

2. REMEDIATION OF SANDILANDS

Officer responsible General Manager Regulation and Democracy Services	Author Jane Donaldson, DDI 941-8651
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The purpose of this report is to advise that the Council's application for funding in order to carry out testing at Sandilands has been approved, and to seek Council approval to proceed with the testing.

BACKGROUND

A report was presented to the February 2004 meeting of the Council which outlined options for remediation of privately owned contaminated sites at Sandilands and the wider implications in respect of other contaminated sites for Christchurch generally. In summary, three options were canvassed.

Option 1 was to continue to advise affected property owners that the Council would not embark on any programme of remediation or financial assistance and that if evidence became available of a significant likelihood of a health risk on individual properties, then the Council may have to compel the owner to undertake remediation.

Option 2 was that the Council apply for assistance from the Contaminated Sites Remediation Fund (Ministry for the Environment) in respect of Sandilands.

Option 3 involved the development of a long term remediation plan with the objective of remediating some or all of the privately owned residential sites situated on former landfills across the city over a 10-20 year period.

The Council resolved to rescind three earlier resolutions in relation to Sandilands and other landfills, and in so doing rejected option 1 above. It was further resolved:

- That the Council lodge an application with the Ministry for the Environment to determine whether or not the Council would be eligible for assistance from the Contaminated Sites Remediation Fund should the Council decide to meet the costs of testing and remediating properties affected by contamination at Sandilands (option 2).
- That this matter be considered during the six monthly review process with a view to reserving the Environmental Services Unit's budget surplus for the purpose of contributing to costs should the Council decide to proceed with remediation.
- That the Council consider signalling its intention in the LTCCP to develop a long-term plan for the testing and remediation of privately owned residential properties situated on former landfills over a 10-20 year period (option 3).
- That a further report be presented to the Strategy and Finance Committee should the Council decide to take options two and three for the purpose of reviewing that decision once the outcome of the Council's application to the Contaminated Sites Remediation Fund is known.

FUNDING APPLICATION

The Council's application for assistance from the Contaminated Sites Remediation Fund was lodged via ECan immediately after the February Council meeting. The application process is divided into three stages. The Council's application was for stage 1, which covers site assessment (ie testing). The maximum available from the fund for stage 1 is 40% of the cost. The Council applied for the maximum of 40%, and this was successful. It is proposed stage 1 will cost \$150,000, with \$90,000 being paid by the Council and \$60,000 being paid by the fund.

Stage 2 covers remediation planning, once the site assessment carried out in stage 1 has been completed. The fund may contribute between 40% and 60% of the cost of stage 2.

Stage 3 covers the actual remediation, which is the most costly part of the exercise. The percentage available from the fund is dependent on the ability of other parties to contribute (site owners and occupiers, polluters and local authorities). The fund guidelines state that the proportions of funding contributed by other parties is likely to range from 20% to 80%, with an average of 50%. Higher contributions from the fund will generally reflect the importance of site remediation taking into account the risk to human health or the environment and the ability of the parties to pay.

FINANCIAL IMPLICATIONS

There are 84 properties within Sandilands which are privately owned. Six of those have been tested by the Council for contamination, and five were above the guidelines. The remaining 78 sites have not been tested.

As reported to the February meeting, the worst case scenario in terms of cost would be test results showing contamination levels above the guidelines for all 78 sites, plus the five already identified. At \$30,000 per site (including testing, remediation, consultants' fees, legal costs and staff time), the total cost would be \$2.49 million. It seems unlikely, however, that all of the sites will be contaminated, bearing in mind that fewer than one-third of the Council owned properties were above the guidelines. Whilst it is not possible to provide an accurate figure until testing has been carried out, it is probably safe to assume a total cost of around \$2 million spread over a three staged application process. If the Council were successful in obtaining funding on a 50/50 basis for the two final stages, then the cost to the Council will be around \$1 million.

The Financial Services Unit has advised that if the Council decides to proceed, a special fund ought to be established for this purpose. A special fund is designed to "tag" monies which have been set aside for a specific project.

Committee

- Recommendation:**
1. That the Council proceed with stage 1 and carry out an assessment of the 78 privately owned sites at Sandilands.
 2. That a special fund, to be known as the Sandilands Contaminated Sites Remediation Fund, be set up.
 3. That \$1m from the Council's 2003/04 operating surplus be transferred to this fund.
 4. That any monies received from the Ministry for the Environment Contaminated Sites Remediation Fund be transferred into this special fund.
 5. That any drawdowns from the fund be applied to the rehabilitation of the Sandilands sites.
 6. That once the site assessment has been completed, an application for assistance from the Contaminated Sites Remediation Fund be lodged for stage 2 (remediation planning) and stage 3 (remediation).
 7. That a further report be presented once the outcome of the Council's application for stage 3 is known so that the Council can decide whether or not it wishes to proceed with this final stage.