



Riversdale Beach Sewerage Scheme UPDATE

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IN THIS UPDATE WE REPORT ON:

- ◆ the tender process
- ◆ visits to your property over the holidays
- ◆ costs to prepare your property for the scheme
- ◆ Wellington Anniversary Weekend ratepayers' meeting
- ◆ frequently asked questions



WHERE WE'RE AT

Our Expressions of Interest process has resulted in successful identification of five contractors to submit detailed tenders for construction of the Riversdale Beach Community Sewerage Scheme. Tenderers have been asked to price on both gravity and pressure reticulation system designs and the successful system will need to provide the lowest whole-of-life cost solution for the community. Due to the complexity of the project and the number of issues needing to be resolved, our timeline has been moved out by two months and we are now closing tenders on 29 January 2010. This shift in timeline is also in response to the contractors who have

requested additional time to prepare their tenders. While it is always disappointing to have to extend timelines, we do not expect this shift in timing of tenders to have any significant effect on the due date for commissioning of the scheme. We aim to select the contractor who will construct the scheme following a Special Council meeting in mid February.

We are at the point in the project where it's important to start exploring the "finer" points of your sewerage scheme. This newsletter provides you with information to assist in your understanding of what is proposed and how it will affect you.

TENDER PROCESS PASSES AUDIT

In total 18 contractors registered an interest in constructing the sewerage scheme. Council's shortlist of contractors is:

- ◆ Downer Edi Water Ltd
- ◆ Fulton Hogan Ltd

These five contractors were shortlisted for their technical expertise and robust submissions. Council CEO Wes ten Hove said the cost of the project, coupled with the degree of community interest in it, made it vital for independent evaluation of the proposals.

"We were committed to demonstrating all due care in this matter. The evaluation panel included two representatives from consultancies with experience in the area of wastewater treatment and disposal, alongside our Special Projects Manager, Ian Steer.

"We also engaged Audit New Zealand to provide input into the documentation before it was issued

- ◆ HEB Contractors Ltd
- ◆ Hopper Construction Ltd
- ◆ Oldfields Ltd

to contractors and to observe the evaluation process itself," says Mr ten Hove.

"We are pleased that the report from Audit New Zealand shows that due process was followed and that the evaluation was fair and equitable to all applicants," he says.



Wes ten Hove
Chief Executive Officer

CONTRACTOR'S PRESENCE ON SITE

For several weeks or so after the contractor is appointed in February you will not see much activity on site, but there will be a considerable amount happening behind the scenes. The contractor will be confirming its requirements with suppliers and sub-contractors and arranging for plant and equipment to be brought onto site.

Discussions on the location of a site for a contractors depot have revealed some concern about the use of the reserve opposite Camp Anderson. An alternative location is being investigated.



GRAVITY VERSUS PRESSURE RETICULATION

The advantages and disadvantages of a gravity reticulation system versus a small-bore pressure reticulation system have been given consideration by CPG (formerly Duffill Watts Group), the scheme's design consultants. As explained in our previous newsletter, whole-of-life estimates indicated that there is little difference in cost for the two options. Therefore, designs have been completed for both options and included in the tender documents for pricing. Until tenders close and have been evaluated we will not know which system represents the best solution for the community. Council will advise by way of an update newsletter

the outcome of the tender process and which type of reticulation system is chosen.

The features of gravity and pressure reticulation systems were discussed in Newsletter Update No. 11 dated March 2009. This and other updates can be viewed on Council's website

www.mstn.govt.nz/projects/riversdale

You can read below about the different information and property access requirements for each reticulation system, as well as the opportunity each provides to consider relocating overhead power supplies, underground.



Site of proposed treatment plant and irrigation fields.

RETICULATION SYSTEM INFORMATION AND ACCESS REQUIREMENTS

With a gravity reticulation system there will be some constraints as to where your lateral connection can be located says Council's Special Projects Manager, Ian Steer. "These are dictated by the requirement to have enough 'fall' to connect your drain to the lateral at the property boundary," he says.

"Pressure reticulation systems do not have so many constraints, although there are some. Your dwelling will be connected to the pressure pump chamber by a gravity pipe," says Ian. "The chamber will therefore need to be sited so that all gully traps, waste pipes, etc from your dwelling make connection with your main drain before it discharges into the chamber."

Ian explains that it is important to meet property owners over the Christmas holiday period (see page 4 for details). "When we visit we will be discussing the location on your property of features of the scheme, as well as arranging for the contractor to enter your property to test your existing sewerage system. This will involve each property owner signing an agreement to give the contractor access once one is appointed. " Ian says that if a pressure reticulation option is chosen this will require an electrical power supply from your property to operate the pump. "The contractor may require access to your house to inspect your switchboard to determine if it requires upgrading. Access arrangements will be agreed with you in advance."

TO UNDERGROUND OR NOT TO UNDERGROUND POWER CABLES – a community choice

The two sewerage reticulation options under consideration both provide an opportunity to relocate existing overhead power services underground. However this is a decision for the community to make, as neither Council nor the lines companies are promoting this.

With a gravity option the mains cables can be laid in a widened trench, and with a pressure option these cables can be drawn through the ground at the same time as the small-bore pressure pipe.

Estimates were prepared for relocating power services underground based on prices received from contractors who work for lines companies. In total the cost of the required works would be in the order of \$4.6 million plus GST after utility services company contributions, and would be a cost the Riversdale Beach community would have to meet. For such a project to proceed there would have to be 100% buy-in from the community as it is not feasible from a cost perspective to only relocate power supplies underground for sections of the community.

If each property owner were to pay an equal share of the undergrounding of power cables the cost per owner would be approximately \$14,900 (plus GST).

If there is a genuine interest in relocating power supplies underground within the Riversdale Beach community then Council will arrange for the successful sewerage scheme contractor to price the work and to work in conjunction with the lines companies to have the work done. We are interested in your views.



CHRISTMAS HOLIDAY ARRANGEMENTS

Beach information station

A portacom cabin is to be located adjacent to the surf club as a focal point for enquiries regarding the sewerage scheme. We will have on hand plans of the proposed scheme if you wish to discuss the details. Opening hours will be displayed on the walls of the cabin. When the cabin is not staffed we will be going from door to door to meet with you and discuss individual property owner requirements.



Visits to your property over the holidays

Council and CPG representatives will be stationed at the beach over the holiday period and will be seeking to meet with as many property owners as possible. It is important that we meet with you to:

- ◆ identify where on your boundary you would like the sewer lateral from the main in the street to cross
- ◆ identify where you would like the pressure pump chamber sited on your property if a pressure reticulation system is the preferred option
- ◆ arrange access for the contractor to test your existing sewerage system and confirm your contact arrangements so the contractor can talk to you if necessary
- ◆ arrange access for the contractor to test your electrical switchboard in the event that a pressure reticulation system is the preferred option, and
- ◆ minimise disruption to existing paths, trees, plantings etc.

PRELIMINARY POLICY POSITIONS

Council is currently considering a range of Preliminary Policy Positions regarding the Riversdale Beach Community Sewerage Scheme. The Preliminary Policy Positions will be adopted by Council as a draft for public consultation during the Councils 2010/2011 Annual Plan and LTCCP processes.

COSTS TO PREPARE YOUR PROPERTY FOR THE SCHEME

On-property drains to be inspected, tested and possibly replaced

As most Riversdale Beach property owners will be aware, the principal reason a community sewerage scheme was first mooted was concern about groundwater contamination. Elevated levels of several indicators of faecal contamination were found in groundwater tests undertaken some years back. Most of the existing on-property septic systems at Riversdale Beach are old and in sub-standard condition. It is likely that contamination comes from leakage from these septic tanks, unsatisfactory disposal fields, the drains carrying waste to the septic tanks, or from all three sources.

The proposed sewerage scheme will make existing septic tanks and disposal fields redundant so this source of contamination will cease. The remaining possible source of contamination is existing on-property sewer drains. To ensure that no leakage into the groundwater or infiltration of groundwater into the drains occurs from this source, a programme of "water testing" of on-property drains will be carried out by the contractor. As the name suggests, each sewer drain is filled with water and the level observed over a certain time period. If the water level remains constant the drain will pass and it may not need to be replaced. Where it is not possible to maintain the water level in the pipe the drain will fail and it will need to be replaced.

Council's By-Laws require any property connecting to a public sewerage system to comply with the requirements of the Building Act. This means that all of the features of a modern drainage system must be present (vents, gully traps, inspection bends, etc) and that these must be installed in accordance with the code. These requirements could mean that even if your drains pass a water test they may

need to be replaced wholly or in part to meet code requirements.

Replacing substandard drains has a financial benefit to the community from capital, operational and maintenance perspectives. Inflow from illegal connections or infiltration from cracks in pipes



leads to greater flows to pump-stations and greater flows to the treatment ponds. This results in higher operating costs. It also raises the possibility that the conditions of consent may be breached because effluent is not sufficiently treated due to the excessive flows and insufficient capacity in the ponds. Council and the community could be liable for considerable costs if conditions of consent are breached.

Contractor to provide quote, apply for Building Consent and undertake on-property works

The information gathered by our staff over the holiday period will be provided to the contractor as the starting point for the upgrade of your on-property sewerage reticulation. The contractor will test and inspect each property to determine what items of on-property reticulation need to be replaced. They will provide you with a quote for the required works for your approval. You will have the choice of accepting the contractor's quote or having the work undertaken by a registered drainlayer.

Council has included on-property work in the contract documents to ensure that competitive rates are tendered for all elements of the sewerage scheme. If you choose to accept the contractor's quote a Building Consent will be prepared by the contractor, and submitted on your behalf. The application fee will be included in your scheme connection cost. You will also need to sign an agreement to allow the contractor to undertake these works.

The agreement for on-property works is between Council and the contractor, because it comes under the umbrella of the contract to build the sewerage scheme. By signing the agreement you accept that you will pay the contractor directly for the works undertaken on your property. The benefit of the umbrella contract is that it includes conditions of contract, specifications, standards of work, material types, etc, so your interests are protected. However, you will need to discuss with the contractor the standard of reinstatement, particularly if you wish to change material in your driveway, footpath etc, as this can incur additional costs

It is proposed that Council's contribution from the District's reserve funds to the scheme be used nominally to subsidise the cost of on-property works. This will equate to approximately \$2,000 for each physical connection to the scheme.

Retaining new septic or holding tanks

Retention of existing septic tanks will depend on the reticulation option that is adopted. If a gravity system is to be installed, property owners' septic tanks will become redundant and will serve no purpose.

If a pressure reticulation system is installed it may be possible for property owners to retain their septic tanks for use as a pump chamber. Only septic tanks of a modern design will be permitted, they must be water tight, and they must be able to be modified to allow the installation of a grinder pump and its associated equipment.

If you believe that your existing septic tank meets the above criteria you can discuss this with us over the holiday period. If you are not at the beach over the holiday period you will need to contact Council's nominated plumbing and drainage inspector who will make an on-site visual assessment and advise if your tank can be retained. Property owners should note that retro-fitting an existing modern septic tank may cost you more than having a custom made pressure pump chamber installed.

Septic systems to be demolished

Septic tanks that are not suitable for re-use as a pump chamber must be cleaned out, demolished and backfilled. The reasons for this are two-fold:

1. tanks with effluent in them can give off unpleasant odours and could constitute a health hazard
2. over time the tanks can become fragile and can collapse with age. This is potentially very dangerous.

Charges for the cleaning out, demolition and backfilling of septic tanks are included in the contract. Property owners will have the choice of having the contractor do this work or doing it themselves. In either case, Council's plumbing and drainage inspectors will inspect the completed works to ensure that decommissioned tanks are left in a safe condition.

WELLINGTON ANNIVERSARY WEEKEND RATEPAYERS' ASSOCIATION MEETING

An invitation has been extended to Council to attend the Wellington Anniversary Weekend Ratepayers' Association Annual General Meeting. Several Councillors will be attending as will council officers and CPG representatives to give you an update on the sewerage scheme and to answer any questions you may have. We wish to provide

you with the best possible information and in some cases it is preferable to research the topic in advance. To assist us in doing so, please forward any questions, whether these are in relation to the sewerage scheme or some other matter, to the Masterton District Council, telephone (06) 370-6300.

PROPOSED TIMELINE

Date	Action
29 January	RFP submissions close and evaluation begins
1–5 February	Tender evaluation team meets
10 February	Tender evaluation report submitted to Council
15 February	Council workshop to discuss outcome of tender evaluation. CPG representatives to attend to provide technical advice on their recommendations
17 February	Special Council Meeting to accept tender
18 February	Successful tender/unsuccessful tenderers advised of outcome of evaluation process
March 2010	Work commences on the scheme*
March/April 2011	Scheme commissioned and available for use *

* If Council receives an alternative tender that has benefits to the community, commencement of works could be delayed.

FREQUENTLY ASKED QUESTIONS

1. What was the outcome of the resource consent hearing on 29 October?

The Greater Wellington Regional Council cancelled the proposed consent hearing. Since then our consultants (CPG) and MDC staff have sought to get agreement outside of the formal process by meeting with objectors. We are hopeful that we will have agreement before Christmas. If we do, then we can accept the tender for the physical works in February. If not, then we may have to prepare for a hearing in the New Year. This would delay the acceptance of a tender.

2. Why did phase 2 of the tender process shift?

The timeline shifted because of the additional work required to prepare contract documents

for two reticulation options—the pipes and infrastructure within the community. We also had to ensure the documentation met the approval of Audit New Zealand. In addition, the contractors asked for additional time to prepare their tenders.

3. Did you receive any alternative tenders?

The first phase of the process—calling for Expressions of Interest—was about evaluating applicants' skills and experience. It was not about alternative tenders. The Request for Proposal, or tender process, for which there are five shortlisted contractors, is the forum for submission of alternative tenders. This is the process that is currently under way.

4. "Public" and "Private" scheme elements

All sewerage schemes comprise two distinct elements: **public** and **private** systems. In simplistic terms **public** systems comprise the elements of a scheme that are owned by Council on behalf of the community. These include the sewer main (whether gravity or pressure), pump stations, treatment plants and where applicable irrigation systems, together with associated items of public infrastructure. **Private** systems are the network of pipes, and (sometimes) pumps and chambers that connect each property to the public system and are wholly or in part situated on private property. These **private** elements are owned by the property owner.

5. What is the overall cost of the scheme?

The cost of the scheme will not be known until tenders, which close on 29 January 2010, have been received and evaluated. A tender recommendation will be considered by Council on 17 February 2010. Once a tender has been accepted Council officers will collate all of the costs to date and add them to the tender price to calculate the overall scheme cost. We will then be in a position to advise the total cost of the **public** elements of the proposed scheme and how much you as an individual ratepayer will have to pay to connect to the scheme.

In addition to the **public** cost which will be spread amongst ratepayers, there may be additional **private** costs for individual property owners to prepare their properties for the scheme, as detailed in this newsletter.

6. How is the Sanitary Works Subsidy Scheme (SWSS) subsidy of \$1.92 million being allocated?

Council is considering policy positions on a number of issues including the allocation of the SWSS subsidy. It is proposed that the subsidy is allocated equitably to pay for the **public** elements of the proposed scheme. Ratepayers

who own a habitable dwelling at the date of commissioning of the sewerage scheme will be eligible for a share of the subsidy.

The subsidy will be allocated in accordance with the Cost Allocation Model previously approved by Council and detailed in Newsletter Update No. 11 dated March 2009. This and other updates can be viewed on Council's website www.mstn.govt.nz/projects/riversdale.

7. How is the Masterton District Council subsidy of \$575,000 being allocated?

Council will soon be deciding on the manner in which it allocates the \$575,000 of District subsidy. However, it is proposed that should a gravity reticulation system be selected, the subsidy is allocated to property owners to pay for the **private** elements of the scheme. That is, to assist property owners in meeting the construction costs of an on-property gravity reticulation system to provide connection to the sewerage scheme at the property boundary.

8. Are time payments for the sewerage scheme being considered and offered by Council?

Council is considering three payment options. In brief these are targeted rates with three payment options:

- ◆ Option 1. Property share charged as rates over two years (60% in 2010/11 and 40% in 2011/12) and payable as instalments fall due, with provision for a discount for early payment.
- ◆ Option 2. Property share charged over five years as a targeted rate, inclusive of an interest charge.
- ◆ Option 3. Property share is anticipated to be charged over 20 years as a targeted rate, inclusive of an interest charge.

For more detailed information please see the Newsletter Update No. 12 dated October 2009. This and other updates can be viewed on Council's website www.mstn.govt.nz/projects/riversdale.

For more information about the scheme and to read past newsletters, reports and media releases relating to this project please visit:

www.mstn.govt.nz/projects/riversdale.