

MATATĀ SEWERAGE SCHEME OPTIONS COMMUNITY CONSULTATION



11 MARCH 2013

WE WANT TO KNOW WHAT YOU THINK

A reticulated sewerage scheme for Matatā has been discussed for many years. To take advantage of a Ministry of Health subsidy, the Council needs to make a final decision on the best option for Matatā before the end of May. While the possibilities have been narrowed down, we need to know your views before making that decision. Please read this document carefully and consider the advantages and disadvantages of each option. Remember that if a decision is made to install a reticulated scheme, there will be cost implications, both for the Matatā community and the wider Whakatāne District, because every property already connected to a Council Sewerage Scheme will help pay for reticulation in Matatā. Consultation on this proposal is taking place between 11 March and 12 April 2013, alongside the draft Annual Plan 2013/14 consultation process. Take this opportunity to complete the enclosed survey and submission form and let us know what you think. All submissions must be received by the Council by 5.00pm on Friday, 12 April 2013.

DO YOU WANT TO FIND OUT MORE?

This information outlines the background to the issue, the options under consideration and the implications of each option. If you would like further details, you are welcome to attend an information forum to be held in Matatā on 19 March 2013. This will provide an opportunity to talk to Council elected members and staff about options available.

THE ISSUE WE ARE TRYING TO ADDRESS

Our main aim is to reduce the risk to the environment arising from the use of on-site effluent treatment systems (OSETs – septic tanks and soakage fields) and enhance the quality of life in Matatā by introducing a modern treatment and disposal system.

Sewerage reticulation is provided for most urban communities in the Whakatāne District, with Matatā being the largest community still relying on private septic tanks. The use of septic tanks in urban areas can lead to concerns about environmental health and risks to human health.

Concerns have arisen that the high water table in Matatā is reducing the effectiveness of the soakage fields on some properties and causing localised contamination of groundwater

and waterways. A recent Public Health Risk Assessment indicated that while there is no widespread problem, there are identified hot spot zones in low lying areas around Arawa Street where contamination is an issue.



Approximately 58 properties adjacent to Arawa Street have issues with the on-site disposal of wastewater.

The level of contamination is moderate in dry conditions, but increases during the wet season. There is also a possibility that isolated on-site systems in other areas may be causing localised contamination.

REGIONAL COUNCIL ON-SITE EFFLUENT TREATMENT MAINTENANCE ZONE

The Bay of Plenty Regional Council has proposed the introduction of an On-site Effluent Treatment (OSET) Maintenance Zone for the whole of Matatā. This zone would require every property with an on-site system to undergo regular maintenance, cleaning of septic tanks and inspection of soakage fields. It is likely that some on-site systems in Matatā will require substantial upgrades. In the hot spot zones, standard soakage fields may not work effectively because of the high water table, and more advanced solutions may therefore be required by the Regional Council. More information on the OSET Plan can be found on the Regional Council's website: www.boprc.govt.nz.

FUNDING

Our current rating system means that all sewerage schemes across the District (excluding Murupara) are amalgamated for rating purposes, rather than each scheme paying its own costs. Everyone receiving a similar sewerage reticulation service therefore pays the same charge, regardless of the actual costs related to each individual scheme. If a sewerage scheme is introduced in Matatā as a result of this proposal, the construction costs would be covered by all ratepayers connected to a Council Sewerage Scheme. However, that policy also means that properties connected to a Matatā Sewerage Scheme would contribute to the cost of future upgrades or work required for other schemes in the District.

ANNUAL PLAN 2013/14

The draft Annual Plan is currently open for consultation alongside this proposal. It includes a provisional budget of \$1.5million for a partial reticulation option, but does not include any rating impact from this project for 2013/14. Depending on the outcome of this consultation process and the final decision taken, the final Annual Plan 2013/14 may need to be amended to reflect any additional costs involved. Note that the project estimate for a partial reticulation project is now \$1.8million (\$1.494 million of which would be provided by the MoH subsidy), while a full reticulation scheme serving the whole community has an estimated cost of \$10.4 million, with the MoH subsidy capped at \$6.7 million. Both estimates include the full project cost, including all on-site connection costs.

MINISTRY OF HEALTH SUBSIDY

Plans for the construction of a fully-reticulated sewerage system in Matatā date back to 2004, when the Ministry of Health (MoH) approved subsidy funding under the Sanitary Works Subsidy Scheme. At that time, the project cost was estimated at \$4 million, with \$3.5 million to be funded by the MoH subsidy. The project was placed on hold after the debris and flooding disaster of 2005 and since being revived in 2008, has gone through a number of revisions to address community concerns about the disposal of treated effluent.

The MoH has set a final deadline for utilising the subsidy available for the construction of a sewerage reticulation system in Matatā. This means that the community and the Council have one last opportunity to install a sewerage system with Government funding assistance. To qualify for funding, the Council must:

- Confirm a decision on which option is to be implemented by 30 May 2013;
- Seek tenders for the construction of the scheme proposed (if any) by 31 December 2013; and
- Confirm that construction of a full scheme is underway by 30 June 2014, OR
- Confirm that construction of a partial scheme has been completed by 1 December 2014.

THE THREE OPTIONS

There are three possible options which we need your feedback on. The details, costs and consequences of each option are set out below.

Implications	Option 1 – No Reticulation	Option 2 – Partial Reticulation	Option 3 – Full Reticulation
Cost to Matatā residents	Maintenance Zone costs \$500/3-6years Upgrade of OSET – possibly up to \$25,000.	\$283 a year for hot spot properties. As per option one for non-hot spot Matatā properties.	\$312 a year for all connected properties.
Savings for Matatā residents due to no longer having to own and maintain an OSET system	Nil	Roughly \$100 a year for hot spot properties, which would not be subject to BOPRC Maintenance Zone costs	Roughly \$100 a year for all properties, because they would not be subject to BOPRC Maintenance Zone costs
Additional cost for wider Whakatāne District ratepayers connected to a Council Sewerage System	Nil	\$12 per annum	\$45 per annum
Utilisation of MoH subsidy	Nil	Partly utilised - \$1.44million	Fully utilised - \$6.70million
Potential increased flexibility for property owners to use their land	Nil	Potential increased property use flexibility for hot spot properties	Potential increased for all connected properties in Matatā
Effectiveness at reducing contamination risk	Low	Medium	High
Meeting the needs of future generations	Low	Medium	High

OPTION 1 – NO RETICULATION

PROPOSAL

No action is taken to install a sewerage reticulation system in Matatā. Individual property owners would be responsible for maintaining their septic tanks and soakage fields in good working order, ensuring no contamination of ground and surface waters. The Bay of Plenty Regional Council will most probably impose an OSET Maintenance Zone in Matatā, which will require all systems to meet required standards. The District and Regional Councils

might be able to provide guidance and assistance in finding appropriate solutions to individual problems, but in general, the cost of any upgrades required will rest with property owners.

COST

The cost of this option for homeowners will vary significantly, depending on the extent of any upgrading required under the OSET Maintenance Zone. It will cost homeowners approximately \$500 every 3-6 years for tanks to be cleaned and inspected, including a \$50 administration charge.

FUNDING

Homeowners would meet the costs for upgrading and maintaining their private septic tanks, which could range from no cost to \$20,000-plus, depending on the scale of the improvements required. There would be no rate funding under this option.

ADVANTAGES

- No impact on rates for the Matatā community or the wider community;
- Responsibility for rectifying problems with on-site systems sits with homeowners;
- Environmental health impacts will be managed through regular monitoring of the performance of septic tanks and soakage fields, with upgrades only where needed.

DISADVANTAGES

- Some properties in Matatā may incur significant costs in upgrading their OSET systems, especially in areas where high groundwater levels prevent soakage fields from operating effectively;
- No subsidy would be available to help with the considerable costs some property owners would face;
- The probable inclusion of Matatā as an OSET Maintenance Zone would mean all properties with septic tanks and soakage fields would be required to have regular inspections, including a septic tank pump-out, at a likely cost of \$500 every 3-6 years;
- The Matatā community will continue to rely on septic tanks and soakage fields for sewage treatment and disposal, meaning development options for property owners will continue to be constrained.

OPTION 2 – PARTIAL RETICULATION

PROPOSAL

A partial reticulation scheme could be constructed to take, treat and dispose of the sewage from approximately 58 properties in the hot spot zones identified adjacent to Arawa Street. This would involve pumping sewage to a package treatment plant and the disposal of treated effluent via a one-hectare community soakage field located in a suitable area within, or near the township. The system would have a design capacity for 75 properties, allowing more properties to be connected if required.

COST

The estimated cost of the partial reticulation scheme (including a contingency allowance) is \$1.8 million, of which \$1.494 million would be covered by the MoH subsidy. Note that this includes all on-site connection costs. The cost to the wider Matatā community outside of the hot spot zone will be the cost of compliance with requirements of the OSET Maintenance Zone, including a charge of \$500 per inspection, and any upgrade required.

FUNDING

The ratepayers' share of the project cost, \$360,000, would be funded according to the Council's current rating policy and 'equalised' across all Council Sewerage Schemes in the District (excluding Murupara). This new rate would add \$283 to the rates costs of all connected properties in Matatā in 2015/16, while for hot spot zone properties not connected to the partial scheme, there would be a \$142 'availability charge'. The owners of any properties in Matatā not connected to the scheme will continue to fund their private OSET costs.

ADVANTAGES

- The subsidy available from MoH, means that the total cost to ratepayers (\$360,000) is relatively small for a significant improvement in the service provided for properties located within the hot spot areas;
- As the Matatā Sewerage Scheme would be amalgamated with the Council's other schemes, ratepayers from around the District would help to fund the Matatā scheme, with every ratepayer currently connected to a Council Sewerage Scheme paying approximately \$12 (including GST) more for sewerage from 2015/16 onwards;
- The current localised waterway and groundwater contamination issues are likely to be resolved;
- Those properties that connect to the scheme will no longer have the cost or inconvenience of maintaining or upgrading their own septic tanks and soakage fields;
- Properties connected to the scheme may have greater land-use flexibility, subject to planning and building requirements. Note: Planning requirements may be affected by the Council's District Plan review and the current landslide risk management project, both of which will involve further community consultation.

DISADVANTAGES

- Properties not connected to the partial scheme would continue to face costs associated with the maintenance of their septic tanks and soakage fields, including any OSET Maintenance Zone costs;
- Matatā ratepayers connected to the partial scheme would pay about \$283 (including GST and calculated in 2013/14 dollars) extra in rates from 2015/16 onwards;
- Owners of unconnected properties in the hot spot zones would pay an annual availability charge (estimated at \$142 in 2015/16) until they connect to the scheme;
- For properties outside the defined hot spot zones, restrictions on potential land use options would continue.

OPTION 3 – FULL RETICULATION

PROPOSAL

A full reticulation system similar to the original design concept could be constructed to serve all properties in the community. This would involve treatment and disposal of effluent via a large community soakage field located within, or in close proximity to the township. The system would be designed to allow for additional connections resulting from future development.

COST

The estimated project cost would be \$10.4 million, of which \$6.7 million would be funded by the MoH subsidy. This would include all on-site connection costs.

FUNDING

The ratepayer cost share of \$3.7 million would be funded according to the Council's current rating system for sewerage and 'equalised' across all Council sewerage schemes in the District (excluding Murupara). That would add approximately \$45 (including GST) a year to the sewerage rate for all existing connected properties from 2015/16 onwards.

ADVANTAGES

- Maximum utilisation of the MoH subsidy currently available. It is unlikely that a similar level of subsidy will be available in the future;
- The subsidy available means that ratepayers' \$3.7 million investment will provide a significant improvement in the level of service provided;
- The full on-site cost of connecting to the system would be covered as part of the project. The ongoing cost of running an on-site pump would add roughly \$20 a year to the property owner's electricity costs;
- Funding the project in-line with the Council's current rating system means that the cost is spread across all ratepayers who pay a sewerage rate. However, this will also mean that any significant upgrades required in other schemes in the future would be partly funded by Matatā residents. By 2022, this could potentially mean an increase in the equalised sewerage rate from \$317 to \$349 a year, based on works proposed in the current LTP;
- The current waterway and groundwater contamination issues are likely to be resolved;
- Properties connected to the scheme would not face the cost of maintaining or upgrading decommissioned on-site systems;
- Properties connected to the scheme may have greater land-use flexibility, including the potential for future subdivision or other land uses, subject to planning and building requirements. Note: Planning requirements may be affected by the Council's District Plan review and the current landslide management project, both of which will involve further community consultation;

- A reticulated sewerage scheme has the potential to promote development in Matatā;
- The costs associated with an OSET Maintenance Zone would no longer apply.

DISADVANTAGES

- Ratepayers outside of Matatā who are currently connected to a Council Sewerage Scheme will collectively be paying approximately \$439,000 per annum (from 2015/16 onwards) towards funding the Matatā scheme, representing 85 percent of the rates requirement for the Matatā Scheme. This also represents a 1.17 percent increase in the total rate requirement;
- Matatā ratepayers would pay approximately \$317 (including GST and calculated in 2013/14 dollars) a year in extra costs from 2015/16 onwards;
- Once the scheme is completed, Matatā ratepayers not connected to the scheme would pay a \$158 availability rate.

WHERE TO FROM HERE

The Council will consider all the submissions received in response to this project and there will be an opportunity for submitters to speak to their submission at a Council hearing. The Council will make a final decision about what is the best option for the whole community by 30 May 2013. If the Council chooses to proceed with either option 2 or 3, the next step will be an application for resource consent. The MoH subsidy is subject to strictly limited timeframe conditions. It is therefore essential that whichever option the Council selects has the greatest possible endorsement from the Matatā community and that the funding approach is supported by the wider District.

TIMEFRAMES FOR CONSTRUCTION

If we decide to implement either option 2 or 3, works will start as soon as possible, subject to the resource consent process. If partial reticulation is chosen, construction must be completed by December 2014. If full reticulation is chosen, construction must begin by 30 June 2014.



WHAKATĀNE DISTRICT COUNCIL

Private Bag 1002
Whakatane 3158

Phone 07 306 0500
Fax 07 307 0718

email: info@whakatane.govt.nz

Website: www.whakatane.govt.nz

INFORMATION FORUM

4.30-6.00pm, Tuesday 19 March 2013
Matatā Rugby and Football Club,
Division Street, Matatā



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