

Minutes of an ordinary meeting of the Gore District Council, held in the Council Chambers, James Cumming Wing, 10C Ardwick Street, Gore on Tuesday 11 August 2020, at 4.00pm

**Present** His Worship the Mayor, Mr Tracy Hicks JP, Crs Bolger, Davis, Dickson, Gardyne, D Grant JP, N Grant, Highsted, MacDonell, McPhail, Phillips and Reid.

**In attendance** The Chief Executive (Mr Stephen Parry), General Manager Infrastructure (Mr Ramesh Sharma), Chief Financial Officer (Ms Lornae Straith), HR/Administration Manager (Susan Jones), Communications-Marketing Manager (Sonia Gerken), 3 Waters Asset Manager (Mr Matt Bayliss), Roading Asset Manager (Mr Peter Standring), 3 Waters Technical Engineer (Mr Stuart O'Neill), Library Manager (Ms Lorraine Weston-Webb), Planning Manager (Mr Dean Balkin), and Graduate Planner (Miss Leigh Clutterbuck Young).

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## 1. CONFIRMATION OF MINUTES

**RESOLVED** on the motion of Cr D Grant, seconded by Cr Reid, **THAT** the minutes of the ordinary meeting of the Gore District Council, held on Tuesday 14 July 2020, as presented, be confirmed and signed by the Mayor as a true and complete record.

The Council *noted* Cr Highsted's comments in relation to the request for a waiver of its building consent fee that Gore hospital had charitable status.

**RESOLVED** on the motion of Cr McPhail, seconded by Cr N Grant, **THAT** the report of the meeting of the Community Strategy Committee, held on Wednesday 5 August 2020, as presented, be confirmed and signed by the Mayor as a true and complete record.

### Clause 1 – Gore library upgrading (SC2944)

Cr Phillips referred to the recommendation in the report. He had been adamant at the meeting that reference to the \$5.5 million rough order of cost was to have been removed from the recommendation. The rough order of cost could not be determined until more information had been received.

Cr MacDonell agreed and said the Committee had discussed a \$4 million budget. The \$5.5 million had just been a figure pulled out of the air based on a square metre area. His Worship said the original recommendation had been amended at the Committee meeting to note \$4 million of confirmed funding.

**The Council noted that the reference to \$5.5 million rough order of cost would be removed from the recommendation.**

**Cr Dickson moved THAT the recommendations contained within the report of the meeting of the Community Strategy Committee, held on Wednesday 5 August 2020, as presented, be ratified.**

**The motion was seconded by Cr Davis.**

Cr Gardyne referred to engaging Signal Management Group as project managers and with Covid-19 wondered if there was an opportunity to tender the work. His Worship said time was of the essence. The Chief Executive said it was “horses for courses” approach with project management. Signal Management Group had been involved with Council projects for over 20 years. There had been a varied range of projects during that time that had been delivered satisfactorily. Cr Gardyne expected project management companies could be quite competitive.

Cr Highsted took Cr Gardyne’s point, and asked if there was an alternative way of ensuring the Council was getting value for money. His Worship asked how soon any change could be made in the event there was one. There was a tight timeframe. Cr MacDonell thought the Chief Executive should be telling Signal Management Group to reduce its fee by 25%. It had had a lot of work from the Council. The Chief Executive said the flipside was when projects did not go well, they grabbed headlines. Signal had given him a lot of comfort as Chief Executive. It worked for the Council, delivered projects on time and without any financial surprises. Cr Bolger said the Council had a strong history with Signal. He said the only way to think about an alternative was to get Signal’s work peer reviewed and that would consume Cr MacDonell’s suggestion to reduce the fee by 25%.

Cr MacDonell said it was a sensitive project and he had a lot of people stop him in the street asking questions and expressing concern about the project. He thought any future items about the library should be considered by the Council not the Community Strategy Committee. Cr Highsted agreed with Cr MacDonell and thought it should be an item on the Council agenda in future. His Worship said if that was taken to the end conclusion, there would not be any Committees. In this term there had been a review of the Committee structure. Most Councils had Committees that were made up of some Councillors. Those who had not been party to the discussion at a Committee meeting had the opportunity then to debate the issue at a Council meeting. He was comfortable that issues like the library would get the level of scrutiny from Councillors as they went through two meetings.

Cr Highsted said it was a single item and based on feedback, he thought it should be referred to the full Council. His Worship said the project had a very tight timeframe and that may necessitate extraordinary Council meetings.

Cr D Grant agreed with Crs Highsted and MacDonell. For the past six years up until the current term, all Councillors had been members of the Committees. There were a lot of Councillors missing out on information. Not everyone could be at the Committee meetings. His Worship asked what information was being missed. Cr D Grant said perhaps not information, but discussion. His Worship agreed if a Councillor was not present at a meeting, then the discussion would be missed out on. Cr D Grant confirmed it was the discussion that was missed. Cr Davis thought this project would benefit from all of the Council being involved. She had been on the Council for the past 19 years and recalled the fractious state of Committee meetings when she had joined. His Worship said one way of remedying the situation would be having all Councillors as members of the Committees which would involve more time and meetings for all Councillors. There were two issues at hand – one about the library project and one about Committee structure.

The Chief Executive reminded the Council it had been awarded \$3 million in funding with the project scheduled for commencement in February next year. There was a tight timeframe.

Cr Dickson thought any Councillor could attend any Committee meeting. His Worship agreed and thought if there was to be a change then it should be formalised. It sounded like there was a desire for all Councillors to attend all Committee meetings. The Chief Executive said in terms of process, there was no deficiency if the Council wanted all Councillors to be members of all Committees. He suggested the purpose of Committees was a matter for another day together with a review of how the new structure was working, any shortcomings and what any resolution may be. The issue of the library, once the recommendation had been passed would mean there was no further work required by the governance arm of the Council until the engagement process had been completed in about four weeks.

Cr Highsted said there was no suggestion of undoing the work on the library project to date. Cr MacDonell confirmed his suggestion was that any discussion on the library should be considered at full Council meetings. Cr McPhail reminded the Council the timeline for the project was outlined in the report and the public engagement process would commence the following day. In response to Cr McPhail, the Chief Executive said the Community Strategy Committee would meet next in November so any decisions required before then would be considered by the full Council.

Cr Davis asked if the community engagement outcome and initial design plans would be considered at a workshop. The Chief Executive said that was his intention and expected it could be held sometime around mid to late September.

**The motion was put and it was carried.**

**2020/92**

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His Worship noted that a report about the committee structure would be included on the next Council meeting agenda.

2. MATAURA COMMUNITY BOARD REPORT (SC2696)

A copy of the report of the meeting of the Mataura Community Board held on 27 July 2020 had been circulated with the agenda.

**Cr Phillips moved THAT the report be received,**

**AND THAT the recommendations contained in the report be ratified.**

**The motion was seconded by Cr Bolger.**

Cr D Grant was disappointed about the decline in patronage of the Mataura community garden. It was a great community asset and a shame if it was not able to continue.

Cr Phillips said he and the Board were trying to ensure the garden continued. It was struggling for volunteers which was typical of many other community groups in New Zealand. Opening the garden to people from outside of Mataura may assist.

Cr Dickson said there was a lot of Government money available particularly for employment opportunities and wondered if that could be accessed. Cr Phillips said the funding opportunities were known to the Mataura Community Development Coordinator.

Clause 4 – Ouvea premix removal (SC0494)

Cr D Grant referred to the recent explosion in Beirut and asked if the ouvea premix could ignite. His Worship said it could not and was a very different product to what had caused the explosion in Beirut.

Cr Phillips said there had been a lot of scaremongering in the community and the Chief Executive and Council were doing their utmost to get the premix removed. He asked that the residents of Mataura stay safe and calm and let the Council and the Government progress the deal struck. His Worship said the deal negotiated by the Chief Executive was the best that could be achieved.

**The motion was put and it was carried.**

**2020/93**

*The Library Manager departed the meeting at 4.36pm*

### 3. TANKERED WASTE DISCHARGE FACILITY (SC1733)

A report had been received from the 3 Waters Technical Engineer seeking approval for funding of a tankered waste discharge facility (TWDF) at the existing Gore wastewater treatment plant. The tankered waste operators (TWOs) served businesses and residents in Gore who had a septic tank, grease trap or another waste interceptor. The waste was discharged to a wastewater manhole on River Road.

The practice of discharging the waste to the manhole had a number of health and safety risks including operational risks to the TWOs, the wastewater main, the wastewater treatment plant, the public and the environment. The current arrangement was difficult to manage and monitor because it relied on the honesty of the TWOs for the collection of fees.

To manage the wastewater services optimally, it was proposed that the Council provide a dedicated facility in a controlled location with the added benefits of:

- Ensuring the health and safety of those undertaking the activity was monitored and controlled,
- Allowing wastewater operators to inspect and control the waste being discharged into the treatment plant,
- Minimising wastewater blockages and the risk of accidental wastewater spills to the environment,
- Ensuring accurate cost recovery of the services and ensuring construction and operational costs were recovered.

Details of options for changing the levels of service had been detailed in the report. Option 3 which was to provide a new facility at the wastewater treatment plant was preferred by the Council staff. It was also cost effective and reliable. The proposed construction of the facility would be completed in two stages, with phase one costing an estimated \$52,000 and phase two \$51,000.

Council staff had completed an assessment of the fee charging arrangements for tankered waste disposal at nine other Councils. The assessment found the charges varied significantly. It was believed a volumetric charge was the fairest approach which required the installation of a flow meter. It was estimated that on average, 25-50 cubic metres of tankered waste each week would be received at the new facility. Based on the proposed charge of \$25 per cubic metre, it would generate annual revenue of between \$32,500 and \$65,000. It was also recommended that an application fee of \$500 be charged to register the tankered waste operator, which included site inductions, access keys and administration. It was expected there would be four tankered waste operators who would register with the Council.

Cr Davis asked if discussions had been held with the tanker companies. The 3 Waters Asset Manager advised discussions had been held about upgrading the infrastructure. The 3 Waters Engineer added specific costs had not been discussed. Cr Davis suggested the costs be discussed with the companies before the work was approved.

The Manager said staff had checked with other Councils and what they were charging. The Council was looking at an increased level of service that would ensure that what was coming into the treatment plant could be managed. It was about the treatment plant and ensuring the costs incurred were fairly recovered. His Worship expected the companies would pass the discharge costs onto their customers.

Cr Bolger said it was a good idea to upgrade the facility but was taken aback with the initial costs. There was quite a jump in the costs proposed but acknowledged the Council had to recover them otherwise the ratepayers would be funding it. The costs had to be passed on to those who were receiving the service. He would like to see the costs spread out over a longer period and wondered whether they could be moderated.

Cr Reid asked what the purpose of the registration fee was. The Manager said the drivers of the tankers would have swipe card access into the facility and they would need to be inducted and become familiar with the facility. Cr Reid asked if that was part of health and safety requirements. The Manager confirmed it was.

Cr Phillips asked if registration would be open to all Otago and Southland operators. The Manager said the cost structure was to ensure full cost recovery particularly for waste that came from outside the district. Cr Phillips said it was a good initiative.

In response to Cr Highsted, the Manager estimated a septic tank could hold about 5m<sup>3</sup> and it may need to be emptied every three years or so. Cr Highsted wondered if the Council was chasing a significant cost increase when looking at the frequency and costs that a septic tank owner would be faced with as opposed to what a ratepayer was paying for connected sewerage services. Cr N Grant thought the proposal was a good one and moving the discharge to the wastewater plant was the right thing to do. Cr MacDonell said it currently cost around \$400 to empty a septic tank.

**RESOLVED on the motion of Cr Phillips, seconded by Cr Reid, THAT the report be received,**

**THAT the Council proceed with the construction of a new tankered waste discharge facility at the Gore wastewater treatment plant as soon as possible,**

**THAT the estimated cost of \$103,000 to construct the facility be loan funded,**

**THAT tankered waste disposal be charged on a volumetric rate of \$25.00 including GST per cubic metre,**

**THAT an annual access fee of \$500 including GST be charged per tankered waste operator,**

**AND THAT a one off registration fee of \$500 including GST be charged per tankered waste operator.**

**2020/94**

4. LONG TERM PLAN 2021-2031 DRAFT TIMETABLE (SC2940)

A memo had been received from the Chief Financial Officer together with a draft timetable of workshops that would be scheduled in preparation for the 2021-2031 Long Term Plan.

**RESOLVED on the motion of Cr Bolger, seconded by Cr D Grant, THAT the draft timetable be received and noted.**

2020/95

5. GRANTS SUB-COMMITTEE MEETING (SC2609)

A report of the meeting of the Grants Sub-Committee held on Thursday 23 July 2020 had been circulated with the agenda.

**Cr D Grant moved THAT the report of the meeting of the Grants Sub-Committee held on 23 July 2020 be received,**

**AND THAT the recommendations contained in the report be ratified.**

**The motion was seconded by Cr Reid.**

Cr Gardyne thought it would be useful to have a discussion with Gore Health and how the grant provided assisted the hospital and the issues it had with DHB funding. Cr D Grant agreed and said the Chief Executive of Gore Health had provided a very good presentation at the meeting.

The Council agreed a meeting would be arranged between the Council and Gore Health Inc.

Cr Highsted suggested details about the Council's level of assistance to Gore Health could be circulated in advance of a meeting.

**The motion was put and it was carried.**

2020/96

*The Graduate Planner departed the meeting at 5.00pm*

6. THREE WATERS SERVICE DELIVERY REFORM AND STIMULUS PROGRAMME (SC2957)

A comprehensive report had been received from the Chief Executive that profiled recent Government announcements on three waters service delivery reform and invited the Council to enter into a Memorandum of Understanding agreeing to participate in the initial stage of the reform programme. The issue of whether the Council should accept a grant from the Crown to spend on operating and/or capital expenditure relating to three waters was also canvassed. Over the past three years, central and local government had been considering the issues and opportunities facing the system for regulating and managing the three waters (drinking water,

wastewater and stormwater). Details of progress with three waters regulatory reforms, the proposal, indicative timetable, allocation of the investment package, a draft Memorandum of Understanding, a legal opinion from Simpson Grierson relating to consultation requirements and information on the joint Three Waters Steering Committee had been circulated with the agenda.

The funding to be allocated to the Gore District was \$1.1 million direct and \$11.5 million for the Southland region.

Cr Bolger believed the Council should accept the \$1.1 million and sign the MoU. His Worship said having the funding would give the Council the ability to do what it needed to do. The Government wanted to have some control and there would be some reform. The Council needed to consider what shape the reform may take as it had the ability to completely change local government perhaps more greatly than the 1989 reforms. The Council needed to be aware that the control of water was like giving a blank cheque and it needed to make sure it was retained in public ownership. He would like to see it as local as possible. He encouraged Councillors to take any opportunity offered to attend water reform meetings.

Cr Phillips erred on the side of caution and did not think the Council should sign the MoU. It could turn into a “big brother” scenario. He would be interested to hear the thoughts of staff about what they saw going forward. His view was he could see it turning into an NZTA scenario. His Worship clarified the funding was a grant and as long as the Council provided the water service, there was no issue with the money. The Council did need to be wary and Cr Phillips was right about what small local government units may look like in the future. If water supply and maintenance was removed in the future, then it would reduce the functionality of a Council. Cr D Grant was also wary of the proposal, but noted a bullet point on page 4 of the MoU that stipulated a design feature as a minimum included “*publicly owned entities, with a preference for collective Council ownership*”. He had had people ask him about the water reforms and whether it would mean privatisation. His Worship said public ownership was sacrosanct but it could sometimes be very much at arms length.

Cr Dickson asked if the \$1.1 million would go towards a specific project. The Chief Executive said the Council was encouraged to spend it on capital works and preferably something that was already in the Long Term Plan, for example water main renewals. Physical works undertaken by contractors would be a boost to the local economy. He did not see any downturn in internal capacity with the funding. Cr Phillips referred the Council to clause 3.5 of the report. Cr McPhail asked what impact signing the MoU would have on the LTP. The Chief Executive said the Council was uninhibited by the LTP but he expected being able to extract something from say year 5 or 6 of the LTP and bring it into year 1 to utilise the Government grant. Cr Gardyne said the other two Councils in Southland needed to agree so that Gore could get another \$1.1 million. The Chief Executive agreed and said that was the reason for one of the recommendations to nominate the Chief Executives to sort out an agreement.



**RESOLVED** on the motion of Cr Bolger, seconded by Cr Reid, **THAT** the report be received,

**THAT** the following points be noted:

- In July 2020, the Government announced an initial funding package of \$761 million to provide a post COVID-19 stimulus to maintain and improve water networks infrastructure, and to support a three-year programme of reform of local government water services delivery arrangements.
- Initial funding will be made available to those councils that agree to participate in the initial stage of the reform programme, through a Memorandum of Understanding (MoU) funding agreement and approved delivery plan.
- This initial funding will be provided in two parts: a direct allocation to individual territorial authorities and a regional allocation. The participating individual authorities in each region will need to agree an approach to distributing the regional allocation.

**THAT** the Council approve the signing of the MoU as circulated as Appendix A,

**THAT** the Council approve the signing of the funding agreement as circulated as Appendix B,

**THAT** the Council agree to nominate the Chief Executive of the Council as the primary point of communication for the purposes of the MoU and reform programme – as referred to on page 6 of the MoU,

**THAT** the Council:

- Agree to delegate decisions about the allocation of regional funding to the Chief Executive of the Council, with the understanding that the minimum level of funding to the Council be based upon the formula used to calculate the direct council allocations, and noting that participation by two-thirds of territorial authorities within the Southland region is required to access the regional allocation;
- Note that the MoU and funding agreement cannot be amended or modified by either party, and doing so would void these documents,
- Note that participation in this initial stage is to be undertaken in good faith, but this is a non-binding approach, and the Council can opt out of the reform process at the end of the term of the agreement (as provided for on page 5 of the MoU),
- Note that the Council has been allocated \$1.1 million of funding, which will be received as a grant as soon as practicable once the signed MoU and funding agreement are returned to the Department of Internal Affairs, and a delivery plan has been supplied and approved (as described on page 5 of the MoU),
- Note that the delivery plan must show that the funding is to be applied to operating and/or capital expenditure relating to three waters infrastructure and service delivery, and which:
  - supports economic recovery through job creation; and
  - maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance;

- **Note that a further report will be furnished at the next Council meeting on projects that should be incorporated in the proposed delivery plan.**

***Cr Phillips voted against the motion and asked for his vote to be recorded.***

**2020/97**

The meeting concluded at 5.18pm