

**Wanaka Community Board
13 April 2016**

Report for Agenda Item: 2

Department: Property & Infrastructure

Wanaka Yacht Club Borefield – Approval of Notice of Requirement

Purpose

The purpose of this report is to seek a recommendation from the Board to Council to proceed with the creation of a designation for the Wanaka Yacht Club (WYC) Borefield and to provide an update on the progress of this project.

Recommendation

That the Wanaka Community Board:

1. **Note** the contents of this report
2. **Recommend** that Council proceed with the Notice of Requirement for creation of a designation area to adequately protect the Wanaka Yacht Club Borefield and associated facilities.

Prepared by:



Rob Darby
Project Manager

31/03/2016

Reviewed and Authorised by:



Peter Hansby
GM Property & Infrastructure

31/03/2016

Background

- 1 The Wanaka Yacht Club Borefield project is included in the 2015/16 Annual Plan. The Annual Plan contemplates Stage 1 of the project. Stage 1 is limited to one production bore, a treatment plantroom and associated switchgear. Stage 2 is not included in the 10 Year Plan. Stage 2 includes additional production bores, upgrades to chlorine and UV treatment and increasing the connectivity of the aquifer to the lake via a passive injection bore.
- 2 Detailed design and tender documentation have been completed for the project. Based on the outcomes of detailed design an application has been made for Notice of Requirement to create a designation for the project assets. The proposed designation will provide the project assets with adequate protection to allow long-term maintenance and operation of the assets and Stage 2 of the project.

- 3 The application for the Notice of Requirement is attached to this report. The application provides a thorough background on the matter and is not reproduced further in this report.
- 4 Stage 2 of the project will be driven by water demand, algae related issues and the need to meet New Zealand Drinking Water Standards (NZDWS). Together with the Mount Aspiring Road Booster Pump Station, this project is designed to defer Wanaka's large scale water supply upgrades indefinitely.
- 5 Construction of Stage 2 of this project is provided for within the designation area.
- 6 The Engineer's estimate for the physical works is \$833,051 inclusive of 10% contingency. In addition to physical works costs it is proposed that an additional 15% (\$124,958) be provided to address MSQA, legalisation, survey and any other Council overheads. The total budget required to complete this project is estimated to be \$958,009. The residual budget for this project in the next financial year is \$278,000. There are insufficient funds to complete this project. A submission to the Annual Plan process will be made to seek approval for sufficient funds to complete this project in 2016/17.

Comment

- 7 The Council needs to make a decision to approve to proceed with the Notice of Requirement to create a designated area. A designated area would address Council's consenting requirements for this project. Alternatively, without a designated area, Council would require a resource consent for the proposed works. A resource consent application would cost an additional \$7,000 to \$8,000 and would not provide a similar level of protection for the project assets.
- 8 To proceed with the Notice of Requirement the Council needs to authorise the General Manager Property and Infrastructure to provide written approval from Council, as the land administrator under Section 92 of the Resource Management Act, as a potentially affected party.

Options

- 9 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 10 Option 1 Not approve to proceed with the Notice of Requirement

Advantages:

- 11 There would be a cost saving of \$3,000 to \$4,000 should the Notice of Requirement not proceed.

Disadvantages:

- 12 Without a designated area; the project assets may have inadequate protection given their long term importance; the investment in preparing the Notice of Requirement documentation will be lost (approximately \$3,500); a

resource consent will be required with an additional cost of \$7,000 to \$8,000 to prepare the documentation.

- 13 Option 2 Approve to proceed with the Notice of requirement to create a designated area.

Advantages:

- 14 Adequate protection to allow long term maintenance and operation of the assets and Stage 2 of the project.

Disadvantages:

- 15 Proceeding with the Notice of Requirement will incur an additional \$3,000 to \$4,000.

- 16 This report recommends **Option 2** for addressing the matter.

Significance and Engagement

- 17 The matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy, because the project is already provided for within the Annual Plan and the decision to approve proceeding with the Notice of Requirement will only affect greater protection for the project assets.

Risk

- 18 This matter relates to the strategic risk SR1: Current and future development needs of the community (including environmental protection), as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because the project assets are fundamental to the future performance of the Wanaka water supply system.
- 19 The recommendation of this report addresses this risk because proceeding with the Notice of Requirement for creation of a designation area will adequately protect the Mt Aspiring Road Booster Pump Station asset and associated facilities.

Financial Implications

- 20 Other than application fees and the cost to prepare the Notice of Requirement, which will total \$7,000 to \$8,000, there are no operational and capital costs or other budget expenditure implications resulting from the decision.

Council Policies, Strategies and Bylaws

- 21 The following Council policies, strategies and bylaws were considered:
- QLDC District Plan (please refer to attached Notice of Requirement application)
 - Wanaka Lakefront Reserve Management Plan

- 22 The recommended option is consistent with the principles set out in these documents.
- 23 This project is included in the 2015/16 Annual Plan with residual budgets already reallocated to the 2016/17 Annual Plan.

Local Government Act 2002 Purpose Provisions

24 The recommended option:

- Will help 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 by adequate protection to allow long term maintenance and operation of the assets and Stage 2 of the project;
- Can be implemented through current funding under the 10 Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

- 25 The persons who are affected by or interested in this matter are Council as administrator of the reserve and the Wanaka Yacht Club as lessee of the reserve.
- 26 The Council have consulted the Wanaka Yacht Club on the proposed Notice of Requirement and the club's written approval has been provided.

Attachments

- A Notice of Requirement Application
- B Cost estimate