	\$40.00	\$40.00
Lawn Mow ~ 20/11/13	1	\$40.00	\$40.00
Lawn Mow ~ 28/11/13	1	\$40.00	\$40.00
Lawn Mow ~ 29/12/13	1	\$40.00	\$40.00
Lawn Mow ~ 21/01/14	1	\$40.00	\$40.00
Lawn Mow ~ 09/02/14	1	\$40.00	\$40.00

Comments

Sub Total	\$400.00
GST	\$60.00
Total	\$460.00
Amount Paid	
Amount Due	\$460.00

2014/2015

Address P O Box 325, HOKITIKA 7842
Phone 03 755 8866
Fax 03 755 8910
Website www.cuffs.co.nz
Email team@cuffs.co.nz



Tax Invoice

To: Whataroa Cemetery Trustees
C/- P Northcroft
WHATAROA 7886

*Paid 19/9/2014
Chq 102601*

Invoice Date 29 Aug 14
Due Date 20 Sep 14
Invoice Number 2144
GST Number 74-593-038
Client Code Whata 1

Description	Total
Interview with Sue	30.0
Coding, Processing and Drafting of Accounts	395.3
Completion of tax return and advising you of tax position	126.3
Management of Income Tax including Assessments, Payments and Refunds	17.0
General Accounting Duties & other incidental services including preparing letter with all the documentation required and forwarding details to the Audit Office	167.6
Sub Total	736.3
Total GST 15%	110.4
TOTAL PAYABLE	\$846.78

Interest of 1.25% per month is charged on all overdue invoices

Franz Hire & Contracting Limited

P O Box 142, Franz Josef Glacier, South Westland
7856

Phone: 027 695 6988

Email: info@franzhire.co.nz

GST No 83 103 716

TAX INVOICE

Invoice No
Whataroa Cemetery Trustee c/o P S Northcroft 106 Percell Road RD1 Whataroa 7886

Invoice No	Date	Due Date
1128	28-Feb-15	20-Mar-15

Code	Description	Qty	Price	Total
	6th January			
017	Hitachi 1.7 ton excavator - minnum one day hire	1	\$160.00	\$160.00
027	Digger Trailer Hire	1 1	\$25.00	\$25.00

Sub Total	\$185.00
Plus GST	\$27.75
Total Amount Payable	\$212.75

*paid 20/3/15
C142 102602*

Thank you for your business!

Patrick Clarke Mowing
PO Box 37
Whataroa 7857
Ph 03 7534 142 or 0273306606
Email spider.clarke@xtra.co.nz

TAX INVOICE

GST Reg No : 71-734-161

Sold To

Whataroa Cemetery Committee
C/ P Northcroft
RD 1
Whataroa

Invoice No. **IN1668**

Date **10/04/2015**

Our Ref.

Cust Ref.

Terms

Description	Qty	Unit Price	Amount
Cemetery Lawn Mow ~ 21 Feb 2014 to 31/03/15	7	\$40.00	\$280.00

Comments

Sub Total \$280.00

GST \$42.00

Total \$322.00

Amount Paid

Amount Due \$322.00

*Paid 14/5/15
Chq. 102603*

*A/c Payable
Brought in as quantifiable*

2015/2016

Franz Hire & Contracting Limited

P O Box 142, Franz Josef Glacier, South Westland
7856

Phone: 027 695 6988

Email: info@franzhire.co.nz

GST No 83 103 716

TAX INVOICE

Invoice to:
Whataroa Cemetery Trustee c/o P S Northcroft 106 Percell Road RD1 Whataroa 7886

Invoice No	Date	Due Date
1209	29-Jun-15	20-Jul-15

Code	Description	Qty	Price	Total
	19th April 2015			
017	Hitachi 1.7 ton excavator	4	\$50.00	\$200.00
027	Digger Trailer Hire	11	\$25.00	\$25.00

Sub Total	\$225.00
Plus GST	\$33.75
Total Amount Payable	\$258.75

Thank you for your business!

*Recd 26/8/16
Qty 102607*

Franz Hire & Contracting Limited

P O Box 142, Franz Josef Glacier, South Westland
7856

Phone: 027 695 6988

Email: info@franzhire.co.nz

GST No 83 103 716

TAX INVOICE

Invoice to:
Whataroa Cemetery Trustee c/o P S Northcroft 106 Percell Road RD1 Whataroa 7886

Invoice No	Date	Due Date
1276	25-Sep-15	20-Oct-15

Code	Description	Qty	Price	Total
	11th September			
017	Hitachi 1.7 ton excavator	4	\$48.00	\$192.00
027	Digger Trailer Hire	1 1	\$25.00	\$25.00

Sub Total	\$217.00
Plus GST	\$32.55
Total Amount Payable	\$249.55

Thank you for your business!

*Paul 17/10/15
Chg 102605*

Address P O Box 325, HOKITIKA 7842
Phone 03 755 8866
Fax 03 755 8910
Website www.cuffs.co.nz
Email team@cuffs.co.nz



Tax Invoice

To: Whataroa Cemetery Trustees
C/- P Northcroft
WHATAROA 7886

Invoice Date 9 Sep 15
Due Date 20 Oct 15
Invoice Number 4005
GST Number 74-593-038
Client Code Whata1

Description	Total
<u>Job 3853 AA Mar 31 2015</u>	
Coding, Processing and Drafting of Accounts	411.16
Completion of tax return and advising you of tax position	131.43
General Accounting Duties & other incidental services including preparing letter with all the documentation required and forwarding details to the Audit Office	204.30
Management of Income Tax including Assessments, Payments and Refunds	17.00
Sub Total	763.89
Total GST 15%	114.58
TOTAL PAYABLE	\$878.47

*Paid
Chq 102604*

Interest of 1.25% per month is charged on all overdue invoices

Patrick Clarke Mowing
 PO Box 37
 Whataroa 7857
 Ph 03 7534 142 or 0273306606
 Email spider.clarke@xtra.co.nz

TAX INVOICE

GST Reg No : 71-734-161

Sold To

Whataroa Cemetery Committee

C/ P Northcroft

RD 1

Whataroa

Invoice No. **IN1818**

Date **2/04/2016**

Our Ref.

Cust Ref.

Terms

Description	Qty	Unit Price	Amount
Cemetery Lawn Mow ~ 01/04/2015 ~ 31/03/2016	12	\$40.00	\$480.00
DONATION	-2	\$40.00	-\$80.00
Sub Total			\$400.00
GST			\$60.00
Total			\$460.00

Amount Paid

Amount Due \$460.00

*Paid 20/4/16
 Chq 102607*

Report

DATE: 28 July 2016

TO: Mayor and Councillors

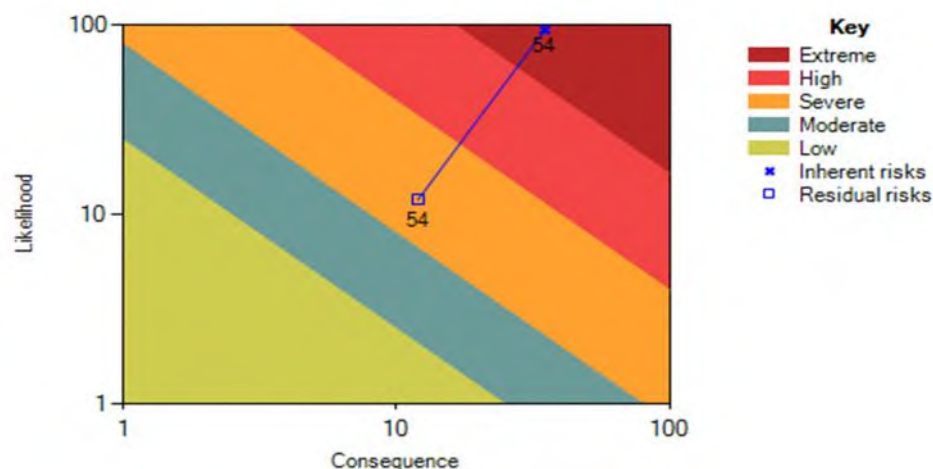
FROM: Group Manager: District Assets

STATEMENT OF PROPOSAL FOR CONSULTATION – FUNDING MECHANISM FOR THE NEW WASTEWATER TREATMENT PLANT AT FRANZ JOSEF

(Risk Reference id: 54)

1 SUMMARY

- 1.1 The purpose of this report is to consider and adopt a Statement of Proposal for a Funding Mechanism for a new Wastewater Treatment Plant (WWTP) at Franz Josef for consultation with the local community.
- 1.2 This issue arises as the result of the decisions made by Westland District Council (Council) after the consultation process undertaken for the adoption of 2016/17 Annual Plan, wherein Council resolved to further consult on the funding mechanism for the new proposed WWTP at Franz Josef.
- 1.3 The assessment for the risk¹ associated with issue² as per Council Risk Management Policy is:



¹ The risk assessed for this issue is: "Adoption of a Proposal to consult on funding mechanism for the new WWTP Plant at Franz Josef – Risk Reference id: 54" –

² The risks associated with the projects is a separate exercise and will be detailed as part of the project management of the project.

- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council adopts the Statement of Proposal in **Appendix A** for consultation as per the requirements of Section 83 of the Local Government Act 2002.

2 BACKGROUND

- 2.1 The current WWTP in Franz Josef consists of two oxidation ponds situated next to the Waiho River banks.
- 2.2 The treatment plant is consented from the West Coast Regional Council (WCRC) to discharge treated effluent to Waiho River bed.
- 2.3 The plant was built circa 1970's and was designed to accommodate a population of approximately 500 people. No allowances were made for seasonal tourist demand for the town.
- 2.4 The plant has a history of non-compliance and has been the subject of nuisance complaints from local residents and tourist business operators due to its failing discharge quality and most of the times visibly non-appealing coloured effluent being discharged in the river.
- 2.5 Council has from time to time received abatement notices which escalated to infringement notice with fines, and most recently in 2015 Council was served with Environment Court enforcement action notices for continued non-compliance.
- 2.6 The ponds are also under constant threat from Waiho River and have suffered substantive damage in March 2015. The Waiho River breached its banks and the oxidation ponds were inundated resulting in near 80% damage to the earthworks and the treatment process.
- 2.7 Council staff in the past have undertaken capital works to try and meet the compliance standards set out in the resource consents from WCRC, but Council has failed to achieve fully compliant status.

3 RISK ANALYSIS ³(Staff Assessment for Inherent and Residual Risk)

³ For Risk id: 54 as explained in footnote 1

	<i>Inherent</i>	<i>Residual</i>
<i>Risk Score</i>	<i>3325/Extreme</i>	<i>144/Severe</i>
Likelihood	95	12
	Almost Certain	Possible
Consequence	35	12
Financial/Economical	No impact	No impact
Environment	Major	Moderate
Governance/Reputation/Image	Major	Moderate
Business Disruption	Major	Minor
Legal Compliance	Major	No impact
Built Assets/Operational Capability	Major	Minor
Human Resources	No impact	No impact
Information Systems and Information Management	No impact	No impact

4 CURRENT SITUATION

- 4.1 Council, as part of its community consultation for the 2016/17 Annual Plan, included funding mechanisms for the proposed new WWTP at Franz Josef as a consultation item.
- 4.2 Based on the submissions received, the Council as part of its decisions noted that the Franz Josef Waste Water Treatment Plant Project as proposed in the 2016-2017 Draft Annual Plan will not proceed in its current form, however the project is still live, and Council will further consult with the community on funding options. The Council also decided that further preliminary work on the plant, including the civil design, can progress in 2016/17 with a budget of \$200,000 funded from debt.
- 4.3 The Council, as part of its interim agreement with WCRC through mediation from the Environment Court, has submitted an undertaking with a tentative timeline to consult with the local community on the funding mechanism for the new WWTP at Franz Josef.
- 4.4 The current proposed statement of proposal for the consultation meets the above undertaking.
- 4.5 A new WWTP with tertiary treatment is the intended long-term solution to the current issues and problems with the current treatment site. This project is already included in the current 2015-2025 Long Term Plan (LTP). However, with a change of events and risk on the matter, the timing of the project has changed and the project has now been brought forward.
- 4.6 At the time of inclusion of the project in the LTP, no detailed design was available and the estimate of approximately \$9.0M (Based on 2014 OPUS report) was spread across a number of years to smooth the funding requirements on targeted rates.

- 4.7 The proposal in Appendix A includes the funding options and also includes supplementary information related to the new proposed WWTP.
- 4.8 The supplementary information includes reference to the comparative options; especially treatment ponds versus a compact plant, the location, and proposed mitigation for environmental effects like noise and smell.
- 4.9 Indicative cost comparisons on the treatment options are also included.
- 4.10 Council as part of the planning process commenced a design solution through a design and build process in December 2015.
- 4.11 The process is supported by OPUS consultants, and to ensure that a robust process is undertaken in-line with industry best practice an independent probity auditor has been appointment to the Project Evaluation Team. An interim Probity Auditor's report is appended to the proposal in Appendix 1D.
- 4.12 The Request for Proposal (RFP) sent out to the selected proposers for the provision of a treatment process asked to consider the following design parameters:

Parameter	Unit	Flows
Average Dry Weather Flow, ADWF (Offpeak)	m ³ /day	363
Peak Dry Weather Flow, PDWF (Peak 3 months, summer period)	m ³ /day	1,325
Peak Wet Weather Flow, PWWF (day)	m ³ /day	2,500
Peak Wet Weather Flow, PWWF (hourly)	m ³ /hr	220
Peak Instantaneous Flow, PIF	l/s	61
Peak Instantaneous Flow plus 25% capacity, PIF	l/s	76

Table 1: Design Flows for new WWTP (excluding septage)

Parameter (kg/day)	Proposed Loadings			
	Average Winter	95% Winter	Average Summer	95% Summer
cBOD5	88	105	322	384
Dissolved cBOD5	25	36	92	130
Total COD	240	301	876	1098
Dissolved COD	57	74	208	269
Flocc. and Filtered COD	40	55	146	201
Ammoniacal nitrogen	13	13	47	49
TN	18	20	67	72
DRP	2	2	6	7
TP	3	4	10	13
TSS	115	145	418	530
Oil & Grease	40	78	146	286

Table 2: Design Loads (excluding Septage)

5 OPTIONS

- 5.1 **Option 1:** Council adopts the Statement of Proposal for consultation under the Special Consultative Procedure as per the Local Government Act 2002.
- 5.2 **Option 2:** Council rejects the Statement of Proposal for consultation.
- 5.3 **Option 3:** Council adopts the Statement of Proposal and undertakes a consultation in accordance with Section 82 of the Local Government Act, but not as a Special Consultative Procedure.

6 SIGNIFICANCE AND ENGAGEMENT

- 6.1 In accordance with Council policy on significance the proposal to consult on the funding mechanism for a new WWTP in Franz Josef is considered to be of high significance for the following reasons:

Area of significance	Applies (yes or no?)
Does it involve a Council Strategic Asset?	Yes

Impacts Service levels/ rates, and or Debt?	Yes
Degree of impact on community/individual/groups?	Deemed high impact depending on the options and based on the previous consultation process
Cultural impact?	Yes
High Degree of public interest?	Evident – Based on past submissions received.
Reversible Decision?	Yes

6.2 The funding mechanism was consulted on during the consultation process for the 2016/17 Annual Plan. The community interest on the matter was evident and this issue now requires further consultation with the community.

6.3 It is proposed that a proposal be adopted for consultation in accordance with Section 83 of the Local Government Act 2002.

7 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

7.1 **Option 1:** Council adopts the Statement of Proposal for consultation under special consultative procedure in accordance with Section 83 of the Local Government Act 2002.

This is **THE PREFERRED** option.

In accordance with Section 83 of Local Government Act 2002, a minimum of 30 days' consultation is required under a special consultative procedure. If Council chooses this option, the table below presents the consultation plan:

28 July 2016	Council adopts Statement of Proposal for consultation with the community.
1 August 2016	The proposal is open for public submissions. Soft copies of the proposal are made available online on Council Website and hard copies will be made available at Council offices, Libraries, District Libraries and through Community Development Officers and other libraries within District.
8 August 2016	Newsprint information advising ratepayers that the proposal is being consulted upon

15 August 2016	Newsprint information advising ratepayers that the proposal is being consulted upon
17 August 2016	Public information meeting to be held at Franz Josef
19 August 2016	Public Information meeting to be held in Hokitika.
22 August 2016	Newsprint information advising ratepayers that the proposal is being consulted upon
5 September 2016	The proposal is closed for public submissions at 4pm
12 September 2016	A Submission hearing meeting to be held at Westland District Council offices
23 September 2016	Final report included with recommendation based on feedback from the consultation for 29 September Council meeting
29 September 2016	Council makes a decision on how to fund the project

Advantages of the option:

- a. The option presents a robust consultation process and is in line with Council's current policy on significance and engagement.
- b. As a special consultative process, community has sufficient time to consider the options presented and will have the opportunity to make informed submissions.
- c. The risks for Council to be accused of not following a robust consultation process are mitigated.
- d. The proposed option is in accordance with the Council decision to further consult on the matter after the 2016/17 Annual Plan decision.
- e. The adoption of the proposal for consultation will also meet the timeline proposed to the Environment Courts.

Disadvantages of the option:

- a. Considering the robust process for engagement and consultation with the community, there are no perceived disadvantages with this option.

There is a financial cost element associated with the consultation process itself which includes staff time and resources. These are not considered substantive.

7.2 Option 2: Council rejects the Statement of Proposal for consultation.

This is **NOT** a preferred option. This option means that Council does not agree with the statement of proposal and either instructs the staff to amend the proposal or aspects of it, or does not intend to undertake any consultation with the community on the funding mechanism of the project.

Advantages of the option:

- a. There are no perceived costs related to staff downtime and resources if the consultation process is not undertaken.
- b. There are possibly no further delays on the project, as the Council could resolve on the funding mechanism to proceed with the project without waiting for a consultation process.

Disadvantages of the option:

- a. Council will be required to make a funding decision without considering the effects on the community.
- b. Not in line with the Council decision on the Annual Plan 2016/17 to further consult with local community on the funding mechanism for the project.
- c. Council may be exposed to legal challenge for not following a robust and appropriate consultation process.
- d. If no decision is made, it will almost certainly result an action from the Environment Court to fix.

- 7.3 **Option 3:** Council adopts the Statement of Proposal and undertakes a consultation in accordance with Section 82 of the Local Government Act, but not as a Special Consultative Procedure.

This is **NOT** a preferred option.

Council may choose to consult, without using the Special Consultative Procedure. The current project is included and identified at a higher estimate in the current Ten Year Plan (2015-2025). The only change is the timing of the project and a revised lower estimate at this stage.

The consultation plans as highlighted in Option 1 and the attached proposal in Appendix A to this report would not be changed by this option. A 30-day consultation period is still advised, however Council under this option may decide to keep the consultation period less than 30 days, but reasonable enough. e.g. 20 days.

Advantages of the option:

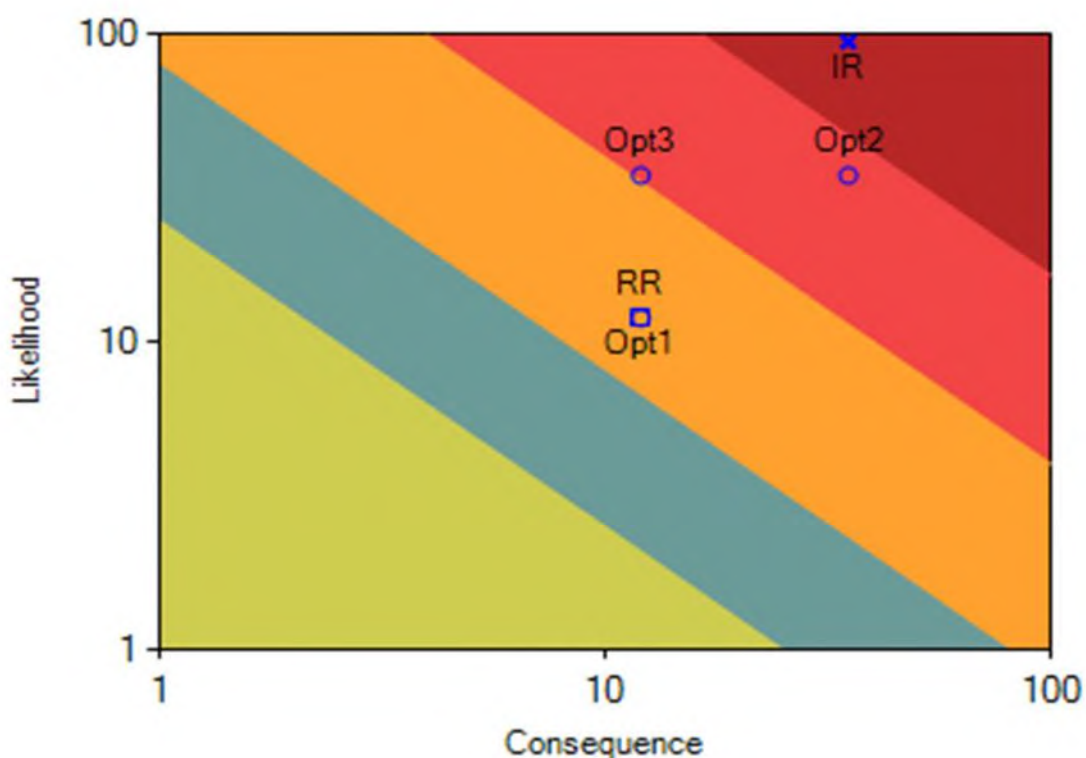
- a. The timeline will be reduced and it would allow more time for analysis of the submissions prior to the September Council meeting.
- b. There are no other benefits perceived with this option.

Disadvantages of the option:

- a. If the timeline for consultation period is reduced, then there will be less opportunity to provide information sessions, though at around 20-days this can still be achieved.
- b. Council may still be exposed to a legal challenge on the basis of the perceived view that a Special Consultative Procedure is required due to the significance of the issue. .

The overhead costs would still be comparative to Option 1.

8 SUMMARY RISK ASSESSMENTS OF THE OPTIONS CONSIDERED



Option #	Projected Risk Score on the option	NPV / Cost Justification Score	Notes (if any)
Option 1	144	Not costed	In all the options – The actual financial associated costs are deemed to be neutral. This is for the reason that in any scenario the financial costs are almost certain with respect to capital works. Whether WDC chooses a high risk option to improve oxidation ponds at current site or a new plant is built. A failure by Council to make a decision will possibly see the Environment Court impose some sort of financial requirement to fix.
Option 2	1225	Not costed	
Option 3	420	Not costed	

9 PREFERRED OPTIONS AND REASONS

- 9.1 Option 1 is the preferred option. That is, that Council adopt the proposal to consult as a Special Consultative Procedure in accordance with Section 83 of the Local Government Act 2002.
- 9.2 The option is in line with the Council Annual Plan (2016/17) decision.
- 9.3 The option presents a reasonable timeframe for the community to make submissions and also for staff to further engage during the consultation process.
- 9.4 The preferred option presents a lower risk level in accordance with Council Risk Management Policy.

10 RECOMMENDATIONS

- 10.1 **THAT** Council adopts the statement of proposal “Consult on Funding Mechanism for a New Wastewater Treatment Plant in Franz Josef” as in Appendix A, and
- 10.2 **THAT** Council instructs the Chief Executive to commence a Special Consultative Procedure on the proposal in accordance with Section 83 of the Local Government Act 2002.

Vivek Goel

Group Manager: District Assets

Appendix A: Statement of Proposal – “Consult on funding mechanism for a new Wastewater Treatment Plant at Franz Josef”.



Proposal to consult on:

The funding mechanism

**for a new wastewater treatment facility
in Franz Josef**

August 2016

**This is a Statement of Proposal prepared in accordance with Section 83
of the 'Local Government Act 2002' for consultation using a special
consultative procedure with Westland community.**

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Appendix 1B	-	Technical Memo regarding Noise and Odour
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Appendix 1D	-	Probity Auditor's Interim Report

Overview

The proposal

Council is consulting with District ratepayers about a suitable funding mechanism for the new wastewater treatment facility in Franz Josef. The estimated cost of the new Wastewater Treatment Plant (WWTP) is \$6.2 Million (excluding any contingencies and GST).

We need to establish whether we have the right method in place to pay for the new facility.

The project is included in the current Long Term Plan (2015-2025). However, at the time of producing our long term planning document the detailed solution was not known, so the projected costs for the facility to be built were spread over a few years. In the plan the project is proposed to be funded by a loan and serviced by targeted wastewater rates, harmonised across the District. This is represented in the options that we are now consulting on as the 'Status Quo' position in terms of a funding mechanism.

In April 2016 Council sought feedback through its Annual Plan for 2016/17 about another option for repaying and servicing the loan. This option would have meant a variation to Council's current rating method with Franz Josef ratepayers paying all of the rates requirement for their new facility i.e. more 'user pays' funding method. The other option was 'Status Quo' as mentioned above. i.e. harmonised funding as it is currently across the District.

The option that confined the rates to Franz Josef was questioned, and generally opposed, by submitters within the Franz Josef community.

After the review of the submissions received, whilst it was made clear to Council that the Franz Josef community felt a user pays method for funding such a large capital project would not be financially sustainable for their small ratepayer population, Council decided it was not confident that the wider public had recognised the funding implications. That is, a funding decision made for Franz Josef will set a precedence for other settlements in the District when they need new infrastructure.

Further, there are variables in how a reasonable 'user pays' system can be established. Local infrastructure may need to service many more people than the ratepayer population. In Franz Josef, as well as some other settlements in Westland, the benefits of having infrastructure that can service visitors and tourists are not all returned to the local ratepayers. District tourist attractions provide financial benefits to more than the local population.

Council has decided to provide more information on the project to the District community and re-consult on the funding mechanism for the project.

The options are:

OPTION 1: STATUS QUO i.e. Current targeted and harmonised rating system across the District. *(This is the preferred option)*

OPTION 2: 50-50 – i.e. 50% paid by Franz Community and 50% is paid as per the current harmonised policy across the District

OPTION 3: 100% paid by Franz Community *(This was the previous consulted option in Annual Plan 2016/17)*

Important Note:

Council will continue to seek external funding from various sources. Any grants/contributions received will be incorporated into the above options, which will lessen the net capital funding requirement from ratepayers.

Reason for the proposal

The new treatment plant is essential to ensure the compliance and continued treatment of wastewater in Franz Josef.

The existing treatment ponds are no longer a feasible solution in their current state and a new facility was always planned to be installed, as shown in the LTP. The required timing for installing a new facility was accelerated by the extreme flooding event in March 2016 which severely damaged the ponds and compromised the treatment process.

Council is separately working with potentially affected parties about the potential location and design of the new facility.

The reason we are consulting with the District about the funding of the facility is because Council received substantive opposition from Franz Josef community on a proposed targeted user pay mechanism and we now need to ensure that the wider Westland community has the opportunity to comment on the funding mechanism for the proposed new WWTP in Franz Josef. The issue is also important in the context of how the wider Westland community wants to fund all large scale capital projects across the District in the future.

More information

While the consultation is on funding, based on previous feedback, Council is also making available information on the proposed new WWTP as supplementary information to this proposal. This information is attached as Appendix 1 to this document.

Funding of the project and implications on targeted wastewater rates

Council as part of its 2016/17 Annual Plan consulted on a 50/50 user pay and external funded contribution. Council advised that it intended to seek Central Government assistance to fund this proposed WWTP. This work is still in progress and Council intends to continue its application to Central Government. Council is also working with other stakeholders to seek financial contributions. Any grants or contributions received will be incorporated into the funding mechanism that is finally adopted.

Council has also assessed the position of Westland with our immediate neighbours with regards to wastewater targeted rates.

The following table presents a comparison of Wastewater Targeted rates in the neighbouring Districts. These are presented in decreasing order:

District	Average rate per property (2016/17 Annual Plan)
Buller District (Westport – Residential with 1-2 connections)	\$820.00
Greymouth District (Greymouth Town)	\$639.60
Southland District (Harmonised)	\$364.97
Westland District (Harmonised throughout)	\$261.70

The current LTP already includes an approved project and budget for a new WWTP in Franz Josef. These costs were spread over several years as the solution was not identified at the time of these inclusions. The table below summarises the costs spread currently in LTP.

Financial Year ending	Budgets	Funding
30 June 2017	\$2,562,500	Loan: \$1.5M Subsidy/Grant: \$1.1M
30 June 2018	\$2,562,500	Loan: \$1.5M Subsidy/Grant: \$1.1M
30 June 2019	\$2,330,600	Loan: \$1.0M Subsidy: \$1.3M
30 June 2020	\$1,116,000	Loan: \$1.1M
30 June 2021	\$1,152,000	Loan: \$1.2M

The above figures include a total local funding of approximately \$6.3M from debt serviced by targeted rates.

The following is an analysis of the funding options, assuming the worst scenario in case there is no external funding available. The projections exclude any operating costs which are estimated at approximately \$150k per annum.

OPTION 1: STATUS QUO i.e. Current targeted and harmonised rating system across the District. *(This is the preferred option)*

100% Funded by Westland – No external Contribution			
Financial Year ending	LTP Rates projection	Revised Rates projections	
30 June 2018	303	412	
30 June 2019	340	409	
30 June 2020	364	406	
30 June 2021	389	402	
30 June 2022	414	399	
30 June 2023	410	396	
30 June 2024	407	393	
30 June 2025	403	390	

OPTION 2: 50-50 – i.e. 50% paid by Franz Community and 50% is paid as per the current harmonised policy across the District

50% Funded by Westland – 50% Franz Community			
Financial Year ending	LTP Rates projection	Revised projections Rest of Westland	Rates Franz Rates
30 June 2018	303	358	590
30 June 2019	340	356	583
30 June 2020	364	354	576
30 June 2021	389	352	569
30 June 2022	414	350	562
30 June 2023	410	347	554
30 June 2024	407	345	547
30 June 2025	403	343	540

OPTION 3: 100% paid by Franz Community (*This was the previous consulted option in Annual Plan 2016/17*)

In this option Rest of Westland rates are not affected by the project. The Franz rates are shown below.

100% Funded by Franz Community		
Financial Year ending	LTP Rates projection	Revised Rates projections (Change from LTP)
30 June 2018	303	919
30 June 2019	340	904
30 June 2020	364	890
30 June 2021	389	876
30 June 2022	414	861
30 June 2023	410	847
30 June 2024	407	832
30 June 2025	403	818

OPTION 1 is the preferred option.

As indicated Council will continue to seek external funding for the project and is currently in negotiations with stakeholders seeking financial contributions. Currently there is no policy in place which requires mandatory financial contributions from the commercial sector.

The tables below consider scenarios where external contributions or grants are obtained and how OPTION 1 will be affected.

Scenario 1: minimum \$500,000 contribution is received. The rates will be:

\$500k contribution from Commercial sector and balance funded by targeted rates			
Financial Year ending	LTP Rates projection	Revised Rates projections	
30 June 2018	303	409	
30 June 2019	340	406	

30 June 2020	364	403
30 June 2021	389	400
30 June 2022	414	397
30 June 2023	410	394
30 June 2024	407	391
30 June 2025	403	388

Scenario 2: \$3.0 M external funding is secured.

50% Funded by Westland – 50% External Contributions.		
Financial Year ending	LTP Rates projection	Revised Rates projections
30 June 2018	303	339
30 June 2019	340	337
30 June 2020	364	336
30 June 2021	389	334
30 June 2022	414	333
30 June 2023	410	331
30 June 2024	407	329
30 June 2025	403	328

Advantages and disadvantages

Advantages and disadvantages of the proposed funding options

Options	Advantages	Disadvantages
Option1	<ul style="list-style-type: none"> • The rating method does not need to be changed • The funding mechanism is more sustainable compared to a user pay, where a community pays exceptionally high rates as compared to the rest of the district • Previous capital expenditure is serviced 	Everyone pays some contribution towards the cost of infrastructure in one township that they might feel they derive no benefit from.

¹ Assuming that no other significant capital expenditure is required in the Wastewater activity in the next 10 years.

	through the harmonised rating policy structure • The approach presents no risk to future capital upgrade requirements	
Option 2	This option recognises that there is a benefit from the facility to the rest of the district.	Not in line with the current method. Sets a precedent for future capital works funding requirements.
Option 3	Wider Westland community will benefit with lower rates	Exceptionally high targeted rate for Franz Community and also not in line with current method. As option 2 – sets a precedent for future capital works.

The projected rates under each option are presented in the graph below.



- As shown above, if the proposed project is funded 100% by Westland District's current rating method (Option 1), then long term (from 2022) this presents a scenario which is better than what's been projected in LTP¹.
- The decreases in the future year are a reflection of repayment schedules and lower depreciation requirements against the estimates in LTP.

Copies of the proposal

Copies of this proposal are available online at www.westlanddc.govt.nz and at Council Libraries or from the main Council building in Weld Street. You can call us on **0800 474 834** and we will send you a copy.

We will also be distributing the Statement of Proposal by email to contacts across the District, including local Community Development Officers.

Decision-making

After receiving submissions and hearing community views, Council will make a decision about how to fund the project.

This decision will consider many matters, including but not limited to, the views expressed by the community.

Once the funding decision is determined, the project will go ahead, consents will be obtained and capital work contracts prepared and confirmed and let as soon as possible.

Proposed timelines for proceeding with capital works have been submitted to the Environment Court as part of Council's mediation response to monitoring infringements from the existing facility. These must be adhered to.

Key dates for consulting on the funding mechanism

28 July 2016	Council adopts Statement of Proposal for consultation with the community.
1 August 2016	The proposal is open for public submissions. Soft copies of the proposal are

In addition to this consultation process, Council will continue to engage and consult with the Franz Josef community and other potentially affected parties about the design, location and potential environmental effects of a new facility.

Meetings will continue to occur with the Franz Josef community, as well as information being provided to the community and to the Franz Josef Working Group.

Supplementary information about the proposed facility is appended to the Statement of Proposal for your information.

	made available online on Council Website and hard copies will be made available at Council offices, Hokitika library, and other District libraries and through Community Development Officers within District.
8 August 2016	Newsprint information advising ratepayers that the proposal is being consulted upon
15 August 2016	Newsprint information advising ratepayers that the proposal is being consulted upon
17 August 2016	Public information meeting to be held at Franz Josef
19 August 2016	Public Information meeting to be held in Hokitika.
22 August 2016	Newsprint information advising ratepayers that the proposal is being consulted upon
5 September 2016	The proposal closes for public submissions at 4pm
12 September 2016	A public hearing of submissions to be held at Westland District Council offices, Hokitika
23 September 2016	Final report included with recommendation based on feedback from the consultation for 29 September Council meeting
29 September 2016	Council makes a decision on how to fund the project

Have Your Say

Making a submission

Council wants to hear which option you support or don't support. Have your say and it will be considered by Council as part of the decision-making process.

This proposal is open for submissions from 1 August to 4pm on 5 September 2016.

There are several ways you can make a submission.

■ Online

Fill in a submission form at www.westlanddc.govt.nz

■ Post

'Funding of new Wastewater Treatment Plant in Franz Josef' Submission

Westland District Council

Private Bag 704

Hokitika 7842

■ Deliver

Bring your submission to the Westland District Council Offices, 36 Weld Street, Hokitika.

If you would like a hard copy submission form, you can download one from our website at www.westlanddc.govt.nz or collect one from the Council offices or at Council libraries. You can also phone us on 0800 474 834 and we will post one to you.

Please make sure you include in your submission:

- Your name and email or postal address.
- Whether you want to speak in support of your submission at a Council hearing.
 - Whether you would like to present your submission remotely (by phone or skype)

- Whether you will require language /speech interpreters

CLOSING DATE:

Submissions must be received by Council no later than 4pm, Monday 5 September 2016.

Once the submission period is closed, Council will notify submitters who wish to speak at the hearings on 12 September 2016 of the time for the Council meeting.

Please note: All submissions are public documents and will be loaded onto Council's website with the names and contact details of submitters included.

Information sessions

The Deputy Mayor / Mayor, Councillors and Council staff will be on hand to answer questions at the information sessions on 17 August and 19 August 2016.

Supplementary information about the proposed Wastewater Treatment facility

Why we need a new Wastewater Treatment Plant at Franz Josef

Wastewater in Franz Josef is currently treated using an oxidation pond system. The existing oxidation ponds are located next to the Waiho River.

Westland District Council holds discharge resource consents from West Coast Regional Council. Despite trialling various methodologies within the ponds, the Franz Josef environment, pond design and changing bed of the Waiho River, meant that discharge from the ponds was not of a suitable quality. The Council has been unable to comply with the conditions of their consents, or the subsequent abatement notices issued by the West Coast Regional Council. This has now lead to Environment Court enforcement action in relation to these non-compliances. The non-compliant matters are further complicated by the fact the river Waiho is constantly aggrading and changing its course. The ponds are under constant threat and during the flood events of March 2016 in Franz, the oxidations ponds were inundated by the Waiho River.

To ensure long term security an engineered stop bank will be required if the oxidation ponds are retained as the treatment solution. The current oxidation ponds were built in 1970 for a population of approximately 500 people. The ponds will need to be upgraded to meet the current demands of population growth and seasonal population fluctuations. A new resource consent would also be required in order to upgrade the existing oxidation pond system and ensure ongoing compliance with the consent.

These costs comparisons (against oxidation ponds) and other issues are further detailed below.

The options considered

Council has engaged Opus consultants as their expert advisors to identify a preferred solution to the wastewater situation in Franz Josef.

Appendix 1A is attached and provides an outline of why a compact wastewater treatment process is preferred for Franz Josef over an upgraded oxidation pond based system. For summary purposes it is estimated that an oxidation pond system (before any compliance is achieved) will cost approximately \$6.0m.

A typical/traditional pond system in the current environment will be required to be lined, and also have appropriate mechanical aerators installed. At the current location an engineered stop bank will need to be built to ensure long term security and mitigate inundation threats from the Waiho River.

A typical breakdown of costs for construction of both an oxidation pond based system and a compact plant is below:

Oxidation Ponds	
Land costs (Based on 50,000 m ² min.)	\$ 500k - \$1.0M
Liner requirements	\$700k
Construction of ponds (Digging/Site access, pipe works etc.)	\$500k - \$1.0M
Mechanical aeration / other equipment (power to site will be required)	\$300k - \$500k
Disinfection requirements	\$800- \$1.2M
Resource consents etc.	\$300k
Stop Bank	\$1.5M- \$2.0M

Total (Excl. contingencies & design costs etc.)	\$4.3M - \$6.2M
Compact Systems	
Land costs (Based on 10,000 m ² including buffer.)	\$ 300k - \$400k
Process Only	\$ 4.0M-\$4.5M
Buildings (1300 – 1500 m ²)	\$800K
Provision of other associated components	\$1.0M - \$1.5M
Total (Excluding contingencies)	\$6.1M-\$7.2M

The above cost scenarios are best analysed against the possible risks at the current treatment site vs. long term better treatment solution options.

Looking at compact solutions and using a 6% discount rate under a net present value analysis, the likely effect of ponds now and a compact treatment system later, the costs of establishing an oxidation ponds system is higher and not justified.

In November/December 2016, Council engaged Opus consultants to undertake a Design and Build procurement based on the above scenarios to find a long term sustainable solution.

Different specialised wastewater treatment solution providers were invited to submit their proposals based on the following summary facts/outcomes:

1. A compact system
2. Relocatable / Transportable equipment if required
3. Better treatment capabilities
4. System able to handle variable wastewater loads
5. System capacity to be readily increased if required

6. System able to work in differential loading, i.e. peak and off-peak seasons
7. Least noise and smell (which can be mitigated if any)
8. Be able to be housed, compared to unsightly appearance of oxidation ponds

These above scenarios are further detailed including a summary of advantages and disadvantages in Appendix 1a.

The proposed location

Council has considered various locations to site a new treatment plant. The current site where the oxidation ponds are located is no longer suitable for use due to the extreme risks of inundation from Waiho River. These risks are well identified and discussed at various other forums currently working towards identifying a solution. E.g. Waiho River Management Group and Waiho Working Party etc.

The identification of a best possible site incorporates attributes for a location which has low level of risks of inundation from the Waiho River, will require minimum alterations/changes to the current reticulation network (Pipes in the ground), possibly presents enough natural screening (trees etc.), and presents minor changes to the existing discharge consents held through West Coast Regional Council.

Considering the above attributes, at this stage Council proposes to site the new plant around Douglas Drive in Franz Josef. The site presents minimum variation requirement to the current site, has natural screening and is close to the current pipe network, which reduces the modification requirements to the existing system. This in turn means that there is no requirement to alter the intake and discharge pipes.

Appendix 1C presents the location of the site. Council is in negotiations with the current site owner, though no purchase has been finalised as yet. The new WWTP if completely housed will be naturally well screened. An artist's impression is included if the plant is fully

housed in a building. This may be staged depending on the budget constraints.

Any new site will require a land use consent. Council has begun consultation with the local Runanga landowners in the vicinity.

Appendix 1B identifies the potential operational effects such as noise and odour and their mitigation.

The proposed treatment plant is expected to generate very low noise levels which will be further mitigated through plant design.

Potential odour effects have also been described more fully in the Appendix and will be managed through biological filters and fan systems.

The advantages and disadvantages of the proposed new system are presented in comparison to the current form of treatment (oxidation ponds).

These are further highlighted in Appendix 1A of this document

Advantages of the proposed treatment option

- A compact system will have a smaller footprint as compared to the oxidation ponds
- A smaller footprint is easy to situate on a site and possible to house in a building. Not an eye sore as compared to most oxidation ponds.
- Shorter and less pipework associated to the site
- Can be customised for variable loads and are very easily expandable.
- More readily consent-able and can be located within proximity to the population without impingement.
- Important in the context of environmental performance and the reputational image of Franz Josef and its visiting tourist population.

Disadvantages of the proposed treatment option

- Compact systems are energy intensive
- May have noise but easily and readily mitigated
- Less resilient to industrial toxic trade wastes, however in the context of Franz Josef this is extremely low risk and is mitigated within the designs
- Produce sludge (biomass) that must be dewatered and disposed on an on-going basis. This again has been mitigated within the proposed design.

Risks to Council and mitigation

Council as part of its design and build procedure for the proposed treatment plant has considered and assessed a number of risks. These risks include:

1. Financial Risks
2. Operational Risks
3. Design risks
4. Procurement risks

As part of the procurement process to ensure correct procedures are followed, has also appointed a Probity Auditor to oversee the procurement process.

An interim report from the Probity auditor is attached to this proposal as Appendix 1D. The procurement process is currently underway to ensure the timeliness of the project. Any contracts or confirmation of the procurement will be subject to the outcome of the funding consultation and grant of required consents.

Other Matters

Overview of Council debt

Council's Annual Plan 2016-17 forecasts a closing debt position of \$18,736,865. This would increase to \$24,836,865 with the inclusion of this project. This amount is still well below the ceiling of \$34,173,149 set as

part of the financial prudence benchmarks included in the Long-Term Plan 2015-25.

Council's current Liability Management Policy contains a limit of \$3,000 per rating unit, which implies a ceiling of \$19,926,000. However, this policy was adopted in 2012, and Council consciously deferred adoption of an updated policy until the cash flows associated with its capital renewals programme, and the funding options, were fully understood.

This project, and the associated debt, is already included in the Long Term Plan, but phased over several years. It is expected that, with depreciation being fully rated from 2017-18, repayment of debt and provisions for renewals of assets can be prudently budgeted.



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TO Vivek Goel
COPY Jolanta Liutkute, Christopher Bergin
FROM John Crawford
DATE 26 May 2016
FILE 6-wwes3.42.00
SUBJECT Technical Memorandum 3: Franz Josef WWTP
Ponds vs Compact Treatment Processes – V3

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1 Background

Westland District Council (WDC) has requested that Opus International Consultants (Opus) prepare a brief memorandum stating why a compact, high rate wastewater treatment process plant, located adjacent the Franz Josef village is currently preferred over continued use of an oxidation pond based system on the Waiho River alluvial fan. And to describe the likely characteristics of a compact WWTP at the site.

2 Scope of Report

This memorandum presents a number of reasons why oxidation pond systems are considered inappropriate for re-establishing a WWTP system for the town and why compact processes are likely to be appropriate and a number of the characteristics of the likely compact processes that are being considered.

3 Oxidation Pond Systems

3.1 Existing Site

The existing Franz Josef WWTP is a 2 cell oxidation pond system with no screening. Floating wetlands were at one time established on portions of both ponds. These had little impact in improving treatment results from the ponds. The wetlands had deteriorated to various extents over the past 2 to 3 years. The ponds discharged into an exfiltration gallery under the Waiho River. This was prone to blockage by River silt and required frequent clearing or repair. The pond discharge was periodically non-compliant for various reasons, frequently the operation (or not as the case may be) of the exfiltration gallery.

In June 2014, Opus prepared a risk assessment report for WDC which predicted that the Franz Josef WWTP would be inundated by the Waiho River within 5 years and that an alternative site would be required. At that time an available site, on higher ground, nearer to the less flood prone and less mobile Tatare River was considered for a new, compact WWTP with a land based disposal system.

In March 2016, over the Easter period, the Franz Josef WWTP was inundated by floodwaters from the Waiho River. Pond 1 was largely filled with Gravel. The Pond 2 embankment was fully breached in one corner. Since that time (now May 2016), the pond system has been partially reinstated so that some rudimentary treatment is provided before discharge to the Waiho River.

3.2 The Waiho Delta Area

The large scale geomorphological picture appears to be that the Waiho River is aggrading fast and that the area of its natural delta, particularly below the reasonably well protected highway area will be prone to ongoing meandering of the river bed and unpredictable pathways of higher flood flows.

Thus, establishment of another, pond based, treatment system somewhere on the delta is eventually likely to end in a similar outcome to that which has recently transpired. Unless the system is fully protected by a very robust stop banking system that actually prevents the river moving further north than its present course. WCRC would not fund such protection measures and the cost would have to be met by WDC as part of the pond system development cost. The stop banking could not simply be around the ponds but would have to be extended to be fully contiguous with the highway protection measures. The cost would be considerable.

There has been some discussion that the existing (to be abandoned) Scenic Circle Hotel site could be made available for establishment of a new, oxidation pond based, treatment system. That site is immediately Northwest of state highway 6 (SH6). As a new, pond based system would be significantly larger than the existing (under sized) system, a full revetment and armouring system some 700m long would be required, wrapping around the pond system and back to SH6. The likely cost of such revetment would be of the order of \$2M based on the unit rate of previous such work in the area. WRC would not fund flood protection works. This would have to be fully funded by WDC.

Further, building at that location would put the ponds well within what would normally be considered an acceptable pond system buffer distance. As development to the East of SH6 progresses, this would likely result in odour issues being experienced as there is little that can be done to stop these on a large scale site once they become established. Please refer to section 3.3 below.

3.3 Buffer Zone

Without the benefit of a more specific risk assessment, the general wisdom around establishment of expansive, pond based treatment systems, where odour cannot be contained, is that a buffer zone of at least 300m should be established between the outer extremities of the pond system and the closest planned points of habitation.

Thus, the Easternmost extremities of a new pond system would have to be further down the same delta structure from the existing ponds (300m beyond the western edge of the Top-10 Holiday Park) (and hence exposed to the same risks), or further west, about where the 2014

assessment of a compact plant was made. It is unlikely that sufficient land would be available for a sufficiently sized, pond based treatment system at that location.

A suggestion has been received that the Scenic Circle Hotel site could be used as a new WW Pond based treatment site. It is possible that sufficient land could be found there. However, it is immediately adjacent the river, with its current problems and it is doubtful that an adequate buffer distance could be obtained to both existing and future development sites.

3.4 Tatare Catchment

As discussed in 3.3 above, there could be a potential pond system site north of the current extremities of the town development and south of the Tatare Rv. However, it is doubtful whether sufficient area would be available for ponds and establishment at that area would limit potential development in the vicinity.

Another option could be to establish a pond system north of the Tatare River some 2.5km from the proposed site.

Any option established in the Tatare catchment would require new discharge consents for discharge to the much smaller Tatare catchment. Any options to discharge to the Tatare River would likely incur several hundred thousand dollars in research and consenting costs. A range of potentially feasible discharge options would need to be identified, researched and costed. A full consent application package would need to be compiled, submitted and defended at Regional level and, potentially, in the Environment Court.

3.5 Consenting

The actual and likely effects of an ongoing effluent discharge from an oxidation pond system to the Waiho River bed are likely to be low.

On the basis of an email from the Regional Council, it is likely that a new oxidation pond system could be configured and consented to discharge into the Waiho system for a period of another 10 years. It would likely need to be fully lined (a cost of some \$750,000 alone) and would need supplementary aeration (and associated power supply and electrical system) for peak period load management. It is unclear at this time if disinfection would be required. If it was, that would likely cost more than \$1M as the effluent would need to be pre-conditioned to improve UV transmissivity. This is typically achieved using a Veolia Actiflo plant or similar and a typical cost for Actiflo (Doesn't include the UV disinfection itself) is \$1M.

However, following that, significant additional pressure would likely have to be applied, by the Regional Council, to adopt a higher level of treatment for the discharge. This would be, in our opinion, partly related to the current changes in management of fresh water quality in New Zealand, particularly for pristine waters and partly due to the scrutiny (with regard to environmental performance) that Franz Josef will increasingly attract as an international tourist destination.

Thus, within 10 years, it is likely that there will again be significant pressure applied to change the method of treatment again (as pond systems are not generally capable, especially

at low temperatures) of achieving modern levels of treatment, particularly with regard to nutrient removal.

Looking at four possible cost scenarios and using a 6% discount rate:

Compact plant cost, all up per estimates \$6M to \$10M

Pond system cost \$4 to \$5M, Transfer pumping \$1M, Consents and Land cost \$1M.

	High Cost Scenarios	Low Cost
Compact Plant now	\$10M	\$7M
Pond now	\$7M	\$6M
Compact future cost	(discounted value, Yr10) \$5.4M	\$3.9M
NPV of 2 plant scheme	\$12.4	\$9.9M

The likely effect of adopting a 'Pond now, Compact plant later' scheme is a higher overall scheme capital cost on a net present value basis. The associated operating costs for a pond treatment system have not been calculated at this time.

4 Compact Systems

4.1 Benefits

- Small footprint
- Therefore, more easy to find a suitable site
- Shorter and less expensive sewer system
- Odour is easily managed
- Easily expandable
- Can be 'tuned' for different loads
- Ability to easily continue discharging into the Waiho River
- Capable of being configured for very high levels of treatment which improves overall environmental performance.
- And hence more readily 'consentable'.
- This is also important in the context of the relationship between environmental performance of the District and its direct link to the Franz Josef and Westland economies.

4.2 Shortcomings

- Energy intensive
- Noise generated (but readily mitigated)
- Low hydraulic buffering capacity
- Less resilience to toxic shock from industrial trade waste
- Likely to be more expensive (CAPEX and OPEX) than equivalent pond systems.
- Produce excess biomass that must be dewatered and disposed of on an on-going basis.

4.3 Likely Characteristics at Franz Josef

- Footprint approximately 1,500 – 2,000m² for design population compared to approximately 50,000m² for equivalent pond system for same design population.
- Could be fully housed if necessary. Housing would hide individual process units but does present as a larger 'bulk' and does complicate maintenance access meaning that internal crainage is required.
- If un-housed, height approximately 6m including handrails above tanks
- If housed, building height approximately 8m to apex.
- Raw sewage lift pump station. A chamber of 2.3 to 3.0m diameter, built underground.
- Inlet would consist of septage receiver chamber, screens and grit removal, all covered with odour extraction.
- Probably a flow equalization tank to buffer peak diurnal and wet weather flows.
- Treatment based on biological oxidation and nitrification processes, sustained by oxygen supply.
- Steel process reactor tanks 4 to 5 m deep sitting on a concrete plant slab.
- Reactors will contain air diffusers over the floor area to release oxygen into the waste stream.
- Reactors could contain supplementary media either in fixed or free-floating form. These allow more treatment biomass to be 'packed' into a given volume and hence minimise the plant size.
- Reactor liquid and solids streams will be separated using gravity separation devices (clarifiers) or membrane tubes.
- Decision around these media and separation details cannot be released until a preferred proposer is nominated.
- Possibly tertiary filtration to improve effluent aesthetic quality.
- A formal disinfection process will be included. The existing pond system has no formal disinfection stage and it is difficult to properly disinfect pond effluent without using chlorine – which is a frowned up practice in NZ because of the carcinogenic by-products produced. The disinfection process will consist of either:
 - Exclusion of bacteria, protozoa and some viruses by very fine membrane separation, or
 - Irradiation of the pathogens by ultraviolet light, thereby disrupting the DNA/RNA of the organisms and preventing reproduction. This is the most common and widely accepted method of wastewater disinfection practiced in New Zealand.
- Electric air blowers, used to provide air and oxygen to the reactor tanks. These would be each provided with an acoustic shroud to reduce noise in the immediate vicinity of the machine. The blower system, in turn, would be fully housed to further reduce noise power levels.
- Sludge dewatering system consisting of
 - A tank for buffering and stabilising the sludge
 - A press or centrifuge machine for squeezing water out of the waste biosolids
- Bark Biofilter and or biological scrubber for destruction of odour compounds extracted from parts of the plant that have a potential to smell.
- High voltage (11kV) to provide power to the site and stepping down supply voltage from 11,000 to 415volts.

- Standby diesel generator to ensure that critical plant systems remain fully operational during any power outages.

5 Recommendation

Based on the research and costings undertaken to date, management of odour, management of odour and site availability, it is recommended that a compact, high rate wastewater treatment process plant is established to the East of State Highway 6 at Franz Josef to serve the projected peak period population. Visual buffering will be required as will specifically designed odour collection and destruction facilities. Site specific investigations and seismic design will be required (although these would inevitably be required for any plant configuration located at Franz Josef). The treatment plant should be configured with flexibility to allow further process modules and equipment to be added in future should capacity needs to be found to grow beyond expectations. We believe that this option will provide the best outcome in terms of future management of wastewater generated in the village.



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TO Vivek Goel
COPY Jolanta Liutkute, Christopher Bergin
FROM John Crawford
DATE 22 May 2016
FILE 6-wwes3.42.00
SUBJECT DRAFT Technical Memorandum 4: Franz Josef
WWTP Compact Treatment Processes – Site
Effects & Mitigation

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1 Background

Westland District Council (WDC) intends to site the new Franz Josef wastewater Treatment Plant (WWTP) on a plot of land on Douglas Drive, adjacent Franz Josef Township. The relative proximity of such a facility to the Township could be of concern to some people.

WDC has therefore requested that Opus International Consultants (Opus) prepare a brief memorandum describing likely effects of a compact WWTP located in or adjacent to developable land at Franz Josef Township.

2 Scope of Report

This memorandum is intended to briefly describe the types of effect that can be created by such a plant and the steps that would be taken to mitigate these. It is not intended as an assessment of effects in regard to an application for a resource consent.

This memorandum does not address the potential consideration of having a small West Roads Depot on site.

3 Effects and Mitigation

3.1 Visual

3.1.1 Effect

- Footprint approximately 1,500 – 2,000m² for design population cf 56,000m² for equivalent pond system for same design population.
- Could be fully housed if necessary. A housed facility presents as a greater bulk but disguises what is inside. It also complicates maintenance operations (for example crane access for larger process components).
- If un-housed, height approximately 6m including handrails above tanks

- If housed, building height approximately 8m to apex.
 - An access road 5 -6m wide would be required into the site from the road.
 - An access ring road, approximately 5m wide would be required around the treatment facility, widened at key locations to facilitate vehicle manoeuvring.
 - A 2m high security fence would be built outside the access road, but inside the bush buffer zone, not on the boundary.

3.1.2 Mitigation

- The proposed site is currently surrounded and covered in native bush. While this has not been measured, indications against a 4m survey staff indicate that the trees could easily be 10m in height.
- The site would not be clear felled. The site would be carefully set out to maximise a perimeter of taller trees and undergrowth vegetation to screen the facility. Indications are that, a buffer of at least 10m of native bush can be maintained between the site boundary and the outer extremity of the ring road.
- The entrance road can be aligned so that the treatment plant or ring road are not visible from the Douglas Drive.
- The treatment plant can be entirely housed in an industrial looking building of the order of 45m x 25m x 8m high. This would be rather monolithic, but would fully disguise the processes contained. Various paint schemes could be used to partially disguise the form of the building.
- Alternatively, the treatment plant could be established on a single concrete plant slab, or several separated slabs. Although individual process tanks and handrails would not be disguised, the overall bulk of the plant would be very much diminished and broken up and the overall height would be some 2m lower. A non-housed plant would provide more opportunity to break up the lines of the plant and partially disguise individual components. Again, paint schemes could be used to further disguise the look of the plant.

The appended drawings provide an indication of the visual context of the proposed plant and location.

It is anticipated that any Land Use consent, or Designation granted for the site would include visual mitigation conditions that require certain design layout considerations and landscaping mitigation measures to minimise any potential visual impact of the proposed treatment plant.

3.2 Noise

3.2.1 Effect

The most significant noise sources on the site will be the process air blowers and the odorous air extraction (off-gas) fans. Other common noise sources such as surface aerators and dewatering centrifuges (high speed, high inertia machines running at greater than 3,000 rpm) will be absent.

The process air blowers produce a noise power level of around 90 to > 100dBa with no shrouding and at a distance of about 1m from the machine.

The air lines from the blowers to the diffusers sometimes vibrate (due to the pulsating air flow from a rotating machine) at a frequency and or noise power level that can also be annoying to the public.

The off-gas fans, like the blowers are centrifugal in nature and can, depending upon a number of factors (fan & duct construction, air flow rate) also create significant noise. However, the raw noise power levels are almost always lower than for the process air blowers.

3.2.2 Mitigation

All blowers will be provided with acoustic shrouds which reduce the 1m distant noise power level to less than 80dBa_{L10}, but probably less than 70 dBa_{L10}. Further, the blower facility is then encapsulated in a building (normally solid concrete walls with an acoustically insulated steel roof. This will be designed to ensure that noise power levels at the boundary meet or exceed District Plan required levels of 45 dBA L_{Aeq} .

Process air pipeline noise, if present, will be mitigated by careful placement of pipe supports and, where and as necessary, inclusion of muffler devices into the air lines.

Mitigation of noise from the off-gas fans is normally achieved by constructing the fans and associated duct work in fibre glass and by ensuring that the fans are enclosed in acoustic shrouds. Typically this is sufficient. However, before finalising site design the raw acoustic characteristics of the proposed fans will be assessed to determine whether any further degree of housing is required.

Dewatering system noise is mitigated in the selection of low speed 'Press' type technology rather than high speed 'Centrifuges'.

It is anticipated that any Land Use consent, or Designation granted for the site would include noise mitigation conditions that disallow the generation of noise that contravenes the existing District Council Noise ordinances.

3.3 Odour

3.3.1 Effect

Unpleasant, or even offensive odour can be generated from a number of sources and at a number of locations in a compact WWTP, just as they can on a larger, more expansive pond based system. The key potential areas in the proposed plant are all very small in extent and include the:

- Inlet pump station.
- Septage receiving station
- Screens
- Screenings bin

- Grit Removal
- Flow Equalization / balancing tank
- Waste Sludge holding tank
- Sludge Dewatering system
- Dewatered sludge holding bin.

Generally, odour can be generated in the above areas due to turbulence in treated wastewater, or putrefaction of solids residual material.

To a very much lesser extent, and rarely, an offensive odour can be detected from the aerobic treatment reactor (this is normally only if something goes very wrong). Normally, the presence of excess dissolved oxygen in the main reactors prevents the generation of offensive odour. Commonly, an 'earthy', compost like odour can be detected when one is immediately adjacent the reactors. Essentially, biological treatment of wastewater is a liquid composting process.

3.3.2 Mitigation

All of the areas with moderate to high risk of generation of offensive odour will be covered and the air evacuated from these areas under negative pressure by the 'off-gas' fans described in 3.2 above. Air will generally be extracted at the rate of between 6 and 12 full air changes per hour, in line with general international convention in this regard.

The air extracted will be passed through a biological treatment system to breakdown the odorous compounds present. This treatment system will consist of either a biological scrubber system using artificial growing media for the bacteria, or through a bark and compost based bio-filter or by one of each in series.

It would be unlikely that the main reactor tanks would be covered from the outset. This is generally regarded as counterproductive. However the tanks and systems would be designed such that covers could be fitted and off-gas' extracted and scrubbed if that ever became necessary.

It is anticipated that any Land Use consent, or Designation granted for the site would include odour mitigation conditions that disallow the discharge of offensive odours beyond the boundary and which require regular monitoring and rapid attention should any complaints be received.

4 Conclusion

The construction of a compact form, high rate wastewater treatment plant adjacent the Franz Josef village has the potential, if unmitigated, to create undesirable visual, sound and odour effects for the surrounding community.

However, considering the site selection and nature of the proposed WWTP we believe that these potential effects are readily able to be satisfactorily mitigated. Mitigation measures will include (but refer above for detail):

- Retention (of as much as possible) and use of the existing extensive bush cover as visual screening, and
- Housing the main process or, if un-housed, using alternative means to break up the view of process units within the site.
- Application of best practice equipment mounting, shrouding and noise attenuation devices.
- Where practicable, selection of low noise forms of equipment for undertaking particular process tasks.
- Extraction of odorous air from appropriate process areas with subsequent destruction of the odorous compounds through a biological treatment system.

The preferred process offer allows for the noise and odour mitigation requirements. The civil and structural works design and budget need to provide for the visual mitigation.

It is anticipated that a Designation of the site and any Land Use Consents will include conditions relating to mitigation of these effects.

Following implementation of the works, operational procedures will need to be put in place which ensure the ongoing maintenance and efficacy of the mitigation measures that have been put in place.





21 July 2016

Westland District Council
36 Weld Street
HOKITIKA

Attention: Vivek Goel
Group Manager: District Assets

Dear Vivek

Franz Josef Wastewater Treatment Plant – Interim Probity Report

MWH New Zealand Ltd (MWH) has been engaged by Westland District Council (WDC) to carry out a probity role for the Franz Josef WWTP Design and Build procurement process.

This report is an interim probity report provided for the purpose of inclusion as an appendix to the WDC prepared report titled *Proposal to consult on funding mechanism for a new WWTP at Franz Josef*.

This report summarises our assessment of the procurement process against good practice guidance for procurement. The reference used in making this assessment has been the MBIE Government Rules of Sourcing (2014), identified by the New Zealand Society of Local Government Managers (SOLGM) as an approach to industry best practice.

Terms and Scope of Engagement

MWH were engaged on 23 February 2016, prior to interactive meetings between the Proposal Evaluation Team (PET) and Proposers. An interactive meeting between one Proposer and some members of the PET had occurred prior to MWH's engagement.

The scope of work agreed to be carried out by MWH included the following:

- To observe and minute interactive meetings between Proposers and the Proposal Evaluation Team (PET) and moderate any issues or actions which could otherwise potentially compromise proper probity of the process. Such examples could include:
 - Improper soliciting of the PET or Council staff,
 - Improper release of information,
 - Solicitation of elected members,
 - Determination on disagreement as to whether a particular query is of a 'General' nature and all Proposers should receive a response, or 'Commercial in Confidence' with a response only to the maker of the query.
- To attend and minute interactive meetings with Proposers in Christchurch on 2 March and any subsequent meetings in Hokitika. The minuting function will be more of a record of what information was provided by what party and if any verbal acknowledgements have been made.

Current Status of the Project

The project has proceeded to the point that a Preferred Proposer has been identified, but not notified. This is due to the project not being adopted in its current form as part of the 2016-2017 Draft Annual Plan; WDC is currently consulting with the community on funding options for the project. If the project goes ahead it is understood that the Design and Build component could have a start date as late as 1 July 2017. The Preferred Proposer has been asked to provide a proposal and suggestions in relation to their provision of price validity and or extensions commensurate with this date.

Conflicts of interest

MWH prepared a 'Conflict of Interest/Confidentiality Declaration' form for use on this project; this was completed by all PET members, and no conflicts were declared. We believe no conflicts of interest exist in relation to this project.

RFP Evaluation communications

MWH has witnessed, and where applicable provided input to, RFP evaluation communications with the Proposers. We believe the procurement process followed by the PET with each Proposer has been open, competitive, consistent, and fair, and that confidentiality of commercially sensitive information has been maintained.

Overall Probity Assessment

Our assessment of the procurement process against accepted good practice guidance for procurement by Local Government bodies has identified no issues with the procurement process that has been followed by WDC, their engineering consultants, and the PET.

Yours sincerely



John Strange
Senior Civil Engineer
MWH New Zealand Limited



Reviewed By: