



Services and Assets Committee

OPEN MINUTES

Minutes of a meeting of Services and Assets Committee held in the Council Chamber, 15 Forth Street, Invercargill on Wednesday, 5 August 2020 at 9am. (9am – 10.40am, 10.58am – 11.26am (PE 11am – 11.26am))

PRESENT

Chairperson	Ebel Kremer Mayor Gary Tong
Councillors	Don Byars John Douglas Paul Duffy (9am – 10.40am, 11.09am - 11.26am) Bruce Ford Darren Frazer George Harpur Julie Keast Christine Menzies (9am – 10.40am, 11.06am -11.26am) Karyn Owen Margie Ruddenklau Rob Scott

IN ATTENDANCE

Group Manager, Services and Assets	Matt Russell
Committee Advisor	Fiona Dunlop
Communications Manager	Louise Pagan

1 Apologies

There were no apologies.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

Ruth Shaw and Alastair Paton-MacDonald addressed the meeting regarding progress on the Te Anau Wastewater project. Mrs Shaw asked a series of questions relating to the projects. These questions were answered by staff in writing post public forum and are attached to the minutes as appendix 1.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved Cr Duffy, seconded Cr Scott **and resolved:**

That the Services and Assets Committee confirms the minutes of the meeting held on 23 June 2020 as a true and correct record of that meeting.

Reports for Recommendation

7.1 Options to change the charging method for non-recreational jetty use on Stewart Island/Rakiura

Record No: R/20/7/25951

Policy Analyst – Robyn Rout was in attendance for this report.

Mrs Rout advised that the purpose of the report was to:

- to inform the committee of work that is being undertaken considering new charging methods for commercial jetty use on Stewart Island/Rakiura
- to seek feedback from the committee on possible charging methods

- for the committee to recommend to Council, a charging method that Council may endorse to include in the draft Long Term Plan 2021-2031.

Resolution

Moved Cr Keast, seconded Cr Ruddenklau **recommendations a to e, f with changes and g and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Options to change the charging method for non-recreational jetty use on Stewart Island/Rakiura” dated 27 July 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Notes that Council needs to amend the coastal permits for the jetties, so they allow for a charging regime.**
- e) **Considers the charging methods presented.**
- f) **Recommends that Council endorse for commercial jetty use, to be included in the draft Long Term Plan 2021-2031 a base fee amount with an additional charge based on vessel tonnage subject to further consultation and feedback to the Stewart Island/Rakiura Community Board prior to this being presented to Council.**
- ~~f) — Recommends that Council endorse one of the following charging options for commercial jetty use, to be included in the draft Long Term Plan 2021-2031:~~
 - ~~i. — a base fee amount with an additional charge based on the number of passenger carried~~
 - ~~ii. — a base fee amount with an additional charge based on vessel tonnage~~
 - ~~iii. — a license fee charged annually for each vessel.~~
- g) **Notes that if a new charging regime is implemented through the Long Term Plan 2021-31, the charging regime would not come into effect until 1 July 2021.**

Reports

8.1 Road Operations - June 2020

Record No: R/20/7/26932

Roading Engineer – Rob Hayes and Strategic Manager Transport – Hartley Hare was in attendance for this item.

Mr Hayes and Mr Hare advised that the purpose of the report was to update the committee on the progress of the major roading maintenance contracts and provide some context to the 2019/20 budget.

Resolution

Moved Chairperson Kremer, seconded Cr Harpur **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Road Operations - June 2020” dated 27 July 2020.**

8.2 Services and Assets Programme Report

Record No: R/20/7/27295

Project Delivery Manager – Nick Hamlin was in attendance for this item.

Resolution

Moved Cr Menzies, seconded Cr Keast **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Services and Assets Programme Report” dated 28 July 2020.**

8.3 Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for June 2020

Record No: R/20/7/28481

Manager Operations – Water and Waste – Bill Witham and Strategic Manager Water and Waste – Ian Evans were in attendance for this item.

Resolution

Moved Chairperson Kremer, seconded Cr Menzies **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for June 2020” dated 28 July 2020.**

8.4 SIESA Monthly Reports from PowerNet - May and June 2020

Record No: R/20/7/29107

Commercial Infrastructure Manager – Ashby Brown was in attendance for this item.

Resolution

Moved Cr Douglas, seconded Cr Ruddenklau **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “SIESA Monthly Reports from PowerNet - May and June 2020”.**

8.5 IFS Growth Forest Manager's Report of Forestry Activity for Period to 30 June 2020

Record No: R/20/7/29495

Commercial Infrastructure Manager – Ashby Brown was in attendance for this item.

Resolution

Moved Cr Menzies, seconded Cr Harpur **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “IFS Growth Forest Manager's Report of Forestry Activity for Period to 30 June 2020”**

(The meeting adjourned for morning tea at 10.40am and reconvened at 10.58am.)

(Councillor Duffy was not present when the meeting reconvened.)

(Councillor Menzies was not present when the meeting reconvened.)

8.6 Services and Assets Committee Chairperson's Report

Record No: R/20/7/30463

Councillor Ebel Kremer in his capacity of Chair of the Committee reported on the activities he had been involved with.

Resolution

Moved Chairperson Kremer, seconded Cr Frazer **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Services and Assets Committee Chairperson's Report” dated 30 July 2020.**

Public Excluded**Exclusion of the Public: Local Government Official Information and Meetings Act 1987****Resolution**

Moved Chairperson Kremer, seconded Cr Owen **and resolved:**

That the public be excluded from the following part(s) of the proceedings of this meeting.

C9.1 Te Anau Wastewater Scheme Update to Committee**C9.2 Award of Contract for 20/24 - Around the Mountain Cycle Trail Flood Repairs**

The general subject of each matter to be considered while the public is 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 this resolution are as follows:

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
Te Anau Wastewater Scheme Update to Committee	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Award of Contract for 20/24 - Around the Mountain Cycle Trail Flood Repairs	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

That the Group Manager, Services and Assets – Matt Russell, Communications Specialist – Kate Buchanan and Committee Advisor – Fiona Dunlop be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the items C9.1 Te Anau Wastewater Scheme Update to Committee and C9.2 Award of Contract for 20/24 - Around the Mountain Cycle Trail Flood Repairs. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed and meeting procedure.

That Senior Projects Manager – Geoff Gray, Strategic Manager Water and Waste – Ian Evans and Programme Manager Strategic Water and Waste - Joe Findlay be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the item C9.1 Te Anau Wastewater Scheme Update to Committee. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed.

That Around the Mountain Cycle Trail Manager – Susan Mackenzie and Commercial Infrastructure Manager – Ashby Brown be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the item C9.2 Award of Contract for 20/24 - Around the Mountain Cycle Trail Flood Repairs. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed.

The public were excluded at 11am.

(Councillor Menzies returned to the meeting at 11.06am.)

(Councillor Duffy returned to the meeting at 11.09am.)

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 11.26am.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE SERVICES AND ASSETS
COMMITTEE HELD ON WEDNESDAY 5 AUGUST 2020.

DATE:.....

CHAIRPERSON:.....

**FIORDLAND SEWERAGE OPTIONS
P O BOX 11
MANAPOURI 9643**

**Southland District Council
Services and Assets Committee
P O Box 903
INVERCARGILL**

28th July 2020

At our recent AGM the following concerns were raised:

CONSENT CONDITION 5

As considerable progress has been made on the Te Anau Wastewater Project we would like to question why Condition 5 of Environment Southland's Discharge Permit has not been adhered to.

The condition reads:

'Within three months of the granting of this consent, the consent holder shall invite the following bodies to provide one representative each to form a Liaison Group:

Fiordland Sewerage Options Group' (and others).

The consent was granted on the 2nd December 2019.

The delays in setting up the Liaison Group have resulted in part due to the impact of the Covid-19 lockdown and subsequent restrictions as well as the need to finalise contract conditions for the two remaining packages of work so that physical works can continue and that programme dates can be met. Once these contracts have been finalised and programmes locked in place it is the intention that the Liaison Group is established so that they can help with keeping the community informed on progress.

DOWNERS:

We understand that Downers now have the **Design and Build** contract for the Te Anau Ponds end of pipe line work. Does this indicate that Stantec are no longer involved in the Te Anau end of the project?

If Stantec are still involved in the Te Anau work, what is their role?

Referring to the **Open Minutes from the Services and Assets Committee** meeting held 23rd June 2020:

7.1 Page 3

Downers Water and Wastewater Maintenance Contract 10/01

What is the contractual relationship between the contractor for the treatment at the ponds and SDC?

While the contract has been awarded to Downers on a design and build basis Stantec remain lead designer and still have a role to play through to completion and commissioning not least in providing process design advice through to commencement of construction as well as during the commission of both the MF plant and SDI field. At this point Stantec's role is much reduced than their previous involvement and will continue in that manner as work progresses

BUDGET:

Has the budget for this project been revised?

We would appreciate a copy of the new pricings for the entire project. The original budget obviously is no longer valid.

If so it would be prudent for the Council to notify all ratepayers as we do not want a replay of the Kaipara debacle. We understand that there is a significant increase in the value of works being carried out.

In this regard can we have a breakdown of the key component parts of the project, namely costs for:

- (a) upgrade of the ponds
- (b) the membrane treatment plant
- (c) the pipeline
- (d) the Kepler subsurface drip
- (e) others, including fees etc.

Is there any opportunity for a review, or innervation, to reduce the costs blow out?
If not, why not?

Budgets were last reviewed and discussed at Council meeting [on 7 May](#). The meeting was held in public excluded due to the commercial sensitivity around costings given that contracts were not finalised, and that recommendations were to award contracts subject to agreement and finalisation. While we work towards the contracts being finalised this sensitivity remains in place however once both contracts are finalised this information can then be released. Further to this, Council confirms that the 18kms of pipe installed between the wastewater treatment ponds and Kepler Block was completed within both budget and programme parameters.

SEWAGE HOLDING PONDS UPGRADE:

Our Chairman, Alistair Paton-MacDonald is very familiar with the construction of the existing ponds. It is his understanding that there may be some technical and safety issues with the upgrading and raising of the sides of the ponds.

Consequently, we have *cost overrun* concerns.

One of the advantages of SDI at the concept stage when comparing SDI with CPI was the capability of SDI to work in *all weather*, therefore not required to shut down in severe wind, snow and rain conditions.

When working through the design cost analysis for both options the Consultants have apparently completely ignored this benefit as the '**storage**' requirement at the Te Anau ponds is now the same for CPI and SDI Options, 15,000 cube.

As outlined by A Paton-McDonald in his original submission, by lowering the *top working level* of the existing ponds in the region of 200 millimetres, the ponds would have capacity to adequately provide 'storage' in the unlikely event it should ever be needed, *at no cost*.

We further believe that a Land Swap of Council owned land at the North of the ponds with the paddock adjoining to the South, owned by farmer Max Slee, would have allowed a new pond to be built at the sewer entrance end of the existing complex. This would allow all of the filtration equipment and pumping plant to be set up 'in the dry'. This additional pond could also assist in providing 'storage capacity.'

In support of our earlier submissions we received technical advice that clearly outlined that an additional pond was the easiest and cost effective solution. Has this been investigated? If not, why not?

If another pond could to be considered then why would the existing ponds need to remain full?

The resource consent granted in December 2019 required the provision of additional 15,000m³ of storage but did not specify how this should be undertaken - either by construction of a new storage basin of increasing capacity within the current pond system. While the suggestion of lowering the top working level by 200mm may provide some additional capacity it does not meet the requirement to provide 15000m³ of additional storage as required by the SDI consent. Currently Downer are undertaking geotechnical survey work to understand the issues and risks around the additional storage but at this stage consider raising the existing ponds presents the least cost option.

MONITORING:

Discharge Permit Condition 9

Groundwater quality and levels

Can you confirm that monitoring the wells has been commenced?

To enable a credible baseline to be established, data from the springs at the northern end of Fraser's Beach, Home Creek, and Freestone Mire should be included in this work.

I can confirm that monitoring of the wells has commenced with two rounds of sampling undertaken since consent was granted. The SDI consent requires sampling and monitoring at 10 locations as well as groundwater depth monitoring at a further 15 locations which it is considered will provide a comprehensive picture of the impact of the discharge from the SDI field. Monitoring at other locations may be considered if it is thought that it would assist in providing further detail but at this stage it is not considered as necessary given the comprehensive list of locations within the current consent.

CONCLUSION

We have advise SDC that representatives from FSO will be attending the Services and Assets Committee meeting on the 5th August 9a.m. and have requested permission to speak.

It would be appreciated if our above concerns could be addressed at this meeting.

Yours faithfully,

RUTH SHAW

On behalf of Fiordland Sewerage Options Inc.