

Sewerage & Stormwater

Goal

To protect the health of the District's residents and environment by providing an efficient and effective means of collecting, treating and disposing of sewage effluent and stormwater.

Key Issues for 2007/2008

Major capital upgrades have been completed on the sewer infrastructure during 2006/2007, thanks to grant assistance from the Ministry of Tourism. The \$1.6 million grant is in acknowledgement of the impact of growth in tourism on our sewer system's capacity, and will be provided after specific capital work milestones are achieved.

A new sewer line has been installed from Fords Reservoir to Ludstone Road, and a new pump station has been built at Ludstone Road. The line then continues from Ludstone Road to Hawthorne Road, and will be taking effluent from the previously overloaded areas within the town, and from new developments such as Seaview and Ocean Ridge.

In addition, the capacity of the oxidation pond has been restored to its original capacity to cope with approximately 4,000 people. The future

upgrades, being the partitioning of the ponds and additional aeration will increase capacity to provide for an equivalent of 10,000 people.

This places us in good stead moving forward into 2007/2008, and the capital works programme continues with aerators and partitions to be installed at the oxidation pond.

While little capital work has been done on the stormwater infrastructure, Council has undertaken a needs assessment and a work programme. Application for global resource consent has been lodged with Environment Canterbury, and Council intends to further develop a master plan for the stormwater.

What's changed since the 2006-2016 LTCCP?

Other than some timing of the sewer upgrade work, there are no significant changes from the LTCCP in respect of sewerage. The intention to develop a stormwater master plan was not provided for in the LTCCP, and at a cost of \$33,000, will be funded from borrowings.

Service Delivery Standards

Performance Indicators	Performance Measure
<ul style="list-style-type: none"> Emergency response/action 	<ul style="list-style-type: none"> Action taken within 1 hour of reporting or detection
<ul style="list-style-type: none"> Alarms, overflows and breaches of consent conditions 	<ul style="list-style-type: none"> Action taken within 1 hour of reporting or detection
<ul style="list-style-type: none"> Odour nuisances reported 	<ul style="list-style-type: none"> Responded to within 24 hours of reporting or detection
<ul style="list-style-type: none"> Written complaints 	<ul style="list-style-type: none"> Responded to within 5 days

Community Outcomes

This activity contributes to achieving the following Outcomes:

- Sustainable Development
- Quality Water & Wastewater Services
- A Quality Standard of Affordable Housing
- Environmental Protection & Enhancement

The following pages highlight how Sewerage and Stormwater will progress each of these Outcomes.

Performance Measures to assess progress towards achievement of Community Outcomes

Community Outcome	How the Sewerage & Stormwater Activity Contributes	Performance Measure	2007/2008 Target	10 Year Target
Sustainable Development	By providing adequate wastewater infrastructure, appropriately funded to meet future development needs.	Complete the development of the oxidation ponds and mainline to support growth and residential expansion	Install aerator and partitions at the Oxidation Ponds	Capital programme undertaken as planned
Quality Water & Wastewater Services	By ensuring that sewage is disposed of efficiently.	Tests taken at the oxidation pond confirm that levels of dissolved oxygen exceed 2mg/l	100% of tests exceed 2mg/l	100% of tests exceed 2mg/l
		Oxidation Pond effluent tests show the level of nitrogen is maintained within World Health Organisation Standards (less than 10 milligrams per litre)	95% of tests do not exceed 10 milligrams per litre	100% of tests do not exceed 10 milligrams per litre
	By providing for further stormwater development throughout the urban area, with particular focus on Beach Road and South Bay.	Percentage of the urban area with stormwater infrastructure in place	Develop a master plan to prioritise further development	Stormwater infrastructure increasing by 2% of the urban area p.a.

Community Outcome	How the Sewerage & Stormwater Activity Contributes	Performance Measure	2007/2008 Target	10 Year Target
A Quality Standard of Affordable Housing	Ensure that all urban properties have access to a sewerage system that is efficient and affordable.	Total operating cost of service per connection (Kaikoura township).	Increases are less than 5% p.a.	Increases are less than 5% p.a.
Environmental Protection & Enhancement	By ensuring that sewage is disposed of with minimal environmental impact.	No sewage spills from pump stations or manholes	No spills	No spills

Capital Works 2007/2008

Work	Location	Cost
<u>Sewerage</u>		
Oxidation Ponds - install aerators and partition ponds	Old Beach Road	\$325,200 (Carried forward from 2008/2009) plus \$150,000 (Carried over from 2006/2007)
<u>Stormwater</u>		
Management Plan and Global Consent	Urban Area	\$33,000
Stormwater Renewals	Urban Area	\$3,587

Proceeds received from financial and development contributions¹ are expected to raise around \$185,000 per year for sewerage upgrades, and these combined with the Ministry of Tourism grant subsidy mean we are able to progress the planned capital work with confidence.

A loan of \$33,000 will be required to develop the management plan and global consent application for stormwater.

¹ A financial (or development) contribution is a charge against sub-dividers and developers to help pay the cost of the new, upgraded or extended infrastructure that has to be provided to service their new subdivisions or developments. This is in addition to the requirement that owners reticulate all of the new sections or buildings at their cost.

How will the Cost of Sewerage & Stormwater affect my Rates?

A significant increase in the size of our rating base due to the Ocean Ridge and Seaview developments means many increases in the costs of providing infrastructural services are being absorbed by these new properties. However, the sewerage activity will see large increased costs relating to depreciation, electricity, and insurance, which will require an increase in the sewerage pan charge.

	Rates 2006/2007 \$	Rates 2007/2008 \$
Sewerage Loan Rate	0.00017167	0.00005234
Sewerage Pan Charge	216.20	254.29
Sewerage Pan Charge (2 or more)	108.10	127.14
Sewerage Pan Charge (Commercial)	170.00	195.00
Sewerage Pan Charge (Self Contained)	90.00	105.00
Stormwater Rate	0.00024027	0.00013459

Note that the Sewer Loan Rate and Stormwater Rate are based on cents in the dollar of capital value, and while these have decreased, property value increases will have a variable affect on the rates for an individual property.

The Funding Impact Statement contains further information on the Sewer Pan Charge classifications and Council's rating system.

Forecast Cost of Service Statement – Sewerage & Stormwater

	LTCCP 2006/2007	LTCCP 2007/2008	Annual Plan 2007/2008		LTCCP 2006/2007	LTCCP 2007/2008	Annual Plan 2007/2008
Operating Expenses				Capital Expenditure			
<u>Sewerage</u>				<u>Sewerage</u>			
Operations	197,314	228,266	213,740	New/Upgrade Assets ²	1,322,000	-	325,200
Loan Interest	35,905	35,241	22,090	Renewals	-	-	-
Depreciation	147,362	160,582	182,186	Increasing Level of Service	-	-	-
	<u>380,582</u>	<u>424,088</u>	418,016		<u>1,322,000</u>	<u>-</u>	325,200
<u>Stormwater</u>				<u>Stormwater</u>			
Operations	48,493	49,982	49,685	New/Upgrade Assets	5,000	5,000	33,000
Loan Interest	10,042	10,042	13,325	Renewals	4,814	4,735	3,587
Depreciation	20,839	20,942	45,591	Increasing Levels of Service	-	-	-
	<u>79,374</u>	<u>80,966</u>	108,601		<u>9,814</u>	<u>9,735</u>	36,587
Total Operating Expenses	<u>459,956</u>	<u>505,054</u>	526,617	<u>Capital Debt Servicing</u>			
				Loan Principal	32,066	29,992	26,787
Funded by:				Total Capital Expenditure	1,363,880	39,727	388,574
Targeted Rates & Charges	446,956	492,054	499,044	Funded by:			
User Fees & Charges	23,000	23,000	11,000	Reserves	(15,000)	(343,357)	(209,790)
Subsidies	953,320	-	162,600	Loans	-	-	33,000
Development Contributions	247,360	191,560	191,560	Depreciation	168,200	181,524	227,777
	<u>1,670,636</u>	<u>706,614</u>	864,204	Activity Surplus/(Deficit)	1,210,680	201,560	337,587
Activity Surplus/(Deficit)	1,210,680	201,560	337,587		1,363,880	39,727	388,574

² Note that the \$325,200 budgeted in the Annual Plan 2007/2008 has been brought forward from the 2008/2009 financial year in the LTCCP.