

Statement of Proposal

Prepared for

Kaipara District Council's Mangawhai EcoCare Project

Pursuant to

**Section 83,
Local Government Act 2002**

**For the purposes of a
Special Consultative Procedure
and
adopted by Council
on
23 July 2003**

**Closing date for submissions
extended to
Sunday 7 September 2003**

STATEMENT OF PROPOSAL

LGA Section 83 - Special Consultative Procedure

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1. Introduction

This document sets out the basis of a proposed wastewater treatment scheme for the Mangawhai community. Investigations have been on-going into this issue for a number of years and this document sets out the preferred option that Kaipara District Council, in consultation with the Mangawhai community and other stakeholders, has developed to address current problems and to accommodate future development in a sustainable manner.

The Mangawhai EcoCare project commenced with the Mangawhai Infrastructural Assets Study in 1998, an investigation of the issues and evaluation of the options. This included an extensive consultative process involving both community and regulatory bodies including Northland Health, Northland Regional Council and Department of Conservation. It has allowed stakeholders an opportunity to provide feedback and to voice issues for Council to consider as part of its decision making process.

An implementation strategy was adopted in May 2000 and project delivery advisors were appointed in November 2000. A summary of major milestones since then follows:

- | | |
|---|-------------------|
| ■ Expression of Interest Advertised | 21 April 2001 |
| ■ 7 Expressions of Interest Received | 28 June 2001 |
| ■ Council nominates shortlist of 3 | 22 August 2001 |
| ■ Project Brief Issued | 23 November 2001 |
| ■ Proposals Received | 3 April 2002 |
| ■ Preferred Company (Simon Engineering) nominated | 21 August 2002 |
| ■ Local Government Act passed | 24 December 2002 |
| ■ Confirmation of Project Approach and request to review of Financing Options under DBFO approach. | 26 March 2003 |
| ■ Council confirms commitment to project and the Simon Engineering proposal. (At May Council Meeting) | 28 May 2003 |
| ■ Statement of Proposal Issued | 1 August 2003 |
| ■ Open Day To be held | 9 August 2003 |
| ■ Closing Date for Submissions | 1 September 2003 |
| ■ Hearings Completed (exact dates to be confirmed) | 12 September 2003 |
| ■ Recommendation to Council | September 2003 |
| ■ Contract Signed | November 2003 |
| ■ Resource Consent Applications Submitted | December 2003 |

A key principle of good representative decision-making is community consultation.

Kaipara District Council is committed to effective community consultation for the Mangawhai EcoCare project and will continue this process with specific focus on the principles and requirements outlined in the Local Government Act 2002, including the section 83 Special Consultative Procedure.

Section 5 of this Statement Of Proposal provides further details of community consultation undertaken to date as well that planned for the Special Consultative Procedure.

2. Summary Of Proposal

The Simon Engineering proposal is summarised below.

Term	Definition
System/ Physical Issues	
■ Drainage District	Generally Mangawhai Heads extending back onto the upper estuary and Mangawhai Village. Shown in Appendix B.
■ Treatment Plant Location	Mangawhai Park (To be confirmed) Refer Section 8.2 of this Statement of Proposal.
■ Reticulation System	A combination of gravity pipes, pumps and rising mains collecting wastewater and delivering it to the treatment plant.
■ Disposal Option	Current proposal is based on effluent reuse to land at the Carter Holt Harvey forest but this is still being investigated. The best environmental and community option with a sustainable future will be selected. Will be determined before consent is applied for. Refer Section 8.4 of this Statement of Proposal.
■ Construction Timing	Expected to commence in early 2004 and be completed by mid 2005, subject to the resource consent process.
■ Connection Approach	This will be the responsibility of the individual, however Council will provide a list of contractors which is likely to include Simon Engineering. Connection will need to be made prior to the system commencing operations. Refer Section 8.5 of this Statement of Proposal.
■ Timing of Connections	Physical connections will occur in mid 2005.
■ Operations Commence	Mid 2005
Financial/ Contract Issues	
■ Operating Contract Period	15 Years
■ Finance Period	5 Years
■ Financing Conditions	Interest only with Council refinancing option after 5 years.
■ Interest Rate	Fixed Rate linked to Government Treasury Rate effective on contract signing.
■ Start Up Fee	
- Current Ratepayers	\$1,450 GST Included
- Future ratepayers	\$16,312.50 GST Included
	(Time payment options will be available, refer to Section 11.6 of this Statement of Proposal.)
■ Annual Rates	Year 1 \$483.75 GST Included Year 2 \$498.26 GST Included Year 3 \$513.21 GST Included

Term	Definition
	Year 4 \$528.60 GST Included Year 5 \$544.46 GST Included The cost increases shown are based on assumed inflation rate of 3%. These rates are set by Council and cannot be changed by Simon Engineering.

3. Problem Definition

Mangawhai is a small coastal community that is extremely popular with full time residents and bach owners who, together with tourists, flock to the beaches and estuary during the summer period and weekends. It has a small base population of approximately 1400 that increases to around 4500 during summer with a peak of around 6500, including daily visitors.

The harbour and groundwater is polluted and has been since at least 1976 when the first surveys indicated unacceptable levels of human waste and other pollution sources.

What factors contribute to this?

- Sewerage is currently treated or disposed of via septic tanks/ long drops, many of which are in poor condition;
- Stormwater during major storm activity;
- Rural run off in the upper reaches of the estuary; and
- Ground conditions in many areas of Mangawhai have been proven to be unsuitable for septic tanks due to a level of clay which prevents effluent soaking into the earth and causing extensive below ground runoff.

The pollution problem has been demonstrated through survey results and a series of reports commissioned by both Northland Regional Council and Kaipara District Council dating back to 1976. Survey results have consistently demonstrated faecal coliform and enterococci levels to be significantly above accepted guidelines. Water and Shellfish quality reports together with analysis by Council's Development Engineer in 1990 further confirmed this and identified the factors listed above. In 1998, the Mangawhai Infrastructural Assets Study investigated and analysed options, including community preferences.

The above factors have contributed to the degradation of the estuary at Mangawhai, which has subsequently impacted on:

- Public health and safety issues from swimming/playing within the estuary environs as well those associated with the quality of the shellfish;
- Attractiveness of Mangawhai as a residential village and/or tourist destination;

- Sustainability of the environment; and
- Long-term economic health of Mangawhai.

In addition, Mangawhai has traditionally been a small coastal community whose population's typical demographic characteristics are as follows:

- Older population with a large proportion being retired;
- Comparatively low median income, with a high proportion sourcing their income from Superannuation, Pensions and Annuities;
- A comparatively large proportion living in single person households (approximately 15%)¹

Mangawhai's ability to fund the required works necessary to address this problem is limited and has undoubtedly been a contributing factor for some in the community to object to any proposed scheme.

This demographic profile is expected to progressively change over time as increased numbers of people are attracted to the area through restricted availability of land closer to Auckland and through improved transport access to Mangawhai.

In summary, the environment cannot sustain current population numbers using existing wastewater treatment methods given the soil conditions and the close proximity to the estuary.

Population numbers are expected to steadily increase, further exacerbating adverse environmental conditions if no action is taken. The increased population will also make any scheme increasingly more "affordable" as costs are spread over a greater rating base.

"Doing nothing" is no longer a viable option for Mangawhai.

¹ Mangawhai Infrastructural Asset Study, Summary Report: Recommendations & Implementation – Beca Carter Hollings and Ferner Ltd August 1999.

4. History

The inability of the environment to cope has been successively demonstrated through a significant number of investigations undertaken by both Kaipara District Council and Northland Regional Council.

These investigations are outlined below:

- Monitoring of the estuary commenced in 1976 and has continued since then. This has demonstrated frequent instances of the estuary recording pollution readings well in excess of accepted guidelines;
- Sewerage Schemes were proposed in 1981 and 1988, however the community rejected them each time concerned about cost, need, and the impact on the community;
- Northland Regional Council Water Quality Study in 1990 found pollution in the groundwater and recommended disposal of sewerage away from the Mangawhai Heads settlement;
- In 1990/91 Kaipara District Council conducted a survey of on site wastewater disposal units and found that the majority were faulty. At that time a third of the community wanted a reticulation system;
- In 1990/91 the District Council Development Engineer completed a report that examined all options including on site systems, centralised systems and localised mini treatment systems. The report recommended further analysis and the implementation of a septic tank bylaw. Council decided not proceed with a centralised system given the 1988 rejection of any scheme of this type;
- Department of Conservation raised significant concerns regarding the 1996 District Plan's failure to address the human impact on the Mangawhai estuary. These concerns were addressed with agreement to undertake the Mangawhai Planning Study;
- 1996/97 Northland Regional Council commissioned the Mangawhai Water and Shellfish Quality study that concluded that pollution levels in the estuary were impacting on shellfish and water quality, with 50% of the sites monitored reporting pollution levels more than 10 times accepted guidelines. Pollution in drains and seepage from septic tanks were identified as the most likely cause;
- ESR Water Quality report also confirmed unacceptable pollution levels in the harbour;
- Mangawhai Planning Study, completed in 1997, confirmed pollution was occurring in the harbour and groundwater and identified a potential public health risk with sewerage in open drains in urban areas;
- In 1998 District Plan Change No 9 established planning controls within residential areas, and identified areas where septic tanks were no longer acceptable in new housing construction; and
- Mangawhai Infrastructural Asset Study was commissioned in 1998 to review, amongst other infrastructure needs, the options for sewerage treatment and disposal within Mangawhai.

The Mangawhai Infrastructural Asset Study included technical analysis and investigation combined with an extensive public consultation process involving public forums and workshops with regulators and the community to develop an appropriate framework and set of criteria.

The report and associated consultative process confirmed that the "status quo" was not acceptable to the community or the regulators. It also identified the following key issues to be addressed:

- Affordability;
- Sustainable improvement to the water quality;
- Maintenance of the features and coastal aspect of the community; and
- Direct discharge to water was not acceptable culturally or environmentally.

5. Community Consultation

5.1 Consultation to Date

Kaipara District Council adopted a consultative approach as soon as the issue of pollution became evident. This included consultation and discussion when sewerage schemes were first proposed in 1981 and again in 1988. The community said "No" to schemes at that time.

The Mangawhai Infrastructural Asset Study initiated the latest round of community consultation commencing in 1998/99.

A summary of the consultative process adopted for the Mangawhai Infrastructural Asset Study and the on going consultation is outlined below:

Date	Activity
-------------	-----------------

Phase 1: Mangawhai Infrastructural Assets Study

- | | |
|--------|--|
| Nov 98 | ■ Newsletter No 1 issued announcing Mangawhai Infrastructural Asset Study |
| Jan 99 | ■ Separate workshops with Regulators and Community Representatives provided Council opportunity to listen to the views of stakeholders and the community |
| | ■ Newsletter No 2 advised of Public Meeting - 170 attended, feedback sought on issues and options |
| | ■ Newsletter No 3 outlined Issues and Options for all ratepayers |
| | ■ Demographic Survey Issued to 1500 Ratepayers – 370 Responses |

Date	Activity
May 99	<ul style="list-style-type: none"> ■ Survey results published in Newsletter No 4 <ul style="list-style-type: none"> □ Protection of Harbour (Theme) □ Need for wastewater scheme (62%) □ Status Quo for water supply (56%) □ Low impact approach to Stormwater (65%) □ Footpaths needed (26%) □ More reserve space for people (10%) □ Costs are of concern (Theme) ■ 150 Responses to Newsletter No. 4
21 May 99	<ul style="list-style-type: none"> ■ Community Groups Workshops provided further opportunity for community feedback to Council
21/22 May 99	<ul style="list-style-type: none"> ■ Public Workshops to discuss Issues and Options findings as below: <ul style="list-style-type: none"> □ Water Supply – Retain Status Quo □ Wastewater – Community Scheme □ Stormwater – Low Impact
Aug 99	<ul style="list-style-type: none"> ■ Report presented to Council and accepted in principle based on the following: <ul style="list-style-type: none"> □ Accepted need to improve water quality in estuary; □ Indicative costs were considered affordable (Start Up Fee \$4,800 + Annual Rates \$800 p.a); □ Status Quo was maintained for water supply; and □ Road and public gardens/ reserves works to be undertaken within the current program. <p>Wide consultation already undertaken but Council determined further consultation required once report was published.</p>
Sept 99	<ul style="list-style-type: none"> ■ Newsletter No 5 invited community to Public Meeting to discuss report, options and recommendation ■ Public Workshop held on 25 September 1999.
2000	<ul style="list-style-type: none"> ■ District Plan Change No 9 commenced <ul style="list-style-type: none"> □ Residential Zoning □ Sewered/ Unsewered Sections □ Notification Period Dec 2000 – February 2001 □ Public Consultation: Details provided to every ratepayer with opportunity to provide feedback

Date Activity

Phase Two: Mangawhai Ecocare Project

- May 2000
- Council adopts Implementation Strategy arising from Mangawhai Infrastructural Assets Study
 - Considered community feedback
 - Looked at possible solutions offered by the market
 - Established control mechanisms and vehicle to facilitate communication with the community (Project Manager, Project Steering Group and a Community Liaison Group.)
 - Council also reconsidered septic tank by-law issue but considered it an interim step only, because disposal field problems still existed due to levels of clay underground and this was not acceptable to regulators.

2001 to date Summary of Eco Care consultative and communication forums

- Stakeholder Meeting (Regulators and Community Groups) - 5 April 2001
- Community Open Day - 24 November 2001
- Mangawhai Resident's and Ratepayer's Association meeting with the Bidders – 10 January 2002
- Council Presentation to the Community – 16 March 2002
- Public Forum to outline recommendation to Council – 17 August 2002
- 18 Community Liaison Group Meetings
- 5 EcoCare Newsletters – (Feedback forms provided)
- 26 Mangawhai memo Articles (Feedback forms provided)

Feedback from the Public Forum (17 August 2002) to discuss the Council Recommendation included:

- New Users should pay equivalent of bio-cycle system; and
- Rates are too high and should be lowered.

Feedback from the Community Open Day (24 November 2002) included:

- Something must be done now (90%)
- Harbour water quality is important (26%)
- Cost of project– pay over time (30%)
- Use of septic tanks in some form (38%)
- People with problem septic tanks should pay (5%)

Date**Activity**

- New users should pay (5%)
- Also deal with rural pollution (5%)

Throughout this process, Te Uri o Hau has been involved through having a representative (Wikiriwhi Hetaraka) as a member of the Community Liaison Group and subsequently the Project Steering Committee. In addition Wikiriwhi made himself available to all shortlisted bidders to provide advice on issues from an Iwi perspective.

He has stated:

"This project is a proactive and positive approach by the community of Mangawhai and the Kaipara District and Northland Regional Councils towards curtailing the incremental degradation of our water ways.

Importantly for Te Uri o Hau, Hapu o Te Iwi Ngati Whatua, we have been involved in the project from the outset. Our concerns were made known early on in the process and I am pleasantly optimistic that the long term results of this project will be conducive to our cultural expectations.

The project is a great challenge for us all. This is our opportunity, individually and collectively, to affirm ownership of environmental responsibility for our actions. I am confident we can work through the issues to achieve an acceptable and manageable balance in terms of; financial, social, environmental, and cultural expectations."

A Community Consultation and Communication Report is included as Appendix A. This provides details of the above consultation processes undertaken and the opportunities afforded to the community to provide feedback and voice concerns.

5.2 Current Consultation Phase

Council has commenced the Special Consultative Procedure required under the Local Government Act 2002 with notifications placed in the local newspapers.

Council has prepared this detailed Statement of Proposal, mailed out a summarised version to each ratepayer, and will conduct an Open Day on 9 August 2003. This detailed Statement of Proposal has been made publicly available. The one month consultation period will conclude on 31 August 2003 with submissions being accepted up until this date. Time has been set aside for hearings on 9, 10 and 11 September 2003. The duration of hearings will depend on the number of submissions received.

The release of this Statement of Proposal and the mail delivery of the summary version provides the community with the information relative to the proposed system, how it has been developed, how it will be implemented, how much it will cost and the rates and charges to be applied to ratepayers.

This process will be provide valuable feedback to Council to assist in its decision making process leading up to the September 2003 Council meeting.

6. Kaipara District Council Approach

6.1 Introduction

Council considered a number of risks relative to the project and has adopted an implementation strategy that addresses the range of risks and issues associated with infrastructure projects.

Council is specifically concerned with the risks associated with traditional contracting approaches that frequently result in cost over runs and claims for variations from contractors. Alternative approaches that could provide increased cost surety were therefore investigated.

Investigations revealed that private sector involvement via the use of innovative contract structures has successfully achieved significant risk transfer to the private sector while delivering financial benefits and surety to client organisations and communities. To gain further understanding of the approach, a risk management workshop was conducted with full Council and the appointed project advisors.

From this workshop, a risk profile was developed establishing which party would be best positioned to manage respective functions or risks under a range of contracting mechanisms. At this time, Council also confirmed its desire to remain with its current conservative Treasury Management Policy, which restricted Council's ability to borrow funds for larger projects.

Risk issues where discussed within the context of what the market could accept, what Council required and potential project delivery methods.

6.2 Design Build Operate and Transfer Method

The outcome of the Council workshop was the preliminary adoption of a Design Build Operate and Transfer project delivery methodology where specific outcomes and objectives are clearly specified over a defined operating period and within a defined commercial arrangement. This methodology enables potential bidders to assess the widest possible range of options to deliver the specified outcomes, and then to competitively offer the option that:

- Achieves the objectives and outcomes;
- Provides surety of performance over the defined operating period;
- Provides the private sector with a commercial return; and
- Is the lowest cost option.

This approach allocates the risk of design, construction, capacity and cost to bidders. It provides for a payment structure that starts with a first payment after successful commissioning and operation of the system with subsequent payments over a defined operating period. Payments are capped and are deemed to cover all construction costs, operating costs, and financing costs. Costs are locked in over the period of the contract within nominated escalation and population parameters. A successful bidder therefore, cannot simply pass cost over runs onto Council.

Security of performance is provided at several levels. Failure to meet specified performance criteria results in a reduction in payments until the failure is remedied. In a worst case scenario, sustained failure to deliver the required system performance entitles Council to step in, assume ownership of the assets at a significantly reduced price and find a replacement operator. The successful bidder is also required to provide a parent company guarantee and evidence of appropriate insurance policies that may be called upon to support the contract.

Under a Design Build Operate and Transfer arrangement ownership of the assets would transfer to Council after the completion of the contract term for the nominated sum of \$1.00.

Importantly Council retains the responsibility for rating and all interfaces with the community including financial, customer service standards and complaints. In addition, Council retains control over the planning and strategic direction of the services, and can order modifications, additional facilities or improved customer services if required.

6.3 Design Build Finance Operate Method

The Local Government Act 2002 was introduced after Council had started the process of securing bids under a Design Build Operate Transfer method. This Act requires local bodies to own any wastewater treatment infrastructure assets and limits the term of operational contracts to a maximum of 15 years. Council was therefore no longer able to contract on a Design Build Operate Transfer basis and looked to another delivery method that had a risk profile similar to that selected at the outset of the contractor selection process.

Council is now proposing to contract on a Design Build Finance Operate basis where the majority of the parameters proposed for the Design, Build Operate and Transfer method still apply. With the new method, ownership of the assets transfers to Council following commercial acceptance (after two consecutive months of successful operation) and the operating period reduces from 25 years to 15 years. Payments are still progressive and are still subject to reductions for failure to deliver services to specified performance standards.

The interface arrangements remain unchanged, however the ultimate threat of loss of assets is not available, although Council can still step in and assume control or change operators if services are consistently below nominated standards. In addition, Council will retain access to company guarantees and other securities to enforce cost recovery.

The other significant change with the new method is that Council has requested the contractor to finance the cost of construction for the first five years of operation only with Council needing to refinance after that time. With the originally chosen method, all costs would have been paid off over the period of the contract through payments to the contractor.

6.4 Options Assessed

It is important to remember that the process adopted by Council was not a traditional approach where Council designed the solution and tendered out the construction works. This approach would have locked everyone into a single option solution.

The approach for Mangawhai EcoCare was different in a number of significant ways:

- 1. Bidders were not provided with any input specifications from Council consultants;**
- 2. Service Objectives, Outputs and standards were provided;**
- 3. The evaluation criteria were provided;**
- 4. Bidders were told they had to take commercial, environmental, financial and operational risks associated with the option they developed; and**
- 5. Costs were to be evaluated over the long term so that both Capital and Operating Costs were important.**

All bidders were free to evaluate any solution based on their understanding of the above.

Therefore the bidders made commercial decisions, based on the above, to present the most cost effective solution that meet the criteria to ensure they were best placed to win the bid. This provided competitive pressure at all levels including design, financing, operations, construction, and overheads and profits. No bidder could afford to inflate its price without jeopardising its competitive bid.

7. Current Status

7.1 Process

The process to date has included a publicly advertised Expression of Interest that attracted some 20 companies to attend public briefings. Of those 20, seven companies/consortiums submitted formal Expressions of Interest.

These Expressions of Interest were assessed by an Evaluation Team made up of Council representatives and the Project Advisors, and included formal presentations from each of the seven groups. In addition, two Councillors, the Chief Executive and the Mayor observed these presentations.

The Evaluation Criteria for the Expression of Interest included:

1. Management Skills – Infrastructure, Environmental & Community Sensitive
2. Financial Viability
3. Commercial Concepts
4. Innovation
5. Technical Concepts

In addressing each of these criteria, the evaluation team and Council considered each applicant's ability to:

- (a) Develop and manage best practice waste and storm water infrastructure;
- (b) Develop environmentally sensitive infrastructure projects and maintain high levels of community service and involvement;
- (c) Provide a competitive and commercially acceptable proposal; and
- (d) Maintain consistency of approach from Expression of Interest to contract finalisation.

From the seven companies, a short list of three companies (Simon Engineering, Northpower and Earthtech) was established and the three companies were invited to respond to a Project Brief. These responses were formally assessed with financial modelling undertaken. Following this assessment Simon Engineering was invited to accept Preferred Proponent status in August 2002. This invitation included provisions that allowed Council to assess the financing aspects of the proposal and if desired, to inject equity into the project. Simon Engineering accepted this invitation and these provisions.

Negotiations proceeded down this path and were being resolved when the Local Government Act was enacted in December 2002 with the requirement that Council must now own the sewerage treatment infrastructure.

Simon Engineering and ABN Amro (who is providing the financial support to Simon Engineering) have demonstrated a commitment to Kaipara District Council and flexibility to consider alternative arrangements to match affordability requirements of the Mangawhai community and Council. This includes offering a Guaranteed Maximum Price based on the agreed scope with all savings below this price cap being shared equally between Council and Simon Engineering, fixed interest rate period of 5, 10 or 15 years with options to elect an interest only period (available for 5 years only) or anywhere up to 100% repayment of principal over 15 years. The fixed interest rate period allows Council to refinance after either 5, 10 or 15 years.

Council still retains the ability to select a financing option, but is currently proposing to adopt the interest only option for 5 years.

7.2 Sanitary Works Subsidy Scheme

The Sanitary Works Subsidy Scheme (SWSS) was launched by the Government in December 2002 and provides for subsidies to small communities to build sewerage treatment facilities. The emphasis is on small communities that would otherwise not be able to afford sewerage schemes and where public health risks exist. In addition, if subsidies are granted from central government then an equivalent district subsidy is also required, based on the principle that if there is national benefit then there must also be a district wide benefit.

There is a three stage process associated with each application including:

- 1 Preliminary Application
- 2 Application for Provisional Acceptance
- 3 Application for Subsidy

Stage 2 provides for each community to be ranked in priority order and have funding reserved for some two years to allow for consent processes.

The Council has submitted a preliminary application which has been accepted in principle as being eligible for consideration for funding under the scheme. Given the above process and the infancy of the scheme, it is likely any decisions on funding may take some time to eventuate. A Stage 2 provisional application has been submitted and is currently being assessed by Ministry of Health officials.

Council has therefore resolved to proceed with this project without relying on any subsidy from central government. If the application is eventually successful then any subsidy will be used to contribute to the cost of the scheme and lower charges. This will be focussed on driving down the costs to current ratepayers as the subsidy scheme is specifically designed to assist current, not future ratepayers.

8. The Proposed Sewerage Scheme

8.1 System Proposed

Simon Engineering has been designing and constructing wastewater treatment systems since 1963, with more than 400 plants similar to the proposed scheme for Mangawhai having been designed and built in that period. The first systems were built for facilities such as caravan parks, which have similar patterns to Mangawhai, with peak flows during Christmas and Easter and lower flows during winter.

The scheme proposed for Mangawhai is a fully reticulated scheme with a single centralised treatment plant and disposal to land with the opportunity for beneficial reuse.

Each of the specific elements of the system is outlined in the following sections.

8.2 Treatment Plant

Simon Engineering proposes to use a single tank Intermittently Decanted Extended Aeration (IDEA) process. This type of plant and process has been widely used since the late 1960s and has been proven to be successful in smaller communities. It is a continuously fed sequencing batch reactor with aeration, settling and decanting being carried out in the same tank sequentially.

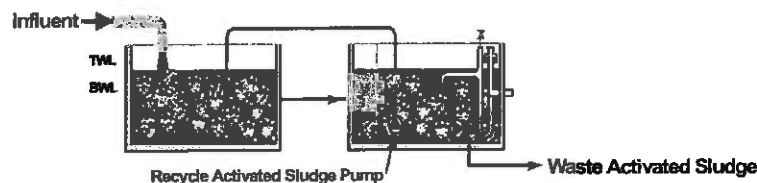
Simon Engineering will install a second tank (Anoxic-Aerobic Tank - AAT) upstream of the IDEA tank thus developing the hybrid dual tank system where demand aeration is carried out continuously in the AAT and an intermittent cycle of aerate-settle-decant is carried out in the IDEA tank. Activated sludge is recycled from the IDEA tank to the AAT, treated effluent is decanted from the IDEA tank, and sludge is wasted from the plant from the IDEA tank.

The benefits of this system include:

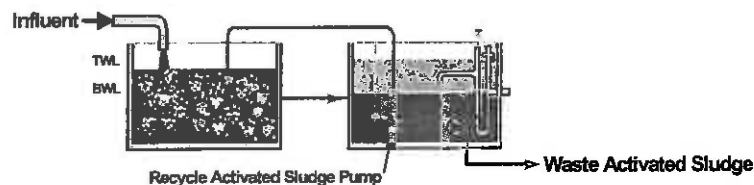
Aeration on Demand Saves Power – the AAT is aerated whenever there is demand. Sewage is received into the AAT continuously and hence cell synthesis takes place in an oxygen-enriched environment. During low demand periods, aeration will be stopped and the tank contents will be mixed (by short bursts of aeration or by aerating with fewer aerators) to optimise de nitrification.

Dual Tanks Prevents Short Circuiting - In single tank IDEA, during settle/decant period, untreated sewage could flow over the top of the sludge blanket and reach decanters. Dual tank approach eliminates this possibility.

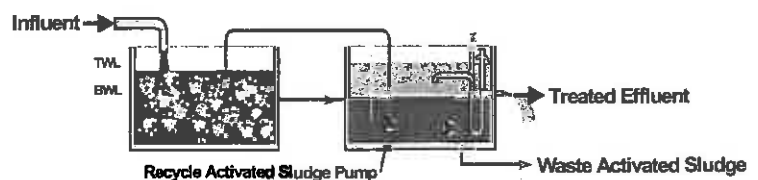
The proposed system is illustrated below.



1. Aeration Phase



2. Settle Phase



3. Decant Phase

The treatment plant will provide storage capacity for treated effluent of 1.4 megalitre via a small lined pond.

This pond can be utilised in two ways. If significant reuse water is required and on site storage at the golf club or other users is not available, then the pond can be used as storage tank for reuse water. It can also function as an emergency overflow tank in the event of failure at the plant where overflow sewerage can be stored temporarily until the plant is operating effectively. In this case the effect on the quality of any reuse water would be addressed by re-circulating the water back through the plant.

The treatment plant will produce treated effluent that is better than the following quality limits based on a continuation of predominantly domestic waste:

Parameter	Unit	Value	Basis
BOD ₅	mg/L	10	Median based on any five consecutive samples
SS	mg/L	10	Median based on any five consecutive samples
TN	mg/L	10	Median based on any five consecutive samples
Faecal Coliforms	cfu/100m L	100	Median based on any five consecutive samples

It is proposed that the treatment plant be located on a 1 hectare site immediately south of the Golf Club within the 32.8 hectare Mangawhai Park. Appendix C provides an indicative plant layout and positioning which will be confirmed through the detailed design phase. A buffer of trees will be provided around the plant to blend it with the existing forest. In addition, further low maintenance shrubs in keeping with the local environment will be planted around the control buildings to enhance the visual amenity of the site.

The plant and surrounding equipment will be architecturally designed to have a minimum impact, including the use of semi-underground tanks and other low impact designs to further blend into the surroundings.

8.3 Reticulation System

Simon Engineering has developed the broad design philosophy and approach to the reticulation of the drainage area that will be confirmed through the detailed design stage. Connections to the reticulated network will be provided at property boundaries, and drainage will be required to be installed from either households or existing septic tank inlets. Existing septic tanks will need to be pumped out and then demolished, filled or removed. In some locations, pumps may be required to convey sewage to the reticulation network.

The use of STEDS (Septic tank effluent disposal scheme) technology has been considered however it is unlikely to be economically viable in many locations. Simon Engineering will confirm this and make the appropriate decisions through the design stage. In all cases any septage present will need to be removed from septic tanks and transported to the wastewater treatment plant for processing.

The urban area of Mangawhai is divided into fourteen catchments. The sewage from the lots within each of these catchments gravitates to a pump station through uPVC sewers. The sewage is transported to the treatment plant using a series of pump stations, rising mains and gravity sewers as appropriate. Each pump station has 12 hours emergency storage in the event of power failure or pump failure. Portable generators will be available in the event of an extended power failure. In addition there is overflow storage capacity at each pump station in the unlikely event that all the systems in place cannot handle an emergency.

Where possible, existing sewers will be incorporated into the reticulation network. For example the sewers installed to service the commercial area will be incorporated, however the treatment process itself will be decommissioned and the tanks used for emergency storage.

8.4 Disposal Option

Simon Engineering has considered a range of disposal options for the Mangawhai Project which are ranked in order of environmental benefits:

1. Provision of treated reuse water to the Golf Club and other users;
2. Disposal via Rapid Infiltration over land leased to Carter Holt Harvey for forestry south east of the estuary;
3. Irrigation to farmland; and
4. Disposal via rock bed infiltration areas adjacent to upper reaches of the estuary.

Clearly, if all treated water can be reused this is the preferred option however given current circumstances this is unlikely to occur during the winter months at least initially. Simon Engineering has therefore pursued Options 2 & 3 to support any reuse achieved.

Option 4 has been ruled out.

Simon Engineering will actively pursue Option 1 throughout the life of project to minimise the amount of treated effluent discharged. Council and Simon Engineering are further investigating Options 2 & 3 to determine the sustainability and environmental impacts of each and to identify the option that best meets the environmental and community needs.

This issue will be resolved prior to the necessary consent applications being lodged and will be advised to the community.

Regardless of which option is finally selected the plant has been designed to enable all treated water to be disposed of or reused. In addition on site storage has been provided to increase the potential for reuse or to provide emergency storage to prevent overflows.

8.5 Physical Connection of Households

Council has considered requiring all household and premises connections to be undertaken by Simon Engineering as part of the project. This was primarily driven by efficiency, cost and quality concerns. Council has determined that including the cost of physical connections in the Simon Engineering contract may lead to inequities because households with cheaper connections would be effectively subsidising those with more expensive connections.

Council has therefore decided to provide a list of contractors (including Simon Engineering) to enable each ratepayer to choose a contractor to make the physical connection.

In the final negotiations with Simon Engineering this issue will be explored in more detail and if a practical and equitable arrangement can be provided this option may be revisited.

For example, in the negotiations it may be possible to incorporate the physical connection at a small incremental cost only using local contractors coordinated through Simon Engineering. This may also allow individuals to spread the cost of the connection over time rather than making a single up front payment.

As this cannot be resolved until the detailed design is completed, it has been decided to proceed on the basis of individuals arranging their own connection. If a better solution becomes available Council will consult with the community and present the choices to the community.

8.6 Drainage District

The declared Drainage District is illustrated in Appendix B of this report and described below:

All of the area known as Mangawhai Heads:

- from the seaward boundary of the area up to and including the East side of Cove Road from the Southern boundary of Bream Bays Farms Ltd (ALLOTS 31 40 MOLESWORTH SUBS ALLOTS 233 255 MANGAWHAI PSH ALLOTS 55 56 56A 309 PT 54 WAIPU PSH BLK II) to the Southern boundary of P B Atkins (LOT 1 DP 29045) property at the junction with the estuary at that point; and also
- including all of Thelma Road including the unformed sections on both sides of Molesworth Drive up to and including the boundary with the estuary and Moir Point Road from where it meets the unformed section of Thelma Road to the boundary with the estuary.

All of the area known as Mangawhai Village:

- from the Causeway to the estuary on the Eastern boundary of all properties on Pearson Street, Kainui Street, Moir Street and Insley Street, south of Insley Street including all

of the Mangawhai Beach School property and the Chaffe property (PT ALLOT 12 MANGAWHAI PSH) and the D J Wood property (LOT 26 PLAN W38 PT ALLOT 1 MANGAWHAI) (adjacent to the Mangawhai Domain), up to the A J Wood (LOT 1 DP 96257 PT ALLOT 12 MANGAWHAI) property located South of the Kaiwaka-Mangawhai Road,

- South of the Kaiwaka-Mangawhai Road up to the Right of Way Lot 20 DP 174833, and North of the Kaiwaka-Mangawhai Road up to Old Waipu Road and includes all land from the J W Cochrane property (LOT 1 DP 135346) on the Kaiwaka-Mangawhai Road and the G C Bowmar property (LOT 6 DP 125004 ALLOT 247 MANGAWHAI) to the M F Roberts property (LOT 3 DP 198917) on Old Waipu Road.
- North of Old Waipu Road from and including the P K Fell property (LOT 7 DP 152746) up to and including the S J Frost property (LOT 4 DP 154785 PT LOT 9 DP 135476) adjacent to Molesworth Drive.

All households and premises within this district will be required to connect to the sewerage network once the reticulation network is installed and the treatment plant is operating.

This area is expected to accommodate the following population levels:

	2011	2021	2027 Average
Resident Population	2150(+/-)300	2600(+/-)400	2914
Weekend Population	3300(+/-)500	3800(+/-)600	4136
Summer Population	5700(+/-)800	6300(+/-)1000	6690
Peak Population	8300(+/-)1200	9100(+/-)1400	9616

8.7 Allocation of Responsibilities

The Project Deed or contract between Kaipara District Council and Simon Engineering will clearly spell out the responsibilities allocated to each party and the associated risks.

This ensures Simon Engineering is fully aware of what risks it must manage. Similarly, Council must manage its risks.

Kaipara District Council will be responsible for:

- Managing strategic directions for the provision of wastewater services to Mangawhai;
- Setting and monitoring performance standards;
- Setting, publishing, collecting all wastewater rates and charges from the community;
- Managing customer service standards including receipt and processing of customer complaints and queries;
- Establishing appropriate depreciation provisions in accordance with Local Government Act 2002; and
- Overall management of the contract including ordering any modifications or changes.

Simon Engineering is responsible for:

- Providing all finance for the project during the construction period and for the first five years of operation;
- Managing the design, construction, installation of all assets including responsibility for all cost over runs;
- Preparation and submission of all relevant Consents (Council will assist when and where appropriate);
- Operation and Maintenance of the system in accordance with Performance Standards set by Council;
- Provision of required guarantees and securities to underwrite their performance of the contract;
- Provision of skilled and appropriate staff;
- Liaison with Regional Councils relative to Consent conditions; and
- Maintenance of discharge agreements and disposal of biosolids.

Underpinning the relationship between Council and Simon Engineering is the Project Deed and associated legal documents. Council and Simon Engineering have also agreed to a Guaranteed Maximum Price approach whereby the Guaranteed Maximum Price will be set and all savings achieved below this will be shared equally between Council and Simon Engineering, thereby reducing the overall project costs.

8.9 Monitoring Regime

The monitoring regime is designed to ensure that the community and Council gets what it has paid for. That is:

- effective sewerage treatment services;
- at competitive market prices;
- to the standard required; and
- that will improve and maintain the water quality within the estuary.

Simon Engineering will establish a regime to monitor the improvement in the estuary and to assist in the progressive identification of other pollution sources. While Simon Engineering will not be responsible for rectifying problems arising from other sources of pollution, it will report to Council in the first instance as the client. Northland Regional Council, Department of Conservation and Department of Health are also stakeholders who are interested in the issues associated with the estuary. A protocol will be developed whereby outcomes of this monitoring program are reported to these stakeholders for information and appropriate action.

In terms of contract management, Council will monitor the contract in a number of ways such that Council:

- Is advised of relevant issues;
- Knows how the issues are being addressed;
- Knows that construction is proceeding in accordance with plan;
- Knows that Performance Standards are being met; and
- Is advised of emergencies or incidents.

The Project Deed outlines a reporting regime that applies during both the construction and operations phases and provides a framework as to how and in what timeframe issues must be resolved.

Performance Standards will be documented to address such issues as:

- Standard of Effluent discharged;
- Health and Safety performance;
- Operations and Maintenance Performance;
- Condition of the Assets;
- Odour/ Noise limits;
- Reporting Arrangements (Time, contents etc);
- Contingency Events; and
- Environmental Performance.

This will require a monthly report that is capable of being audited as and when required by Council. Where breaches of the standards occur, Council has negotiated a payment reduction that penalises Simon Engineering and provides an incentive to avoid any further occurrences.

Repeated breaches of service standards initiate an escalation process where more significant penalties apply and where Council can call on the guarantees provided by the contractor. It is therefore imperative that Council contracts with a financially sound company prepared to provide these required guarantees.

9. The Outcomes

9.1 Social

This project is focussed on improving the well being of the estuary to allow the Mangawhai community and those other residents and tourists to the area to fully enjoy the environment that makes Mangawhai what it is.

The estuary is a focus for swimming, shellfish gathering, fishing and boating as well as other recreational activities along its banks. None of these can be enjoyed fully while the estuary is in its current state. As stated elsewhere in this document, the project is about achieving significant improvement at an affordable cost while preserving the low impact coastal appeal of Mangawhai.

The project is specifically targeted at protecting and preserving the estuary in a sustainable manner for all users.

9.2 Cultural

Throughout this process Te Uri o Hau has been involved through having a dedicated representative included as a member of the Community Liaison Group and subsequently the Project Steering Committee.

Simon Engineering has received a letter of support from Te Uri o Hau for its proposal including the proposed discharge arrangements. Te Uri o Hau will have further involvement in the process through the final design and consents stages however, is presently satisfied that both Council and Simon Engineering respect and acknowledge the cultural impacts associated with this project. This is reflected in strong statements that direct discharge to the estuary or other waterways will not be acceptable.

9.3 Environment (Estuary and Groundwater)

The prime objective of the project is to improve the water quality in the estuary. This will be achieved by eliminating flows from septic tanks and other systems from entering the groundwater and the estuary.

Stormwater implications have been considered and will be progressively addressed where adverse environmental impacts are found.

A monitoring and reporting program will be established to ensure a strong focus is directed at achieving this objective. Results will be reported to other stakeholders including Northland Regional Council, Department of Conservation and Department of Health.

9.4 Economy

The economy of Mangawhai is driven by its fulltime and part time residents, and by its attraction as a tourist destination. Not all current residents embrace the prospect of growth, however the influx of tourists during the summer season and the arrival of new ratepayers are unlikely to reduce or stop in this popular destination.

Council is sensitive to the wishes of current residents and has established residential by-laws and zoning arrangements to prevent large scale developments that will change the nature of Mangawhai, however progressive infill and further subdivision will occur.

Appropriate infrastructure is required now to sustain the environment and to protect the estuary. The requirement for environmental protection will increase with growth in the community. This growth will be of economic benefit to current residents both in terms of spreading the burden of paying for infrastructure that is required now, and in general terms as more services and facilities become available within the community.

10. Cost

The competitive bidding process required all bidders to submit a financial model that demonstrated their pricing structures and proposed payment structures.

Simon Engineering provided the lowest Net Present Value cost for the project and also demonstrated the greatest flexibility in being able to adjust its payment schedule to meet Council requirements. For commercial reasons, tendered prices cannot be disclosed, however it is noted that the capital and operating costs tendered by Simon Engineering are within Council's pre-tender estimates.

Council pre-tender estimates are for capital costs of less than \$17 million and annual costs in the order of \$800,000 per annum with adjustments for inflation and population growth.

Capital and operating costs tendered by Simon Engineering have been put into a financial model to generate start up fees and annual rates over a 25 year period. Although the contract duration has now been reduced to 15 years, the modelling has still been based on 25 years to enable Council to forecast cashflows and funding requirements over the originally proposed contract duration.

In addition, the model has assumed that a \$5.5 million debt will remain after the 25 year period and that this debt will be paid off over the following 15 year period. In effect, the proposed rating model assumes that the capital and operating costs will be spread over a 40 year period, being conservatively less than the forecast 50+ year working life of the scheme.

The reason for modelling costs in this manner is to provide a degree of certainty of funding over the life of the project and to determine indicative rates for the life of the project. The assumption of a 40 year period to completely fund the initial scheme addresses the issue of intergenerational equity. This means that a future generation which benefits from capital investment in infrastructure now, will also contribute to the cost of that infrastructure.

The rating and financial model described above has been prepared by the public accounting firm of PriceWaterhouseCoopers, and the assumptions made to generate the model have been determined by Council after receiving feedback from the community. The primary consideration in this respect has been that current ratepayers should not carry the full burden of funding the proposed scheme to the benefit of future ratepayers

11. Funding Arrangements

11.1 Factors to be considered

Council has considered various options for funding the project recognising the need to balance a range of factors including:

- User pays principles to ensure those people directly receiving the service pay the appropriate costs for the service;
- Balancing intergenerational equity issues to ensure that capacity made available today, due to efficiency in construction, is appropriately charged to future users;
- Addressing the issues of benefits over time and how they accrue to each ratepayer;
- Ensuring any one off costs acts effectively as an economic instrument and allocates costs accordingly so as not to unduly penalise any one group;
- Balances long term environmental benefits with future residential and commercial benefits attributed to general commercial activities within the existing community as well future land developers.

11.2 Average Charges - Start Up Fees/ Rates

Council has considered these factors and has developed a funding model which relies on a combination of annual rates using a uniform rate based on the number of pans connected in each dwelling and initial "start up" fees. The "Start-up" fee is a charge or contribution levied under the Local Government Act 2002 to fund the infrastructure at the time of connection to the service.

To provide the basic fundamental test of fairness Council firstly examined the costs per rateable property assuming that the forecast number of properties after 25 years were present and occupied when the proposed scheme was commissioned.

This would produce the following costs per rateable property:

- Start Up Fee - \$5,535 + GST (Capital cost / final forecast number of ratepayers)
- Annual Rates - \$178.00 + GST (Annual operating cost / final forecast number of ratepayers)

The theoretical calculation above would mean that all capital and financing charges were paid through the Start Up Fee with Annual Rates being used to cover operating costs and fees. In other words, if all future ratepayers were present today these would be the fair and equitable costs to fund the proposed scheme. Since this is not the case, it is reasonable to allocate the financing charges to future ratepayers as a cost to reserve capacity for them within the system. Refer to section 11.5 below.

11.3 Average Charges – Rates Only

The alternative to not charging a Start Up Fees is to levy all ratepayers some \$1,200 in annual rates each year. This would cover all capital, financing and operating costs.

This is also considered unacceptable as it imposes the costs of reserving future capacity for future ratepayers on the current ratepayers.

11.4 Community Feedback

The community has consistently stated that future ratepayers must pay their fair share for the costs of the system as they are the “exacerbators” who would otherwise benefit from the contribution of previous of ratepayers if only general rates were used.

In addition as many current ratepayers have incurred capital costs in the installation of septic tanks and bio cycle systems or equivalent that must now be removed it is doubly unfair if they wear a cost burden that should be borne by future ratepayers who will not be required to fund private systems.

11.5 Council Position

Council has considered all of the above and acknowledges the difficulty in allocating costs to future ratepayers who are expected to arrive over the next 25 years.

The chosen delivery method of Design Build Finance Operate provides for payments to be charged to Council, which spreads the costs of the proposed scheme. This is achieved through the inclusion of a financing mechanism complete with a fee reduction mechanism if services do not meet the required standards.

Council has selected an option that defers capital cost repayments for the initial five years and then progressively pays off the principal over the remaining 35 years of effective life of the scheme. This approach incurs funding costs that must be considered and allocated to current and future ratepayers.

Council has considered the current Mangawhai population base and recognises the key characteristics of this population, with many in post employment status on a low to median income derived from superannuation schemes or annuities. This population base is expected to progressively change as new ratepayers arrive with higher incomes and therefore a better ability to pay. New ratepayers will also be entering a property market where the costs of funding infrastructure to preserve the environment are known up front.

Current residents have also invested, admittedly to varying levels, in some form of sewerage infrastructure to service their existing properties.

Council therefore propose to reduce “Start Up Fees” and increase rates to more equitably spread the cost of the system over time and population. It is proposed to reduce Start Up fees for current ratepayers by \$3,000 and future ratepayers by some \$6,000.

These reductions will be offset by an increase in Annual Rates for each ratepayer of \$60 per year for every year of the project.

In consideration of all of the above Council proposes the following:

Item	Total Cost	Current Ratepayers Share	Future Ratepayers Share
Depreciation Charge	\$9,540,000	\$4,790,000	\$4,750,000
Interest	\$19,000,000		\$19,000,000
Overdraft Costs	\$7,000,000	\$1,000,000	\$6,000,000
TOTAL	\$35,540,000	\$5,795,000	\$29,750,000
Ratepayer Nos	2800	1350	1450
Cost / Ratepayer	\$12,700	\$4,288	\$20,500
Less Adjustment		(\$3,000)	(\$6,000)
Proposed Start Up Fees		\$1,288	\$14,500
GST		\$161.00	\$1,812.50
START UP FEES		\$1,449.00	\$16,312.50
Operating Cost/ Current Ratepayer	\$370.00		
Plus Adjustment #	\$60.00		
Proposed Annual Rates Year 1	\$430.00		
GST	\$53.75		
FIRST YEAR RATES	\$483.75		

Why offset

← ? explain

This offsets the reductions in Start Up Fees referred to above the table.

The above table does not include costs for connecting existing premises or households.

Council therefore proposes to proceed based on the following maximum fees and rates:

Ratepayers	Current	Future
Fee		
Start Up Fee	\$1,450 inc GST	\$16,312. 50 inc GST
Annual Rates 1-2 Pans	\$483.75 inc GST	
Annual Rates 3 + Pans	\$483.75 + \$50 per extra pan in excess of 2.	

Note that all existing undeveloped sections (properties without a habitable dwelling and or existing system) within the area will be considered as future sections for charging Start Up Fees.

The above charges will increase in line with the rate of inflation as measured by the NZ government which is currently estimated at 3% for modelling purposes.

While the above charges recover the costs over the entire period, there will be periods when overdraft facilities will be required to fund the shortfall between rates revenue and annual payment to Simon Engineering. The costs of this shortfall in terms of additional interest payments have been included in the overall calculations.

Council has previously reviewed its Treasury Policy and its Annual Plan and has developed the following position:

“Total Council debt, excluding third party funded Council-sponsored schemes, should be maintained so that a minimum of 65% of all such debt is fully performing.” (Emphasis added)

11.6 Deferred Payments

In addition, Council has developed a proposed staging model that provides for anyone in the community to stage their payments over a 12 month period.

This is outlined below:

Option	Payments	Timing	Amount
1	Single Payment	March 2004	\$1350.00 plus Connection Costs (\$100 discount)
2	4 Quarterly Payments	TOTAL September 2004 December 2004 March 2005 June 2005	\$1450.00 Plus Connection Costs \$ 362.50 plus Connection \$ 362.50 plus Connection \$ 362.50 plus Connection \$ 362.50 plus Connection
3	Single Payment	March 2005	\$1450.00 plus Connection Costs.

The dates outlined above will be subject to the actual dates when the service can be provided, and will be adjusted once Resource Consents have been received and a construction programme has been finalised.

12. Next Steps

To progress the resolution of these issues Council has initiated a Special Consultative Procedure as outlined in Section 83 of the Local Government Act 2002 involving:

1. Notification (Of which this Statement of Proposal is part)
2. Consultation
3. Submissions
4. Hearings

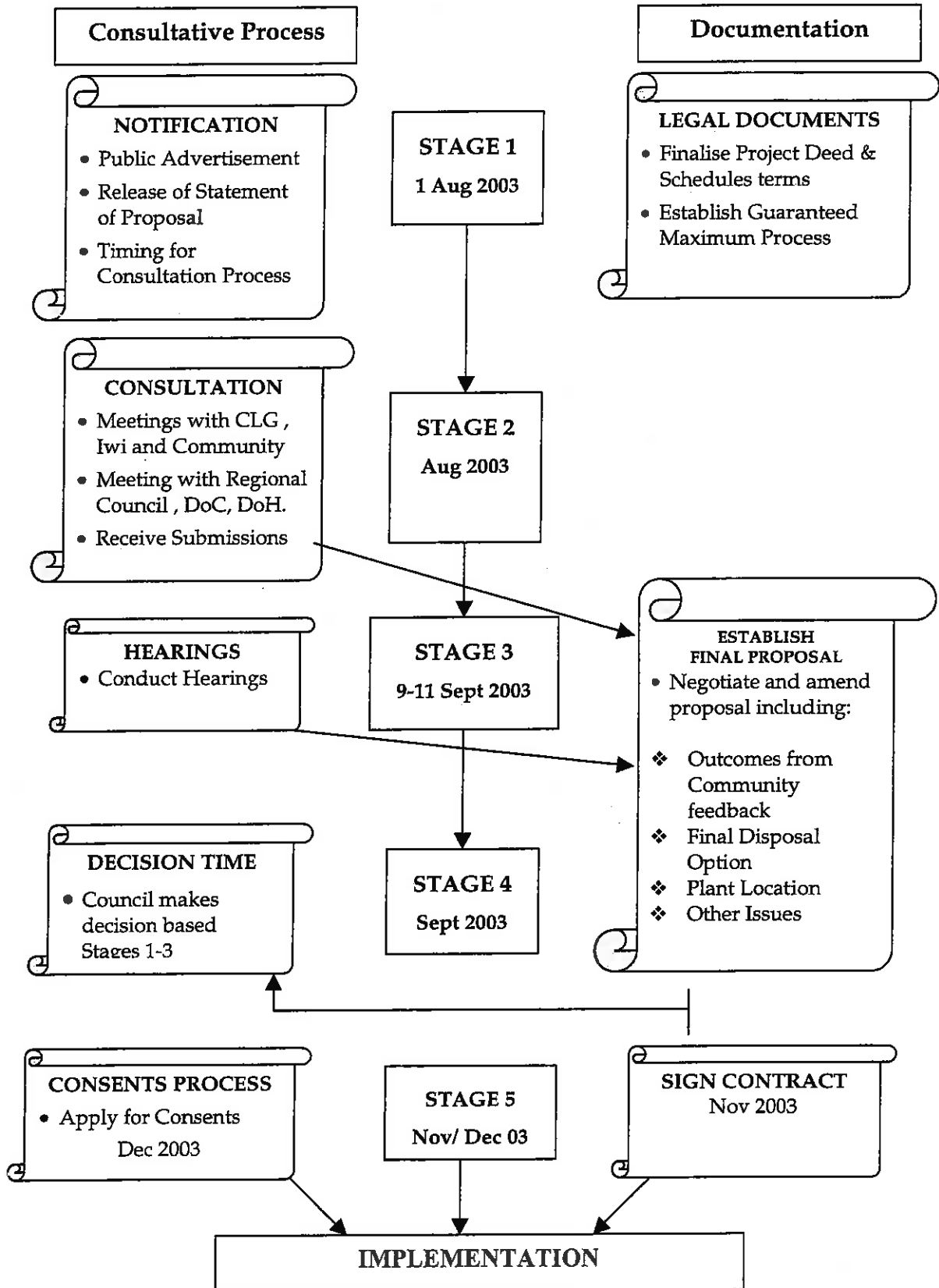
This will provide the community with a further opportunity to be fully aware of the issues, the proposed solution and the cost . It also provides another opportunity for individuals or groups to be heard and to make submissions to Council.

In one aspect this should also assist in the Resource Consent stage by bringing forward issues for discussion and resolution.

While this Special Consultative Procedure is proceeding, Council's advisors will continue to resolve any outstanding legal and commercial issues associated with the project documentation. This is being done to shorten the overall timeframes in the event that Council determines it will proceed with the proposed scheme. There will however, be no formal consideration of the Simon Engineering proposal by Council until it has received and considered all submissions from the Special Consultative Procedure now underway.

Outlined on the next page is a diagram illustrating this process.

NEXT STEPS MANGAWHI ECO CARE



- Appendix A

Consultation and Communication Report

▪ report

Mangawhai EcoCare: Stakeholder and Community Consultation Overview

Prepared for Kaipara District Council

By
Beca Carter Hollings & Ferner Ltd & EPS
Consultants International Pty Ltd.

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1 Purpose of Report

This report provides an overview of the consultation undertaken with stakeholders and the community for the Mangawhai EcoCare project and its predecessor the "Mangawhai Infrastructure Assets Study". The period of consultation extends from January 1999 to present. Consultation will continue as the project progresses.

This report will continue to be updated and will be finalised on completion of the Project.

2 Structure of Report

Consultation is presented chronologically using six broad timeframes. These reflect the project milestones.

Phase 1 Issues and Option Development (early 1999 - early 2000)

Phase 2 Assessment and Selection of Delivery Options (mid 2000 - April 2001)

Phase 3 Release of EOI (April 2001 - August 2001)

Phase 4 Selection of Short-Listed Tenderers (August 2001 - November 2001)

Phase 5 Release of Request for Proposal Document (RFP) (November 2001 – April 02)

Phase 6 Evaluation and Negotiation (May 02 to Present)

3 Project History

The current standard of wastewater and stormwater management at Mangawhai is not environmentally or socially acceptable. KDC has determined that the provision of these services needs to be improved following NRC raising significant concerns relative to the water quality of the Mangawhai estuary.

In 1998 KDC initiated the Mangawhai Infrastructure Assets Project to identify the technical requirements and to consider community impacts associated with improving the infrastructure. During this early period two technical reports were commissioned, the Mangawhai Planning Study (September 1997) and the Mangawhai Infrastructure Assets Scoping Report (December 1998). These studies raised a series of issues relating to the provision of wastewater infrastructure.

Having identified the environmental and community issues it was critical to determine the most cost effective means of delivering the project that meet the objectives of all stakeholders including the community, Iwi, NRC, Department of Conservation and Northland Health. The delivery method chosen was using a public and private sector partnership that encouraged innovation at all levels and stages of the Project and would

allow competitive pressures to drive the best long term result in terms of environmental and commercial outcomes at an affordable price.

This is based on providing the private sector with output focussed targets for the next 25 years without being highly prescriptive about what and how they achieve these outcomes. What is required however is that all proposals must be capable of receiving the required Consents from NRC and KDC and comply with all relevant legislation.

Since that time KDC has undertaken extensive stakeholder and community consultation and has advertised an Expression of Interest. Three bidders have been shortlisted, and their bids were received on 3 April 2002.

The approved evaluation process was undertaken and a recommendation submitted to Council seeking issuing Simon Engineering an invitation to accept "Preferred Proponent" status. Simon Engineering has subsequently accepted this invitation and negotiations have commenced.

4 Consultation Process

In developing this project KDC has been conscious of the community and stakeholder interest and has gone to considerable lengths to ensure that the community's values and objectives for Mangawhai are reflected in the project. A number of mechanisms have been used to communicate the project to the community; to obtain community feedback; and to include community values in the development of the solution. These include:

- Demographic Questionnaire in February 1999;
- Workshops with key stakeholders, groups and organisations in January 1999;
- Public Meeting on 23 January 1999;
- Hold Public Meetings in May and September 1999;
- Holding a Stakeholders Forum in April 2001 enabling stakeholders and the community to raise any issues or concerns about the project;
- Establishing a Community Liaison Group (CLG) comprising Mangawhai residents, Iwi and representatives of the MRRA;
- Publishing regular EcoCare Newsletters which are distributed to all Mangawhai ratepayers;
- Publishing regular updates in the Mangawhai Memo;
- Seeking feedback via the EcoCare Newsletters and Memo;
- Holding a Community Open Day to explain the BOOT process, introduce shortlisted tenders and to obtain feedback;

- Incorporating Community objectives for the project in the Request for Proposal Document
- Stakeholder meetings (NRC, MRRA)
- Public Presentation by Chief Executive of the process adopted
- Public Briefing on the recommendation to be submitted to Council

5 Consultation Chronology

5.1 Phase 1 - Issues and Option Development (98/99)

5.1.1 Newsletter No. 1 - Appointment of Beca, 2 November 1998

Signed by Jack McKerchar (KDC). The Kaipara District Council wishes to advise residents and ratepayers in the Mangawhai area, that a contract has been let to Beca Steve to conduct the Mangawhai Infrastructural Assets study.

5.1.2 Newsletter No. 2 - Public Meeting - Mangawhai Infrastructural Assets Study, 13 January 1999

Signed by Brian Jensen. KDC and Beca Steven invite to a meeting of interested parties on Saturday 23 January 1999 at 1.30 pm in Senior Citizens Hall, Fagen Place, Mangawhai.

5.1.3 Workshop with Regulators, 21 January 1999

A workshop was conducted with relevant statutory agencies including Northland Regional Council (4), Department of Conservation (2) and Northland Health(3) and the Project Team comprising of KDC and Beca.

5.1.4 Workshop with Community Representatives, 22 January 1999

Following on from the meeting with regulators a meeting was held with community representatives to discuss approach and for the meeting the next day. Attended by 40 (info from consultation draft doc).

5.1.5 Public Meeting Mangawhai, 23 January 1999

A meeting of all interested persons was held on 23 January 1999 at 1.30 pm in the Senior Citizens Hall, Fagen Place, Mangawhai.

170 attended (info from draft consult document). The purpose of the meeting was to discuss matters relating to the planning and provision of water supply, disposal of waste

water, roading, footpaths, reserves, and other related Infrastructural requirements, so as to adequately provide for future developments in the Mangawhai area. (Source newsletter 2).

KDC chaired the meeting and Beca Steven described how the study would be carried out.

5.1.6 Newsletter No. 3 - Issues and Options, 1 February 1999

Every ratepayer in the Mangawhai study area (approximately 1500) was sent a newsletter (Newsletter No. 3). The newsletter invited recipients to respond to the issues and options identified for each of the infrastructure elements (reserves, water supply, wastewater, stormwater and roading and footpaths). In total 309 people (approximately 20% of the recipients) responded to Newsletter No. 3 within the submission timeframe.

The following provides a brief summary of the findings from this questionnaire distributed in February 1999 to all ratepayers in the Mangawhai study area (approximately 1500 households):

- Demographic Questionnaire - in total there were 324 responses (this represents a response rate of over 20% which is considered high for a postal questionnaire).
- Issues and Options Questionnaire. In total there were 309 (response rate of approximately 20%).

The results of the questionnaire are summarised in a memo from Amelia Linzey (Beca) to Chris Jenkins 2 March 1999 entitled "Mangawhai Asset Study".

5.1.7 Demographic Survey, 23 February 1999

A report which summarised the available demographic information for the Mangawhai area, identifying any relevant geographic patterns and projecting scenarios for the future population and community of Mangawhai from census information and the findings of the demographic questionnaire which was included with Newsletter 3 to all property owners in Mangawhai (refer 5.1.7).

The purpose of this review is to gain a better understanding of the demand for infrastructure and public servicing.

5.1.8 NRC Review of Issues and Options Report, 8 March 1999

A copy of the Mangawhai Infrastructural Assets : Issues and Options Report (January 1999) was submitted to Northland Regional Council for comment in January 1999. The Northland Regional Council (Glenn Mortimer : Manager Planning & Policy) provided a comprehensive written review and comments on the report (Letter dated 8 March 1999).

5.1.9 Newsletter 4 - Summary Recommendations, 17 May 1999

Provided a summary of information received during consultation (newsletter) issued to 1500 households to gather feedback on preferred option report (draft doc source).

5.1.10 Workshop with Community Groups , 21 May 1999

Prior to meeting with the public a workshop was conducted with local community groups to discuss the Preferred Options Reports and advise on process for the for the public meeting.

5.1.11 Workshop with Public, 22 May 1999

Public meetings were conducted on 21 May 1999 and 22 May 1999 to discuss the Preferred Options Report (source draft document).

5.1.12 Mangawhai Infrastructural Assets Study - Consultation Summary - Newsletter 4, August 1999

Prepared by Beca for KDC

Prepared as part of a series of the Mangawhai Infrastructural Assets Study.

Summaries the consultation feedback to the Preferred Options Report included as an appendix to Mangawhai IAS - August 1999.

5.1.13 Mangawhai Infrastructural Assets Study, August 1999

Three reports were prepared:

- Vol 1 Mangawhai IAS - Summary
- Vol 2 Mangawhai IAS - Preferred Options
- Vol 3 Mangawhai IAS - Issues and Options

These studies were used in the initial stages of public consultation include information obtain in 5.1.1 - 5.1.12 above.

5.1.14 Newsletter 5, 3 September 1999

Contains a summary of the recommendations and conclusions of the Mangawhai Infrastructural Assets Study and begins discussion on how the recommendations will be implemented.

5.2 Phase 2 - Assessment and Selection of Delivery Options (2000/ 2001)

5.2.1 Public Submissions to Council - Wastewater, January 2000

In response to newsletter No 5, twenty one written submissions were received from the following:

- Helen Kearney, 5 Claude Street, Mangawhai Heads (also on behalf of A Reyngoud & J Reyngoud, 297 Hill Road, Manwewa, Auckland) 31 January 2001
- J D Harden, 35 Cullen St, Mangawhai Heads, 30 January 2001
- M & JL Richards, 33 Moir Street, Mangawhai, 30 January 2001
- W H Bygrave, 6 Alamar Cres, Mangawhai, 26 January 2001
- J & M Conner, 13 Cullen, Street, Mangawhai Heads 0583, 26 January 2001
- J Tuck, 212 Molesworth Road, Mangawhai, 30 January 2001
- D Chisholm, 21 Alamar Cres, Mangawhai, 30 January 2001
- K A Chisholm, 21 Alamar Cres, Mangawhai, 30 January 2001
- Norman Peter Creek, 13 Wintle Street, Mangawhai, 28 January 2001
- Alan Godfery, 42 Wintle Street & 72 Raleigh Road, Mangawhai, Northcote Road, Auckland, 30 January 2001
- A H Perry, 24 Margaret Street, 240 Molesworth Drive, Mangawhai, 28 January 2001
- Ralph James Norris, 23 Alamar Cres, Mangawhai Heads, 30 January 2001
- G Young, 8 Wharfedale Cres, 22 Kaurilands Road, 30 January 2001
- W J Mickell, 11 Wintle Street, Mangawhai, 29 January 2001
- RJ & DB Kingow, 24 Chilleh St, Mangawhai Heads, 25 January 2001
- M Davey, 19 Awatea Street, Mangawhai Heads, 29 January 2001
- M Brooks, 8 Molesworth Drive, Mangawhai, 29 January 2001
- Donna Flavell, 47 Roberts Road, Mangawhai, 30 January 2001
- Roger Kendall, 47 Roberts Road, Mangawhai, 30 January 2001
- D Goodall, 34 Eveline St, Mangawhai Heads, 30 January 2001
- L R Goodall, 34 Eveline Street, Mangawhai Heads, 30 January 2001

5.2.2 Issue Public Tender for Project Manager, 1 July 2000

Publicly advertised tender seeking Project Managers was advertised.

5.2.3 Appoint Project Manager, 7 August 2000

Following a review of submissions received and negotiations Beca Carter Hollings & Ferner Ltd were appointed as Project Managers. Beca Carter is undertaking the project management function in association with EPS Consultants International Pty Ltd.

5.2.4 Project Steering Committee (PSG) Meeting No. 1, 19 October 2000 at Penrose Farm

Present: Cr Bull, Cr Roberts, J McKerchar, J Lok, D Wright, C Jenkins, J Youdale, B Johnston. Initial Project Steering Committee meeting focussed on establishment of Project Management approach and to confirm the establishment of the Community Liaison Group following receipt of 6 nominations for the group. It was agreed to hold a spot over for a non full time resident as they will also be affected by the Project and should be represented if possible.

Initial discussion on scope of the project confirmed that wastewater was critical, stormwater to be considered if practicable and that there was little support for the inclusion of water supply.

5.2.5 Beca Meeting with Rob Lieffering (NRC), 29 November 2000

To describe the approach to implementation of infrastructures discuss consent process and establish ongoing liaison.

5.2.6 Project Steering Committee PSC Meeting No. 2, 7 December 2000 at Penrose Farm

Present: Cr Bull, Cr Roberts, J McKerchar, D Wright, C Jenkins, J Youdale, P Elliott. Further planning discussions including liaison with NRC and Northland Health to gather their support and confirm working relationships. Also discussions relative to the first CLG meeting which follows this PSC meeting.

5.2.7 Community Liaison Group Meeting No 1, 7 December 2000 at Gymnasium

Present: Jack Crocker, Wikiriwhi Hetaraka, Bill Higgins, Mary Williams, Jim Wintle, Dereck Wright, Chris Jenkins, Peter Elliott. Initial meeting to introduce everyone and establish the Group. Explained approach and the role of the CLG in promoting discussions and gathering feedback on the project. A list of local community groups to be compiled.

Project Team explained the approach of using the private sector to compete to Design, Build, Own, Operate and finally transfer the system back to the Council after some 25 years.

5.2.8 Project Steering Committee (PSC) Meeting No 3, 1 February 2001 at Penrose Farm

Focussed on:

- Confirming arrangements for Risk Management and Scope Workshops to be held on 21 Feb 2001 with Councillors and key Staff;
- Project to be called Mangawhai EcoCare: Maintaining Our Environment;
- Report was tabled that confirmed there was interest in the Project in New Zealand and Australia
- Need for public consultation to ensure all residents and ratepayers are aware of the project and have opportunities to provide input to the project.

5.2.9 Community Liaison Group Meeting No 2, 1 February 2001

Held at Mangawhai Library. Present: Jack Crocker, Bill Higgins, Mary Williams, Dereck Wright, Chris Jenkins. A list of community groups has been prepared and will be used by the Community Liaison Group and Steering Committee to assist in contacting the community.

5.2.10 Community Liaison Group Meeting, 15 February 2001

Held at Mangawhai Library. Present: Jack Crocker, Bill Higgins, Mary Williams, Dereck Wright, Chris Jenkins. The content and timing of Newsletter No 1 was discussed. The possibility of a public meeting was discussed and it was generally felt that it was needed.

5.2.11 Project Steering Committee Meeting No 4, 1 March 2001 at Penrose Farm

Present: Cr Bull, Cr Roberts, J McKerchar, J Lok, D Wright, M Ritchie, C Jenkins, J Youdale, M Foster.

General discussions on Project Progress with documentation and draft advertisements for the EOI outlined.

5.2.12 Community Liaison Group Meeting No 3, 1 March 2001

Held at Mangawhai Library. Present: Jack Crocker, Bill Higgins, Don McLean, Mary Williams, Jim Wintle, Dereck Wright, Chris Jenkins, Mike Ritchie. Revisions on Newsletter 1 were discussed and agreed. Steering committee announced a number of documents it is preparing to assist project management.

5.2.13 EcoCare Newsletter No 1, March 2001

Distributed to all Mangawhai ratepayers (totalling 1953). The newsletter introduced the wastewater project to community. It included information on who is involved in the project and their contact details. It encouraged the community to have their say.

5.2.14 Mangawhai Memo, 8 March 2001

Provided an update on project delivery and announced the appointment of a Project Steering Committee to manage the implementation of the project. The members of the Community Liaison Group were identified and community members were encouraged to keep themselves informed and to raise any questions with the Community Liaison Group or via email or letter to the council.

5.2.15 Mangawhai Memo, MRRA Notes, 22 March 2001

Managawhai EcoCare Newsletter 1 – March 2001 has been issued.

5.2.16 Project Steering Committee Meeting No 5, 5 April 2001

Held at Penrose Farm, Mangawhai. Attended by Cr Bull, Cr Roberts, J McKerchar, D Wright, J Lok, M Ritchie, C Jenkins, M Foster, J Youdale. Detailed drainage area plans showing the rateable areas were tabled. A discussion was undertaken on the short term programme for upcoming major events.

5.2.17 Stakeholders Forum, 05 April 2001 - Mangawhai EcoCare

Present:

Kaipara District Council	Jack McKerchar	CLG	Jack Crocker
	John Lok,		Mary Williams
	Cr. Jo Roberts,		Bill Higgins
	Cr. Richard Bull	(IWI & CLG)	Wikiriwhi Hetaraka
	Dereck Wright	MRRA	Brad Imrie
NRC	Cr. Mark Farnsworth	MHRS	Jim Batten
	Colin Dall,	Project Team	Chris Jenkins, John Youdale, Mike Ritchie
	Rob Lieffering		
Northland Health	Paul Reid		
Dept. of Conservation	Roger Morris	Public	Julia Sutherland, Pat Clapham, Peter Clapham

The purpose of the meeting was to provide a forum for the regulatory stakeholders to meet and discuss the issues as they saw them and to work towards a consensus on the conditions that would apply to consents for the project.

Agenda for the Stakeholders Forum included description of the project and process for implementation, anticipated consents and consenting procedure, discussion of issues which is the purpose of the forum, issues discussed include quality of discharges, acceptance and management of wastewater service overflows, any other issues. The forum was designed to capture all issues of the stakeholders to ensure no surprises in the project. This would enable the project team and bidders to consider stakeholders issues when discussing project, hence get a better consistent result.

{Minutes attached}

5.2.18 Mangawhai EcoCare Newsletter No 2, April 2001

Newsletter 2 was distributed to all Mangawhai and Mangawhai Heads residents. The newsletter provided information on pollution levels that have been measured in the harbour.

5.2.19 Community Liaison Group Meeting No 4, 5 April 2001

Held at the Mangawhai Library. Present: Jack Crocker, Bill Higgins, Mary Williams, Wikiriwhi Hetaraka, Dereck Wright, Chris Jenkins, Rob Lieffering, Colin Dall, Cr Mark Farnsworth, Cr Richard Bull, Cr Joanna Roberts, Jack McKerchar, Jon Lok, John Youdale, Mike Ritchie. The status of CLG meetings was discussed and it was decided that the CLG meeting is open and all matters discussed are open to the public. NRC introduced themselves and outlined the background to the consents process. In addition, Newsletter No 2 was discussed and minor changes made.

5.2.20 Mangawhai Memo, 19 April 2001

Project Steering Committee Update – 12 April 2001. This memo article is a follow on from Mangawhai EcoCare Newsletter 2 and provides more information on the pollution levels that have been measured in the harbour. Includes a table on the location of the water quality tests, the faecal coliform median at each location and the enterococci median levels at each location. It was concluded that the results were alarmingly high and well above the acceptable levels in the recreational water quality guidelines of the Ministry of the Environment and the Ministry of Health.

5.3 Phase 3-Release of EOI (April 2001- June 2001)

5.3.1 Release of EOI, 21 April 2001

The request for EOI was advertised on 21 April 2001, closing date 28 June 2001. Response was encouraging with over 30 hard copies and 40 copies via email distribution by 14 May 2001.

Copies of the EOI were made available in the Mangawhai library, KDC Offices and a number of copies were provided to interested locals.

5.3.2 Project Steering Committee Meeting No 6 , 10 May 2001 at Penrose Farm

Present Cr Bull, Cr Roberts, D Wright, J Lok, M Ritchie, P Elliott, R Ward, J Youdale. Discussed Project Management, Consents and Approval, Community Liaison.

5.3.3 Community Liaison Group Meeting No 5, 10 May 2001

Held at Mangawhai Library. Present: Jack Crocker, Bill Higgins, Mary Williams, Jim Wintle, Warren Williams, Cr Joanna Roberts, Cr Richard Bull, Mike Ritchie, Peter Elliot, John Youdale, Rebekah Ward. Discussed the stakeholders forum and feedback received from the community.

5.3.4 Mangawhai Memo, 17 May 2001

Announced release of EOI and the response obtained so far. Over 40 copies of the EOI had been distributed. The key drivers for the project were listed as being

- The enhancement of the water quality of the Mangawhai Estuary
- Compliance with health, regulatory and environmental requirements,
- Compliance with community expectations relative to treatment standards, reuse requirements, local cultural and community issues and the strong preference for land discharge compared to ocean discharge and
- Maintenance of KDC financial objectives and Treasury guidelines.

5.3.5 MRRA regular feature in Memo, June 2001

Refer to EcoCare Newsletter No 2. Question septic tank issue.

5.3.6 Mangawhai Memo, 27 June 2001

Provided an update on EOI process and the current interest in the project. Explained the next stage of the process which involves the shortlist of companies which will be issued with a "Request for Proposal" documentation.

5.3.7 EOI closes, 28 June 2001

Official date for closure of EOI.

5.4 Phase 4- Short-Listed Tender's Selected (2001)

5.4.1 Mangawhai Memo, July 2001

Announced the cut off date for the EOI. Expressions of Interest (EOI's) were received from 7 companies, 5 from New Zealand organisations and 2 from Australian based organisations. The EOI's also include numerous nominated NZ support groups or subcontractors with a total of over 20 specialist groups being involved.

5.4.2 Mangawhai Memo, July 2001

Further update on EOI's and the shortlisting procedure. The evaluation process to select the three or four companies to be invited to prepare a detailed proposal is now well advanced. All of the groups who submitted EOI's are being provided with the opportunity to support their submission with a presentation to the Steering Committee on the 31 July and 1st August.

5.4.3 Community Liaison Group Meeting No 6, 5 July 2001

Present Jack Crocker, Bill Higgins, Mary Williams, Don McLean, Wikiriwhi Hetaraka, Jim Wintle, Warren Williams, Cr Joanna Roberts, Cr Richard Bull, Dereck Wright plus Beca and EPS. Provided an update on the outcome of the EOI process.

5.4.4 Project Steering Committee Meeting No 7, 5 July 2001 at Penrose Farm

Present Cr Bull, Cr Roberts, D Wright, J Lok, M Ritchie, P Elliott, B Johnston. An update on the Project Management structure was presented. An update of the 7 EOI's received was presented. EOI's were available to the Project Steering Committee to gain an understanding on the content and approach adopted. The evaluation process that will be adopted was tabled and the evaluation team was confirmed.

5.4.5 Mangawhai EcoCare Newsletter No 3, July 2001

Newsletter 3 was distributed to all Mangawhai and Mangawhai Heads residents. Provided EOI Results and project update.

5.4.6 Mangawhai Memo, July 2001

Outlined EOI current status and briefly outlined the selection criteria.

5.4.7 Community Liaison Group Meeting No 7, 2 August 2001

Present Jack Crocker, Wikiriwhi Hetaraka, Bill Higgins, Don McLean, Mary Williams, Cr Joanna Roberts, Cr Richard Bull, Dereck Wright, Mike Ritchie, Peter Elliott, Brent Johnston, Rebekah Ward. Included an update of EOI. All 7 proponents that had expressed interest in the project, had been interviewed over the past 2 days. It was agreed that the CLG meetings should be closed to the general public in order to retain confidentiality and to allow the competitive bidding process to proceed.

5.4.8 Project Steering Committee Meeting No 8, 2 August 2001

Present Cr Bull, Cr Roberts, D Wright, J Lok, M Ritchie, P Elliott, B Johnston, R Ward
General project update.

Peter Elliott advised that the project remained on program with EOI presentations complete.

5.4.9 Mangawhai Memo, 22 August 2001

Briefly outlines the selection process, which involves considering:

- Best Practice Services
- Caring for the environment and the community
- Getting the right price and watching out for risk
- Trust and consistency

5.4.10 Shortlist Announced, 31 August 2001

Following Council Meeting the recommendation for the short listing of Northpower, EarthTech Engineering and Simons Engineering was accepted and letters of notification forwarded to all parties including those who were unsuccessful. Full debriefs were offered to those unsuccessful parties.

5.4.11 Mangawhai Memo, 6 September 2001

Announced shortlist and provided a brief outline of their credentials

5.4.12 EPS/NRC Meeting, 6 September 2001

P Elliott and M Ritchie met with NRC. NRC agreed to provide comments and bullet points relative to potential scenarios within a fortnight. A constructive meeting that demonstrated NRC strongly supported the need for action at Mangawhai.

5.4.13 Mangawhai Memo, 20 September 2001

This issue briefly covered: the discussions NRC and the Project team have been having, the upcoming public presentation, and several community Q& A.

5.4.14 Project Steering Committee Meeting No 9, 6 September 2001

Present Cr Bull, Cr Roberts, J McKerchar, D Wright, R Ward, B Johnston, M Ritchie, P Elliott, A Campbell. It was noted that Background monitoring of water quality of the estuary was possible and the Project Team would develop a proposal to be submitted at the next meeting. The outcomes of a meeting with NRC were presented. The general approach of Newsletter No 4 was agreed upon by the committee.

5.4.15 Community Liaison Group Meeting No 8, 6 September 2001

Present Jack Crocker, Bill Higgins, Mary Williams, Jim Wintle, Dereck Wright, Cr Richard bull, Cr Joanna Roberts, Warren Williams, Rebekah Ward, Peter Elliot, Mike Ritchie. Discussed community reaction to EOI shortlist plus update from PSC.

Lee Johnston and Bob Corker from one of the unsuccessful tenderers attended the meeting as observers.

5.4.16 Mangawhai Memo, 4 October 2001

Update the current status of the project. The next stage is to develop the formal Request for Proposal (RFP) document, which will outline the minimum requirement of the bidders to satisfy the community. The community is encouraged to contact the CLG members to discuss the date of the community forum.

5.4.17 Project Steering Committee Meeting No 10, 4 October 2001

Present Cr Bull, Cr Roberts, J McKerchar, D Wright, J Lok, M Ritchie, R Ward, B Johnston. A discussion was held relative to community reaction to the shortlist. General comment was it was pleasing to see Northpower, a NZ based company being short listed. It was advised that NRC had responded positively to the range of scenarios and had provided a list of issues relevant to each scenario together with a sample of a relevant actual Resource Consent issued. Following extensive discussion, it was decided that the Public Forum should involve an open day between 10.00am and 3.00 pm on a Saturday in mid to late November.

5.4.18 Community Liaison Group Meeting No 9, 4 October 2001

Present Jack Crocker, Wikiriwhi Hetaraka, Bill Higgins, Mary Williams, Jim Wintle, Cr Richard bull, Cr Joanna Roberts, Dereck Wright, Mike Ritchie, Brent Johnston, Rebekah Ward. Agreed that Public Forum should be held on 24 November 2001. Discussed general matters and agreed on format of the next Mangawhai EcoCare Newsletter (Newsletter 4).

5.4.19 Mangawhai Memo, 18 October 2001

Invite to the Community Form. Outlined objectives of Community.

5.4.20 Project Steering Committee Meeting No 11, 1 November 2001 held at Bull Property, Mangawhai.

Present: J McKerchar, D Wright, R Bull, J Lok, M Ritchie, R Ward. A discussion was held relating to the proposed Open Day. Discussions also centered on who to invite with outcome being : Mark Farnsworth and Dave Roke (NRC); Dr Jonathon Jarman (Northland

Health), Gerry Rowan (DoC), Willie Wright (Iwi), Sir Graham Latimer (Chairman of Te Uri O Hau).

5.4.21 Community Liaison Group Meeting No 10, 1 November 2001

Present Jack Crocker, Bill Higgins, Don McLean, Mary Williams, Dereck Wright, Rebekah Ward, Mike Ritchie. An update on the Steering Committee Meeting was presented. CLG suggested some alternative wording to Newsletter 4 which was incorporated. A discussion was undertaken on the focus of the community open day.

5.4.22 Mangawhai EcoCare Newsletter No 4, November 2001

Announced Community Open Day (invitation and description of what will be there),

5.4.23 Mangawhai Memo, 1 November 2001

Outlines the project objectives and the objectives of the key members involved CLG, KDC and NRC.

5.4.24 Stakeholder invitations (dated 13 November 2001) to attend Community Open Day

Invites to Northland Health, Doc, Iwi .

5.4.25 Mangawhai Memo, 15 November 2001

Reminder everyone to attend the Community Open Day including provision for assistance in getting to and from the venue.

5.4.26 Media Invitation and Media release (dated 20 November 2001)

Forwarded to : Big River, Kaiwaka Bugle, Dargaville and District News, Mangawhai Memo, the Advocate, Coast to Coast Courier, FM Big River, Herald.

5.4.27 Media release (dated 22 November 2001)

Advised media of Mangawhai EcoCare Open day and invited media to a briefing prior to the Open Day.

5.4.28 Jim Hickey TV1 Weatherman Announcement of Mangawhai Open Day, Friday 23 November

5.5 Phase 5- Release of Request for Proposal (2001/02)

5.5.1 Request for Proposal Issued, 23 November 2001

Request for proposal documentation issued to three short listed bidders.

5.5.2 Mangawhai EcoCare Open Day 24 November 10am -3pm Senior Citizens Hall Mangawhai Heads

- Purpose of Open Day was to update the community and stakeholders on the project, reiterate project objectives and introduce the three shortlisted bidders.
- Displays from KDC, Project Managers, CLG and bidders.
- Attendees included KDC Mayor, CEO and Councillors and Council officers, NRC, CLG.
- Up to 150 attendees (including approximately 21 members of the project team, KDC and bidders)
- 39 written submissions received (key issues were cost, environmental protection, confidence in successful tendered to deliver)

5.5.3 Meeting with NRC re. consenting process for implementation of infrastructure (29 November 2001)

Attended by Beca and Rob Lieffering (NRC).

5.5.4 Mangawhai Memo No 13, 29 November 2001

A Big Thank You to all who attend and to those who completed written feedback sheets.

5.5.5 Project Steering Committee Meeting No 12, 6 December 2001

Present : J McKerchar, D Wright, J Roberts, G Taylor, J Lok, M Ritchie, R Ward, B Johnston. General discussion on the Open Days and preliminary analysis was presented. A summary of the feedback is to be included in the next newsletter.

The declared drainage area for storm and wastewater needs to be confirmed. It was agreed to draft the positions and finalise before February 2002.

5.5.6 Community Liaison Meeting No 11, 6 December 2001

Present Jack Crocker, Wkikriwhi Hetaraka, Bill Higgins, Don McLean, Mary Williams, Warren Williams, Dereck Wright, Mike Ritchie, Brent Johnston, Rebekah Ward.

A draft Herald article was circulated to CLG for comment. Open Day was reported as a very successful day with approximately 150 attendees. Agreed that next years CLG meeting to be moved to the first Friday of the month. Bill Higgins is moving out of the area, and it was agreed that a MRRA representative be invited to join the CLG.

5.5.7 Mangawhai Memo, 13 December 2001

Seasons Greetings

5.5.8 MRRA Meeting held, 10 January 2002

MRRA Committee met with 3 short listed bidders and Beca. Purpose of meeting was for MRRA to present to bidders the issues as seen by MRRA including cost, retention of septic, alternative approaches etc.

5.5.9 Project Steering Committee Meeting No 13, 1 February 2002

Present: J McKerchar, D Wright, J Roberts, G Taylor, J Lok, B Johnston. Discussed Project Management and a general discussion on the open day. Declaration of Drainage Area – discussed the need to confirm the declared drainage area for storm and wastewater as well as finalising the recommended approach to rates and financial contributions.

5.5.10 Community Liaison Group Meeting No 12, 1 February 2002

Present Jack Crocker, Wikiriwhi Hetaraka, Bill Higgins, Don McLean, Mary Williams, Warren Williams, Jim Wintle, Dereck Wright, Brent Johnston, Discussed feedback from open day and bidder evaluation process.

5.5.11 Mangawhai Memo No 15, 6 February 2002

Welcome back and brief project update.

5.5.12 Project Steering Committee Meeting No 14, 1 March 2002

Project update on the bidding process including a discussion relative to the granting of an extension of the closing date. There was also discussion related to the circulation of an anonymous letter to residents that included inaccurate statements.

Steering Committee was also advised that Project Benchmark would be sealed with the Council solicitors prior to bids being accepted.

It was further agreed that Chief Executive would walk through the process to date with the Council, recognising that with new councillors it was appropriate to brief everyone of progress and process to date. It was further confirmed that this would be held in Mangawhai and would be an information session open to the public.

5.5.13 Community Liaison Group Meeting No 13, 1 March 2002

Project Managers provided an update on the evaluation process whilst preserving the confidentiality of the process.

It was agreed that CLG would nominate 2 representatives to Evaluation Overview Team to ensure local issues were being addressed. Don McLean and Jim Wintle were nominated.

Also included an update and advice on issues as listed at the PSC. MRRA representatives stated that the MRRA was not behind the anonymous letter and would state this in the next Mangawhai Memo.

5.5.14 Mangawhai Memo No 16, 6 March 2002

Process update. Included the announcement of the Council Meeting to be held in Mangawhai to walk new councillors and public through the project and process to date.

5.5.15 Council Walk through of the Project

KDC Chief Executive Jack McKerchar provide a public walk through of the project and the processes used to brief new councillors as well as the community on the extent of work and public consultation undertaken to date.

5.5.16 Mangawhai Memo No 17, 20 March 2002

Report on the Council Meeting.

5.5.17 Request for Proposal closes, 3 April 2002

Proposals received from Earthtech, Northpower and Simon Engineering.

5.5.18 Mangawhai Memo No 18, 4 April 2002

Project Update and expectations to have received three bids.

5.5.19 Dear Dereck Letters

During these stages of the project the Mangawhai Memo also carried a blank proforma titled Dear Dereck which enabled ratepayers to provide comments direct to KDC and the Community Liaison Group. Approximately 87 Dear Dereck's were received.

5.6 Phase 6-Evaluation and Negotiation Stage (May 2002 – Present)

5.6.1 Project Steering Committee Meeting No 15, 5 April 2002

Confirmed that Confidentiality Agreements have been signed and that Benchmark was received and locked away prior to bids being received.

An update on the program was provided and Council confirmed its nominations to the Evaluation Overview Team as being Neil Tiller and Graham Taylor.

5.6.2 CLG Meeting No 14, 5 April 2002

Project update was provided and the CLG members provided local feedback.

Roy Goodall from MRRA requested information on how the community could be involved in the evaluation process and the four level process was explained including Core Assessment team, Evaluation Overview Team (including CLG, Iwi and Council reps) the Project Steering Committee and finally the Council.

Any further involvement would compromise commercial confidentiality whilst the evaluation and negotiation process was in progress.

5.6.3 Mangawhai Memo No 19, 1 May 2002

Outlined Evaluation Criteria and evaluation process.

5.6.4 Project Steering Committee No 16, 3 May 2002

Project Update on the evaluation process and the preparation of the Section 122c report.

5.6.5 CLG Meeting No 15, 3 May 2002

Presentation on the process to date including a report back from Don McLean and Jim Wintle on their experience with the Evaluation Overview team. Roy Goodall presented a submission from the MRRA outlining their concerns regarding the process and the project. Good discussion on the submission which was referred to KDC for their action.

Chairman also closed the meeting and facilitated an open discussion with members of the public who attended the meeting as observers. Good and robust discussion from all.

5.6.6 Mangawhai Memo No 20, 15 May 2002

Project Update and outlined again what a BOOT project is and how it benefits the community

5.6.7 Mangawhai Memo No 21, 12 June 2002

Project Update on general progress in the evaluation.

5.6.8 Project Steering Committee No 17, 18 June 2002

Presentation by Evaluation Team on findings to date and the clarifications requested and received.

5.6.9 CLG Meeting No 16, 18 June 2002

Discussion on the project approach and MRRA issues. Tom Smith requested a received an amendment to the previous meeting.

5.6.10 Mangawhai Memo No 22, 24 July 2002

Progress update. Council announce that a public meeting will be held to review recommendation prior to formal submission to Council.

5.6.11 Project Steering Committee No 18, 13 August 2002

Outlined the proposed recommendation to be presented to Council workshop the following day. Discussed all aspects but the focus was on the affordability issue and how the Toll could staged to defer significant charges until population growth had occurred to spread the cost more evenly.

It was agreed to review the timing of the tolls over night to see if changes were possible.

5.6.12 CLG Meeting No 17, 13 August 2002

Received a summary of the recommendation to be presented to Council in a workshop the next day.

5.6.13 Council Workshop, 14 August 2002

The Project Team provide the Council with a briefing on the recommendation to ensure they had an opportunity to discuss the project and ask questions of the project team prior to formally meeting to consider the recommendation.

5.6.14 Public Briefing on Recommendation, 17 August 2002

Council and the Project team briefed the public on the proposed recommendation to be submitted to Council on the following Wednesday. A majority of Councillors attended the session and were afforded an opportunity to hear from the community how they felt about the recommendation prior to making the decision.

5.6.15 Council Meeting, 28 August 2002

Council met in committee and discussed the recommendation.

It was agreed to invite Simon Engineering to accept Preferred Proponent status subject to their acceptance of two conditions, namely council reserved the right to inject some equity into the project and that Simon Engineering understand that in accordance with the existing contract documentation, award of preferred proponent status does not mean they have been awarded the contract.

5.6.16 Mangawhai Memo No 23 - 4 September 2002

Announced Simon Engineering has been invited to accept Preferred Proponent status for the Mangawhai EcoCare project. The article also provided some background on Simon Engineering.

5.6.17 Project Steering Committee Meeting – 17 January 2003

Discussions relative to the impact of the Local Government Act and the announcement of the Sanitary Works Subsidy Scheme. Agreed actions to investigate further and present back to the Steering Committee before reporting back to Council.

5.6.18 Mangawhai Memo No 24 – 5 February 2002

Quick Project update and discussion on LGA and SWSS as above.

5.6.19 Open Letter to the Mangawhai Community from the Mayor – 10 February 2003

Provided an update on the project and the impact of the Local Government Act 2002 and the announcement of the Sanitary Works Subsidy Scheme. Council is undertaking more work and will continue to keep the community informed.

5.6.20 Project Steering Committee Meeting – 21 March 2003

Discussed approach to ensure compliance with LGA including restricting term to 15 years and seeking alternative finance options.

Agreed to proceed with negotiations and report back to Council on outcomes.

5.6.21 CLG Meeting No 18 – 21 March 2003

Project Update to the community liaison group including advice that likely to proceed on 15 year basis and change from a BOOT to DBFO approach to comply with LGA 2002.

Representatives advised that community need to be kept in the loop, there had been some time between communications.

5.6.22 Mangawhai Memo No 25 - 2 April 2003

Updated on progress of SWSS application and general project update.

5.6.23 Project Steering Committee – 2 May 2003

Presented recommendation arising from actions agreed at the March meeting and prepared format for recommendation to Council and the outline of the Statement of Proposal. Included first look at costs to ratepayers based on Simon Engineering proposal.

5.6.24 EcoCare Newsletter No 5 – 22 May 2003

Formal project update to the Community explaining why LGA and SWSS in more detail as well as confirming Council is proceeding with Simon Engineering.

5.6.25 CLG Meeting No 19 - 27 May 2003

Informal update to CLG of recommendation to go to Council the following day. Financial details were not provided as they must remain "in committee".

5.6.26 Presentation to Council – 28 May 2003

Detailed presentation to Council including ratings model with a range of scenarios to enable Council to understand long term financial position, project costs and rates and charges required.

Council endorsed approach and the direction of the model and Statement of Proposal.

5.6.27 Project Steering Committee 11 July 2003

Project update and discussion on consultation process to be undertaken as required under LGA. Reviewed Statement of Proposal and agreed broad timeframes.

5.6.28 CLG Meeting No 20 – 11 July 2003

Sought CLG views on the Consultation Program and discussed issues and views within the community. Outline of the Statement of proposal was provided. Also discussed approach to the Open Day to be held on 9 August 2003.

Discussion on affordability to test the waters regarding likely rates and charges.

6 Summary

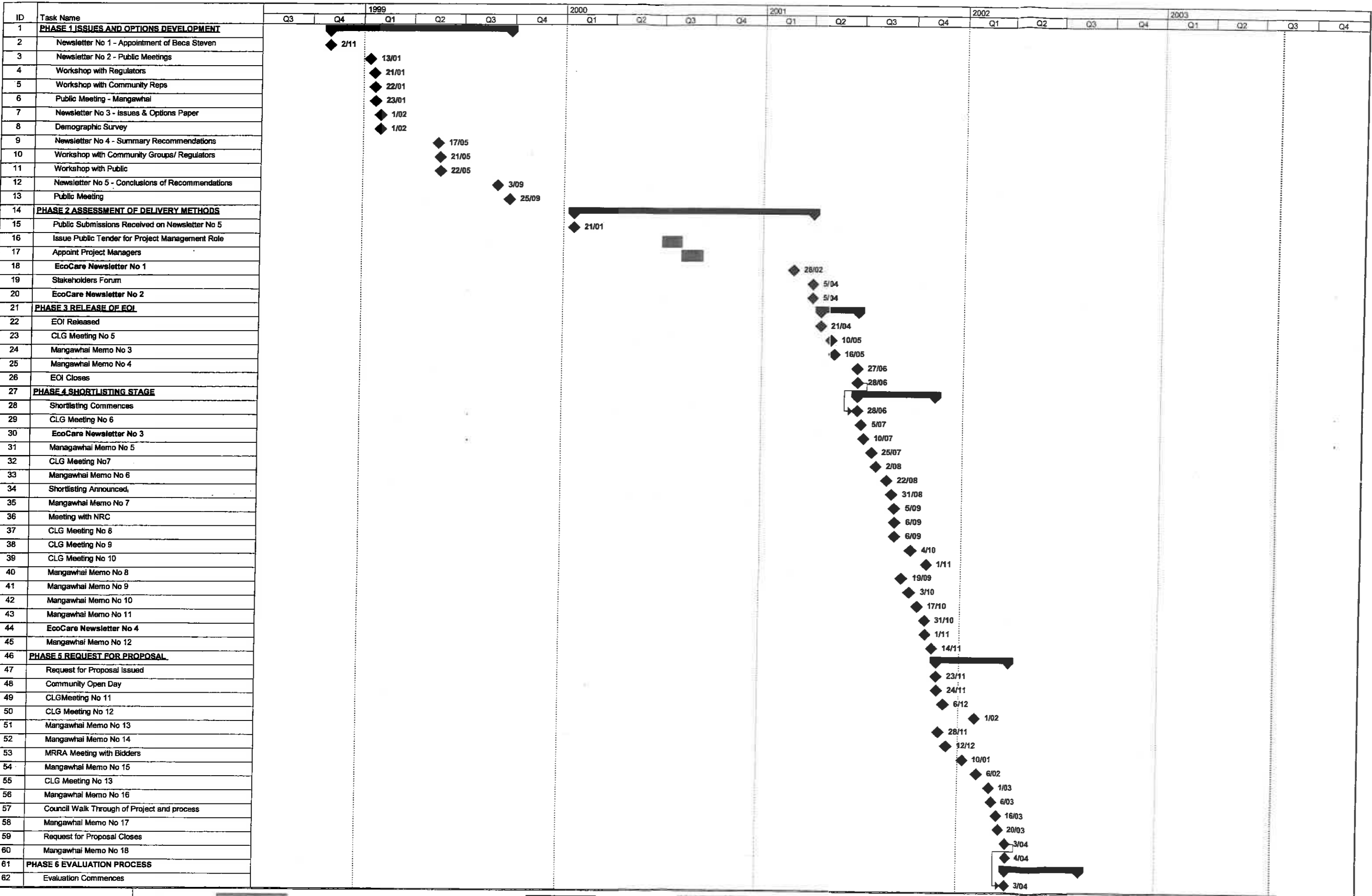
Community and stakeholder consultation undertaken for the project between January 1999 and now comprised:

- Community Open Days x 1
- Public Meeting x 2
- Stakeholder Workshops /Forum x 2
- Questionnaire x1
- Newsletters x 8
- Memo Articles x 25
- Stakeholder meetings x 4
- Project Steering Group Meeting x 22
- Community Liaison Group Meetings x 20
- Written submissions 60
- Dear Dereck letters 87

The special consultative process will add to the above with the release of the Statement of Proposal planned for 1st August 2003, the Open day scheduled for 9th August 2003 and the opportunity for submissions and hearings planned for 9-10 September 2003.

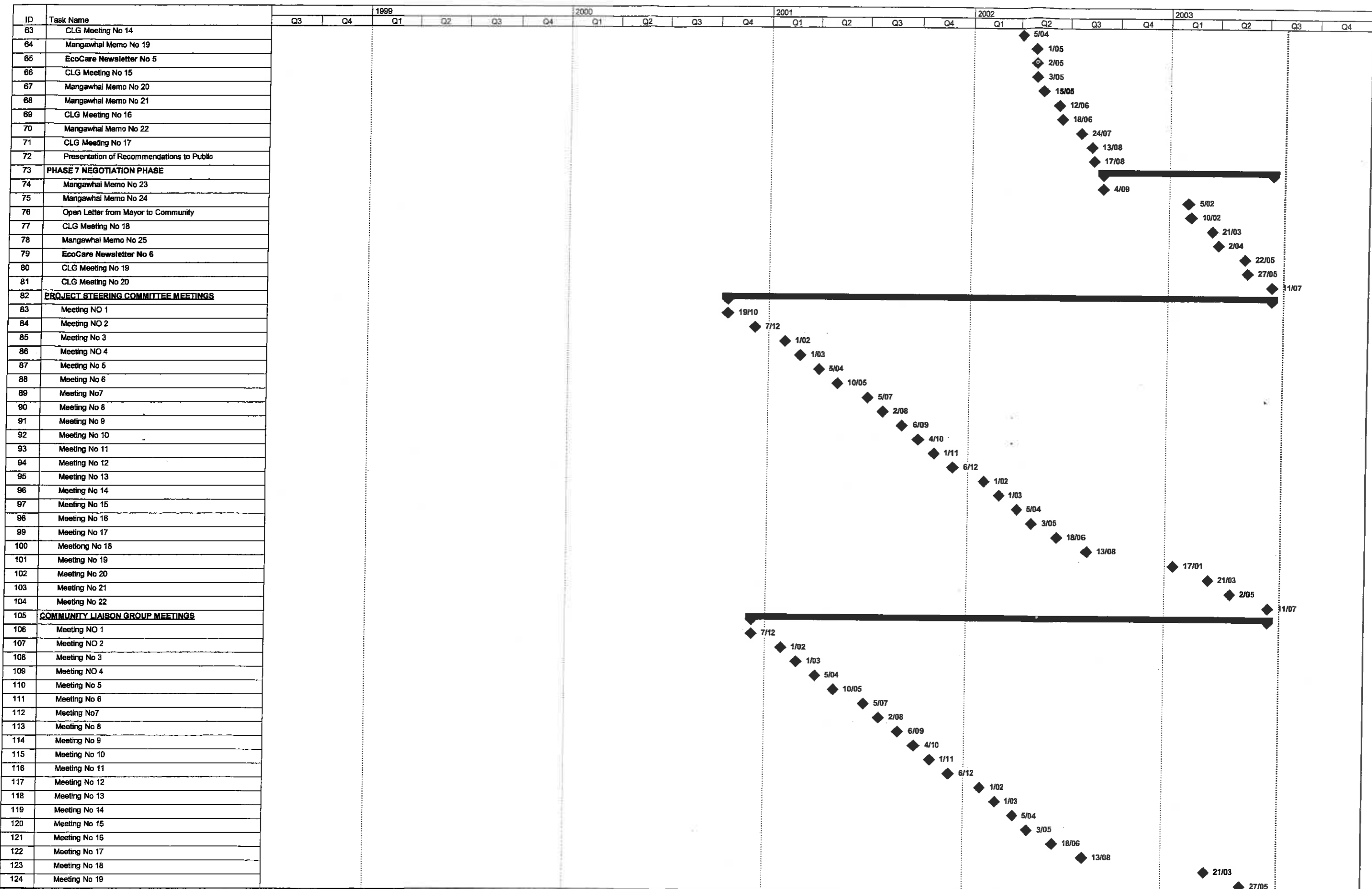
Report Prepared By: Mike Ritchie (EPS) *Signed*

Report Reviewed By: Brent Johnston *Signed*



Project: Consultation Summary (SoP)
Date: Thu 31/07/03

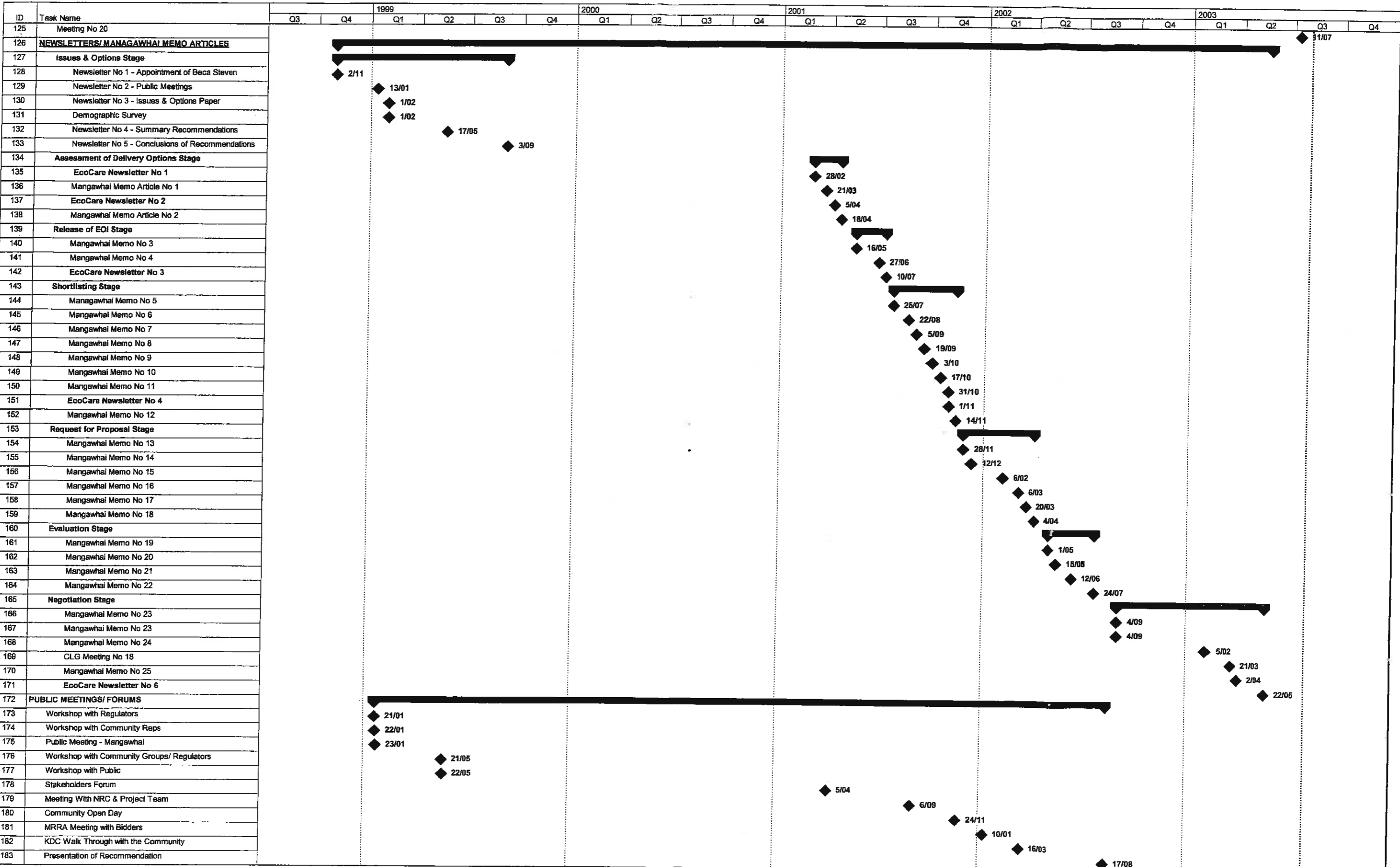
Task		Progress		Summary		External Tasks		Deadline	
Split		Milestone		Project Summary		External Milestone			



Project: Consultation Summary (SoP) Date: Thu 31/07/03

Task: [Bar] Progress: [Bar] Summary: [Bar] External Tasks: [Bar] Deadline: [Bar]

Split: [Dotted] Milestone: [Diamond] Project Summary: [Bar] External Milestone: [Diamond]



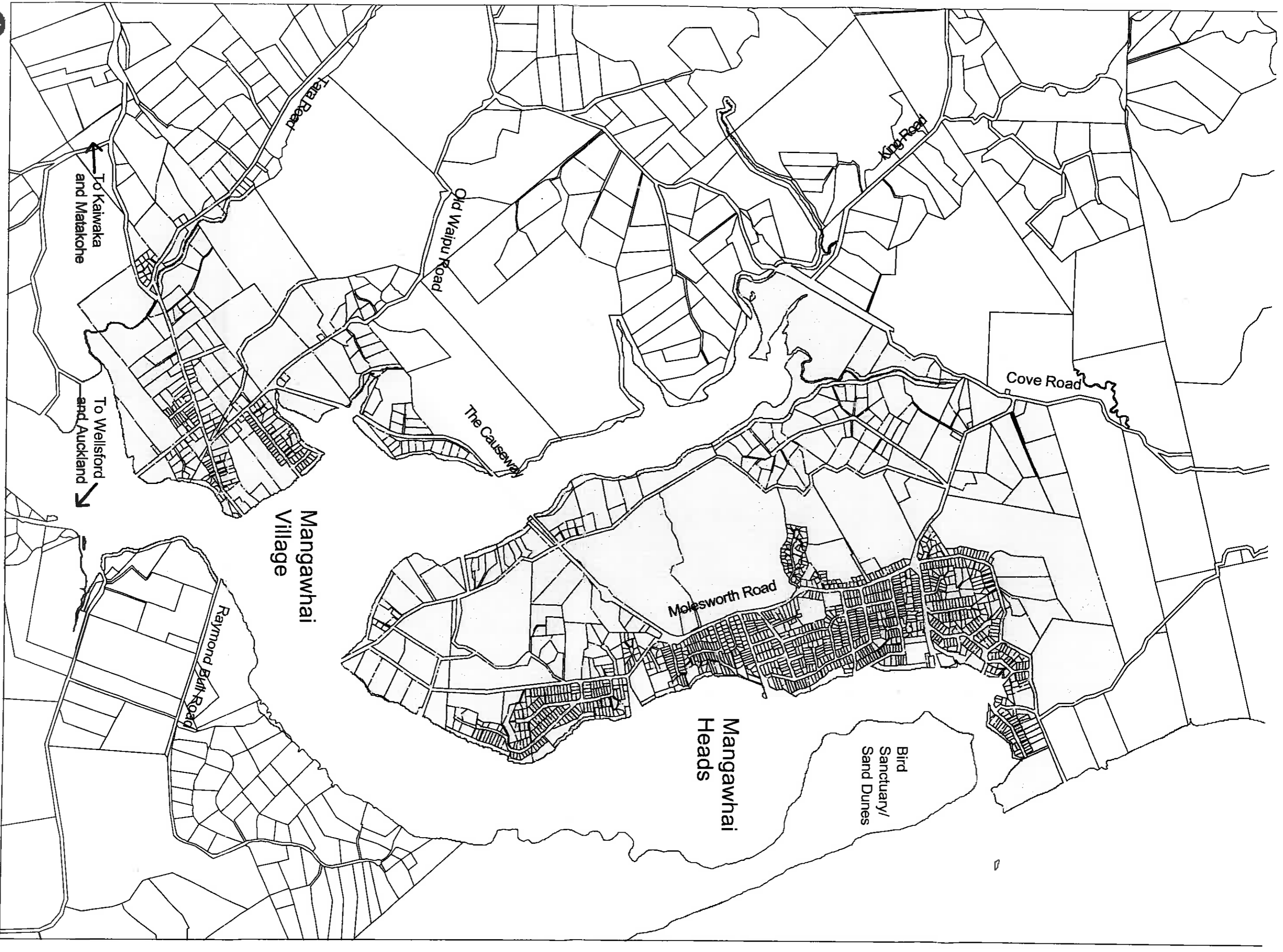
Project: Consultation Summary (SoP) Date: Thu 31/07/03

Task Progress Summary External Tasks Deadline

Split Milestone Project Summary External Milestone

- Appendix B

Drainage District Map



Mangawhai EcoCare Proposed Catchment Area



- Appendix C

Treatment Plant Location & Layout

No.	A 22.05.02	SCOPE REVISED.	BY	REC.	APP'D.
DATE	0 22.03.02	ISSUED FOR TENDER			

SIMON
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Simon Engineering
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33 Road Street North
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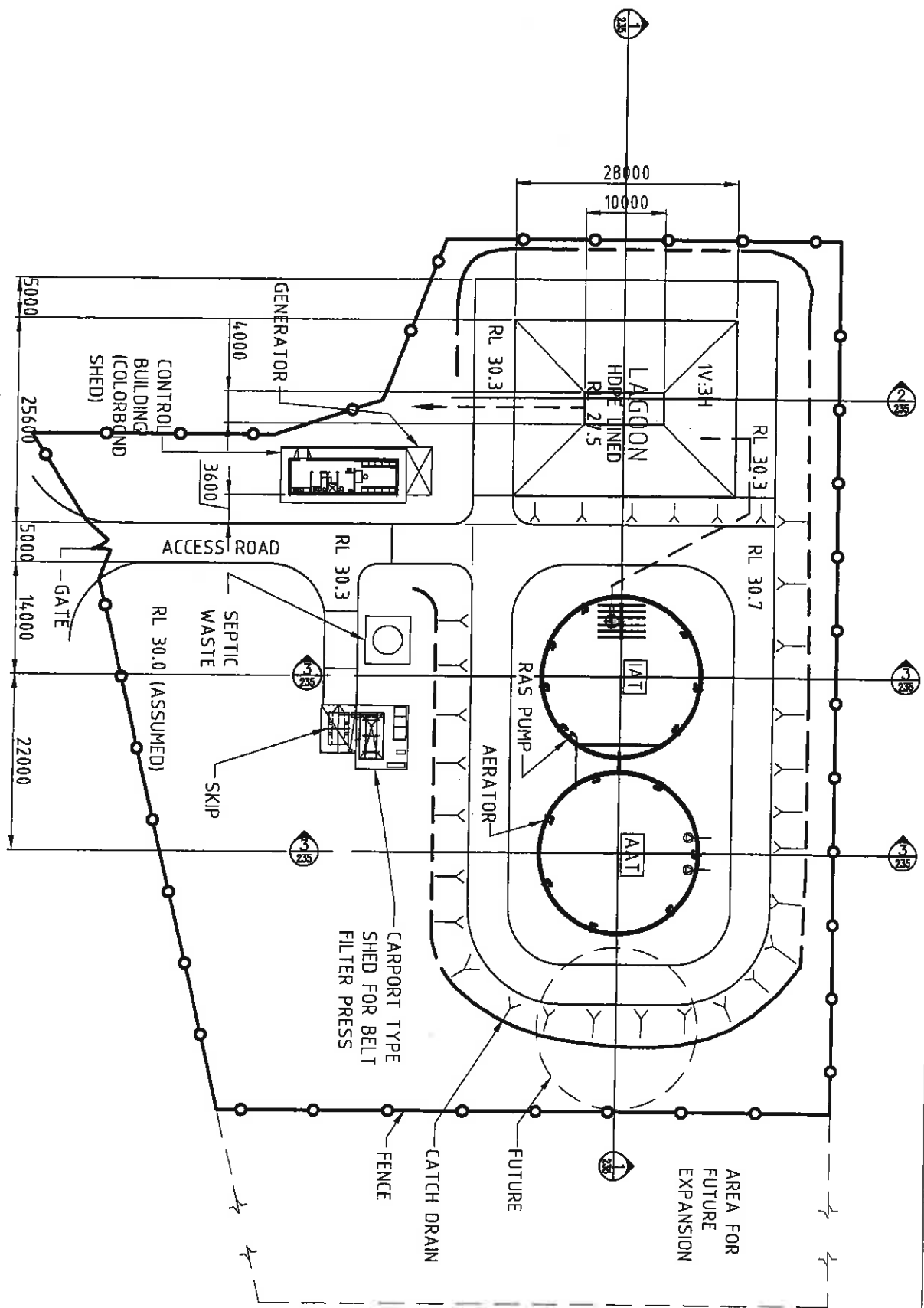
CLIENT: **MANGAWHAI ECOCARE PROJECT**

PROJECT: **SEWAGE TREATMENT PLANT**

TITLE: **LAYOUT**

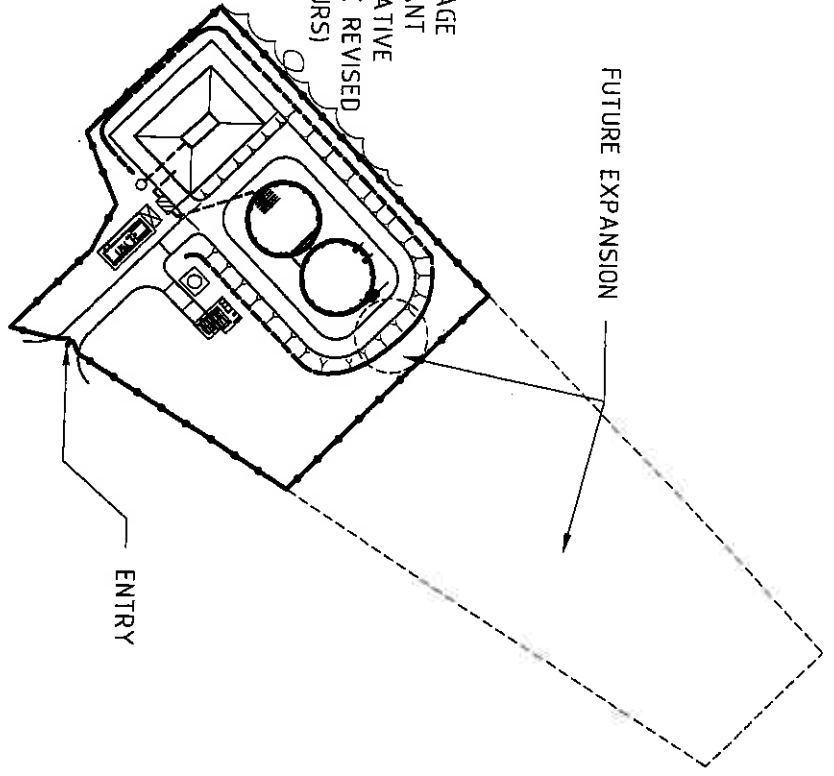
SHEET:	A3	DRAWN:	CG	REVISION:
SCALE:	1:500	DESIGN:	P.N.	P.L.
DATE:	14.03.2001	CHECKED:	P.N.	APP'D.
DRAWING NUMBER:	Q0601C-230			
REV:	B			

FOR TENDER PURPOSE ONLY



PROPOSED SEWAGE
TREATMENT PLANT
(LOCALITY INDICATIVE
ONLY, COULD BE REVISED
TO SUIT CONTOURS)

FUTURE EXPANSION



DEPENDING ON THE FINAL
LOCATION, ACCESS MAY BE
FROM NEAR THE GOLF
CLUB.

MOLESWORTH ROAD

F:\Mangawhai

EXISTING TREES

EXISTING BUILDINGS

HEATHER STREET

MOIR POOL

NO.	DATE	DESCRIPTION	BY	REC.	APP'D.
A 22.05.02		SCOPE REVISED			
D 22.03.02		ISSUED FOR TENDER			

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CLIENT	MANGAWHAI ECOCARE PROJECT
PROJECT	SEWAGE TREATMENT PLANT
TITLE	LOCALITY PLAN

FOR TENDER PURPOSE ONLY

SHEET	AS	DRAWN	CCG	REVIEWED
SCALE	1:1500	DESK	P.N.	P.L.
DATE	14.03.2001	CHECKED	P.N.	APP'D.
DRAWING NUMBER:	Q0601C-200			
REV:	B			