

5. **PROPOSED WATER SUPPLY COST SHARE AREA –
WORSLEY’S SPUR**

RR 10414

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Corporate Plan Output: Water Supply New Capital Works	

The purpose of this report is to advise of the requirements for new water supply infrastructure to support the recent City Plan Decisions, particularly in the Worsley’s spur area and to recommend the establishment of a Cost Share Area for Worsley’s spur.

BACKGROUND

In the City Plan Decisions notified on 8 May 1999 a number of areas were rezoned to allow urban development. The affect on the water supply system is that some adjustment to the ten-year capital works programme will be required to allow for the following capital works:

Styx Block – A new pump station will be required in the vicinity of Radcliffe Road to serve the new living zone between Belfast and Styx Mill Road. This can be accommodated with in the 10-year capital works budget by substitution, as the planned pump station at Bottle Lake will not now be required (due to zoning of this area from Living to Rural).

Wigram Area – This area is well reticulated with trunk mains and some spare capacity that is available to serve most of the large amount of new Living zone created in this area. Depending on the speed of development, a new well may be required at an existing pump station in the 5 to 10 year period. This can be accommodated within the existing 10-year budget provision. Once the existing spare capacity has been utilised, the area to which Headworks contributions apply will be extended to include Wigram and the rest of the former Paparua County Council.

Hillside Pump Stations, Rising Mains and Reservoirs – Developments at Kennedy’s Bush and Richmond Hill will require new infrastructure, the costs of which will be met mostly by the developers. The lower density development planned for the upper slopes of Mt Pleasant will not significantly reduce infrastructural requirements, but will increase the per-lot contributions required for the cost share area established in December 1997. The rezoning on Scarborough Hill from Living Hills to Rural Hills is likely to result in the new reservoir required to replace temporary tanks, which was to have been funded mainly by the developer, now being fully funded by the City. Apart from the extended Living HB zone at Worsley’s Spur which is dealt with separately below, any Council funding towards water supply for hillside Living Zones can be covered within the 10-year budget provision.

WORSLEY'S SPUR DEVELOPMENT

Prior to the City Plan Decisions of May 1999, the Living HB Zone on Worsley's Spur comprised parts of approximately 30 small holdings totaling about 50 hectares. There was also a rule in the Plan to restrict further development in the Living HB Zone. The Decisions removed the restriction on further development and added approximately 30 hectares to the Zone. With a minimum lot size of 3,000 square metres there could theoretically be up to 200 new lots in the Zone, but unless there are further changes in the zone the actual number is likely to be less than half that. Two applications for subdivision (of one lot into two) have already been received.

The supply to Worsley's Spur was constructed as a private scheme in the early 1980s and provides water to approximately 30 small holdings (4 ha blocks, approximately). The scheme utilises two small tanks supplied through 2 kilometres of 50 mm diameter pipe and does not have any fire-fighting capability. The former Heathcote County Council took over the scheme in 1987. The Heathcote County Council set a connection fee of \$2,050 for all new connections to the scheme and this practice has been continued by the Christchurch City for the few new connections since then (confirmed by Council resolution, 26 August 1991). The scheme has no spare capacity.

This higher connection fee is an anomaly in the Council's policy regarding connections. While it is consistent with the Council's policy (as articulated in the City Plan) to recover costs from new development for upgrading the system, it is now more appropriate that the costs be recovered by way of a Cost Share Area. Cost Share Schemes for water supply infrastructure are now in operation at Mt Pleasant and Huntsbury Hill, and it is proposed that a new Cost Share Area be established on Worsley's Spur using the same principle.

COST SHARE AREA DESCRIPTION

In addition to the Living HB Zone on Worsley's Spur, the Living H Zone at the top of Westmorland has potentially 190 lots that could also derive its water supply from the same scheme. The Point of supply for the Living H Zone would be Worsley's Spur Rd and the developer would be responsible for all reticulation within the Zone.

As a minimum, the following infrastructure is required to provide for the combined area:

Item	Estimated Cost
Pump Station at Worsley's Reservoir	\$150,000
Rising Main (2,200m 150φ)	\$220,000
Reservoir site land purchase	\$50,000
400 cu.m reservoir at 200m above M.S.L.	\$250,000
On-pumping and tank relocation	\$50,000
Total	\$720,000

The proposed infrastructure is shown on the attached plan.

The Cost per lot for the scheme based on an expected 280 lots (190 in the Living H Zone and 90 in the Living HB Zone) would therefore be \$2,570 excluding GST. This scheme would provide the City's urban level of service, except that the top 13 hectares of land (the Scott Estate) will have some constraints on how the area is developed to provide fire-fighting protection. It is not practicable to have a single lift from the existing Worsley's Reservoir to higher than 200m above M.S.L. A reservoir at 220m above M.S.L. is required to be sure of servicing all parts of the Scott Estate. As a condition of development, the Scott Estate will therefore be required to provide on-pumping for fire-fighting or to lay out the subdivision in such a way that potential house sites could adequately be served from the proposed reservoir at 200m above M.S.L.

Contributions to the scheme would be additional to contributions to headworks (currently \$500 per lot plus GST), which covers only the cost of getting additional water to the existing Worsley's Reservoir. The contributions would be adjusted once the actual construction costs are known, and subsequently to cover inflation and/or zone changes, as for the Council's other two water supply Cost Sharing Areas. Contributions would apply to additional lots created at the time of subdivision or to additional dwelling units (ie the second or subsequent on any one title), as for Headworks Contributions

The alternative to the setting up a Council funded Cost Share Area with contributions from those who develop is to put the onus on developers of Westmorland to provide for the greater area. The cost of the additional infrastructure would be recovered by the Council and refunded to Westmorland developers upon further subdivision or development on Worsley's Spur, similar to Cost Share Schemes recently set up for Waste Management. This approach would not involve any Council funding, but does not give the Council any control over timing and puts a significant burden on the Westmorland development that extends beyond their subdivision.

FUNDING AND TIMING ISSUES

While other Zone changes announced in the City Plan Decisions can be accommodated within the 10-year Capital Works Programme, The Worsley's Spur development will require additional funding. The Council can reasonably expect to recover most of the cost of the scheme from developers over an extended period.

It is important that the Cost Share Area be established now in order to obtain contributions from new subdivision applications. Once established, the Council is obliged to install the infrastructure within a 5-year time frame (s283 of the Local Government Act) or refund the collected funds. The project cannot easily be staged as virtually all the infrastructure is required before any new lots can be served. Ideally, construction would take place during the 2000/01 and 2001/02 years, with approximately equal funding in each.

Until the new infrastructure is operational, it is proposed that new development will only be permitted if both the new and balance lots are have a restricted rural level of service, in order to ensure other users of the current supply are not disadvantaged by the development.

It is proposed that the \$2,050 connection fee be dropped at the same time the Cost Share Area is established. Connection fees would then be as for any other connection application in Christchurch.

- Recommendation:**
1. That a water supply Cost Share Area be established for properties served from Worsley's Road, as defined on the scheme plan (attached) to allow recovery at the time of subdivision or building consent of the required capital works.
 2. That the current connection fee of \$2,050 for Worsley's Spur properties be dropped and replaced with the standard City-wide connection fees.
 3. That the cost share contribution be set at \$2,570 plus GST per lot initially, to be revised annually or as required to reflect changes in actual costs, Zone boundaries and inflation (adjusted according to CCI).
 4. That a copy of this report be sent to the Riccarton/Wigram and Spreydon/Heathcote Community Boards for their information, and affected property owners be advised individually of the Cost Share Area.

Note: The Committee will request funding through the 2000/01 Annual Plan Process for additional funding of \$360,000 for each of the 2000/01 and 2001/02 years to allow construction of the project. A schedule of cost flow is being prepared to show expenditure and capital recoveries.