

**Wanaka Community Board
13 April 2016**

Report for Agenda Item: 3

Department: Property & Infrastructure

Mt Aspiring Road Booster Designation – 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 Mt Aspiring Road (MAR) Booster Pump Station 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 Mt Aspiring Road Booster Pump Station asset and associated facilities.

Prepared by:



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Project Manager

31/03/2016

Reviewed and Authorised by:



Peter Hansby
GM Property & Infrastructure

5/04/2016

Background

- 1 The Mount Aspiring Road Booster Pump Station project is included in the 2015/16 Annual Plan. The Annual Plan contemplates Stage 1 of the project. Stage 1 is limited to localised boosting of water supply to Far Horizons, Heaton Park, Studholm Road North and Mt Aspiring Road west of Studholm Road. Subsequent stages of the project include the installation of additional pumps and switchgear within the building and emergency on-site power generation.
- 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 subsequent stages 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 Subsequent stages of the project will be driven by water demand, further sub-division and associated reticulation expansion and upgrades. Together with the Wanaka Yacht Club borefield project, the intermediate stages of this project are designed to defer Wanaka's large scale upgrades indefinitely; however the final stage for this project is to supply water from the Western reservoir to the proposed 'Hawthenden' reservoir.
- 5 All subsequent stages of this project are provided for within the designation area.
- 6 The Engineer's estimate for the physical works is \$567,203 inclusive of 10% contingency. In addition to physical works costs it is proposed that an additional 15% (\$85,080) be provided to address MSQA, legalisation, survey and any other Council overheads. The total budget required to complete this project is estimated to be \$652,283. The residual budget this financial year is \$235,000. There are insufficient funds to complete this project this financial year. 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 proceed, or otherwise, with the Notice of Requirement submitted by the requiring authority, which in this case is also the Council.
- 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, being approximately \$3,500.
- 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 subsequent stages 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 the attached Notice of Requirement application).
- 22 The recommended option is consistent with the principles set out in the District Plan.
- 23 This project is included in the 2015/16 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 project assets and subsequent stages 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 road reserve and the directly adjoining land owner.

26 The Council has begun discussions with the directly adjoining land owner. In addition this report's purpose is to seek approval from the Council as the administrator of the road reserve to proceed with the Notice of Requirement.

Attachments

- A Notice of Requirement (NOR) Application
- B Engineer's Estimates