

# Hawke's Bay Three Waters Stimulus Funding Allocation

APRIL 2021



Wairoa District Council, Napier City Council, Hastings District Council and Central Hawke's Bay District Council have each received the green light to proceed with projects relating to three waters service delivery, funded through the Government's stimulus package announced in July.

As part of its reforms of three waters service delivery, Government committed an initial \$761m to councils across New Zealand, to support investment across the economy, helping stimulate economic activity and jobs in the wake of Covid-19, and to support the objectives of the three waters services reforms.

To gain access to the stimulus package, councils needed to opt into a partnership process with Government to reform three waters service delivery arrangements. Hawke's Bay's councils did so in August, making them eligible to apply for \$50m, allocated across the region as follows:

- Wairoa District Council \$11.04m
- Napier City Council \$12.51m
- Hastings District Council \$15.36m
- Central Hawke's Bay District Council \$11.09m

Each council was required to submit a project plan detailing how the funds would be spent, with projects required to start before March 2021 and be completed by 30<sup>th</sup> March 2022 as per the conditions of the funding allocation.

Each of the four council's plans have now been approved, paving the way for work to commence.

It should be noted that the number of approved projects and the timeframes set by Central Government are ambitious, and reliant on industry capacity to support councils to deliver.

## REGIONAL PROJECTS

The following table sets out the projects Hawke's Bay councils have identified for regional collaboration and shared funding out of each council's Government Three Waters Stimulus Funding allocation.

PROJECT	DESCRIPTION	REGIONAL FUNDING ALLOCATION
1 Three Waters Reform Programme Requests for Information (RFI)	Extended Consultancy Services to update models and data from Hawke's Bay three waters review report to support Government Reform RFI.	\$200,000
2 Regional assessment of water service provision across communities.	To improve understanding of the current status of non-council serviced communities and facilities.	\$500,000
3 Regional Contestable Fund for private scheme assistance and support.	Contestable fund & process developed where these private schemes could seek assistance or funding for support and/or physical works to meet new standards.	\$500,000
4 Regional Engineering code of practice	Independent review of each councils engineering code practices to identify the differences and opportunities to align regionally into one code	\$100,000
5 Regional Audit of Asset Management/GIS systems	Independent review and audit of current council systems to delivery recommendations on opportunities to standardise.	\$100,000
6 Regional Cadet and Operators Scheme	Acknowledging the critical gaps in the three waters capacity nationally – develop and deliver a regional cadet and operator scheme to support the delivery of three waters projects and operations	\$400,000

**Note: Allocations between regional projects may be redistributed as final scale and scope is agreed.**



## COUNCIL PROJECTS

The following table sets out the projects each council has identified and had Government approval for, funded from their Three Waters Stimulus Funding allocations.

### CENTRAL HAWKE'S BAY DISTRICT COUNCIL

The key principles of Central Hawke's Bay District Council's programme are:

- Enable council to progress much needed upgrades and renewals across our drinking water and wastewater networks
- Prepare communities for water reform and regulations
- Undertake a review of by-laws that complement the work proposed to future better manage assets

COUNCIL	PROJECT	VALUE
Central Hawke's Bay Total - \$11.09m	<b>Three Waters Reform Preparation</b> This project will see Central Hawke's Bay District Council allocate \$400,000 to prepare for water reform – this will be allocated to regional work as outlined in the regional commitment above.	\$400k
	<b>Water Safety Plan Actions</b> Focus on water safety plans including source protection assessment, and backflow prevention to implement actions set in our draft and proposed water safety plans across our water networks.	\$100k
	<b>Water Renewals</b> Council has identified through its current asset management planning and development of a water demand management plan, the need to increase expenditure on renewals. This funding will assist with renewing network that is in need to reduce water leakage and improve network performance whilst supporting wider asset management principles. WSP are currently engaged to develop the asset management plans and renewal framework, and this scope could be extended to prepare for these renewals.	\$1.29m
	<b>Waipukurau Second Water Supply</b> Council allocated a project in the 2018 LTP (\$5.7m) to create a second water supply for Waipukurau. WSP are engaged to design the preferred option, the project team have identified two options, one being to solely increase storage based off an existing bore field that supplies Waipukurau, which could be delivered within current LTP budgets, but doesn't address source resilience or align with council's generational thinking vision. Alternatively, this boost in funding would allow Council to explore providing Waipukurau with a second water source fed from Waipawa. Over time the source would feed back into Waipawa from Waipukurau, significantly boosting source resilience and once built, the new reservoir would then allow existing reservoirs to be replaced and resized as required. \$3.3m has been set aside to boost the existing project budget from \$5.7m to \$9m. The design process will allow construction to take place to take advantage of the reform funding of \$3.3m firstly, and then additional expenditure will be funded from council budgets.	\$3.3m
	<b>CHB Wastewater Upgrades</b> Council has a significantly advanced and large wastewater upgrade programme to meet current and future consent requirements, environmental, cultural and community expectations – assessed to be approximately \$66m across the next 10 years across six wastewater schemes. The upgrade programme is currently being developed and planned to be consulted on in the LTP 2021. This reform funding will contribute to our ability to achieve the programme of work below.	
	<b>Otane to Waipawa Pipeline - Stage 2</b> Council has committed to transferring wastewater from Otane to Waipawa, and to ultimately treat Otane's wastewater in Waipawa. Stage 1 (3500m) is underway and was completed within current budgets in October. Stage 2 is now underway thanks to this funding and aligns with the overarching wastewater strategy for CHB.	\$2.4m

COUNCIL	PROJECT	VALUE
	<p><b>Improvements and Design</b></p> <p>This funding will allow ongoing design and short-term wastewater improvements whilst the long-term improvements are being built. Examples of the improvements will look at improving clarification, filtration, and solids removal to improve UV effectiveness and ultimately improve effluent quality.</p>	\$1.5m
	<p><b>Wastewater Pond Desludging</b></p> <p>The two largest wastewater ponds in CHB – Waipawa and Waipukurau require desludging, having not been desludged since 2005. This funding will allow for that to happen, improving capacity to some treatment parameters and retain performance in other areas.</p>	\$750k
	<p><b>Wastewater Renewals</b></p> <p>Through current asset management planning and development of the wider wastewater project, we have identified that flows need to be managed, and infrastructure needs to be renewed, resulting in reduced infiltration and inflow of storm and groundwater into the wastewater network.</p>	\$500k
	<p><b>Trade Waste Improvements</b></p> <p>Council needs to better understand the performance flow/ volumes and loadings entering the wastewater networks in Waipawa and Waipukurau. This work will support the long-term improvements, plant performance and the ability for industry to contribute and fair cost recovery to take place.</p>	\$160k
	<p><b>Dump Station for Campervans</b></p> <p>A recent visitor needs assessment identified the need for a dump station to minimise illegal campervan waste dumping. This funding will allow a purpose-built dump station situated in either Waipawa or Waipukurau.</p>	\$150k
	<p><b>Three Waters Bylaw Reviews</b></p> <p>Council has set aside funding to undertake Bylaw Reviews to enable better trade waste management, water demand management and to bring the existing bylaws up to a state that they are able to support current and future work programmes and objectives.</p>	\$150k
	<p><b>Programme Management and Building Skills</b></p> <p>To deliver the programme, additional resourcing and system improvements will be required. Council has set aside funding for two project managers and a business/ data analyst to drive improvements to support the programme and set Council up for future success post Tranche 1 of the reform funding.</p> <p>A proportion of this funding will be attributed to delivering a regional cadet and operators scheme to support the delivery of the programme of three waters work.</p>	\$390k

## HASTINGS DISTRICT COUNCIL

The key principles of **Hastings District Council's** programme are:

- The majority is focused on the drinking water upgrade programme and additional to the councils \$56.6M approved spend across our supplies
- The Waiaroha Project will serve more than 30,000 residents and will be the final major component of the upgrade works for urban drinking water supplies
- Acceleration of the proposed backflow upgrade programme – installing approximately 1400 backflow devices

COUNCIL	PROJECT	VALUE
<b>Hastings</b>	<b>Drinking Water Treatment Upgrades</b>	\$11m-\$12m
<b>Total - \$15.362m</b>	This funding will supplement the already approved \$55.6m spend across all supplies (small supplies receiving \$10.8m of the investment) and main urban supply upgrades. The Waiahora Project (\$20M) involves a new treatment plant and building, new and alterations to pipework, a new bore, retirement of older bores, additional treated water storage, and a service building to be used for education and public awareness.	
	<b>Backflow Programme</b>	\$3.6m-\$4.1m
	The funding will allow for acceleration of the proposed backflow programme, including installation of testable backflow devices on all high and medium risk properties and complete coverage of all industrial and commercial properties. There will also be additional network and metering for network management, leak detection and technologies trials.	

**NAPIER CITY COUNCIL**

The key principles of **Napier City Council's** programme are:

- Improved capacity and capability to accelerate infrastructure projects
- Preparation of the team and local industry for upcoming standards as part of the reform process
- Improving safety and quality of drinking water by fast tracking delivery of low manganese water to reduce dirty water events and address fire-flow issues
- Improving community and Māori engagement
- Upgrades to our three waters asset management system and maintenance management transformation programme

COUNCIL	PROJECT	VALUE
Napier Total - \$12.51m	<b>Capital Projects:</b> <ul style="list-style-type: none"> <li>• <b>Low Manganese Water</b> – address dirty water issues</li> <li>• <b>Water Safety Plan</b> - delivery of improvement items</li> <li>• <b>Fire Flow Network Upgrades</b> to meet levels of service</li> <li>• <b>Scoping Three Waters Master Plan Projects</b> – additional resources to assist with the delivery of the current and reform capital plan</li> <li>• <b>Te Awa Structure Plan – Three Waters</b> - additional funding to develop water infrastructure in Te Awa</li> <li>• <b>Outfall Repair</b> – works associated with the outfall valve chamber</li> <li>• <b>Review of private water supplies</b> – provide upgraded supply for the Meeanee School hall</li> </ul>	\$8.45m
	<b>Planning and Asset Management Projects:</b> <ul style="list-style-type: none"> <li>• <b>Parks Water Bores Investigation and Implementation</b> – assessment of bores and commence consenting process for water conservation</li> <li>• <b>Essential Service Planning and Contributions Policy</b> – ensure that three waters programmes are funded appropriately to develop the networks</li> <li>• <b>Maintenance Management Practices</b> - Develop maintenance management practices and workflows and integrate these into the Asset Management System</li> <li>• <b>Delivery Improvement Review</b> – systems development</li> <li>• <b>Asset Management Systems &amp; Data Collection</b></li> <li>• <b>Three Water Models &amp; Masterplans</b> – peer review of models, additional calibration, and peer review of master plan</li> </ul>	\$3.16m
	<b>Collaborative Projects:</b> <ul style="list-style-type: none"> <li>• <b>Iwi engagement on Three Waters and Cultural Values Assessments</b> – extending the capacity and capability for engaging with Māori, including development of a cultural values assessment</li> </ul>	\$900k

## WAIROA DISTRICT COUNCIL

The key principles of **Wairoa District Council's** programme are:

- upgrade or improve sixteen wastewater and drinking water facilities in the Wairoa District
- improve resilience, increase water safety and compliance
- extend the life of the assets and provide better service delivery
- smart metering to reduce the water loss reducing the cost of water production

COUNCIL	PROJECT	VALUE
<b>Wairoa</b>	Achilles Street water main relocation	\$1.07m
<b>Total - \$11.03m</b>	Opoutama/Blue Bay Stage 1 – Upgrade sewer treatment	\$695k
	Opoutama/Blue Bay Stage 2 – Develop and extend disposal field	\$880k
	CCTV work on Wairoa sewage network	169k
	Wastewater pip renewals/relining	\$1.22m
	Smart Meters installed in Wairoa township	\$2.98m
	BNRAS (Wastewater treatment plant upgrade)	\$959k
	Wairoa wastewater irrigation design and pricing	\$327k
	Wairoa wastewater filtration	\$781k
	Telemetry base sets and pump station renewals	\$443k
	Dedicated pump station generators	\$482k
	Ferry Hotel water main resilience	\$185k
	Mahanga waters supply review	\$438k
	Blue Bay water supply review	\$212k
	Raupunga water chlorination dosing pumps/monitored system	\$12k