

Minutes of a meeting of the Assets and Infrastructure Committee, held in the Council Chambers, civic administration building, 29 Bowler Avenue, Gore, on Tuesday 7 March 2023, at 4.00pm.

**Present** His Worship the Mayor (Mr B R Bell), Cr Gardyne (Chairperson), Crs Highsted, MacDonell, McKenzie, P McPhail and Phillips and independent member, Mr David Prentice (via Zoom).

**In attendance** Crs Dickson and Hovell, the Chief Executive (Mr Stephen Parry), General Manager Corporate Support (Ms Lornae Straith), General Manager Critical Services (Mr Jason Domigan), General Manager Communications and Customer Support (Sonia Gerken), Governance Manager (Susan Jones), 3 Waters Operations Manager (Mr Aaron Green), Roading Asset Manager (Mr Murray Hasler) and 3 Waters Project Engineer (Mr Terry Trotter).

**Apology** Cr Stringer apologised for absence which was accepted on the motion of Cr R McPhail, seconded by Cr Phillips.

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**1. ADEQUACY OF FENCING AROUND THE MATAURA AND WAIKAKA OXIDATION PONDS (SC0613/SC0625)**

A report had been received from the 3 Waters Asset Manager following a request at the Council's emergency meeting held on 22 December 2022 about the adequacy of fencing around the oxidation ponds at Waikaka and Mataura. The Manager had confirmed that the fencing around both ponds had been upgraded to the same standard as at the Gore oxidation ponds. Photographs of both ponds had been included on the agenda.

**RECOMMENDED on the motion of Cr Highsted, seconded by His Worship, THAT the report be received.**

**2. THREE WATERS REFORM UPDATE (SC3622)**

A report had been received from the General Manager Critical Services providing an update on the Government's Three Waters reform process and key workstreams for the first quarter of 2023.

Taumata Arowai had been established in March 2021 as a Crown entity, becoming New Zealand's regulator of drinking water, wastewater and stormwater when the Water Services Act 2021 came into effect on 15 November 2021. Four publicly owned water entities had been created to manage and operate water, wastewater and stormwater infrastructure. On 2 June 2022, the Water Services Entities Act had been introduced to Parliament and following a full Select Committee process, received royal assent and became law on 14 December 2022.

Details of the transition process had been included. This included activity plans for Entity D, which included the Gore District along with 21 other South Island Councils, and a 180 day plan for the transition project. Copies of both documents had been circulated with the agenda.

The report also covered workstreams relating to governance and appointments, asset management, operations and stormwater, customer and digital enablement, finance, commercial and legal and people and workforce.

The General Manager said a Chief Executive for Entity D was due to be announced shortly. The Chief Executive said he and Cr Hovell had attended the Rural and Provincial meeting the previous week where a highlight had been a free and frank discussion with the new Minister of Local Government, Kieran McNulty who had a willingness to listen and engage with the sector. There was a high degree of contention and tension with the proposed reforms. Cyclone Gabrielle had distracted from any proposed changes to the reforms. The Minister had hinted at changes so that the concerns around loss of a local voice could be meaningfully addressed. There would be some changes to the Government's policy setting, but it was unknown as to what extent those may be.

**RECOMMENDED on the motion of Cr MacDonell, seconded by Cr R McPhail, THAT the report and supporting documentation be received.**

**3. PARTIAL DESLUDGING OF POND 1 AT THE GORE WASTEWATER TREATMENT PLANT – ADDITIONAL SLUDGE REMOVAL (SC1465)**

A report had been received from the 3 Waters Asset Manager seeking approval for an increase in scope for the desludging works currently being completed for pond 1 at the Gore wastewater treatment plant (GWWTP).

In October 2022, the Council approved a budget of \$1.9 million and awarded contracts for the removal of 1,560 dry tonnes of sludge from pond 1 at the GWWTP. The current scope of works allowed for a single layer of Geo-bags in the containment bund that was under construction. The contractor, SiteCare was on site. Since 2009, there had been four different sludge surveys completed on pond 1 with significantly different results. If it was assumed there was 5,000 dry tonnes of sludge in the pond and the accumulation continued to be approximately the same as it had been for the past 50 years, removing the currently proposed 1,560 tonnes would provide approximately 15

years of additional capacity. However, if 3,000 tonnes of sludge could be removed, it could provide an additional 30 years of capacity.

The additional cost of increasing the scope of the project was estimated to be between \$410,000 and \$700,000 depending on how much extra sludge could be removed. The main reasons the costs of removing the extra sludge were so much lower was due to there being no additional costs associated with the construction of the containment bund and the contractor already being established on site. It was noted that if the contractor stopped once the first 1,560 tonnes of sludge had been removed and re-established in say 12 months time, it was expected to cost an additional \$250,000.

For the majority of the 3 Waters planned capital works, deferring the projects was not recommended. However, one option was to defer the planned demolition of the Hilbre Avenue water tower (the tower). There were two main aspects to the tower demolition project, as follows:

- Relocation of the pumps in the base of the tower (estimated cost \$250,000); and
- Demolition of the tower (estimated cost \$450,000).

The main reason for demolishing the tower was health and safety risks associated with Council staff and contractors working in close vicinity to the tower. Once the pumps had been relocated there would be no need for Council staff and contractors to go near the tower. It was still recommended that the relocation of the pumps occur as soon as possible, but it was thought it would be acceptable to defer the actual demolition of the tower until the 2024/25 financial year.

Deferring the demolition of the tower would allow the \$450,000 currently allocated to be utilised for additional desludging works. Ideally, the Council would give the contractor approval to remove the maximum amount of sludge possible (estimated additional cost of \$700,000), however providing approval for an additional \$450,000 was expected to provide sufficient certainty at this stage. Consideration of a further \$250,000 of budget for sludge removal could then be given as part of the 2023/24 annual plan process. That would also allow the contractor to gain a better understanding of the maximum amount of sludge that could be stored in the containment bund (ie the additional \$300,000 of funding may not end up being required). The Manager added the Council was currently forecast to get very close to its debt cap during the 2023/24 financial year.

The Manager said construction of the bund had been completed and it was expected sludge would start to be removed later in the week or early the following week.

Cr Hovell said there was something that didn't stack up. The report referred to additional funding for extra desludging and the tower needing to come down because it was a safety issue. If that was the case, then why not allow it to stay. He did not believe the Committee or the Council could pass a resolution that a project be included in next year's annual plan. From his perspective, if the money was declared

surplus because the tower did not need to come down, then the Council needed to consider where that funding may be spent. He was not sure it needed to be spent on removing sludge given other financial constraints facing the Council.

The General Manager Corporate Support said the contractor was on site and there was the ability to remove double the amount of sludge and save costs as a result. When the Manager had been looking at the project, he had considered what other projects could be deferred.

Cr Highsted asked what the risk was of the Council underdoing the removal of sludge. The Manager said the risk around the sludge build-up was a decrease in performance of the ponds and potential odour issues. With the committed amount of sludge being removed it would be a significant amount. The risk would be relatively low in the short term but it was the medium term and how soon the Council may need to undertake the next phase of desludging that was unknown. The driver behind doing it now was the opportunity to contain costs. The Council had received a draft feasibility assessment for the long list of options for the wastewater consent renewal project and based on that document, it was likely the oxidation ponds would be part of the long term future of Gore's wastewater treatment which was reasonably significant.

Cr Highsted said a question around priorities had been posed and was it a priority in the Manager's view? The Manager said it was always difficult to determine. He said the treatment plants were significant assets and drinking water was a high priority with wastewater a close second. If the plant was not operating correctly, there could be some significant consequences.

Mr Prentice was not sure the Committee was looking at it correctly. The main reason for demolition of the tower was health and safety risks. He appreciated relocating the pumps from the tower, but the fact was demolition of the tower purely came down to a health and safety risk. From the outside looking in and a principles perspective, it appeared the Committee would be de-prioritising a health and safety risk to enable increased sludge removal from the pond. He asked if the Committee was comfortable with accepting a higher health and safety risk.

Cr Phillips concurred with Mr Prentice. He asked how far through the Council was with relocating the pumps from the tower. The Manager said there was an update further on in the agenda about that project. The design was largely complete and contractors had been engaged for the pump station relocation. The next steps would be to obtain a building consent and he expected construction to commence in the next 6-8 weeks. Cr Phillips acknowledged the tower was a health and safety risk but there was also a risk if the ponds were not desludged properly. As a former water operator, he understood the methodology of how the ponds worked. He did not think there was any opportunity if there was a mishap to be able to work through it. He supported the staff recommendation to defer the demolition of the tower and create a "no-go" zone around the tower by securely fencing it off. Cr Gardyne said the 3 Waters reforms were also due to be implemented next year. Cr Phillips said if the Council continuously thought about 3 Waters reforms there would not be any progress. There

was still a lot of thinking and work to do. Cr Gardyne said the debt ceiling was an issue.

His Worship asked if the Council would need to find 450k in the next Annual Plan to demolish the tower. The General Manager Corporate Services said anything that was deferred would need to be funded again.

Cr McKenzie asked if the tower was structurally unsafe. Cr Gardyne said there were problems with pieces of concrete falling off but he understood it was structurally safe. The Manager confirmed it was. There had been a structural assessment undertaken but it was the spalling concrete that was the biggest risk.

Cr R McPhail thought Cr Phillips was right. The Council had talked about a health and safety issue under its control and should something happen, the Council was liable. He said it needed to take some action to alleviate the risk. He was happy to support the extra desludging but there needed to be some action taken about the tower. The Council could not ignore it and suddenly decide not to do anything about it.

In response to Cr Gardyne, the Manager said there was a barricade currently around the tower and if it was to remain for longer it could be made more permanent. The access road into the treatment plant had been diverted away from the tower. Cr R McPhail said the matter was whether the Council had taken satisfactory steps. The Council had acknowledged the health and safety risk.

His Worship said if the tower was securely fenced how long would it be before the tower could be demolished. The Manager did not believe there was any strict timeframe raised through the structural assessment. His Worship said the reality with the current economic crisis was the Council could struggle to find funding to demolish the tower.

Cr P McPhail said it was a health and safety risk and it could not be put off forever. Cr MacDonell could see the Manager's point to progress the desludging project as the cost would be less but the health and safety liability with deferring the demolition of the tower needed to be considered.

Cr Highsted asked if the tower should be subject to a further report and if there were alternative health and safety options to be considered.

In response to His Worship, the Manager said the discussions held with the desludging contractor to date was they would be given a clear direction after this meeting. It was preferable to have a decision made at the meeting. He could speak with the contractor again and ascertain if the decision could be deferred.

The Chief Executive wondered if the Committee should focus on the need for desludging the ponds, increasing the budget and then make a decision based on that. With the trajectory of 3 Waters reform, the ability of the Council to have a second go at desludging may be as long as five years away. He suggested the Committee focus

on desludging with additional sludge removal and the 3 Waters Manager and General Manager Corporate Services could focus on the financial implications with deferring the demolition of the tower.

**RECOMMENDED on the motion of Cr Phillips, seconded by Cr MacDonell, THAT the report be received,**

**THAT the demolition of the Hilbre Avenue water tower be deferred until the 2024/25 financial year with an additional report from staff being considered at the March Council meeting,**

**AND THAT the budget for the desludging project be increased by \$450,000 to allow additional sludge to be removed from pond 1 of the Gore wastewater treatment plant.**

The Chief Executive said a staff report would be provided to the Council meeting about the demolition of the tower and any health and safety issues to be addressed.

#### **4. CLIMATE CHANGE WORKING GROUP UPDATE (SC3563)**

A report had been received from the General Manager Critical Services updating the Committee on the Regional Climate Change Working Group. The Working Group had met four times since October 2022 and much of the discussion to date had been focused on the two key workstreams, being adaptation and emissions reduction, along with developing the Terms of Reference.

The four Councils had been waiting on LiDAR information for some time and after significant delays, it was understood that the LiDAR flying had now been completed. Another key part was the development of carbon baselines for greenhouse gas emissions or Council operations.

Since the report had been written, the General Manager advised the Regional Climate Change Governance Group had met. It was a first step in bringing the need for the region to be working together and addressing climate change issues. Cr Hovell added the intention was for the Councils to work together but that did not negate the need for the Council to have its own climate change strategy.

Cr Dickson said there had been a Carbon Neutral Advantage Group established previously. She asked if it would merge with the Climate Change Working Group. The General Manager said in terms of the work Great South had done, it would feed into that Group. One of the steps for the Council was reporting on its own carbon footprint and it was a piece of work that would be undertaken. There would be a need to work closely with Great South and have its support through the process.

**RECOMMENDED on the motion of Cr P McPhail, seconded by Cr MacDonell, THAT the report be received.**

## 5. THREE WATERS AND ROADING BULLETINS

A copy of operational reports from the 3 Waters Operations Manager and Roothing Asset Manager had been circulated with the agenda.

Cr Gardyne asked how the Council had run out of water at Jacobstown. The 3 Waters Operations Manager advised the Jacobstown well that was dry was a backup supply as staff had been undertaking maintenance at the time. It was made operational and running again very quickly.

Cr R McPhail noted a 6% increase in water usage in Matura. Was there a known reason. The Operations Manager advised there were concerns there may have been leaks, but after one day of rain and cooler weather, consumption had dropped which indicated it was not due to leaks.

Cr Highsted referred to the pedestrian crossing on Railway Esplanade. The Roothing Asset Manager advised he had recently had a quote from WSP for the design of the median required on Railway Esplanade. It would be considered by the Hokonui Bikers Club and East Gore School as part of the consultation. In response to Cr Highsted, the Manager said KiwiRail had been involved in an assessment of the project along with a specialist consultant. Approval of the pedestrian crossing had been granted by KiwiRail which would be enhanced by fencing that would be included near the railway line.

His Worship asked if the change in maintenance contractor had made a difference. The Manager said it was fairly similar as K2 had done most of the physical work under the previous maintenance contractor. There had been slight increases in the cost of some of the work which was in line with the cost fluctuation increases that had been experienced across the board in the contracting industry.

**RECOMMENDED on the motion of Cr R McPhail, seconded by Cr Highsted, THAT the information be received.**

## 6. PROJECT REGISTER

A copy of the project register of significant 3 Waters capital projects as at February 2023 had been circulated with the agenda from the 3 Waters Asset Manager. He said there was a large capital works programme being undertaken. The General Manager introduced the Council's new 3 Waters Project Engineer, Terry Trotter.

## 7. ELIZABETH STREET WATER SERVICES UPGRADE (SC3327)

A report from the 3 Waters Asset Manager detailing the progress on the Elizabeth Street water services upgrade project had been circulated with the agenda.

The Manager added the mains were all complete and reinstatement of the carriageway in Elizabeth Street would soon be completed. Fulton Hogan would be

commencing the construction of the infiltration basin in the next few days. Private property separation was being worked through as resources allowed.

**RECOMMENDED on the motion of Cr R McPhail, seconded by Cr Phillips, THAT the report be received.**

**8. EAST GORE WATER TREATMENT PLANT UPGRADE – PROJECT UPDATE (SC2137)**

A report from the 3 Waters Asset Manager detailing the progress on the East Gore water treatment plant upgrade project had been circulated with the agenda.

**RECOMMENDED on the motion of Cr Highsted, seconded by Cr MacDonell, THAT the report be received.**

**9. WIGAN STREET WASTEWATER MAINS REPLACEMENT UPDATE (SC2900)**

A report from the 3 Waters Asset Manager providing an update on progress on the Wigan Street wastewater mains replacement project had been circulated with the agenda.

The Manager advised work on site had commenced on 6 March. A diversion for the heavy traffic bypass was in place.

Cr Phillips noted trucks were driving through the Main Street and perhaps more signage was required. The Roading Asset Manager advised there were two detour routes – northbound traffic was going up the Main Street and turning at the police station and southbound traffic was turning onto River Street.

**RECOMMENDED on the motion of His Worship the Mayor, seconded by Cr MacDonell, THAT the report be received.**

**10. PARTIAL DESLUDGING OF THE GORE OXIDATION PONDS PROJECT (SC1465)**

A report from the 3 Waters Asset Manager updating the Committee on the partial desludging of the Gore oxidation ponds had been circulated with the agenda.

**RECOMMENDED on the motion of Cr MacDonell, seconded by Cr R McPhail, THAT the report be received.**

**11. GORE AND MATAURA WASTEWATER CONSENT RENEWAL – PROJECT UPDATE (SC2270/SC2271)**

A report from the 3 Waters Asset Manager updating the Committee on the Gore and Mataura wastewater consent renewal project had been circulated with the agenda.

The Manager added the draft feasibility study had been received and circulated to the technical working group. A meeting would be held in late March to consider it. It was



intended a short list of options would be referred to the Council and the Hokonui Runanga leadership group for approval about late April.

Cr Phillips asked about the budget. The Manager said there had been some discussions with the consultant and the additional work to be done with the feasibility study. He expected to have more formal information in due course. Cr Garydne said the additional cost was about \$120k. The Manager said all the details were not to hand for the work recently completed, but once it was it would be referred to the Council.

Cr Gardyne asked if the Council was a guinea pig for the work required. The Manager did not believe so. Disposal to land had become more common in recent years. Perhaps the Council was guinea pig for the lower South Island. The Southland District Council had worked through some significant consents recently and it was becoming very common.

Mr Prentice thought the biggest risk was going through a long and detailed assessment and then stakeholders may not accept the outcome. He presumed the process had involved speaking with the key stakeholders so that when the final options were presented it should be a simple, rubber stamping process. The Manager said one of the key stakeholders was the Hokonui Runanga who had been very involved with the process to date.

**RECOMMENDED on the motion of Cr MacDonell, seconded by Cr Highsted, THAT the report be received.**

**12. MATAURA RIVER CROSSING – PROJECT UPDATE (SC3446)**

A report had been received from the 3 Waters Asset Manager on the Mataura River crossing project.

The Manager said since the last Council meeting staff had been working through the community engagement process and expected to have a report for consideration at the March Council meeting on the process that would be followed.

Cr Highsted noted that the Council may need agreement from the Department of Internal Affairs (DIA) prior to awarding a contract for any major project. The Manager said nothing was clear at this point and it would depend on what the final option would be, either a bridge or a pipeline.

**RECOMMENDED on the motion of Cr MacDonell, seconded by Cr Phillips, THAT the report be received.**

**13. MATAURA WATER TREATMENT PLANT UPGRADE (SC1759)**

A report from the 3 Waters Asset Manager updating the Committee on the Mataura water treatment plant upgrade had been circulated with the agenda.

The Manager added a lot of material was starting to arrive on site. Replacement of the McKelvie Heights tanks would be undertaken shortly involving short shutdowns of water supply. Once the peak summer demand period had passed one of the filters would be removed and replaced.

Cr Phillips thought there might need to be some publicity about the upgrade work to let the Maitua residents know.

**RECOMMENDED on the motion of Cr MacDonell, seconded by Cr R McPhail, THAT the report be received.**

**14. HILBRE AVENUE WATER TOWER DEMOLITION PROJECT (SC2973)**

A report from the 3 Waters Asset Manager about the Hilbre Avenue water tower demolition project had been circulated with the agenda.

The Manager added contractors had been engaged and a building consent would soon be applied for to allow the construction works to get underway.

**RECOMMENDED on the motion of Cr Highsted, seconded by Cr MacDonell, THAT the report be received.**

Mr Prentice commended the Manager on the breadth of work being undertaken and the reports. He asked what kept him awake at night. The Manager said it was making sure there was enough attention being directed to where it was needed most and the need to ensure any risks or issues were addressed promptly. The Maitua River crossing project and having a firm strategy in place was essential to enable all of Gore to have compliant drinking water. It would also enable the Council to get on with the Hilbre Avenue tower demolition and replacement of the Hilbre Avenue reservoir. It would be good to have certainty around the river crossing project.

Mr Prentice said there were some critical projects underway. There was a limited resource base and the 3 Waters reforms were on top of those projects. It was important to ensure there was dedicated support to ensure the projects were completed on time and on budget.

The General Manager said the staff had discussed the ability to deliver the projects on time and within budget. The cost pressures were real and the Manager had done an excellent job with the projects to date.

His Worship said communication and transparency was very important and he encouraged the Manager to raise any issues with the Council so they could be addressed.

**15. 3 WATERS MONTHLY COMPLIANCE REPORTS (SC2930)**

A copy of the 3 Waters monthly compliance monitoring results for December 2022 and January 2023 had been circulated with the agenda. The 3 Waters Operations Manager said the reports were a requirement from the 3 Waters regulator, Taumata Arowai.

Cr Highsted asked what the risk to the Council was for non-compliance. The Manager said the report was about being aware and if there were any non-compliance issues at any plant. For Hilbre Avenue, the Council was not attempting protozoa compliance because the plant was not up to it. The Maitua treatment plant upgrade would make a difference to Maitua residents.

Cr Highsted asked whether this was the area that the Council had issues with the auditors about the quality of the information. The General Manager Corporate Support said partially. Some of the issues with the auditors was response time to service requests and data entry into the customer request system. For example, if there had been an after hours call during a weekend, staff would enter the event on say the Monday which affected the response time. The compliance reports presented would assist with some of the issues experienced with the auditors.

**RECOMMENDED on the motion of Cr Highsted, seconded by Cr MacDonell, THAT the information be received.**

The meeting concluded at 5.16pm