

## Activity Planning -2012-2022 Ten Year Plan Safeguarding the Environment - Stormwater

**The main matter that the Council is being asked to consider is....**

- Whether to reduce spend in the Stormwater activity or maintain the existing approach.

### **1. Council direction**

The direction provided to staff by the Council in December 2010 was to:

- Retain existing levels of service
- Consider options for reducing levels of service, reducing costs of provision, funding mechanisms

### **2. What the activity does**

Stormwater systems collect and dispose of stormwater to limit the effects of surface water ponding. The Council has a number of stormwater systems throughout the District to manage run-off and reduce surface water ponding that can lead to risks to public health and safety, damage to property and to avoid dangerous road conditions.

### **3. What the legislations says**

Council is legally required to maintain its current stormwater schemes. The mandate for the provision of public stormwater systems is prescribed through a range of national legislation, the principal Acts being:

- The Health Act 1956
- Local Government Act 2002
- The Civil Defence Emergency Management Act

### **4. Proposed activity objective**

The proposed activity objective for the stormwater activity is:

*To ensure that stormwater is controlled, disposed of, and when required treated, in order to protect the health and safety of people and property.*

NB: this is slightly different to the objective the 2009-2019 Ten Year Plan, and is more succinct.

### **5. How this activity currently would contribute to the Council Outcomes**

The activity will contribute to the achievement of the Council Outcomes as follows:

Council Outcome	The Stormwater activity...
A prosperous district	<ul style="list-style-type: none"> <li>• Effective management of stormwater to prevent excessive surface water creating access difficulties. This helps to ensure uninterrupted operation of businesses and prevent damage to property. By providing a stormwater service, this activity supports growth of the local economy.</li> </ul>
A liveable district	<ul style="list-style-type: none"> <li>• Provides infrastructure to help build safe and healthy communities by minimising risks due to stormwater and retaining a pleasant living environment.</li> <li>• Contributes to hazard reduction.</li> </ul>
A clean and green district	<ul style="list-style-type: none"> <li>• Provides for the unique environment and natural ecosystems to be protected.</li> </ul>

The Coromandel Peninsula Blueprint places expectations on the Stormwater Activity to protect the environment by minimising nutrient and sediment\* inputs to waterways with

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amongst other things, a low impact stormwater design approach as part of new developments. The Activity is expected to provide stormwater services to the community within clearly defined urban settlements primarily the main hubs of Thames, Whitianga and Whangamata, with provision of stormwater services to other centres to be limited. The Activity is to be managed in a way that reduces hazard risks and protects key lifeline infrastructure.

\*NB: the Council only treats nutrient and sediment where it is a condition of a resource consent.

### **6. Things to be aware of**

- The stormwater systems consist of extensive stormwater pipes, open drains, manholes and other drainage structures including pumpstations. Some infrastructure dates as far back as the 1920's.
- Stormwater systems are not built to cater for all rain events. Long duration rain events with a high intensity can exceed the design capacity of the networks.
- The Council's primary focus is on risk to dwellings, not risk to property.
- New consent conditions will have an increase in resource consent discharge standards and associated reporting requirements.
- Some operational costs associated with the Stormwater activity schemes are allocated to other utility activity schemes. Due to the form of contract previously used for the Utilities operations and maintenance (O&M) contract. With the renegotiated and renewed O&M contract actual costs incurred for each activity and scheme are being tracked to enable scheme based funding to be implemented as part of the 2012-2022 Ten Year Plan. This will mean the reallocation of some costs between utility activity schemes.
- The Council has a Code of Practice for new developments in the District. The Code of Practice seeks a standard that is currently higher than what exists in some communities.

### **7. A word from our community....**

- The 2010 community prioritisation survey shows that "stormwater services" was given a priority rating of 4.20 out of 5. The activity priority is ranked 3rd out of the 27 activities surveyed and clearly is a top priority from the community when compared to the other activities of Council.
- In the 2010 communitrack survey, overall 72% of residents and non-resident ratepayers were satisfied with stormwater services in the District. 66% of residents and non-residents ratepayers are provided with a piped stormwater collection, and 81% of those connected are satisfied with the service.

### **8. Strengths, weakness, opportunities and threats**

- A strength is that the District has a large number of waterways close to townships to facilitate stormwater disposal.
- A weakness is that The Coromandel is very susceptible to heavy rainfall and infrastructure needs to be sufficient to cater for this.
- The geographic nature of the district with our customers located over wide areas with some isolated township, means that each township requires its own stormwater reticulation. This increases the costs of providing the service.
- There is an opportunity to improve asset management in this area. Efficiencies would be derived primarily through collecting better asset data which would then enable better decision making regarding the management, operations and renewals of the stormwater assets.

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- There is an issue that future resource consent requirements associated with stormwater infrastructure could be expensive to meet.

### 9. Proposed levels of service options

The two options presented here have the same levels of service, but the difference lies in the volume of risk to dwellings.

#### **Option 1: Maintain existing approach**

*This means...*

*Stormwater systems are operated to minimise stormwater inundation of habitable areas*

- This option is focussed on continuing to provide stormwater services to TCDC's current stormwater customers while planning for expansion as required in the three main hubs defined in the Blueprint.
- This means that the number of dwellings/premises inundated with stormwater during a 1 in 10 rain year event will remain at <1% for the next ten years.

*Stormwater services are well managed and maintained by Council.*

- There is scope within TCDC's stormwater schemes to create greater efficiencies in the management of these assets.
- These efficiencies would be derived primarily through collecting better asset data which would then enable better decision making regarding the management, works programming and operations of the stormwater assets.
- Seamless data transfer from the Utilities Operations and Maintenance contractor would enable more accurate predictions of asset renewal requirements.

#### **Option 2: Decrease spend in this activity**

*This means...*

*Stormwater systems are operated to minimise stormwater inundation of habitable areas*

- This option is focussed on continuing to provide stormwater services to TCDC's current stormwater customers but does not allow for improvements to current infrastructure or any expansion of the service.
- This option is a feasible option for the next 3-5 years, and would likely result in the removal of approximately \$36M of proposed capital expenditure from the 2009-2019 Ten Year Plan.
- This option would mean retaining works that cover risk to dwellings (approx \$9M in capital expenditure), and retain the renewals programme, but remove the Council's current improvement programme.
- Due to not providing a stormwater service to new developments outside of current supply areas and the three growth hubs, individual schemes will likely result. This can cause issues with inadequate stormwater management being undertaken on major subdivisions and private property.
- There will be a potential for maintaining or reducing cost in the short term. However deferred improvements now, stores up the potential for greater issues and cost in the future.
- Whilst the number of dwellings/premises inundated with stormwater during a 1 in 10 rain year event will remain at <1% for the next three years, Council will likely see an increase in this target from <2% up to <10% over years four to 10 of the Ten Year Plan.

*Stormwater services are well managed and maintained by Council.*

- If improvement works were to cease, there would be even greater value in ensuring better asset information was available.
- An area of improvement that would potentially realise efficiency gains would be in moving the internal management approach from a functional base to an activity base.

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### 10. How is this activity managed?

The overall management of this activity is undertaken by the Utilities Team. This management includes among other tasks:

- Asset management
- Future infrastructure planning
- Budgeting
- Activity planning
- Regional Council liaison
- CAPEX lead-in works
- Project management

Once lead-in works are completed, projects are worked up with some being handed over to project managers for implementation.

The operation and maintenance of the stormwater services is contracted out to United Water International, who undertake the day-to-day work on all TCDC owned stormwater assets, except for Rooding stormwater infrastructure such as catch pits. The contract includes operations, maintenance and daily management of the associated infrastructure. Overall supervision of the contractor is by the Utilities Team members within the Operations Team.

### 11. What do we currently spend on this activity?

As a proportion of Council's annual budget for the 2011/2012 year, the Stormwater activity represents approximately 5.43% of total spend.

2011/2012 Draft Annual Plan	
Operating Expenditure (excluding internal interest cost)	\$3.30m
Capital Expenditure	\$2.18m
<b>Total budgeted spend for Stormwater for 2011/2012</b>	<b>\$5.48m</b>
Total Budgeted spend for Council for 2011/2012	\$100.97m
Total percentage of budget spent on Stormwater	5.43%

2009-2019 Ten Year Plan	
Operating Expenditure (excluding internal interest cost)	\$45.40m
Capital Expenditure	\$35.80
<b>Total budgeted spend for Stormwater for 10 years</b>	<b>\$81.20m</b>
Total Budgeted spend for Council for 10 years	\$1,295.64m
Total percentage of budget spent on Stormwater	6.27%

### 12. How this activity is funded, and why

The Stormwater activity is currently funded as follows:

*Funding rationale summary as outlined in the 2009-2019 Ten Year Plan:*

The provision of adequate stormwater reticulation benefits the whole District in that it can prevent flooding and landslip, thereby ensuring the public generally continues to have access to all areas of the District. The extensive work undertaken in many of the town centres in the high-use public areas also benefits the broader community, even rural ratepayers who frequently make trips to town.

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*The funding mechanisms used for operating expenditure are:*

General Rates	UAGC	Targeted Rates	Fees & Charges	Grants & Subsidies
20-39%		Fixed charge by individual AOB -40-59% Value of improvements by individual AOB -0-19%		

*The funding mechanisms used for capital expenditure are:*

Develop. &/or Financial Contribution	Borrowing	Asset Sales	UAGC	Depreciation	General Rates	Targeted Rates	Fees & Charges	Grants & Subsidies	Lump Sum Contribution
✓	✓	✓		✓	✓	✓			

Staff recommend no changes to the current funding policy for the Stormwater activity other than some refining of AOB areas utilised for the urban stormwater charge.

### 13. Staff recommendation

- In light of the Council's direction to align the annual rates increase to CPI, staff recommend option 2, decreasing spend in this activity for the next three year period.
- With regards to funding for the Stormwater activity staff recommend no changes to the current funding policy other than some refining of AOB areas utilised for the urban stormwater charge.

**NB: Te Kouma Ratepayers submission is attached for the information of the Council Response to Letter 01 February 2011- Comments re Revenue & Financing P...**