

REPORT

TO: Chair and Members, Engineering Services Committee

FROM: Peter Thomson, Engineering Manager

DATE: 25 January 2007

SUBJECT: **DEVELOPMENT CONTRIBUTIONS APPLYING WITHIN THE COASTAL TASMAN AREA FOR WATER SUPPLY ACTIVITY**

1. PURPOSE

This report provides an introduction and background to issues to be addressed by developer Mr Chris Edmonds in his presentation to the Engineering Services Committee at 11 am.

2. BACKGROUND

In October 2006 local property owner and developer Mr Chris Edmonds approached the Chief Executive, Bob Dickinson with concerns regarding Council's process in adopting its development contributions (DC) policy applying within the Coastal Tasman Area (CTA) for Water Supply activity. Several meetings were held with the Chief Executive and Mr Edmonds as well as other staff to allow an exchange of information with Mr Edmonds regarding his concerns, and Council staff with regard to the specifics of the DC policy.

It would appear from the discussions with Mr Edmonds that his main points of concern are:

- a) Whether Council's proposed coastal pipeline is a necessary or appropriate means of providing water supply to new development within the CTA.
- b) The water supply DC per household unit of demand in the CTA currently set at \$11,528.00 is too great and unaffordable.
- c) The Council's process for consultation with developers through the adoption of the 2006 LTCCP was too limited and inadequate for genuine input from concerned developers and landowners.

As a result of the October/November 2006 discussions it was agreed with the Chief Executive and in discussion with the Engineering Services Committee Chairman that Mr Edmonds be given an opportunity to present information from the developer's point of view at the next available meeting of the Engineering Services Committee. Copies of the November correspondence to Mr Edmonds are attached for information.

Mr Edmonds has been advised that his presentation should be confined to the issue of Council's DC policy and specifically to water supply contributions within the CTA.

Mr Edmonds has also been advised that Council's management team have convened a small working party to look at the current wording of Council's Development Contributions Policy and that this working party will be reporting back to Council in February 2007.

3. COMMENT

At meetings with Mr Edmonds explanations have been given regarding the water supply capabilities from groundwater bores in the Moutere Aquifer compared to water supply capabilities proposed by the coastal pipeline. A summary of these comments is included in Mr Dickinson's letter of 13 November 2006 (attached).

Staff have also provided explanations regarding a funding summary of water supply DC in the CTA highlighting the split between the developers funding share and other funding sources from outside of the CTA, and supplied the following documents to Mr Edmonds which are also attached to this report:

- A table showing the two main funding sources for the coastal pipeline and reticulation within the CTA.
- A summary of the methodology used for the calculation of DC was also prepared and is attached for information.
- A copy of the Growth-Cost table from the 2006 LTCCP Volume 2 (page 73).
- A map of CTA Pipeline Layout & Components.

Engineering, water resources and accounting staff will be present at Mr Edmond's presentation. At this time no further in-depth reporting or detailed explanations of Council's adopted policies have been prepared. Staff will wait to consider the substance of the presentation and any consequent requests the Committee may have for further information to be reported back to future Committee meetings.

4. RECOMMENDATION

THAT this report be received.

Peter Thomson
Engineering Manager