

6. MOUNT PLEASANT VALLEY SEWER - COMMITMENT TO EXPENDITURE IN THE 2005/06 YEAR

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The purpose of this report is to obtain approval to commit the Council to expenditure on a new sewer in Mount Pleasant in the 2005/06 financial year. This will provide the developer with certainty before proceeding. Much of this expenditure will be recovered as further development occurs, via a cost share area.

BACKGROUND

There is an area above Mt Pleasant Road and in the valley between Mt Pleasant Road and Monks Spur Road, which is zoned for residential development but currently does not have a gravity sewer outfall available. Some \$350,000 is included in the City Water and Waste Unit proposed 10 year capital budget in 2005/06 to provide sewerage to this area. The most efficient way to service the area is by constructing gravity sewers through private property to the existing sewer downhill in Drayton Reserve. A plan of the catchment area and sewer alignment proposed is included in Attachment 1.

CURRENT SITUATION

Subdivision consent has been granted to subdivide the Cambridge Terrace Ltd land into 56 lots. After discussions the developers, Cambridge Terrace Ltd, are offering to construct the sewer in the valley as part of the subdivision, at their cost, provided the Council will commit to partially reimbursing them in 2005/06. It is proposed that in 2005/06 the Council would reimburse Cambridge Terrace Ltd the difference between the cost of constructing the sewer, and their share of the cost of the sewer. Cambridge Terrace Ltd's share of the cost would be established based on the number of lots in their subdivision, compared to the estimated total number of lots within the catchment when fully developed (under current zonings).

Approval is therefore sought from the Council to agree to this arrangement with Cambridge Terrace Ltd, and therefore commit the Council to capital expenditure on the Mt Pleasant sewer in the 2005/06 financial year. It is believed that this arrangement will result in the most efficient extension of the sewer infrastructure. Other options for disposing of wastewater from the Cambridge Terrace Ltd subdivision would be more expensive both in terms of capital and ongoing operational costs.

Obviously this arrangement would be subject to the affected land owners giving consent for the sewer to be laid within their land, and City Water and Waste Unit accepting the price provided by Cambridge Terrace Ltd's contractor. The sewer would be designed and constructed in accordance with the Council's requirements and standard specifications.

It is proposed that a cost share area would be established to recover the cost of the sewer, with the Council acting as banker. The cost share area would fairly distribute the cost of the Mt Pleasant Valley sewer over all those to be served by it, with contributions payable when development occurs. The establishment of a cost share area for the Mt Pleasant valley sewer will be the subject of a further report to Council, once the details of the scheme have been worked through and consultation has been carried out. Once the cost share area has been established Cambridge Terrace Ltd's share of the cost of the sewer would be the contribution payable for the number of lots in their subdivision.

Staff

Recommendation: That the Committee approve the arrangement with Cambridge Terrace Ltd and commit to expenditure on the Mt Pleasant valley sewer in the 2005/06 financial year, noting that the details of the cost share area will be the subject of a further report to the Council at a later date.

Chairman's

Recommendation: That the above recommendation be adopted.