



# **Infrastructure Committee Meeting**

**on**

**Tuesday 16 October 2018**

**9am**

**Council Chambers  
District Council Building  
2 King George Place  
Timaru**

## **Timaru District Council**

**Notice is hereby given that a meeting of the Infrastructure Committee will be held in the Council Chamber, Timaru District Council Building, 2 King George Place, Timaru on Tuesday 16 October 2018, at 9am.**

### **Committee Members**

Clrs David Jack (Chairperson), Paddy O'Reilly (Deputy Chairperson), Nigel Bowen, Peter Burt, Andrea Leslie, Richard Lyon, Sally Parker, Kerry Stevens, Steve Wills and the Mayor.

### **Local Authorities (Members' Interests) Act 1968**

Committee members are reminded that if you have a pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the meeting table.

Bede Carran  
**Chief Executive**

**Infrastructure Committee**

**16 October 2018**

**Agenda**

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<b>10</b>	<b>21</b>	<b>2018 – 21 National Land Transport Programme Funding Application</b>
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<b>15</b>	<b>31</b>	<b>Water Race</b>
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**Timaru District Council**  
**For the meeting of 16 October 2018**

**Report for Agenda Item No 6**

**Prepared by Ashley Harper**  
**Group Manager Infrastructure**

**Confirmation of Minutes**

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Minutes of the September Infrastructure Committee meeting.

**Recommendation**

**That the minutes of the Infrastructure Committee meeting, excluding the public excluded items, held on 4 September 2018 be confirmed as a true and correct record.**

## Timaru District Council

### Minutes of a Meeting of the Infrastructure Committee held in the Council Chamber, District Council Building, King George Place, Timaru on 4 September 2018 at 9.30am

**Present** Clrs David Jack (Chairperson), Peter Burt, Nigel Bowen, Andrea Leslie, Richard Lyon, Paddy O'Reilly, Sally Parker, Kerry Stevens and Steve Wills

**Apology** Proposed Clr Jack  
Seconded Clr Stevens  
"That the apology from the Mayor be accepted."

Motion carried

**In Attendance** Clare Fletcher – Community Engagement Advisor ECan Public Transport Team and member of working group regional transport plan (for item 6)  
Peter Hall - Project Manager WSP-Opus (for item 7)  
Neville Gould – Pleasant Point Community Board (for public part of meeting)  
Jan Finlayson – Geraldine Community Board (for public part of meeting)  
Chief Executive (Bede Carran), Group Manager Infrastructure (Ashley Harper), Development Manager (Frazer Munro), Land Transport Manager (Andrew Dixon) and Council Secretary (Joanne Brownie)

#### 1. Urgent Business – NZTA Financial Assistance 2018-21

Proposed Clr Jack  
Seconded Clr Parker

"That the NZ Transport Agency Financial Assistance report be considered as urgent business at this meeting."

Motion carried

#### 2. Declaration of Conflicts of Interest

There were no conflicts of interest declared.

#### 3. Chairperson's Report

The Chairperson reported on meetings he had attended and duties he had carried out on behalf of the Committee since the last meeting including Our History Illuminated Celebration, Centennial Park Bridge construction site visit, District Plan workshop, citizenship ceremony, Council meeting, 150<sup>th</sup> Timaru Borough celebrations, ECan workshop on passenger transport, Business Excellence Awards

and discussions with the Group Managers and Council officers on various matters.

Proposed Clr Burt  
Seconded Clr Leslie

“That the Chairperson’s report be noted.”

Motion carried

4. **Confirmation of Minutes**

Proposed Clr Wills  
Seconded Clr O’Reilly

“That the minutes of the Infrastructure Committee meeting of 24 July 2018, excluding the public excluded items, be confirmed as a true and correct record.”

Motion carried

5. **North Street Overbridge – Extension of Designation Period**

The Committee considered a report by the TDC Development Manager proposing an extension of the lapse date for the North Street Overbridge Designation.

Proposed Clr Stevens  
Seconded Clr Lyon

“That the North Street Overbridge Designation (No.6225) be extended for 10 years.”

Motion carried

6. **Canterbury Regional Public Transport Plan**

The Committee considered a report by the Land Transport Manager on the draft Regional Public Transport Plan 2018-2028 (RPTP). ECan’s Community Engagement Advisor for public transport presented the draft RPTP and the options, to the Committee. The plan will be subject to public consultation from 17 September. Further information will be available to the Committee at a later stage in the process. A request was made to take into account the need for public transport services to Washdyke.

Proposed Clr Wills  
Seconded Clr O’Reilly

“That the report and associated presentation be received and noted.”

Motion carried

## 7. **Aoraki Roding Collaboration – Memorandum of Understanding Renewal**

The Committee considered a report by the Group Manager Infrastructure and Project Manager WSP-Opus on the Aoraki Roding Collaboration (ARC) Memorandum of Understanding (MoU) renewal.

Proposed Clr Lyon  
Seconded Clr Stevens

- a) “That the Aoraki Roding Collaboration Memorandum of Understanding including the 9 October 2015 Supplementary Agreement be renewed with the following changes from the current Memorandum of Understanding.
  - i. The term be three years from 1 October 2018.
  - ii. The Road Safety Coordination function be included in the scope.
  - iii. That the Supplementary Agreement be redrafted to reflect the changes suggested in paragraphs 20 – 22 of the report.
- b) That the Chief Executive be authorised to sign the new Memorandum of Understanding on behalf of Council.”

Motion carried

## 8. **Exclusion of the Public**

Proposed Clr Jack  
Seconded Clr O'Reilly

“That the Committee resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act:

### **Confirmation of Minutes -Property Purchase**

#### **Section 7(2)(b)(ii)**

The withholding of information is necessary to protect the information that would be likely unreasonably to prejudice the commercial position of the person who supplied the information.

#### **Section 7(2)(i)**

The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

**Water Shares**

Section 7(2)(i)

The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).”

Motion carried

**9. Readmittance of the Public**

Proposed Clr O'Reilly  
Seconded Clr Parker

That the report be readmitted to the meeting.”

Motion carried

The meeting concluded at 10.35am.

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Chairperson



**Infrastructure Committee**  
**for the Meeting of 16 October 2018**

**Report for Agenda Item No 7**

**Prepared by Ruth Clarke**  
**Waste Minimisation Manager**

**Waste Sort Facility**

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**Purpose of Report**

1. To present the extended waste sort trial information and to seek approval for the construction of the waste sort facility to proceed as approved in the Long Term Plan.

**Background**

2. A report recommending the establishment of a waste sort facility at the tipping area of the Timaru transfer station was approved by the Infrastructure Committee on 3 March 2015. The purpose of the sort facility is to extract recoverable materials such as timber, scrap metal and cardboard from the waste delivered to the transfer station which is currently tipped as 'rubbish'.
3. In order to confirm operational, contractual and cost implications a 7-week waste sort trial was conducted during October and November 2015. The information obtained from this trial supported the need for a second trial.
4. A second trial of 1 year duration was conducted from September 2017 – August 2018. The target diversion rate for the extended trial to achieve operational and financial sustainability of the project was assessed as being 15-18%, and this target was achieved.
5. The longer trial showed that the diverted material was made up of :
  - i. Timber (34.5%),
  - ii. Scrap metal (24.3%),
  - iii. Organics (17.0%),
  - iv. Cleanfill (8.8%),
  - v. Cardboard (7.6%),
  - vi. Mixed plastics (2.3%),
  - vii. Usable items for Crow's Nest (1.8%),
  - viii. Tyres (1.3%),

- ix. Escrap (1.1%),
- x. Polystyrene (0.86%), and
- xi. PVC cable (0.24%)
- xii. Other (0.2%)

**Total (100%)**

6. The diversion of timber at 34.5% is key to the success of the project and the capacity to process timber on site via Waste Transformation Ltd (WTL) is critical. Conversely, the success of WTL is dependent on the guaranteed supply of timber from the waste sort. A letter of support and affirmation of commitment to the Timaru pyrolysis plant has been received from WTL.
7. Further gains in diversion are expected from operating in a bigger space with the establishment of the permanent facility, dedicated staffing, changes in customer behaviour, the addition of timber and polystyrene diversion from the rural transfer stations, and decreasing costs of timber processing as timber tonnes increase. Seasonal variability has been allowed for in the assessment of the information.

### **Identification of Relevant Legislation, Council Policy and Plans**

8. Waste Minimisation Act 2008

Part 3 of the Act, Waste Disposal Levy, allows for a levy on waste, the purpose of this part being to

- (a) raise revenue for promoting and achieving waste minimisation; and
- (b) increasing the cost of waste disposal to recognise that waste disposal imposes costs on the environment, society, and the economy.

The rate was set by the Government at \$10 per tonne on implementation and has not increased in 10 years making it among the lowest of any country with a similar levy or tax. It is likely that the levy will increase in the future.

9. Climate Change Response Act 2002

This Act puts in place a legal framework to enable New Zealand to meet its international obligations under the United Nations Framework Convention on Climate Change and the Kyoto Protocol. Regulations under this Act include the Climate Change (Waste) Regulations 2010 which define information and methods of calculating emissions from operating waste disposal facilities. Emissions are then declared and paid for through the Emissions Trading Scheme (ETS). This places a cost on waste disposal facilities for the emission of landfill gas. The current cost is \$19.60/tonne. A steady increase of costs has been projected in the most likely scenario at a conservative \$3 per annum.

10. Timaru District Council Long Term Plan 2018-2028

11. Timaru District Council Infrastructure Strategy 2018-2068
12. Timaru District Council Waste Management and Minimisation Plan 2018

### **Assessment of Significance**

13. This matter is not deemed significant under the Council's Significance and Engagement Policy.

### **Consultation**

14. Specific consultation has been carried out with a wide range of waste stakeholders located at Redruth including Waste management NZ Ltd, Waste Transformation Ltd, and the South Canterbury Sustainable Trust. These organisations are fully supportive of the concept of further waste diversion and extending the landfill life.

### **Other Considerations**

15. The waste sort diverts some reusable materials. These are sent to the Crow's Nest shop for resale providing an extra revenue stream for the Sustainable South Canterbury Trust. Some of the material saved is reusable timber, which is in strong demand at the shop.
16. The fact that waste is sorted from the tipping floor in plain view of the customers makes it clear that some of the tipped material should not go to the landfill. This may slowly lead to behavior change with people diverting these materials.
17. Increasing the life of the Redruth landfill has the least environmental impact and lowest carbon footprint compared to transporting waste to another existing site, or the development of a new site.

### **Funding Implications**

18. The long term costs and benefits have been estimated using a Net Present Value (NPV) model. The NPV model calculates the monetary value in today's dollars of the cash flow of the project over the nominated future period of 30 years.
19. The costs of landfilling include the airspace cost as well as the Waste Levy and the ETS imposed by central government under legislation as outlined in paragraphs 8 and 9 above. All these costs are factored into the setting of the gate charge for waste, and any diversion of waste from landfill means income accrues to TDC in the form of avoided costs, and the landfill life is extended.
20. The NPV model has been used to do a sensitivity analysis on a range of inputs including airspace costs, no timber diversion, and decreased annual tonnages.

21. The “baseline (do nothing) scenario” assumes:-
- That the Waste Sort Facility is not developed.
  - WTL ceases operations and timber currently dropped off at WTL is redirected to landfill.
  - That Waste Levy and ETS increases are consistent with the "most likely" scenario meaning increased costs for waste sent to landfill.
22. The “most likely scenario” assumes
- Waste disposal will remain stable at 27,000 tonnes per annum
  - That the projected diversion rates are achievable
  - That the Waste Levy will increase to \$20/tonne in 2 years and increase slowly over the life of the landfill to \$40/tonne
  - That the ETS costs will gradually and steadily increase per annum
  - That WTL will continue operating into the future
  - That polystyrene is a significant waste stream and its removal is cost effective and highly beneficial
  - That current commodity prices remain steady.
23. The project has been independently reviewed by Morrison Low and, subject to the assumptions outlined above, they have concluded that “the waste sort facility is likely to be financially viable from a Net Present Value perspective”.
24. The NPV model shows the most likely scenario to be almost cost neutral over the 30 year term against the baseline i.e. a net cost of approximately \$1,500 per annum.
25. The waste sort facility budget is approved in the 2018-28 Long Term Plan for implementation in the 2018/19 year at a cost of \$366,000. The project construction will occur simultaneously with Stage 2 of the Resource Recovery Park.

## Conclusion

26. The most likely scenario demonstrates that the waste sort facility will operate at a slight loss of \$1,500 per year over the term of 30 years.
27. The assumptions in the most likely scenario are conservative and there are significant benefits of the waste sort facility through avoided future costs.
28. All waste diverted will extend the life of the landfill, but the significant value of diverting polystyrene from the landfill should be noted. This issue needs further policy consideration.

## **Recommendations**

- a. That the construction of the waste sort facility be approved for immediate implementation.**
- b. That a policy report on costs and pricing mechanisms for polystyrene be submitted to the Infrastructure Committee for consideration.**

**Infrastructure Committee**  
**for the Meeting of 16 October 2018**

**Report for Agenda Item No 8**

**Prepared by Ashley Harper**  
**Group Manager Infrastructure**

**Waitarakao (Washdyke Lagoon): Work Programme Status Update**

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**Purpose of Report**

1. To update the Infrastructure Committee on progress with the work programme that the Waitarakao Task Force has initiated.

**Background**

2. The Waitarakao Task Force is an initiative set up jointly by Environment Canterbury (ECan) and the Timaru District Council (TDC) in 2015 and involves a wide range of stakeholders, including ECan, TDC, Te Runanga Arowhenua, Department of Conservation, and Orari Temuka Opihi Pareora (OTOP) Zone Committee Members.
3. The purpose and the work programme of the Task Force was reported to the Infrastructure Committee in July 2017 and a copy of this report is attached as attachment 1.
4. A number of items, as follows, have significantly progressed over the last 15 months and this report is provided to update the work programme. A verbal report covering the same topic was presented to the OTOP Zone Committee on the 8 October 2018.
  - (i) The investigations into the hydraulic operation of Waitarakao have been carried out by Davis Ogilvie under contract to ECan and has considered issues such as sea level rise, coastal erosion and the influence of the Seadown Drain.
  - (ii) Morphem Environmental Ltd have been engaged by ECan to research and advise on opportunities for creating structured wetlands adjacent to Waitarakao in order to provide enhanced water quality through the biological treatment of surface waters.
  - (iii) Ground water quality monitoring is being carried out by ECan and some nitrate 'hotspots' have become evident. Further work and determining the extent of the areas of concern is underway.
5. The above work is all well advanced and the Task Force is expecting to be receive final reports at a workshop prior to the end of this year.

6. Feedback to the OTOP Zone Implementation Plan (ZIPA) has now been considered by the OTOP Zone Committee. The following dates now apply to the ZIPA process:
- Further consultation period for updated ZIPA recommendations – 21 September – 10 October 2018
  - Expected final ZIPA sign off – November 2018
  - Presentation of ZIPA to Councils – December 2018
  - Notification of Plan Change for OTOP Zone – June 2019
  - Likely hearing date for the Plan Change – February 2020
  - Likely operative date for the Plan Change – 2022.

The next action for Council will be to receive the ZIPA presentation in December.

### **Identification of Relevant Legislation, Council Policy and Plans**

Resource Management Act  
ECan Land and Water Regional Plan

### **Funding Implications**

7. There is currently no funding specifically allocated to Waitarakao improvements, however when the current investigations are concluded there will be an action plan and associated budgets prepared for consideration by all parties.

### **Conclusion**

8. The Waitarakao Task Force is making progress with its work plan and expects to receive final reports on a number of important issues within the next three months. Once these reports have been received and considered an action plan will be developed for stakeholder consideration.

### **Recommendation**

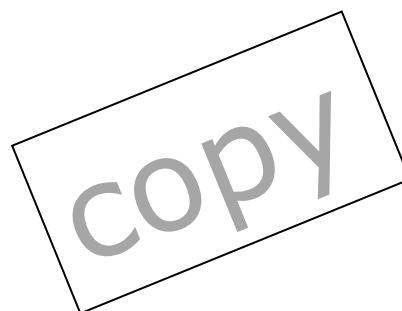
**That the report be received and noted.**

**INFRASTRUCTURE COMMITTEE  
FOR THE MEETING OF 18 JULY 2017**

**Report for Agenda Item No \***

**Presented by    Ashley Harper**  
**Group Manager Infrastructure**

**Waitarakao (Washdyke Lagoon) Working Group**



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**Purpose of Report**

- 1     To inform councils of the progress of the Waitarakao Taskforce and to flag future issues that will need council consideration, including funding.

**Value Proposition**

- 2     Waitarakao Washdyke lagoon is highly valued by rūnanga, is home to significant infrastructure, currently does not meet water quality objectives, and will be subject to change in the medium-long term due to coastal processes. Councils need to consider the need for short term actions and medium term implications of change.

**Executive Summary**

- 3     A joint agency Taskforce is working well, and balancing the need for both short term actions and longer term pressures for Waitarakao Washdyke Lagoon. A range of immediate actions are underway around monitoring, biodiversity, public access, and industrial good-practice education. These are taking place within existing budgets, however, the lack of dedicated 'urban land management' resource is delaying further actions.
- 4     Feasibility assessment of constructed wetlands between the industrial area and the lagoon is underway. This intervention could provide a filtering function, habitat enhancement, and potentially complement a future walk/cycleway.
- 5     Work to better understand the lagoon catchment and pressures from coastal processes, has shown that the key freshwater input, Seadown drain, will come under increasing pressure over time. It is likely that one more shift landward of the drain is possible before it comes up against infrastructure. This provides for a 30-50 year future for the Seadown drain.



- 6 Long Term Plan provision for future wetland development may be necessary, with details to come later this year.
- 7 Work is needed to understand the long term options for the future of Seadown Drain, and the impact of these on the lagoon and on wider values.

## Background

### Lagoon:

- 8 Waitarakao Washdyke lagoon has a long history of cultural significance to local rūnanga as an important site for traditional food gathering. Today a Mātaitai reserve covers the area of the greater lagoon and restricts commercial fishing. Areas of particular importance, include not only the lagoon itself, but the coastal area adjacent to the lagoon outlet.
- 9 The greater catchment of the lagoon is a key industrial zone and home to regionally significant industry and infrastructure.
- 10 The lagoon and catchment is also home to a variety of wading birds and waterfowl and is an important link in the network of coastal wetlands in Canterbury.
- 11 The two main freshwater inputs to the lagoon are the Seadown Drain and Washdyke Creek. Water quality is influenced by the management of contaminants in the catchment and the management of the drainage infrastructure.
- 12 Ongoing coastal processes and hydrology changes in the catchment will put increasing pressure on the function of the lagoon over time.

### Taskforce:

- 13 The Waitarakao Washdyke Taskforce was formed in July 2016 to achieve improved outcomes for the lagoon across the four well beings.
- 14 Taskforce membership includes: TDC, CRC, DOC, Te Rūnanga O Arowhenua, and OTOP Zone Committee members.
- 15 The Taskforce are focused on short term actions for improved outcomes, along with considering medium and long-term futures for the lagoon.
- 16 The group has developed and oversees an action plan, and is supported by TDC (secretarial) and CRC (facilitation).

## Key issues

- 17 The key issues for the lagoon are:
  - Elevated levels of e.coli, nitrates, copper, zinc, and high turbidity
  - Compromised food gathering values
  - Limited public access
  - Imminent changes due to the effects of coastal processes and changing irrigation management on Levels Plain

## Key actions

### Short Term (0-2 years)

- 18 Short term initiatives have focused on improved knowledge, quick win biodiversity projects, education on good management practice for industrial users, and securing public access.
- 19 These actions are being carried out within existing budgets, however the pollution prevention campaign is scheduled to be added to existing staff workloads and therefore cannot start until other priority work is complete.
- 20 Work is also underway to investigate the potential of constructed wetlands between the industrial area and the lagoon. These wetlands could provide a key filtering of pollutants from the lagoon, provide increased habitat, and interface with a potential cycle/walkway around the lagoon.
- 21 Concurrently, work has been carried to better understand the dynamics of the lagoon, Seadown Drain, and coastal pressures on these over time. The findings of this work are:
  - a. The lagoon bed is flat and therefore the passage of Seadown drain through the lagoon itself is not threatened by coastal erosion.
  - b. The Seadown drain, north of the lagoon, gains little in increased fall by going inland (but will still work and flow through the lagoon) but will become constrained by development, beyond the next 50 m landward shift.
  - c. With 400mm of sea level rise predicted in the next 30-50 years, then one further (50 m) shift of the Seadown Drain is viable.
  - d. There is pressure on the drain currently due to increased weed growth and need for maintenance.
  - e. The lagoon outlet is critical as this is also the stormwater outlet for developed land surrounding the lagoon and an overland flow path outlet for very large Opihi floods
- 22 Based on this initial work done on catchment dynamics and the change that is coming, further work is needed to investigate the broad options for the future of the Seadown Drain and its outlet.
- 23 Wider work in the catchment also includes the OTOP Healthy Catchments Project (HCP) and the TDC stormwater consent / management plan. The Taskforce will feed actions into the HCP.

### Medium Term (2-5 years)

- 24 Dependent on the results of feasibility work, construction of filtering wetlands and a joint cycle way/walkway could be completed.
- 25 These interventions would provide for improved habitat, improved management of contaminants, and improved recreation values.
- 26 Both interventions would need new funding, potentially through council Long Term Plans.

- 27 The feasibility, including funding model, for the preferred option(s) for Seadown drain need to be assessed in this period.

Longer Term (5-50 years)

- 28 The key intervention will be the implementation of the preferred and approved option for the future management of Seadown Drain and its outlet.

## **Recommendations**

**Council's note the progress of the Taskforce and continue to provide support for its operation.**

**Council's note the need for actions for improved outcomes and the resources needed to support this (particularly additional resource for urban/industrial land management advice).**

**Council's consider as part of long-term plan discussions the need to potentially support future infrastructure interventions, with details to be further fleshed out over the coming months.**

**Infrastructure Committee**  
**for the Meeting of 16 October 2018**

**Report for Agenda Item No 9**

**Prepared by Andrew Dixon**  
**Land Transport Manager**

**McNair Road Seal Extension**

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**Purpose of Report**

29. To request approval for the release of funding for a partial seal extension of McNair Road, Temuka, between Rise Road and Springfield Road.

**Background**

30. The recent urgent replacement of the Temuka trunk water main has necessitated the installation of the new pipeline in McNair Road between Rise Road and Richard Pearce Drive. Due to the location of fibre cables, trunk sewer main and the previous trunk water main in the berms on both sides of the road, the new pipeline was installed under the western edge of McNair Road.
31. McNair Road is currently unsealed between Rise Road to north of Springfield Road, however the road has undergone a subsequent major upgrade as part of the pipeline installation reinstatement.
32. A significant issue with the previous trunk main was that there was no way of isolating parts of the pipeline through in-line shut-off valves, which was addressed in the new pipeline by installing valves at approximately 1.5 km spacing. Air valves and scour valves were also installed at these locations, to enable the pipeline to be drained in sections without compromising the structural integrity of the pipe.
33. The ability to quickly isolate sections of the trunk main in both operational and emergency situations is critical. The valves must be readily accessible at all times. There are three valve complexes on the section of McNair Road that is currently unsealed. See the attached diagram.
34. The installation of valve covers in the trafficked lane of an unsealed road is a traffic hazard and a safety issue. As the pipeline and valves are relatively close to the surface, a concrete surround was installed around each valve complex to protect the valve and pipeline, and the valve access box. However, the concrete slab extended partially into the traffic lane and could cause safety issues due to degradation of the surface at the interface between the concrete and the unsealed road. The road has subsequently been overlaid with a running course

which has now completely covered the valve boxes, making them inaccessible without digging them up.

### **Options**

35. There are 3 options available to resolve this issue, as follows; (All figures are GST exclusive)
- (i) Seal the full length of 3.0 km of McNair Road at a cost of \$480,000. This option will receive great community acceptance but the cost is not really justified.
  - (ii) To seal three sections of road, at the North End, Centre and South End of McNair Road, as per the attached diagram. The total seal extension length is 1.3km and the total estimated cost is \$200,000. This is the preferred option.
  - (iii) Alternatively the traffic lane could be moved away from the valves. This would result in substantial road realignments for parts of the road in an otherwise straight section of road. This would create a potential safety hazard and is not preferred.

### **Identification of Relevant Legislation, Council Policy and Plans**

Timaru District Council Seal Extension Policy  
Timaru District Council Long Term Plan 2018-28

### **Assessment of Significance**

36. This matter is not deemed significant under the Council's Significance and Engagement Policy.

### **Consultation**

37. Adjacent property owners will be notified of the project work if the seal extension is approved.

### **Other Considerations**

38. There are no other considerations relevant to this matter.

### **Funding Implications**

39. The 2018/19 budget includes \$330,000 for seal extension. Council policy requires that "Council may undertake road seal extensions that are not eligible for funding assistance or contributions (100% Council funded) in special circumstances subject to approval by the Infrastructure Committee."
40. The estimated cost of the preferred option of 1.3km of seal extension is \$200,000. There is sufficient funding in current 2018/19 budgets for this project. This project would not be eligible for government financial assistance.
41. We are unaware of any other calls on this funding for the current financial year.

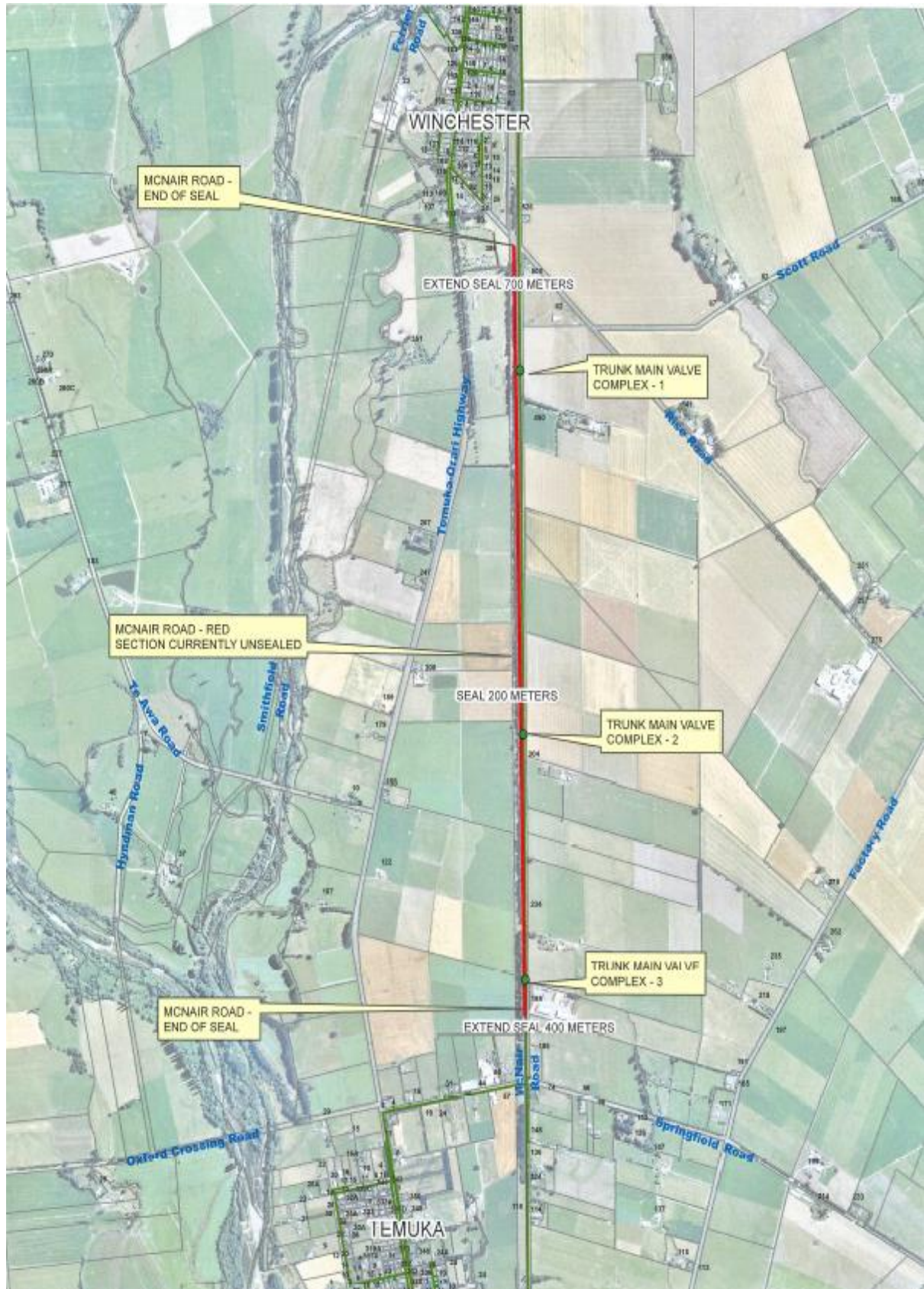
## Conclusion

42. There is an urgent need to protect and ensure accessibility of the newly installed valves on the Temuka trunk watermain in McNair Road. The most effective way of achieving this is to seal the road in the vicinity of the valves. To ensure a good level of road safety and efficiency the existing seal is proposed to be extended at either end of McNair Road with a small section of seal in the middle.
43. Council seal extension policy states “Council may undertake road seal extensions that are not eligible for funding assistance or contributions (100% Council funded) in special circumstances subject to approval by the Infrastructure Committee.” It is considered that this project meets this policy criteria.
44. The 1.3km seal extension project cost is estimated at \$220,000. Sufficient funding is available in the current 2018/19 seal extension budget.

## Recommendation

**That the funding of the seal extension of sections of McNair Road being a total length of 1.3km at a total cost of \$200,000 plus GST be approved.**





**Infrastructure Committee**  
**for the Meeting of 16 October 2018**

**Report for Agenda Item No 10**

**Prepared by Andrew Dixon**  
**Land Transport Manager**

**2018 – 21 National Land Transport Programme Funding Allocation**

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**Purpose of Report**

45. To inform the Infrastructure Committee of the outcome of the final funding allocation for the Timaru District financially assisted land transport programme from NZ Transport Agency (NZTA) for the 2018-21 three year period.

**Background**

46. The National Land Transport Programme (NLTP) is a three-year programme of planned activities and a 10-year forecast of revenue and expenditure prepared by the NZ Transport Agency (NZTA) to give effect to the Government Policy Statement on Transport (GPS).
47. The Government's priorities for the land transport system, as outlined in the new GPS, are safety and access. The 2018-21 NLTP therefore includes a greater focus on improving road safety and delivering one complete transport system that embraces and better joins all travel options including public transport, walking and cycling. This includes providing financial assistance for footpaths for the first time.
48. NZTA released the approved 2018-21 NLTP on 31 August 2018. This confirms financial assistance funding to Councils for the three year period 1 July 2018 to 30 June 2021.
49. The initial bid by Timaru District Council (TDC) was required to be submitted in October 2017, prior to the preparation of the 2018 – 2028 Long Term Plan.
50. The NLTP 2018-21 includes financial assistance for all maintenance, renewals, road safety promotion and improvement projects in the Timaru District Council LTP.
51. The final NLTP has substantially approved the initial bid with some limited reduction in funding of road and bridge maintenance and renewals. However, other programme bids being footpaths (maintenance and renewals), road safety promotion and low cost/low risk projects (projects with a cost of less than \$1 million) have been approved and match the initial bid. A summary is included in this report in paragraph 30.



52. The total approved financial assistance allocations for the financial years 2018/19, 2019/20 and 2020/21 are summarised in the following table:

Activity	NZTA Approved (\$'000)			TDC LTP approved budgets (includes internal professional services charges (\$000))		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
Total Expenditure	18,723	17,300	17,527	18,226	17,071	18,633
Total Financial Assistance Revenue	9,734	8,829	9,172	8,256	7,762	8,601
Difference in financial assistance revenue to TDC LTP	+1,478	+1,067	+571			

Note: All figures are GST exclusive.

53. A significant proportion of the additional financial assistance from NZTA is because footpaths are now being financially assisted, resulting from a change in Government policy. The other factor is the approval of a number of low cost-low risk projects that were not anticipated to be approved by NZTA at the time the LTP 2018-28 was developed in late 2017.
54. The additional financial assistance revenue for Timaru District Council is \$1,478,000 for 2018/19, \$1,067,000 for 2019/20 and \$571,000 for 2020/21. However it must be noted that there are a number of projects that have been approved by NZTA that have not been budgeted for in the LTP as they were not eligible for funding in terms of NZTA guidelines at that time. These items are new cycleways (\$100,000) and additional low cost-low risk projects (\$400,000) being road upgrades.
55. It should be noted that NZTA financial assistance is payable at the completion of the projects and actual staff time is allocated as a cost. Funding for additional land transport staff resources was included in the increase in professional services on-costs that have been approved by NZTA. Recruitment will be activated once a policy decision by Council on the increased financial assistance allocation is made.

## Options

56. Council has a number of options across a number of sub activities within the overall envelope of additional funding now available, as follows;

#### 57. General

The approved 2018-21 NLTP programme potentially provides Timaru District with approximately \$1.47 million of additional government financial assistance revenue over and above that anticipated in the 2018/19 financial year. This report proposes options for the 2018/19 financial year only. Each key item is identified in paragraphs 14 to 21 below. Future years will be considered during the next Annual Plan process.

#### 58. Footpaths

Council approved a total expenditure of \$1.37 million in the LTP for the footpath activity. NZTA will now provide financial assistance of \$714,000 for the maintenance and renewals of existing footpaths and for the construction of new footpaths. This means a total of \$2.087 million of funding is now available and Council has some options on how to allocate this full amount. It should be noted that footpaths are funded by Community targeted rates. The appended chart (Attachment 1) shows the options. Option 1 shows the total allocation being the same as the existing with the Timaru District Council share being 48% of the expenditure. The preferred option is option 2, which will increase the level of asset renewals or installation of new footpaths to the full combined budget of \$1.37m. Should this option be preferred by Council then consultation with the three Community Boards will be required. Option 3 is to apply for additional financial assistance from NZTA for the new level of service that would occur under option 2. It should be noted that NZTA has a fixed national allocation for footpaths and any further financial assistance for an increased programme level is unlikely to be approved because the quantum of funding available on a national basis has been fully allocated.

#### 59. Road Maintenance and Renewals

The overall additional revenue could be used to fund an increase in road maintenance and renewals. The deterioration rate of some of our rural roads that are used by a significant number of heavy vehicles is increasing. Road renewals will need to increase in the next few years and there is an opportunity to ramp this up now. An additional \$400,000 per annum for renewals and \$200,000 per annum for road pavement maintenance would greatly assist to maintain the roading network more commensurate with road users expectations. Unfortunately the available funding nationally for road maintenance and renewals is fully subscribed, so it is unlikely that any additional expenditure would gain further financial assistance. This means that extra road maintenance and renewals would be 100% locally funded and from general rates.

#### 60. LED Streetlighting

The timeframe for the enhanced FAR of 85% for LED streetlight replacements has been extended to 2021. Timaru District has replaced a significant portion of the streetlights with LEDs in the two years but the higher wattage, higher standard street lights on major roads (1,217 in number) are yet to be renewed. The estimated cost of these renewals is \$1.58 million. Assuming we are successful in

gaining the enhanced FAR the local share cost would be \$237,000. This is not included in current TDC budgets.

61. Cycleways

Timaru District has previously not qualified for new cycleway funding because of NZTA policies. With the change in government focus our application of \$100,000 has been approved. The local share of \$48,000 is not budgeted at present.

62. Seal Extensions

The additional revenue could be used to fund additional seal extensions. Again this is unlikely to be eligible for further financial assistance and would be entirely at Council's cost. This is not recommended.

63. Road Improvements

There is an option of potentially funding further road improvement projects or bringing forward projects in the LTP. Examples would be rural intersection improvements or the upgrade of Washdyke industrial area roads earlier than initially planned. Given these are local road improvement projects, there is a reasonable likelihood that these additional projects would be eligible for further NZTA financial assistance. Some projects may qualify for an enhanced financial assistance rate (FAR) for improvement projects that are considered high priority in the areas of road safety and access. The Timaru District Council enhanced FAR is 76%.

64. Supporting Infrastructure

There is an option of using the operational increased revenue to fund other streetscape projects. An example of this is road related facilities such as new road side public toilets (Rangitata), information signage, additional street furniture, car park improvements (Cox Street, Geraldine), decorative lighting, road streetscapes including gardens and street trees. Cost estimates are in the range \$100,000 - \$200,000.

65. Hold the additional revenue

A further option is to hold the additional revenue to offset future rates increases. This option could apply to part or all of each year's funding. This is not preferred because the extra NZTA funding should be used to enhance the level of service provided to the Timaru District Community.

66. These options are summarised in paragraph 30.

## Identification of Relevant Legislation, Council Policy and Plans

67. The following is applicable:

- Land Transport Management Act 2003
- Government Policy Statement on Land Transport 2018/19 – 2028/29
- National Land Transport Programme 2018-21
- Canterbury Regional Transport Plan 2015-25
- Timaru District Long Term Plan 2018-28.

## Assessment of Significance

68. This matter is not deemed significant under the Council's Significance and Engagement Policy.

## Consultation

69. Consultation with the three Community Boards may be required as footpaths are funded from targeted community rates.

## Other Considerations

70. Current staff resourcing is fully committed to the current approved programme. Additional projects will require additional resources both internally and externally to deliver these.

## Funding Implications

71. The approved transport funding programme for TDC provides financial assistance revenue exceeding the budget in the LTP 2018-28. For the 2018-19 financial year this additional revenue is \$1.47 million. Approximately half of this is due to footpaths now being financially assisted by government within the new GPS released in September 2018.

## Conclusion

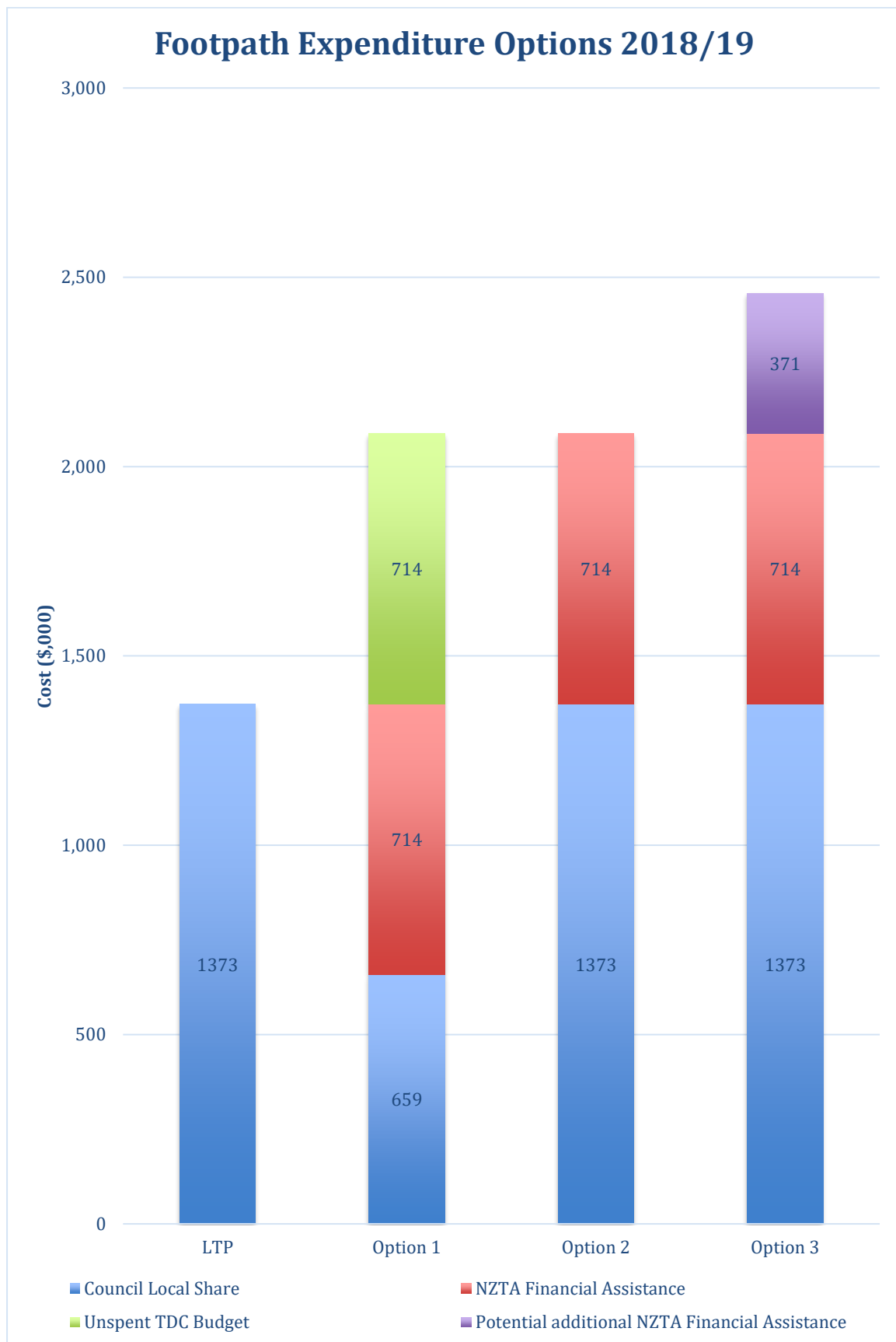
72. The approved NLTP programme for TDC has exceeded our expectation. Most of the initial bid was approved by NZTA resulting in NZTA financial assistance revenue for 2018-19 exceeding the Approved LTP budget by \$1.47m.
73. A significant addition to the NLTP programme is that footpaths are now eligible for NZTA financial assistance. It is recommended that this additional revenue be fully utilised within the footpath activity.
74. Potential options to utilise the increased financial assistance revenue are summarised in the following table. The first four items contain recommendations based on our assessment of Council's position. These sum to \$1.4m which leaves further options for Council of up to \$70,000 in order to fully utilise the additional available revenue.

Option	TDC share \$'000	Likely NZTA Share \$'000	Total Estimated Cost \$'000
Increase in new and renewals of footpaths. This is recommended.	714	0	714
Increase in road maintenance and renewals expenditure. \$400,000 is recommended.	600	0	600
LED streetlight replacements on major roads. This is recommended.	237	1,343	1,580 Over two years
New Cycleways. This recommended.	48	52	100
Increase in Council funded road seal extensions. This is not recommended.	600	0	600
Intersection upgrades	288	312	600
Additional streetscape projects	To be costed	0	To be costed
Hold part or all of the additional financial assistance revenue in each year. This is not preferred.	Up to 1,470		Up to 1,470

## Recommendations

- a. That the following recommendations be referred to the Policy and Development Committee for approval.
- b. That Council considers the implications and options of the additional NZTA financial assistance funding for the 2018-21 National Land Transport Programme as it relates to the 2018-19 financial year.
- c. That for the 2018-19 year:
  - i. The additional available funding be utilised across the footpath activity noting that consultation with the three Community Boards will be required.
  - ii. That an additional TDC allocation of \$400,000 be allocated to road maintenance and renewals.
  - iii. That an additional TDC allocation of \$237,000 be made for LED streetlight conversions.
  - iv. That an additional TDC allocation of \$48,000 be made to cycleways.
- d. That Council considers the implications and options of the additional NZTA financial assistance funding for the 2018-21 National Land Transport Programme as it relates to the 2019/20 and 2020/21 years during the respective Annual Plan processes.

## Attachment 1



**Infrastructure Committee**  
**for the Meeting of 16 October 2018**

**Report for Agenda Item No 13**

**Prepared by Ashley Harper**  
**Group Manager Infrastructure**

**Exclusion of the Public**

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**Recommendation**

That the Committee resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act:

**Confirmation of Minutes**

- **Water Shares**

Section 7(2)(i)

The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

**Water Race**

Section 7(2)(b)(ii)

The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.