

21 August 2020

Dear Upper Selwyn Huts resident

I am writing to follow up on the letter I sent you in July, and to let you know what the Council is currently doing in relation to wastewater treatment at Upper Selwyn Huts.

In my last letter I proposed that the Council would arrange a meeting with Huts residents, providing an opportunity to discuss the range of issues that have arisen relating to the wastewater treatment system, licences and fees and other matters.

Since writing to you, however, there have been significant developments in the progress of the government's *3 Waters Review*, which may have an impact on future options for wastewater treatment at the Huts community.

The Government is proposing a substantive change in the way waters services are delivered in New Zealand. This may involve removing these services, including wastewater, from direct Council control and giving responsibility for them to a new larger, stand-alone agency.

In addition, the government has announced an initial programme of funding for local authorities, and the Council now needs to review how this might affect our planning and funding of critical water and wastewater infrastructure across the district.

We will be in a better position to meet with residents and discuss options for wastewater treatment, once we have had time to fully consider these impacts. This means we will defer our meeting with the community until later in the year. We will be in touch as soon as we can advise a date.

In the meantime, we have prepared a summary of information setting out answers to some of the questions raised during the Annual Plan process. A copy is attached.

We will also make much of the background information on planning for wastewater treatment system options publicly available on the Council website.

I confirm that the Council remains committed to providing security to residents over the medium-term future of the settlement, including identify a cost-effective wastewater treatment solution that meets consent requirements.

Ngā mihi



Sam Broughton
Mayor

Upper Selwyn Huts – wastewater treatment

Questions and answers for residents

21 AUGUST 2020

This information has been prepared for residents and hut owners of Upper Selwyn Huts in response to submissions to Selwyn District Council's Annual Plan 2020/21. It is intended to help keep residents informed about what the Council is currently doing in relation to wastewater treatment and other matters at Upper Selwyn Huts.

Wastewater system

1. Why is a new wastewater system needed?

The existing wastewater treatment system at Upper Selwyn Huts was constructed in 1988 with much of the pipe network constructed as early as the 1920s. Resource Consents for the existing system, granted by Environment Canterbury, expired in June 2020.

The existing system no longer meets resource consent requirements, for a number of reasons including the fact that the current volume of discharge exceeds the consented limit. Any application to renew the existing consent beyond a short term period (ie more than 5 years) would be unlikely to be accepted.

The Council also noted that reports on the likely impacts of climate change over the next 100 years indicated that sea level rise would result in Te Waihora/Lake Ellesmere increasing in height and area. This would result in an increase in the ground water levels in the area around the lake, and would significantly affect the ability to continue operating the existing wastewater system.

2. How was the Council's proposed solution developed?

Initial scoping and technical assessment of possible options for a wastewater system began in 2016. Engineering reports (including MWH/Stantec, ecoEng) broadly identified the possible options as:

- Do nothing
- Replace the existing collection reticulation system
- Install a package treatment plant
- Transfer flows to treatment at Pines Wastewater Treatment Plant
- Increase pond volume

Following initial consultation with the huts community the treatment and disposal options were narrowed down to either

- enhanced onsite treatment and disposal (est \$3 million), or
- pumping to the Eastern Selwyn Sewerage Scheme (ESSS) wastewater network at the Pines treatment plant (est \$5 million).

Due to the age and condition of the sewer, shallow depth of groundwater and proximity to the lake, the reticulation network would need to be replaced as part of any solution.

In May 2019 the Council confirmed it would continue to provide wastewater services to the Huts community, in the most cost-effective and prudent manner. It invited the Huts community to appoint three members to join the Council subcommittee to review:

- options for wastewater collection and treatment
- the cost of those options
- any proposed changes to the licence agreement

The subcommittee, including community representatives, met on 29 May 2019, 26 June 2019 and 28 August 2019. Consulting engineers Stantec (formerly MWH) were requested to update their previous report on wastewater options, including indicative costings.

After assessment of the proposals, the committee's preferred option, unanimously recommended to the Council, was as follows:

- a) Renew the pipe reticulation with a pumped low pressure sewer;
- b) Construct a package treatment plant at the huts;
- c) Construct a new disposal area at the huts reserve area with raised beds and potential for summer disposal via low lying drip irrigation;
- d) That the financial table of loans repayment options be noted with the 15 year timeframe preferred;
- e) The final annual rate to be determined following the wastewater design solution confirmation and in line with the consent duration.

The Council adopted the recommendations of the working party in full at its meeting of 11 September 2019. It noted that the capital cost of the proposal was estimated at approximately \$3 million, and that this cost, along with operating costs, would be funded by way of an annual targeted rate.

3. What consultation has taken place with Huts residents over the wastewater system?

In the Consultation Document for the Annual Plan 2017/18 (April 2017) the Council signaled that consultation on the future wastewater system would be undertaken during the 2018-2028 Long Term Plan process.

This matter was then included in the 2018-2028 Long Term Plan as a key future item, and the Council agreed to progress consultation by forming a committee to work with the huts community on a plan for future occupancy of the settlement. It noted that any decisions on wastewater system solutions would further be subject to consultation through future Annual Plan or Long Term Plan processes.

In February 2018 the Council commissioned consultants Development Matters to prepare a Community Development Strategy. This process included extensive information gathering including community consultation, community and group meetings and individual interviews. The Draft Strategy (October 2018) concludes that any future actions must take account of the potential impacts of climate change and the need to address the wastewater treatment issues.

As noted above, in May 2019 the Council invited the Huts community to appoint three members to join the Council subcommittee to review options for wastewater collection and treatment, and the cost of those options.

Graeme Young, Graham Evans and Robin Hyde joined the committee as community representatives, Mr Young advising that they had been elected at a public meeting attended by over 50 people. The community representatives participated actively in the subcommittee's deliberations and endorsed the recommendation of the subcommittee to the Council.

The recommendations were accepted by the Council at its meeting of 11 September 2019 and the Council wrote to all hut owners on 12 September, including a copy of the report.

Over the past five year it is estimated that at least 10 public meetings have been held involving residents of the huts community with representatives of the Council and other agencies including Environment Canterbury, Te Taumutu Rūnanga and the Department of Conservation (DOC).

Representatives of the Huts community have spoken to the Council on a number of occasions at Council meetings and Annual and Long-Term Plan hearings.

For your information, the Council will shortly be making publicly available copies of agendas, reports, technical reports, minutes and notes from meetings, copies of letters, and other material relating to the wastewater treatment proposals for the huts. These will be available on the Council website at www.selwyn.govt.nz/services/water/wastewater/upper-selwyn-huts. Documents will include a schedule of consultation with the Huts community, including public meetings, presentations, communications and committee meetings.

4. An alternative system has been proposed by a member of the Huts community. Why can't this be progressed?

The Council has considered the proposed alternative system, which was costed at approximately \$1 million. Although the proposed system is based on established methodologies, unfortunately it did not take account of a number of significant costs that would be incurred with the project, including:

- renewal of the pipe network system
- rehabilitation of some of the existing pond infrastructure
- construction of effluent disposal systems
- the cost of obtaining resource consent including consultation and potential hearings

These would add considerably to the total cost of the system.

The proposal also did not include any testing of the site for land suitability (geotechnical).

The Council is happy to consider alternative solutions and these will be important as we work towards firming up the details of the system to be installed.

5. What is the Council proposing to do now?

Following the Annual Plan 2020/21 consultation the Council has affirmed that it wants to provide security to residents over the medium-term future of the settlement, and will continue to work with the community to identify a cost-effective solution that meets the needs of the hut owners and the environment, and is compatible with consent requirements.

This will include working through the identified range of design solutions and developing firmer costings and financial proposals. The Council is also reviewing the implications of the government's *3 Waters Review* (see q. 6 following), which may have an impact on future funding of options for wastewater treatment at the Huts community.

6. There has been discussion about the "3 Waters Review". What is this and how would it affect the proposals for Upper Selwyn Huts?

The Government is proposing a substantive change in the way waters services are delivered in New Zealand. This may involve removing these services, including wastewater, from direct Council control and transferring them to a larger, stand-alone agency.

The earliest timeframe for these changes, if they proceed, is that the new entities could take over services in 2023. The Council will consider the potential significant effect of these changes as it prepares the Long-Term Plan 2021-2031 over the coming year. In the meantime we will proceed on the basis of having a new wastewater system consented by 2022, and implemented in 2024.

In early August 2020 the government announced an initial economic stimulus package as part of the next stage in 3 Waters reform. Funding will be made available to councils that agree to take part in discussions on forming new regional bodies to manage drinking, waste and storm water.

Under the proposal, Selwyn would receive an initial \$5.33 million of funding for water infrastructure projects and a share of a further \$50 million, if it signs a Memorandum of Understanding (MOU) to take part in discussions with the government and other South Island councils on the options for this reform. The Council has until 31 August to decide if it will sign the MOU.

The proposed reforms would be a fundamental change in the way that water is managed and delivered to people in Selwyn and across New Zealand. The Council needs to carefully consider whether this is the best option in the long-term to make sure all Selwyn residents have a high-quality, safe, clean and secure system.

We are currently reviewing how this might affect our planning and funding of critical water and wastewater infrastructure across the district.

7. Why is the wastewater treatment system to be funded by residents, rather than through the district-wide rate?

The Upper Selwyn Huts was excluded from the district-wide rating scheme that was introduced in 2015. The decision that any future scheme be funded by the community was confirmed by the Council resolution of May 2019.

Resource consent for wastewater system

8. Why is Environment Canterbury involved in the process for Resource Consents?

Resource Consents for any system such as a wastewater treatment and disposal systems are a requirement of the Resource Management Act, and are issued and monitored by the regional council Environment Canterbury.

9. What's the current status of the resource consent?

The resource consent for the existing wastewater system expired on 30 June 2020.

The Council lodged a short term consent application to continue with the operation of the existing wastewater system in December 2019.

The new consent, once granted, will allow a period of four years for the preferred solution to be identified and constructed. This will include further consultation with the Huts community on the final design of any solution and the costs and funding.

In the meantime, the Council will continue to operate the existing plant under an extension of the existing resource consent. This will continue to require mitigation operations such as trucking away of some waste, and other measures like 'cut and carry' to reduce nitrogen loading etc.

It is the Council's intention to seek consent for the medium-term solution, once this is finalised, in 2022, with construction completed by 2024.

10. What would the term of the new consent be?

Environment Canterbury advised the Council that any new Resource Consent for wastewater treatment and disposal was unlikely to be granted for a period of longer than 15 years.

This 15 year period has therefore been used as the basis for calculating the loan period for capital repayment. It is also important to note that there is no guarantee that any extension of the wastewater consent would occur after the expiry of the 15-year consent.

Climate change

11. What does climate change have to do with the future of wastewater at Selwyn Huts?

There is extensive evidence that rising sea levels, caused by climate change, will have an impact on coastal lakes such as Te Waihora/Lake Ellesmere (see q. 15 below). Higher lake levels will be required to maintain the current lake opening methods, and in turn this means groundwater levels inland from the lake will be expected to rise. Surface flooding is also likely to increase.

It is the impact of rising groundwater levels that is of most significance to the current discussions, as the rising water table would seriously compromise the effectiveness of the current system. Any future wastewater system must therefore be designed with these changing conditions in mind.

The Council is working closely with Environment Canterbury, Te Taumutu Rūnanga and other agencies to access the best available scientific information on climate change and to understand its effects on coastal communities. Similar issues and discussions are being faced by councils throughout New Zealand.

12. Why are you only asking the Selwyn Huts community to leave because of climate change and not any of the other communities around the lake?

The Council is working with the Selwyn Huts community to help it stay as long as it is safe and viable to do so, but also to understand the implications of future impacts on where they live, and the likelihood of what will happen in the future, to give them the best chance to prepare.

We are also working with other communities in low-lying areas to understand the risks of climate change to their properties and what steps they may need to take in the future.

13. What is DOC's position in relation to the settlement at Lower Selwyn Huts?

DOC advises that it is in the process of renewing the remaining leases for the 2019-2024 period. The future of the huts is guided by the Conservation Management Strategy (CMS) which provides that the huts are offered a right of renewal only until 2024. Any decision on further renewals will have to be made in accordance with the CMS. DOC cannot predict the outcomes of any future decision, but leaseholders have been made aware that the expiry date remains as 2024.

14. If climate change is an issue, then why is the Council still issuing building consents for other properties in the nearby vicinity of Selwyn Huts?

Building consents do not deal with the issues of wastewater management. Anybody building a dwelling in the vicinity of the huts area would have to apply for a resource consent from Environment Canterbury for wastewater requirements and would have to demonstrate that the effects of rising groundwater levels, flooding etc, could be mitigated in the design of any wastewater system. This is essentially the same process that the Council and the huts community will go through when applying for a resource consent for the settlement's wastewater system.

15. What evidence is there about the effects of climate change?

The National Climate Change Risk Assessment (NCCRA) was published in August this year. This gives a national picture of how New Zealand may be affected by climate change-related hazards. It identifies the most significant risks and opportunities for New Zealand, including 43 priority risks across five value domains (natural environment, human, economy, built environment and governance) and highlights 10 risks considered to be the most significant.

One of the highest-risk impacts identified is:

- Risks to coastal ecosystems, including the intertidal zone, estuaries, dunes, coastal lakes and wetlands, due to ongoing sea-level rise and extreme weather events.

The risk assessment provides the Council with the best available evidence and assessment for a planned approach to climate change risks and opportunities.

More information can be found at:

<https://www.mfe.govt.nz/publications/climate-change/national-climate-change-risk-assessment-new-zealand-main-report>

Licence fee

16. What's the background to the Deed of Licence for hut owners?

The Huts community is located on Springston South Reserve, which is crown-owned and designated as a 'special purpose reserve'. Hut owners hold a Deed of Licence with the Selwyn District Council for a specific lot of land, which is managed by the Council.

The Deeds of Licence were last reviewed in 2015, and expired in June 2020. The licence fee contributes to a range of costs incurred in the day-to-day management of the settlement. This fee (\$582) has remained the same for a number of years.

17. The Council had been proposing a significant increase in the licence fee, plus a bond to cover the cost of removing dwellings in the future. What's the status of these proposals now?

As part of its Annual Plan process the Council sought feedback from the Huts community on proposal to fund the building, consenting and maintenance of any new wastewater treatment system through a gradual increase in the licence fee, and spreading the repayment over 15 years.

The Council also proposed a bond so that residents had funds available to remove their homes at the end of the licence period, being the 15 years which the resource consent is expected to be issued for.

Following the Annual Plan consultation, the Council has agreed to defer implementing the bond for hut removal at this time. The licence fee from 1 July 2020 was proposed to be \$977 per year. As a result of deferring the bond, this charge is reduced to \$855 per year from 1 July 2020.

The current and proposed licence agreements have conditions requiring licence holders to remove their hut at the end of any licence period. The bond proposal collects the estimated cost of the removal over the 15 year period, and this can then either be used by the licence holder to remove the hut or by the Council to remove the hut.

We will be holding over the existing licence and its conditions until 31 October 2020 as part of the review process.