

# APPLICATION TO EXTEND WATER DISTRIBUTION NETWORK ALONG STEAD STREET

**To:** Infrastructural Services Committee

**Meeting Date:** Tuesday 5 April 2022

**From:** Alister Murray - 3 Waters Strategic Advisor

**Approved:** Erin Moogan - Group Manager - Infrastructure Services

**Approved Date:** Friday 25 March 2022

**Open Agenda:** No

**Public Excluded Agenda:** Yes

## Reason for the Public Excluded

Section of the Act	Sub clause and Reason under the Act	"Plain English" Reason	When Report Can Be Released
7	(2)(i)	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	6 April 2022

## Purpose and Summary

██████████ of ██████████ has asked for water supply to his dairy ██████████ on ██████████. His application has been declined verbally and given the explanation that the provision of supply would constitute an extension of the water network which is contrary to Council policy and strategy. He was advised that if he wished to pursue his application then he should proceed in writing for Council's consideration, also that in the writer's view such an application would be unsuccessful. He has elected to record his application in writing for Council consideration, refer Appendix 1.

A Council decision is requested as to whether or not to provide water supply to ██████████ ██████████ noting that if the decision reached is to provide supply then it would be significant in terms of Council's Significance and Engagement Policy because such a decision is inconsistent with Council Policy and Strategy.

## Recommendations

That the Infrastructural Services Committee:

1. Receives the report 'Application to Extend Water Distribution Network along Stead Street'.
2. Upholds the provisions outlined in its 'Connections to Water Supply Statement of City Policy' and Infrastructure Strategy.
3. That the Infrastructural Services Committee declines [REDACTED] application to obtain a piped water supply from the city's water reticulation pipe network.

## Implications and Risks

### Strategic Consistency

The recommendation is consistent with existing Council policy and strategy.

### Financial Implications

There are no cost implications on Council if the recommendation is upheld. If the decision reached by Council is to allow a water supply to [REDACTED] then the usual provision of the applicant meeting the full cost on a prepayment basis would apply resulting again in nil cost implication on Council.

### Legal Implications

There are no legal implications to Council if the recommendation is upheld.

### Risk

There is no risk to Council.

Conversely if the decision reached is to allow a water supply then a precedent will be set which will undermine Council's policy and strategy.

## Background

An approach has been made by [REDACTED] who leases land from [REDACTED] off [REDACTED] either side of [REDACTED]. [REDACTED] has a [REDACTED] on the property utilising bore water supply which has quality issues. He wishes to obtain a 75mm diameter connection to City's water supply.

There are three relevant Council documents to consider in reaching a decision on [REDACTED] request.

1. Council's Infrastructure Strategy, the relevant extract is:  
'Maintain Our Current asset Base.  
*Council sees that it is important not to encourage wider expansion in providing infrastructure beyond that which is currently serviced or outlined in the Asset Management Plans or District Plan. By limiting future growth of services, the long-term*

*financial responsibility can be better managed. Invercargill has, through the district planning process, clearly set where planned growth is desirable and required. Where expansion of infrastructure is acceptable the initial cost of this infrastructure is expected to be met by the development while also ensuring the whole of life cost for the new infrastructure is acceptable. Limiting expansion to align with these processes is appropriate.'*

2. The District Plan, the relevant section, a rule, is reproduced below

'Extensions

UTIL-R3 Any extension to:

1. The Council's reticulated water system outside the Water Supply Area shown in APP12–Appendix 12 Council's Sewerage and Water Reticulation Areas is a non-complying activity, other than in the Industrial 4 Zone...'

The Water Supply Area referred to above extends 100 metres west of Airport Avenue.

3. Connections to Water supply Statement of City Policy, the relevant extract is:

'Connections off City Reticulation System.

*Where properties are within 100m of the reticulation system and within the city boundary a service connection can be made available with the applicant meeting full cost of its installation.'*

Council's water reticulation on [REDACTED] extends as far as [REDACTED] which is approximately 900 metres distant from [REDACTED] [REDACTED] and so is 800 metres outside the water supply area described in the District Plan rule and similarly is well beyond the 100 metres limit imposed by the connections to water supply policy.

I explained to [REDACTED] that the granting of his request would be contrary to current policy and that he would need Council to grant a dispensation, also that in my view such a dispensation would be unlikely to be granted. I advised him if he wanted further consideration then he should make a written application. He has elected to follow through with the written application, refer Appendix 1 of this report. He has also been advised that the cost of water is 72 cents per cubic metre, not the 20 cents per cubic metre referenced in his letter. Application of [REDACTED] expected use of 85 cubic metres per day over a ten month milking period at 72 cents per cubic metres generates a water sales total of some \$18,000 per year but in the knowledge that 85 cubic metres daily is likely to be a maximum water sales of the order of \$12,000 is a more realistic estimate.

Obtaining an estimate of cost to install an extension to the water reticulation network has proven difficult in today's busy contracting market but it will be significant and likely to be in the order of \$200,000, possibly more. Also, I have made enquiries as to the feasibility and cost of an onsite water treatment system capable of treating bore water of high iron content. A local supplier of water treatment systems expressed confidence that he could supply a system that would provide treated water sufficient for a [REDACTED] provided it was maintained and operated correctly. Such a plant would cost less than \$50,000. I have advised [REDACTED] of my findings and reminded him that he would have to meet the full cost of the network extension if approved. [REDACTED] has stated that he has tried various filtration systems without success. [REDACTED] still wishes to proceed with his application.

Councillors may recall an earlier report on matters relating to the Council owned property at [REDACTED] which [REDACTED] leases. The matter has not proceeded in the manner set out in the report. Officers are able to provide an update on the situation at the meeting.

## Issues and Options

### Analysis

From a Council perspective the issue is to whether or not to depart from existing Council policy and strategy. Isolated exceptions to policy and strategy do open the door to accusations of inconsistency and generally are seen as a precedent by others to gain a similar dispensation. From [REDACTED] perspective if he was successful in obtaining City supply he would then have good quality water without the problems he currently faces with his onsite supply.

### Significance

If the decision is to support the recommendations, then there is no issue with Invercargill City Council's Significance and Engagement Policy. Conversely if they are not upheld then there will be a demonstrable inconsistency with Council's own policy and strategy leading to an issue with the Invercargill City Council's Significance and Engagement Policy.

### Options

The options from the Council perspective is either to supply water to [REDACTED] or not. Council has no legal obligation to make supply available.

From [REDACTED] perspective he has the options of:

- a. Upgrading his existing treatment on his onsite bore water supply.
- b. Buying water in in Tanker lots. (Best considered as a short term rather than long term solution).
- c. Obtain city supply.

Rainfall harvesting has not been included as it is not known if it would be practical.

City supply, if it could be obtained, would be the best solution to address his issue with water treatment of the onsite bore supply.

## Community Views

The report author has considered the community views implications, and has determined there are no community views implications.

## Next Steps

[REDACTED] will be informed in writing of the Infrastructural Services Committee's decision.

## Attachments

2022 01 25 – [REDACTED] - Correspondence Letter Regarding Water Supply – [REDACTED]  
(A3700620)