



# *Hastings District Council*

*Civic Administration Building  
Lyndon Road East, Hastings*

*Phone: (06) 871 5000*

*Fax: (06) 871 5100*

*WWW.hastingsdc.govt.nz*

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## OPEN A G E N D A

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### COUNCIL - EXTRAORDINARY MEETING

Meeting Date: **Friday, 4 October 2019**

Time: **9.00am**

Venue: **Council Chamber  
Ground Floor  
Civic Administration Building  
Lyndon Road East  
Hastings**

|   |  |
|---|--|
| <b>Council Members</b>                    | Chair: Mayor Hazlehurst<br>Councillors Barber, Dixon, Harvey, Heaps, Kerr, Lawson, Lyons, Nixon, O'Keefe, Poulain, Redstone, Schollum, Travers and Watkins |
| <b>Officer Responsible</b>                | Chief Executive – Mr N Bickle  |
| <b>Democracy &amp; Governance Advisor</b> | Mrs C Hunt (Extn 5634)   |

**HASTINGS DISTRICT COUNCIL**  
**COUNCIL - EXTRAORDINARY MEETING**  
**FRIDAY, 4 OCTOBER 2019**

**VENUE:** Council Chamber  
Ground Floor  
Civic Administration Building  
Lyndon Road East  
Hastings

**TIME:** 9.00am

**A G E N D A**

**1. Apologies & Leave of Absence**

An apology from Councillor Lyons has been received.

At the close of the agenda no requests for leave of absence had been received.

- |           |   |            |
|-----------|---|------------|
| <b>2.</b> | <b>Notice of Motion</b>   | <b>3</b>   |
| <b>3.</b> | <b>Release of Information from a Public Excluded Session</b>                      | <b>5</b>   |
| <b>4.</b> | <b>Investigation into the Unauthorised Disclosure of Confidential Information</b> | <b>107</b> |

**REPORT TO: COUNCIL - EXTRAORDINARY**

**MEETING DATE: FRIDAY 4 OCTOBER 2019**

**FROM: ACTING CHIEF EXECUTIVE  
BRUCE ALLAN**

**SUBJECT: NOTICE OF MOTION**

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**1.0 PURPOSE AND SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA**

- 1.1 A Notice of Motion from Councillor Schollum has been submitted to the Extraordinary Council meeting for consideration as follows.

*“That live streaming of public Council meetings commence from the Extraordinary Council Meeting to be held on Friday 4 October, 2019 at 9.00am”.*

- 1.2 Council resolved at its meeting on 26 September 2019 to commence live streaming of Council meetings effective from the next meeting to be held 10 October 2019.
- 1.3 Given the change of schedule, it is perfectly reasonable for live streaming to be considered at the start of this meeting to ensure public transparency.
- 1.4 A Notice of Motion can be submitted under Standing Orders 26.1 below:

**26.1 Notice of intended motion to be in writing**

*Notice of intended motions must be in writing signed by the mover, stating the meeting at which it is proposed that the intended motion be considered, and must be delivered to the chief executive at least 5 clear working days before such meeting. [Notice of an intended motion can be sent via email and include the scanned electronic signature of the mover.]*

*Once the motion is received the chief executive must give members notice in writing of the intended motion at least 2 clear working days' notice of the date of the meeting at which it will be considered.*

- 1.5 The Acting Chief Executive has advised he will waive the five clear working day requirement as the required three days' notice of an Extraordinary Council meeting negate this as a possibility.

## **2.0 RECOMMENDATIONS - *NGĀ TŪTOHUNGA***

- A) That the Extraordinary Council receives the report titled Notice of Motion**
- B) That Council adopt the following Notice of Motion:**
  - **That live streaming of public Council meetings commence from the Extraordinary Council Meeting to be held on Friday 4 October, 2019 at 9.00am”.**

### **Attachments:**

There are no attachments for this report.



**REPORT TO:** COUNCIL - EXTRAORDINARY

**MEETING DATE:** FRIDAY 4 OCTOBER 2019

**FROM:** ACTING CHIEF EXECUTIVE  
BRUCE ALLAN

**SUBJECT:** RELEASE OF INFORMATION FROM A PUBLIC  
EXCLUDED SESSION

## **1.0 PURPOSE AND SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA**

- 1.1 The purpose of this report is to update the Council on action taken by the Acting Chief Executive to release information into the public domain from a report which was considered in a public excluded session of the Council on 10 September 2019. Following information that the contents of the report had been leaked to the community and the press by person(s) unknown, the Acting Chief Executive has recommended to review the report and release the parts of the report which can be made available to the public.
- 1.2 In accordance with Section 46A Schedule 7 of the Local Government Official Information and Meetings Act 1987, (LGOIMA) the Chief Executive proposed that the Drinking Water Capital Programme Update should be considered in a public excluded session of a Council meeting.
- 1.3 The Chief Executive may propose to exclude from the reports or items from reports *“that he or she reasonably expects the meeting to discuss with the public excluded, and indicates on each agenda the items that he reasonably expects the meeting to discuss with the public excluded”* (S46A (8) LGOIMA).
- 1.4 The reason the report was excluded was under Section 7 (2) (i) of LGOIMA: *The withholding of the information is necessary to enable the local authority to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)*. The report contained commercially sensitive information that could impact on future contract negotiations.
- 1.5 The report also contained a business case on options for “Water Central” together with an outline of high level/estimated costs and options. The report was assessed to be of high significance under the Council’s significance and engagement policy. This rating requires extensive community engagement both with the communities affected and the wider District.
- 1.6 In accordance with LGOIMA, all councillors were provided with an agenda and a copy of all Council reports on 5 September 2019
- 1.7 At the meeting the Council was asked to pass a resolution to move into public excluded session. This resolution was passed by all councillors present without debate.
- 1.8 Following the meeting the contents of the report were passed onto a third party and elements of the report were published in Hawke’s Bay Today.

- 1.9 The Council is bound by Council's Standing Orders with regard to the disclosure of information as follows:

### **17.1 Non-disclosure of information**

*No member or officer may disclose to any person, other than another member, officer or person authorised by the chief executive, any information that has been, or will be, presented to any meeting from which the public is excluded, or proposed to be excluded.*

*This restriction does not apply where a meeting has resolved to make the information publicly available or where the chief executive has advised, in writing, that one or both of the following apply:*

- (a) there are no grounds under LGOIMA for withholding the information;*
- (b) the information is no longer confidential.*

### **17.2 Release of information from public excluded session**

*A local authority may provide for the release to the public of information which has been considered during the public excluded part of a meeting.*

*Each public excluded meeting must consider and agree by resolution, what, if any, information will be released to the public. In addition the chief executive may release information which has been considered at a meeting from which the public has been excluded where it is determined the grounds to withhold the information no longer exist. The chief executive will inform the subsequent meeting of the nature of the information released.*

- 1.10 In view of the fact that some of the information has been placed in the public arena, the Acting Chief Executive has decided to release the full report, redacting content only where information is commercially sensitive, to protect individuals, Council's ongoing negotiations and external funding decisions.
- 1.11 A copy of the redacted report and Business Case (**Attachment 1 and 2**) and the open and public excluded minutes (**Attachment 3**) are attached to this Agenda.

## **2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA**

- A) That the Extraordinary Council receives the report titled Release of Information from a Public Excluded Session**

#### **Attachments:**

- |    |   |               |
|----|---|---------------|
| 1↓ | Redacted Council Report 10 September 2019                               | CG-14-1-01559 |
| 2↓ | Water Central Business Case with Redaction                              | CG-14-1-01560 |
| 3↓ | Open and Public Excluded minutes from Council meeting 10 September 2019 | CG-14-1-01561 |



File Ref: 19/808

**REPORT TO: COUNCIL****MEETING DATE: TUESDAY 10 SEPTEMBER 2019****FROM:****SUBJECT: DRINKING WATER CAPITAL PROGRAMME UPDATE****Confidentiality**

|                             |  |
|-----------------------------|--|
| <b>Reason:</b>              | Section 7 (2) (i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| <b>Interests Protected:</b> | The report contains commercially sensitive information.  |
| <b>Grounds:</b>             | Section 48(1)(a)(i)<br>Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.   |

**1.0 EXECUTIVE SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA**

- 1.1 This report provides Council with an update on key elements of the Drinking Water Major Capital Works programme, with specific emphasis on Project Timelines and Capital Budgets, formal confirmation of the Eastbourne and Frimley sites, proposed community engagement and an update on the Water Central concept.
- 1.2 This update is necessary as it will ensure that key elements of the project, which are of a critical path nature, can be committed to, ensuring delivery timelines can be maintained.
- 1.3 This report contributes to the purpose of local government by primarily promoting social and economic wellbeings and more specifically through the Council's strategic objective of providing healthy drinking water.
- 1.4 This report is presented in four key sections, as follows;
  1. Timelines and Drinking Water Capital budget.
  2. Confirmation of Eastbourne and Frimley Sites
  3. Proposed Community Engagement
  4. Water Central

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Item 3

Attachment 1

**2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA**

- A) That the Council receives the report titled Drinking Water Capital Programme Update.
- B) That the Council receives the update on timeline and capital budget detail for the Drinking Water Major Capital Delivery project.
- C) That the Council approves and confirms the site for establishment of Drinking Water Infrastructure for the Eastbourne Water Treatment Plant site on the corner of Southampton Street East and Hastings Street South on Hastings District Council land, described within titles HB186/28 (Lot 1 DP 8237); HB131/277 (Lot 2 DP8237); HB151/28 (Lot 3 (DP8237); and HB52/50 (Lot 226 Deeds Plan 83).
- D) That the Council approves and confirms the site for establishment of Drinking Water Infrastructure for the Frimley Water Treatment Plant site in Frimley Park contained within title HB136/54, comprising Lot 2 DP 3197 and (2) Pts Lot 254 DP 2101.
- E) That Council adopt the recommended community engagement approach for the Eastbourne and Frimley sites as set out in the report.
- F) That the Council receives the update on the Water Central Concept and endorses the Water Central recommended Option SL-2 Mid-Level Solution.
- G) That Council endorses the proposed approach to seek “secure” status on the existing Eastbourne water supply from the Ministry of Health and Drinking Water Assessors, and notes that:
  - a) if successful in obtaining the “secure” status, the council will pursue both the base infrastructure investigations and design and Water Central concept in parallel, in accordance with a modified timeline; OR
  - b) if unsuccessful in obtaining the “secure” status, the council will need to commit to the “base infrastructure only” option in order to meet agreed compliance timelines.

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**3.0 BACKGROUND – TE HOROPAKI**

- 3.1 Following the 2016 Havelock North water crisis and Board of Inquiry process a Drinking Water Strategy has been developed by Hastings District Council with the objective of providing safe drinking water using a multi barrier treatment approach for all HDC urban and small community drinking supplies.
- 3.2 An outcome of the Hastings Drinking Water Strategy 2018 is that Hastings District Council (Council) is undertaking significant infrastructural works to enable delivery of safe drinking water across Hastings city and suburbs. The work involves construction and operation of two new water treatment and storage facilities, within Hastings. The new facilities will provide enhanced barriers to contamination, improve existing continuous online monitoring and control of source water, create supply resilience, buffer peak demand, minimise drawdown on the aquifer and enable more effective pressure management within the reticulation network.
- 3.3 This report updates Council on progress with the Major Capital Works programme and seeks to;
  1. Update Council on Timelines and Capital Budgets;
  2. Approve confirmation of the Eastbourne and Frimley sites;
  3. Endorse the community engagement approach;
  4. Provide a progress update and direction on Water Central.
- 3.4 These issues are discussed in further detail in the discussion section of this paper.

**4.0 DISCUSSION - TE MATAPAKITANGA****4.1 Timelines and Drinking Water Capital Budget****4.2 Timelines**

- 4.3 Timelines for work already committed (Havelock North Booster Pump Station) or near commitment (Small Community Upgrades) works are known and programmed for delivery within acceptable timeframes, with a specific focus on requirements for Drinking Water Authority compliance.
- 4.4 A detailed programme of works for the remaining work being the Eastbourne and Frimley projects has been established. The projects are proposed to be run concurrently with one another due to time constraints in achieving a mid-2021 delivery deadline.
- 4.5 Significant elements, such as investigations and feasibility, preliminary and detailed design, bores and reticulation, planning and consents, procurement, construction and commissioning have all been scheduled in appropriate detail to determine the ultimate delivery timeline and to determine the critical path items.
- 4.6 Critical path items include commitment to the proposed sites, the planning and consenting processes, along with concept and detailed design phases.



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- 4.7 Due to the noncompliant status of water within the HDC urban and small community supplies we are currently reporting on a monthly basis to the Drinking Water Authority (DWA) as to progress and commitment to the various phases of work. While they are aware of the very challenging environment we are operating in, we are constantly reminded of the need to commit and deliver in the earliest possible timeframes to achieve compliance.
- 4.8 A timeline of the key project activities from 2019 to 2021 has been developed and is attached to this paper (**Attachment 1**).
- 4.9 Capital Budgets
- 4.10 The original capital budgets for the Drinking Water Capital Upgrade programme were established in 2017 with detail available at the time. While the Drinking Water Strategy defined the high level elements of the project, such as the need for UV and Chlorine treatment, the need for reservoir storage, the need for booster pump stations and trunk main pipelines, a significant amount of specific site and hydraulic detail was unknown.
- 4.11 This further detail has been developed and confirmed over the past 18 months by network modelling and an extensive review of the wider HDC water supply network which has been documented and peer reviewed as part of determining the upgrade details. This includes defining storage volumes, network pressures, pipe and pump station sizes and capacities that has been used to confirm the discrete work packages for each element of upgrade.
- 4.12 Detail associated with location of facilities, size and scale of some elements, land requirements, compensation, levels of design and investigation input, planning and consenting processes are very much impacted by site specific requirements and time over the proposed duration of the project delivery.
- 4.13 Estimates were developed with the best knowledge and detail of the time and with experience of comparable work completed around the time of determining budgets. More bespoke elements, such as reservoirs were an educated guess due to the unknown size, scale and possible location of these assets.
- 4.14 Project progress updates, including project costs and competitive market detail, have been provided to Councillors at the two most recent Councillor retreats, being 21 March 2019 at Mangaroa Marae and 25 June 2019 at Taruna College, Havelock North.
- 4.15 A review has been carried out to determine the current overall budget position for the Drinking Water Capital Upgrade programme. Council have had periodic updates on a project by project basis as work has proceeded, particularly as contracts have been let, however a consolidated position has not been recently advised. [REDACTED]

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- 4.16 As can be seen from a review of each project element there has been a significant variance in some areas between budget estimates and actual project costs. There are a number of factors explaining this, from delays in committing to work and changed sites and scope, to variations as works have proceeded, to a reflection of less than competitive pricing in a very buoyant market. Additional work is also included in the above estimates such as the Bridge Pa Booster pump station and Te Pohue water treatment upgrade.
- 4.17 It should be noted that the Trunkmain contract variance of \$1.8m, from the Council approved \$10.5m contract and the final cost of \$12.3m is accounted for by \$1m of trunkmain pipeline works being incorporated into the HNBPS contract due to the changed site location and curtailing of the Trunkmain contract, while the remaining \$0.8m was contract variations.
- 4.18 The net result is a current increased budget position of \$9.42m, excluding the separately approved Te Pohue upgrade work of \$1m, with the costs largely relating to work already completed or committed to. Uncommitted work currently includes Small Community Supplies, Eastbourne and Frimley upgrades.
- 4.19 Costs are committed to the Wilson Road and Trunkmain projects, and work is committed and progressing with the Havelock North Booster Pump Station, so there is relative certainty in these areas.
- 4.20 We are currently in negotiations with the Small Communities upgrade contract and the above budget reflects the expected position to be achieved through this process. Repricing and resubmission is expected in October 2019 for this process and will be impacted by election processes and access to the tenders subcommittee. A process is in place for delegation and approval of this work to be completed by the Chief Executive during this period, which will be utilised as required, to ensure the delivery programme is maintained as much as possible.
- 4.21 A high level review has been undertaken on the Eastbourne and Frimley budgets with expectations these are still reflective of possible costs as they relate to a preliminary level of design and commitment to the proposed sites. We are however still reliant on final design detail and market forces at the time of tender. We are currently considering an Early Contractor Involvement (ECI) approach, similar to the Opera House project, for these two large projects as a means of working toward an agreed acceptable position for design and



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affordability or determining any further impacts on budget at the earliest possible time.

- 4.22 While the overall position is challenging it is entirely consistent with experiences being had around the country in the drinking water space, with anecdotal evidence of work being typically 25 – 40% in excess of budgets, if consultants and contractors can be secured for the work.
- 4.23 The project budget of \$47.5m was set in 2017 for a project expected to continue to mid-2021. The figures in Table 1 above are inclusive of an inflation allowance for the duration of the project.
- 4.24 The current budget position for the 2019/2020 financial year allows for the work proposed in this year to progress as planned, which includes;
  1. Complete and commission the Havelock North Booster Pump Station;
  2. Conclude contract negotiations and construct water treatment plant upgrades for the six Small Community sites;
  3. Progressing design and procurement for the Eastbourne and Frimley sites, including establishing new bores and reticulation requirements between the source water, proposed sites and existing network.
- 4.25 Taking account of this it is proposed to continue in delivering the scheduled 2019/20 work programme and to continue to report to Council as major elements of the Eastbourne and Frimley proposals evolve. The current costs in excess of budget of \$9.42m and any further review required for the remaining work programme can be reviewed as part of the Annual plan process in 2020.
- 4.26 **Confirmation of Eastbourne and Frimley Water Treatment Plant and Reservoir Sites**
- 4.27 A presentation on the Drinking Water Major Capital Projects was provided to Councillors at a workshop on 28 May 2019 where 3 primary issues were covered. These were;
  1. Update of Drinking Water Major Projects;
  2. Presented an overview of the proposed Hastings urban WTP upgrades for Eastbourne and Frimley;
  3. Introduction to "Water Central" concept for Eastbourne site.
- 4.28 As part of item 2 above, a presentation was given on the process of site selection for the two proposed sites near the existing Eastbourne and Frimley source water supplies. The sites initially identified were the Eastbourne site to the rear of the HDC Civic Administration building and the St Aubyn Reserve adjacent to St Aubyn Street West.
- 4.29 The site selection criteria used required that;
  1. Water Treatment infrastructure to be as close as practicable to existing water sources.
  2. Infrastructure connects efficiently to the main arterial water supply pipe network.

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3. Utilise existing infrastructure, where appropriate.
  4. Potential contamination sources.
  5. Have sufficient area to accommodate new infrastructure.
  6. Confidence to deliver solutions by June 2021
- 4.30 As part of the site selection process consideration of cost for each site was determined, primarily using pipe length connections from water source to site and from site to the main network, as well as the cost of establishing a new water supply source, at sites where relevant.
- 4.31 The following sites were identified as part of the site selection process;
- | <b>Frimley Supply</b> | <b>Ranking</b> | <b>Eastbourne Supply</b>   | <b>Ranking</b> |
|-----------------------|----------------|----------------------------|----------------|
| Tamatea Reserve       | 4              | Tomoana Showgrounds        | 6              |
| Frimley (existing)    | 3              | Hawkes Bay Racecourse      | 5              |
| St Leonard Park       | 2              | Akina Park                 | 4              |
| St Aubyn Reserve      | 1 (initial)    | Queens Square              | 3              |
| Frimley (proposed)    | 1 (on review)  | Windsor Park               | 2              |
|                       |                | HDC Admin Building Reserve | 1              |
- 4.32 Taking account of this approach, the initial site selection process identified the St Aubyn Reserve area for the Frimley option and the HDC Admin Building Reserve area for the Eastbourne option as the preferred sites.
- 4.33 Discussion from the 28 May 2019 workshop generally supported the proposal for infrastructure at the Eastbourne site but there was a request to reconsider options for the Frimley proposal at the St Aubyn site, with emphasis given to looking at the Frimley Park or St Leonards Park options further. Subsequent work at the Frimley Park site determined that there was room within an established area of the park, adjacent to Frimley Road, for the proposed 8,000m<sup>3</sup> reservoir and associated treatment and booster pump facilities.
- 4.34 Councillors attended a site visit to Frimley Park on 20 June 2019 where the size, scale and position of the proposed reservoir was viewed, which was shown as 38m diameter and approx.10m height.
- 4.35 While the preferred options have been identified for the Eastbourne and Frimley areas and confirmation is sought to commit to these sites, should Council be unsuccessful in obtaining the various consents and approvals for the preferred sites, efforts would then be refocussed onto the next highest ranked site in each area.
- 4.36 Since the workshop of 28 May 2019 and subsequent site visit to Frimley Park on 20 June 2019 a number of work programmes have been progressing on both sites. These include;
1. Modelling new bore positions
  2. Geotechnical investigations
  3. Proposed reticulation options from bores to new sites.
  4. Treatment and concept designs.

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## 5. Enhanced "Water Central" options for Eastbourne site.

- 4.37 These works are sufficiently advanced, with early geotechnical works showing favourable conditions at both sites, that it is necessary to more formally confirm the proposed sites. This will ensure that the value of the work done to date is fully realised and that further commitments can be made to progress the project as efficiently as possible.
- 4.38 This decision will also allow the necessary community engagement, planning and consent processes to be implemented and further engineering investigations and design phases to progress in accordance with the proposed timelines to ensure delivery of the two Water Treatment plant sites by mid-2021.
- 4.39 Planning advice provided by [REDACTED] indicates that the proposal for works at both sites require land use consents for a Discretionary Activity and/or designation. Notification options include non-notification, limited notification or full notification for each site. Ultimately the notification process is a decision made by Hastings District Council as consent authority. Taking account of the size and scale and the location of the proposed works it is considered that full notification will more than likely be required.
- 4.40 While notification is a matter for the consent authority's discretion, formally requesting that the applications be notified will allow the greatest level of transparency, ease of messaging, minimise timeline risk, provide consistency of approach between the two sites and minimise the threat of judicial review. Subject to confirmation of commitment to the two sites it is proposed to lodge consent applications concurrently in late November 2019, with an assessment of a six month consent process, subject to no appeals, which will allow the project to proceed to the construction phase in July 2020. This timing will ensure we remain on track to deliver the project by the mid 2021 deadline.
- 4.41 Supplementary to the full notification process the engagement plan also proposes to include more specific communications with those whom are more directly affected, which is discussed later in this report.
- 4.42 **Eastbourne Site:**
- 4.43 The Eastbourne site is located on the corner of Southampton Street East and Hastings Street South and the land forms part of the wider area of Open Space known as the Hastings Civic Administration Buildings. This area of Open Space covers a total of 1.2ha contained in eleven certificates of title; and includes the Civic Administration Building, Emergency Management Building and Citizen Pipe Band. The proposal is for the development of land contained within titles HB186/28 (Lot 1 DP 8237); HB131/277 (Lot 2 DP8237); HB151/28 (Lot 3 (DP8237); and HB52/50 (Lot 226 Deeds Plan 83). This land is held Fee Simple in Trust in the name of the Hastings District Council, and not held subject to the Reserves Act 1977.
- 4.44 Section 13.1 of the Operative District Plan identifies the Parks and Reserves within the District within an 'Open Space Zone'; the purpose of which is to ensure that the effects of activities established on public open spaces are mitigated, while enabling the reserve to meet the needs of the community. Hastings Civic Administration Buildings are zoned Open Space 6: Civic Space (OS6-03) in the District Plan and is overlaid by Designation D129 being for Civic Purposes. This Open Space zone provides for high quality well

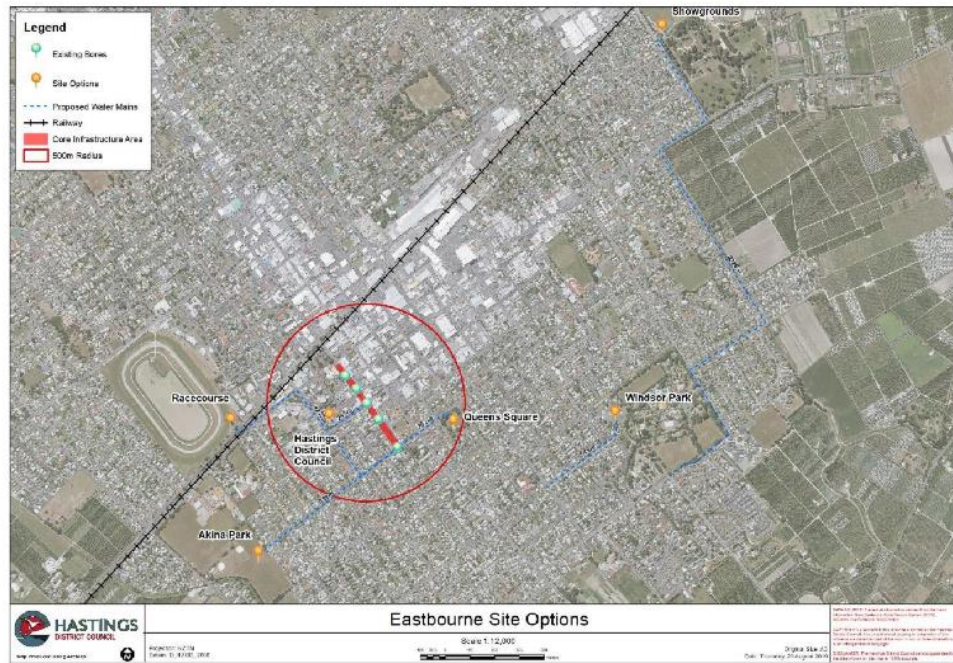


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designed urban spaces suitable for a variety of community uses, including town centres, urban seating areas, water features and community and civic buildings.

- 4.45 This site was selected from a range of considerations within relative proximity to the existing Eastbourne water supply bores and of sufficient area (3,000m<sup>2</sup>) to accommodate the necessary infrastructure for a 10,000m<sup>3</sup> reservoir and associated treatment plant and booster pump station buildings.



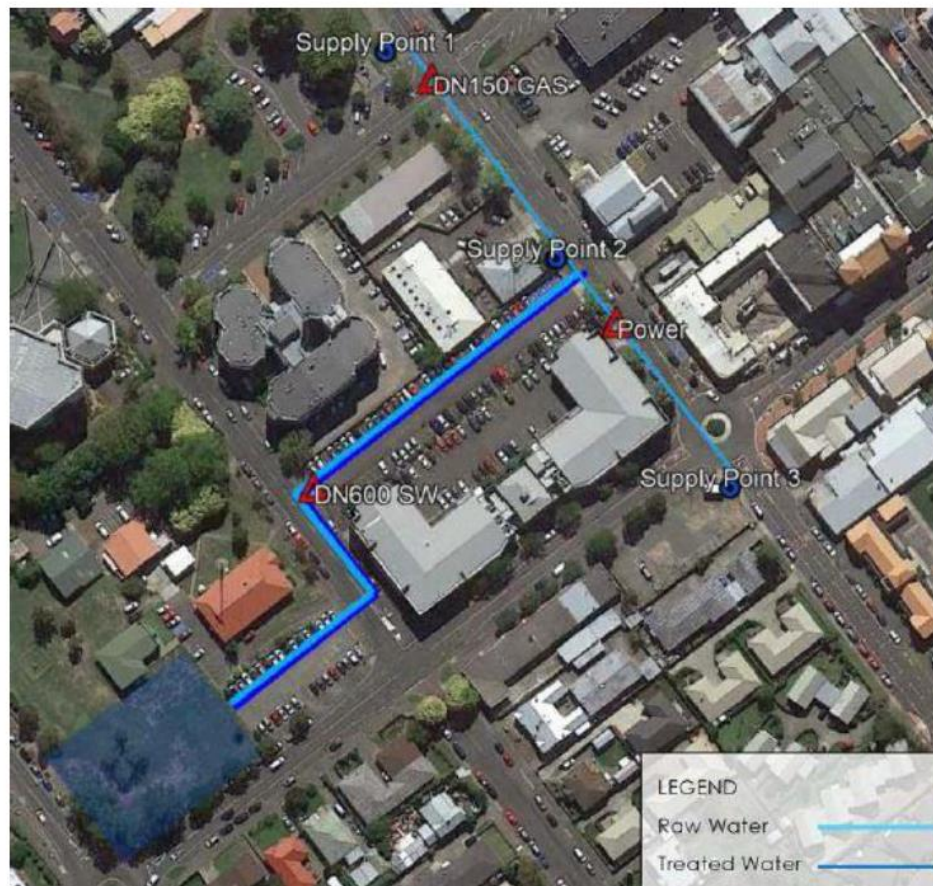
Site Options for Eastbourne Water Supply

Attachment 1

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Item 3

Attachment 1



Proposed Reticulation from Bores to Eastbourne Site

This site, due to its CBD location, also offers further potential for development as a new interactive cultural and educational centre of excellence for water. This is further discussed in a section of this paper titled "Water Central".

#### 4.46 **Frimley Site**

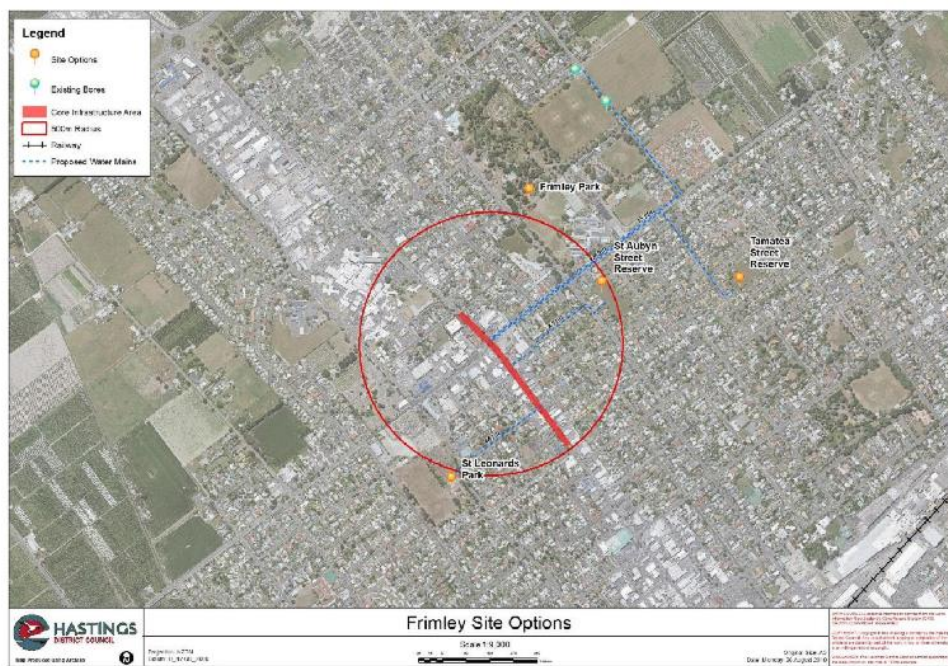
4.47 Frimley Park is located in the Hastings suburb of Frimley in a well-established residential area bordered by Lyndhurst Road and Frimley Road. It shares its southern boundary with Lindisfarne College and Hastings Girls High School. The park covers a total area of 19.2ha contained within title HB136/54, comprising Lot 2 DP 3197 and (2) Pts Lot 254 DP 2101.

4.48 Frimley Park was gifted to the Hastings Borough Council in 1951 by Elsie Jane Beetham Williams for a 'public park and recreation ground'. The land was formerly the grounds of the family's homestead which burned down in 1950. The land is held Fee Simple in Trust in the name of the Hastings District Council, and not held subject to the Reserves Act 1977. Given the deed of gift, it is recommended that the Communication Plan include consultation with the Williams Family Trust prior to any formal consultation.



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- 4.49 Section 13.1 of the Operative District Plan identifies the Parks and Reserves within the District within an 'Open Space Zone'; the purpose of which is to ensure that the effects of activities established on public open spaces are mitigated, while enabling the reserve to meet the needs of the community. Frimley Park is zoned Open Space 1: Sport and Recreation Area (OS1-07) in the District Plan. This Open Space zone provides larger areas of open space which cater for organised sports and active recreation.
- 4.50 The proposed water treatment site and reservoir of circa 2,000 m<sup>2</sup> is located on the Frimley Road side of Frimley Park, in an area adjacent to Hastings Girls High School, set back approximately 75 metres from Frimley Road. The proposed area is within a lesser used section of the park set among established trees. The infrastructure proposed within the site is a 38m diameter reservoir 10 metres high, a treatment and booster pump station building, service access and associated mitigation planting, screening to lessen the impact of the works.
- 4.51 It is proposed to establish a series of up to four new bores adjacent to Frimley Road as the primary supply of water for this water treatment plant and these will replace the existing two bores in Lyndhurst Road.
- 4.52 Reticulation into the existing network is achieved by connections along Frimley Road and Hapuku Street and is very similar to that proposed at the St Aubyn Street site for distance and cost.



Site Options for Frimley Water Supply



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Item 3

Attachment 1



Reservoir Location at Frimley Park



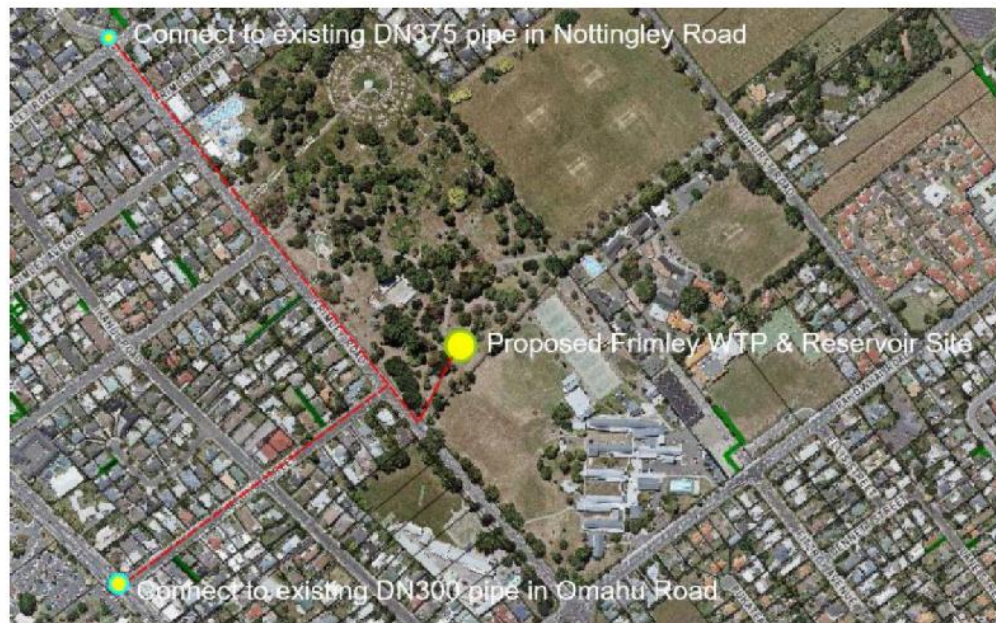
Potential new source water bore locations



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Item 3

Attachment 1



Proposed Reticulation from Frimley Site to Network

#### 4.53 Summary

- 4.54 Significant modelling, investigations and design effort has been applied to determine the two preferred sites, as presented in this paper. The need to achieve drinking water compliance at the earliest opportunity is the primary driver in progressing this project, currently targeted as mid-2021.
- 4.55 A variety of work programmes have been progressed to the point of providing clarity and confidence at the two sites and the project now requires further commitment and certainty to progress a number of critical path items to the next stage. Therefore this section of the paper requires Council approval to commit to the preferred sites for Eastbourne and Frimley.

#### **Proposed Community Engagement Approach**

- 4.56 Under the RMA notification process the community will have the opportunity to submit their views on the proposed plan to construct the water storage infrastructure at the Frimley and Eastbourne sites. This is the formal RMA consultation process.
- 4.57 Prior to this formal notification process under the RMA, it is proposed to implement a community engagement campaign. A draft community engagement plan is being developed which will include key messaging informing people about the sites, visually demonstrate the reservoirs in situ and explain and reinforce how the water storage facilities form another step in the overarching water strategy to deliver safe resilient drinking water to our community and the reasons why.



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- 4.58 It should be noted that the purpose of this community engagement is to **inform** the community of the plans and why we need these reservoir and treatment facilities, make them aware of the formal RMA notification consultation process to follow, listen to their views and identify any possible mitigations which could be taken into consideration at each site e.g screening, planting.
- 4.59 It will be vitally important to ensure that this community engagement is not mistaken for the formal consultation process which will follow under the formal RMA notification. Taking account of the expectation to lodge RMA consents in late November 2019, the community engagement process will be undertaken in the period between mid October and mid November 2019.
- 4.60 The assumption made in formulating this engagement plan is that we fully respect the opinion and feedback of those most immediately impacted by the proposed works, such as the adjoining owners.
- 4.61 The proposed engagement assumes both the Frimley and Eastbourne sites are to be notified under the RMA formal process. However should any change arise in regards to the sites or notification processes the engagement plan will be adapted.
- 4.62 The following represents the proposed framework for the engagement plan.

#### Community engagement framework overview

Indicative engagement timing from Mid October to Mid November 2019

| <b>FRIMLEY SITE</b><br>Proposed target audience   | <b>Engagement Tools</b>   | <b>EASTBOURNE SITE</b><br>Proposed target audience  |
|---|---|---|
| <b>Level one audience</b>   |   |   |
| Directly affected properties with visual impact<br><br>Iwi and Park Descendants<br><br>Hastings Girls High School<br>Frimley Primary School | Face to face interaction with supporting collateral<br><br>Invitation to open day on site<br><br>Signage on park site | Directly affected properties with visual impact<br><br>Iwi<br><br>Hastings Central School |
| <b>Level two audience</b>   |   |   |
| Residents within a 2km radius from proposed reservoir site including schools  | Mailbox drop<br><br>Invitation to open day on site<br><br>Signage on park site  | Residents within a 2km radius from proposed reservoir site including schools              |
| <b>Level three audience</b>   |   |   |
| Wider community   | My Hastings<br>Social Media<br>Wider media  | Wider community   |

The immediate affected parties are shown on the following plans.





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Item 3

Attachment 1



#### 4.63 **Water Central**

4.64 Through exploring ideas to add value to the core drinking water infrastructure, at the Eastbourne site, a concept was developed and drafted by Officers and consultants with a working title of Water Central.

4.65 The Water Central vision sees a unique and attractive educational facility, integrated with the Eastbourne drinking water infrastructure, that focusses on water in its entirety explaining the journey and value of water as well as enhancing community understanding of Councils safe drinking water objectives.

4.66 Officers and consultants presented an overview of the initial Water Central concept to Councillors at the 28<sup>th</sup> May workshop for which there was general agreement to proceed and develop the concept through a business case. Refer to attached 'Water Central - Business Case, September 2019' for Water Central business case and concept detail (**Attachment 2**). This work is now complete and the business case key findings are presented below.

#### 4.67 **Water Central Business Case**

4.68 The purpose of the Water Central Business Case (WCBC) is to justify and test feasibility of the Water Central concept as well as support Council decision making on whether to formally proceed with the project. The WCBC has been drafted by a project team consisting of Council officers from Major Projects,

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Economic Growth and Development, Finance, Asset Management as well as external planning and architectural consultants. The business case is specifically intended for Council.

#### 4.69 Benefits

4.70 The WCBC has identified a strong case to mitigate the impacts of, and add value to, the core infrastructure through incorporating community benefit elements, including:

- Educational facilities that increase community awareness and understanding of water supply, treatment processes as well as the natural water cycle.
- Narratives that help reinforce the cultural meaning and importance of water.
- Enhanced building and site architecture that is attractive and unique, adding to the character of the surrounding city landscape.
- Providing opportunities and an appropriate venue to engage with the public on the water treatment process.
- Integration of other uses for the site that provide increased returns on ratepayer investment.

#### 4.71 Objectives

4.72 The WCBC sets out 6 specific objectives to be achieved by June 2021 that will realise the benefits listed above. The 6 Water Central objectives are:

- To provide good community infrastructure that is contemporary, of quality construction and appropriate for the CBD site.
- To enhance community understanding of Council's safe drinking water objectives.
- To recognise and enhance the cultural value of water.
- To add to the profile, character and identity of Hastings through creating a unique facility.
- To create a multi-purpose facility with space for other complimentary initiatives.
- To provide a value for money asset / community facility.

#### 4.73 Options Analysis

4.74 The WCBC identifies a total of 11 options that could achieve specific or all of the Water Central objectives. The options have been assessed by the WCBC project team through a Multiple Criteria Analysis (MCA) process. The MCA identifies that options that include public education tend to score highly across all objectives, as do the combination of education and cultural elements together.

4.75 Through the MCA process three options were shortlisted (SL) for detailed investigation. These are:

4.75.1 Option SL-1: A baseline mitigation option, where value is only added to the core infrastructure necessary to obtain resource consent. This was the lowest

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scoring MCA option. It is included as a minimum requirement and 'fall back' option if the preferred Water Central concept is not supported.

4.75.2 Option SL-2: A mid-level solution with education, cultural narratives, observation deck, moderate sized function room, office accommodation for 5 staff, and various other elements. This was the highest scoring MCA option.

4.75.3 Option SL-3: A top-level solution with education, cultural narratives, observation deck, large sized function room, office for 50 staff, and various other elements. This was the second highest scoring MCA option.

4.76 The SL options were investigated through:

- Developing a conceptual layout for each option on the project site, including sizing the buildings and tank and considering more functional aspects of the core infrastructure project (such as the physical layout of the pumps and treatment facilities, building code regulations, site access, mitigation of neighbouring properties, etc).
- Developing capital and operational budgets for each of the three SL options, involving input from the project architects and engineers, Council parks staff, and known rates from similar projects, refer to Table 1 below.

4.76.1 Table 1: Water Central Option Shortlist (SL) – Capital Cost Summary

| Cost Summary |             |             |              |
|--------------|-------------|-------------|--------------|
|              | Option SL-1 | Option SL-2 | Option SL-3  |
| Capex Cost   | \$62,000    | \$8,586,113 | \$17,367,328 |

4.77 While SL-3 meets all of the project objectives, the capital expenditure required to achieve SL-3 is greater than the core infrastructure project alone and is considered unaffordable. It is also recognised that the required building (to house up to 50 staff) brings an element of risk, in both available space to construct the building and that the demand for such a facility has not been fully determined.

4.78 Option SL-2 therefore is identified as the preferred option to achieve Water Central aspirations. Specifically, this is for the following reasons:

- It is the highest scoring option through the MCA process.
- It meets all of the Water Central objectives.
- It presents a relatively affordable added-value solution.

4.79 Funding Strategy

4.80 The estimated capital cost of Water Central is \$8.6 million over a 2-year construction period with \$8.34 million falling in the 2020/21 financial year. The proposed funding strategy for the preferred Water Central option is based on 100% of the capital cost being funded external to HDC.

4.81 A schedule of potential funders and target figures is provided in Table 3 below. Preliminary conversations with a selection of the listed funding entities (highlighted) indicate a level of interest in the proposal providing confidence that a portion, if not all, of the \$8.6 million capital funding requirement can be



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met through external sources. Funds will be required for drawdown by June 2021. The active fund-raising period will be between October 2019 and December 2020.

4.82



4.83 Risk

4.84 A key risk to the project is the need to identify a “go – no go” date that does not impact on the earliest possible timeframe to achieve a safe drinking water status for the Eastbourne site. The current delivery date for this is mid-2021, however current design and investigation processes are making it necessary to confirm a way forward as soon as practicable. This is due to the fundamental differences between the base infrastructure and the significantly enhanced elements promoted within the Water Central concept. It is not proposed to progress two design options due to time and cost constraints so it is necessary to confirm which design path is to be pursued. With the current approach this decision is required in September 2019.

4.85 Water Central is an unbudgeted complimentary initiative to the base infrastructure for the Eastbourne site, involving a significant sum of money. This position is making it challenging to realise the opportunity within the demanding timelines and expectations of project delivery by mid-2021.

4.86 To mitigate the risk of Water Central delaying the Eastbourne core drinking water infrastructure programme an option is being explored to seek a “secure” water status for the existing Eastbourne water supply from the Ministry of Health and Drinking Water Assessors. Initial discussions have indicated that this is possibly achievable and the project team will seek a decision by the end of October 2019.

4.87 Achieving this status will allow work on both the base infrastructure investigations and design and Water Central concept to proceed in parallel on a more manageable timeframe. This approach will also allow the project team to progress external funding options within more realistic timeframes. This will

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also allow the project team to focus on the proposed Frimley upgrades, which has a more urgent need to achieve safe drinking water compliance.

- 4.88 Timelines have been developed showing implications for both a “with” and “without” option of Water Central at the Eastbourne site, subject to whether secure status for this water supply is achieved. A timeline of the key project activities from 2019 to 2022 has been developed and is attached to this paper.
- 4.89 The active fund-raising period for Water Central is between October 2019 and December 2020, and confirmation of the final amount of funding secured for Water Central is unlikely to be known until early 2021.



4.92 Community consultation

- 4.93 Council officers have had early high-level engagement with [REDACTED]. Initial feedback is positive and generally supportive of the Water Central concept. Further, recent discussions have been held with nominated Iwi representatives to discuss the Water Central concept in more detail and provide input into the educational and cultural elements of the project. To date these specific discussions have been dominated by longstanding issues surrounding general decline in water quality, quantity as well as the management and treatment of drinking water, particularly chlorinating water supplies. Officers see opportunity through Water Central for Iwi to articulate the significance they place on water, the current challenges around water use and future aspirations for water. An established level of Iwi support is yet to be confirmed.

- 4.94 Informal community engagement on Water Central has occurred with positive feedback received. Formal community engagement will be required and this will be managed through the Eastbourne and Frimley communications plan. The purpose of engaging community on Water Central is to confirm community support for the Water Central project and receive formal feedback on the project from stakeholders.

4.95 Water Central Construction Timeframes

- 4.96 Timelines will be dependent on Council’s appetite to pursue “secure” status for the existing Eastbourne water supply, which will effectively allow time for options for the Eastbourne site to be more fully considered, confirmed as to delivery options and to consider cost implications in the annual plan process.
- 4.97 A key difference between the core infrastructure and Water Central design is in the size and shape of the water treatment plant and reservoir facilities with Water Central seeking to maximise height opportunities of the reservoir and

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architectural design of the water treatment plant building. Design for the Eastbourne reservoir and water treatment plant is currently progressing on the basis that Water Central is proceeding. In parallel with this work, conventional design work on the Frimley reservoir and water treatment plant is proceeding. In the event that Water Central does not proceed, reservoir and water treatment plant design work can be applied to the Eastbourne site.

## 5.0 OPTIONS - NGĀ KŌWHIRINGA

### Option One - Recommended Option – SL-2 Mid-Level Solution

- 5.1 A mid-level solution with education, cultural narratives, observation deck, moderate sized function room, office for 5 staff, and various other elements described in detail in the WCBC.

#### *Advantages*

- It is the highest scoring option through the MCA process.
- It meets all of the Water Central objectives.
- It presents a relatively affordable added-value solution.

#### *Disadvantages*

- Time constraints with which to raise the \$8.6 million capital investment.

### Option Two – Status Quo – SL-1 Baseline Mitigation

- 5.2 A baseline mitigation option, where value is only added to the core infrastructure necessary to obtain resource consent. Included as a minimum requirement and 'fall back' option if the preferred Water Central is not supported.

#### *Advantages*

- Affordable within existing core infrastructure budgets.

#### *Disadvantages*

- This was the lowest scoring MCA option.
- Does not add additional value.
- Greater risk of core infrastructure adversely impacting on CBD amenity values.
- Lost educational, cultural and profile opportunity.



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**Option Three – SL-3 Top-Level Solution**

- 5.3 A top-level solution with education, cultural narratives, observation deck, large sized function room, office for 50 staff, and various other elements.

*Advantages*

- This was the second highest scoring MCA option.
- Multi-purpose facility.
- Meets all Water Central objectives.

*Disadvantages*

- Highest capital cost, the capital expenditure required for this option is greater than the cost of core infrastructure.
- The required building (to house up to 50 staff) brings an element of risk, in both available space to construct the building and that the demand for such a facility has not been fully determined.

**6.0 NEXT STEPS - TE ANGA WHAKAMUA**

The next steps are dependent on Council's decision or direction to the various items traversed in this paper.

**Attachments:**

- |   |   |               |
|---|---|---------------|
| 1 | Eastbourne - Frimley Delivery Programme 2019-2021 | CG-14-1-01505 |
| 2 | WaterCentral_BusinessCase_02Sep2019               | CG-14-1-01504 |

**SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO**

Addressed under Paragraph 1.3 of the report.

**Fit with purpose of Local Government - E noho hāngai pū ai ki te Rangatōpū-ā-rohe**

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable

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democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future

This report primarily contributes to the social and economic well-being of communities

**Link to the Council's Community Outcomes - *E noho hāngai pū ai ki te rautaki matua***

- Safe and healthy drinking water

**Māori Impact Statement - *Te Tauākī Kaupapa Māori***

There will be impacts for Tangata Whenua in regard to the water central concept as set out in para 4.93 to in this report:

**Sustainability - *Te Toitūtanga***

There are no implications for sustainability.

**Financial considerations - *Ngā Whaiwhakaaro Ahumoni***

The financial implications are included in the report in two parts – firstly in the budget review/update section of the report as well as potential budget implications in the water central concept part of the report.

**Significance and Engagement - *Te Hiranga me te Tūhonotanga***

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of medium/high significance to the community and hence the request to engage with the community on the proposed works at the Eastbourne and Frimley sites.

**Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho***

This report provides direction on a community engagement plan and some initial consultation has been undertaken for the Water Central project.

**Risks: Legal/ Health and Safety - *Ngā Tūrarū: Ngā Ture / Hauora me te Haumarū***

Not applicable.

**Rural Community Board - *Ngā Poari-ā-hapori***

There are no implications for the Rural Community Board.



## Water Central

A concept for a new interactive educational  
water treatment & storage facility

**Business Case**  
September 2019

## Document Control

### Document Authors



### Document History

| Version     | Issue Date     | Changes   |
|-------------|----------------|---|
| DRAFT       | 9 August 2019  | Draft consolidated document circulated to author team   |
| DRAFT       | 15 August 2019 | Draft with author team feedback incorporated            |
| DRAFT       | 29 August 2019 | Restructured and reviewed, reviewed and updated budgets |
| FINAL DRAFT | 2 August 2019  | Final review and minor grammatical changes              |

### Document Authorisation



### File Reference

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Business Case/WaterCentral\_BusinessCase\_20Aug2019.docx

# Water Central

## Business Case: September 2019

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|                         |                                    |
|-------------------------|------------------------------------|
| <i>Te mana o te wai</i> | <i>The spirit of the waterbody</i> |
|-------------------------|------------------------------------|

|                          |  |
|--------------------------|--|
| <i>Te mauri o te wai</i> | <i>The life-essence of the waterbody</i> |
|--------------------------|--|

|                               |                                 |
|-------------------------------|---------------------------------|
| <i>Te hauora o te tangata</i> | <i>The health of the people</i> |
|-------------------------------|---------------------------------|

|                             |                                      |
|-----------------------------|--------------------------------------|
| <i>Te hauora o te taiao</i> | <i>The health of the environment</i> |
|-----------------------------|--------------------------------------|

|                           |                                     |
|---------------------------|-------------------------------------|
| <i>Te hauora o te wai</i> | <i>The health of the water body</i> |
|---------------------------|-------------------------------------|

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## Introduction

Hastings District Council (Council) is undertaking a significant project aimed at delivering safe drinking water across Hastings City and Suburbs. It involves the construction and operation of new water treatment and storage facilities, built around new and existing bores, in two locations within the city.

In order to deliver the project successfully, it is important to consider the potential adverse effects of the proposed infrastructure (particularly the storage reservoirs). Whilst careful site selection has assisted in this process, the project team considers that there are opportunities to expand the project to help its integration into the surrounding environment, and for each site to add value to the community beyond just delivery of safe drinking water. This would potentially involve enhancements to the core infrastructure such that each site can contribute positively to the city landscape, and be more readily accepted by the community. In addition, the project team have explored opportunities to utilise the infrastructure as a canvas to educate and inform people about the management of water.

This document provides an overview of the options analysis and budget revision that has been undertaken to arrive at a preferred 'added-value' concept for the Eastbourne Street (Hastings East) site, providing a detailed business case that supports this preferred concept. It concludes with outlining an added-value concept for the proposed core infrastructure site that is considered to deliver current Government and Council objectives and strategies in a manner that is cost effective and affordable to the community.

The added-value project has been given the working title of 'Water Central' to help distinguish it from the core infrastructure project. Importantly, the business case assumes that the core treatment and storage infrastructure will be consented, with minimum required mitigation, and constructed in accordance with the Council's safe drinking water requirements. This document is focussed only on additional opportunities that have emerged as part of the added-value Water Central project, and subject to approval, will be delivered in addition to the core infrastructure.

### Document Structure

This business case starts by setting out the background to the core infrastructure project, outlining how the Water Central added-value project came into being. An outline of the wider safe drinking water objectives is then considered (with reference to other relevant legislation and policy, detailed in Appendix A), from which a set of objectives for the Water Central project emerged. The following sections then provide an overview of the development, analysis and selection of potential options, before the preferred option is reassessed against the project objectives. The document concludes with an overview of the funding, procurement and project management mechanisms proposed in order to ensure a quality outcome is delivered.



## Project Background

In the 2018-2028 Long Term Plan, Council committed \$47.5 million over four years to ensure the delivery of safe drinking water that meets the New Zealand Drinking Water Standards<sup>1</sup>. Within this package, \$25 million was allocated to the construction of new water storage, treatment and pumping facilities on two separate sites within Hastings City. The project is designed to meet the requirements of the Local Government Act (2002) through the provision of good-quality infrastructure and local public services<sup>2</sup>.

A detailed site selection process was undertaken to find the optimum location for each facility. This involved consideration of the following factors:

- Proximity to the existing water main network (minimising cost to connect and street disruption)
- Land ownership (Council land preferable, to minimise land acquisition costs and timing)
- Potential effects on neighbouring properties
- Potential effects on existing land-uses
- Potential geotechnical requirements

Following this process, a preferred site for one of these facilities was identified on the corner of Southampton Street East and Hastings Street South, immediately adjacent to the main Council offices. The site is suitably located near to existing water sources and infrastructure, is owned by the Council, and is currently underutilised. The site was proposed to Council at a Council workshop in May 2019.

Development of the facility on the site involves the construction of a 10,000m<sup>3</sup> reservoir (approximately 36m diameter and 15m tall), together with associated pumps, filtration, chlorination and UV treatment infrastructure housed in a purpose-built plant building (of approximately 200m<sup>2</sup> in size, up to 8m tall).

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<sup>1</sup> 'Our Water' newsletter, November 2018, Page 1 (opening paragraph)

<sup>2</sup> Local Government Act (2002), section 10(1)

It is recognised that the preferred site is located within the central city and is neighboured on two sides by residential properties. Therefore, it was quickly identified that any facility in this location be appropriately designed to avoid and mitigate potential effects, particularly in regard to visual amenity. It is considered that the facility should positively contribute to its urban setting, and some landscape mitigation would be a likely requirement of a resource consent.

In investigating potential mitigation options, the project team recognised that the project represents an opportunity to further utilise the site for the benefit of the community and the Council, particularly in supporting wider reaching objectives of the Hastings Drinking Water Strategy 2018. Whilst the infrastructure itself focusses on delivering safe drinking water in a physical sense, it was realised that there could exist opportunities for achieving less tangible benefits, such as enhancing public knowledge about water and water usage, or utilising the opportunity to explore cultural narratives. In addition, possibilities arose to achieve economies of scale through the development of integrated Council facilities.

The project team therefore began to investigate wider safe drinking water objectives set down by various legislation and Council policies, beyond those being delivered by the core infrastructure project itself. These objectives are outlined in the following section.



## Wider Drinking Water Objectives

The Havelock North contamination event has focussed the Council and the community on the importance of safe drinking water. As summarised in Appendix A, the Council's Long-Term Plan starts by setting out a vision to transition to a different water future, providing for significant investment in drinking water infrastructure. The reservoir and treatment facility proposed for the site is one of the anchor projects of the Hastings Drinking Water strategy being delivered under the LTP.

At the same time, community expectations around water are changing. Following global trends, the Government is revising how it will regulate safe drinking water, whilst also engaging with communities, mana whenua and stakeholders around the development and maintenance of infrastructure. There is increasing recognition that there needs to be greater transparency around the delivery of safe drinking water and how to maintain Te Mana o Te Wai, or healthy freshwater bodies.

Within this context, Council has recognised that the way it manages and delivers water to the community is under increasing scrutiny. No longer is it possible to rely on the assumption that drinking water is pristine and plentiful, but rather it is necessary to plan for resilience and treatment, and achieve this under the watchful eyes of regulators and consumers. Engagement is becoming increasingly more important, such that everyone is invested in maintaining and promoting healthy communities.

On the face of it, delivering safe drinking water to homes is about quality physical infrastructure. However, in this changing world where the water resource is becoming increasingly precious, there are a greater number of intangible objectives beginning to emerge. Government and Council documents recognise the need for reducing water usage, eliminating wastage, and keeping and making-public records about water compliance. Delivering a high-quality storage and treatment facility is a given outcome. But the project team identified that there is a strong case to add value to this infrastructure through the incorporation of community benefit elements, such as:

- Educational facilities that tell the story of the water treatment process and/or natural water cycle.
- Narratives that help reinforce the cultural meaning and importance of water.
- Enhanced building and site architecture that is attractive and unique, adding to the character of the surrounding city landscape.
- Opportunities to engage with the public in the water treatment process.
- Integration of other uses for the site that provide increased returns on ratepayer investment.

However, it was recognised that budget for such additional opportunities wasn't available as part of the delivery of the core infrastructure alone (only minimum mitigation would have been provided). Therefore, a robust design process would be needed to ensure that any preferred concept would be affordable and appropriate for the Council to approve.

In this regard, the 'Water Central' project emerged – this being a separate (but related) project to the core infrastructure that seeks to provide both tangible and intangible mitigation. It would support the resource

consent process, but also result in the development of an infrastructure facility that was potentially unique to the city, and would contribute to wider safe drinking water objectives.

Based on the policy context and general directions being taken by both Government and Council, a series of objectives were therefore developed to help shape the project team's thinking about added-value mitigation opportunities, as follows:

- Provide good community infrastructure that is contemporary, of quality construction and appropriate for the CBD site.
- Enhance community understanding of Council's safe drinking water objectives.
- Recognise and enhance the cultural value of water.
- Add to the profile, character and identity of Hastings through creating a unique facility.
- Create a multi-purpose facility with space for other complimentary initiatives.
- A value for money asset / community facility.

Based on these objectives, a total of 11 preliminary, 'long-list' (LL) mitigation or added-value options were developed (LL-A to LL-K), which were then refined by the project team to 3 'short list' (SL) options (SL-1, SL-2 and SL-3). The process of identifying, refining and analysing these options is set out in the next section.

## Option Development and Analysis

To achieve the 6 specified objectives (detailed in the last section), a total of 11 'long-list' options were formulated and then considered through a Multi Criteria Analysis (MCA) process to arrive at three 'short-list' options. Each of the short list options were then costed and reassessed to arrive at a single 'preferred option'.

### Long-List Option Analysis

The 11 long-list options (LL-A to LL-K) were developed to reflect various levels of development, focus and investment toward achieving specific or all of the objectives. The options ranged from a 'minimum mitigation' option (that is, do nothing more than what would be required to obtain a resource consent for the core infrastructure project), through to a large multi-functional facility option that included expanding the infrastructure project to provide for things such as organisational growth and storage of Taonga. A table outlining each of the long-list options is included in Appendix B.

During the development of the long-list option, the project team discounted a number of ideas that were considered to be beyond the main project objectives (such as the development of a multi-storey car-park or residential accommodation). In addition, each of the 11 options was tested for their ability to be physically constructed around (or integrated with) the core infrastructure.

To assist with the process, a total of 12 Key Performance Indicators (KPIs) were developed, grouped and matched to the relevant project objectives. Each KPI was weighted based on its considered importance to the overall project goals (as defined by the policy context), although sensitivity analysis was also undertaken at the completion of the MCA (outlined below). A table outlining each of the long-list KPIs is also included in Appendix B.

The project team then individually scored each of the 11 options against each KPI using a scoring matrix of 1 (100% does not meet KPI) through to 5 (100% meets KPI). Each individual score was then scrutinised by the project team as a whole to identify any bias or outliers, before the scores were averaged into a matrix.

Finally, as identified above, the project team undertook a sensitivity analysis by changing the weighting given to each KPI. This process helped to identify which options were most suited to the whole suite of objectives, and which were particularly sensitive to only one or two objectives.

The MCA process identified that options that included public education tended to score highly across all objectives, as did the combination of education and cultural elements together. It was also noted that on its own, the observation deck scored relatively poorly against the Water Central objectives, but when combined with educational elements (which might include viewing wider 'water landscape' or including views into the tank itself), it scored highly (option LL-K, the combination of education and observation tower, scored 5<sup>th</sup> in the MCA, and both of the top options included the observation deck).

Overall, the project team identified two long-list options that best matched the project objectives, as illustrated in Table 1, below:

| Table 1: Best Scoring Long-List Options |   |   |
|---|---|---|
| Element                                 | Option LL-G   | Option LL-H   |
| MCA Score                               | 4.45<br>out of 5  | 4.23<br>out of 5  |
| MCA Ranking                             | 1st   | 2nd   |
| Education                               | Combination of interactive and interpretative elements to educate the community about the water process   | Combination of interactive and interpretative elements to educate the community about the water process   |
| Cultural                                | Interpretative elements and integrated design elements (including sculpture/artwork) to help share cultural water narratives  | Interpretative elements and integrated design elements (including sculpture/artwork) to help share cultural water narratives  |
| Office Space                            | Small office for up to 5 Council water staff  | Large office for up to 50 Council water staff   |
| Function/Seminar Room                   | Moderate seminar room for use by the public for education, hui, exhibitions   | Large seminar room for use by the public for education, hui, exhibitions, and also use by staff as a function/meeting room  |
| Taonga                                  | A 'pure-water' source to be used for blessing taonga  | A 'pure-water' source to be used for blessing taonga, and a large storage and display area for the city's taonga  |
| Observation Deck                        | An observation deck on the top (accessed by lift) to showcase city views, help explain the water process (both natural and municipal), and attract people to the site | An observation deck on the top (accessed by lift) to showcase city views, help explain the water process (both natural and municipal), and attract people to the site |

In addition, it was agreed that Option LL-A, the 'baseline' option should also be carried through the short-list. Whilst this scored the least through the MCA process, it was agreed that it would provide an effective minimum requirement against which the other two options could be considered.

#### Elimination of Taonga Display and Storage

Options LL-E, LL-H and LL-J included the incorporation of exhibition and storage space for Taonga owned by Hastings City. This opportunity arose through discussion of the project with managers within the Council, and was considered a potential solution to a separate storage project currently being considered by Council.

However, following the completion of the long-list assessment process, it was determined that the Water Central project could not fully deliver on the storage project requirements (mainly in regard to the area of space

required), and it was therefore dropped from further consideration. In this regard, Option LL-H (above) was refined to eliminate the display and storage element.

### Short-List Option Development and Analysis

The three selected long-list options (outlined above) were reordered and defined as the following short-list options:

- Option SL-1 (LL-A): The baseline option.
- Option SL-2 (LL-G): A mid-level solution with education, cultural narratives, observation deck, moderate sized function room, office for 5 staff, and various other elements.
- Option SL-3 (LL-H): A top-level solution with education, cultural narratives, observation deck, large sized function room, office for 50 staff, and various other elements.

The design brief for each option was then refined and considered by the project team. This consisted of developing a conceptual layout for each option on the project site, including sizing the buildings and tank and considering more functional aspects of the core infrastructure project (such as the physical layout of the pumps and treatment facilities, building code regulations, site access, mitigation of neighbouring properties, etc).

At the same time, preliminary feedback on each option was obtained from wider Council staff and high-level engagement with [REDACTED] and where appropriate the conceptual designs were reviewed/refined.

A capital and operational budget was then developed for each option, involving input from the project architects and engineers, Council parks staff, and known rates from similar projects. This began with a budget for Option SL-1, which included all elements of the core infrastructure project (including the minimum mitigation options considered necessary to obtain resource consent). This budget was then expanded across the remaining two options, indicating where the core infrastructure might need to be enlarged, enhanced or strengthened to accommodate the added-value elements contained within each option (for example, the increased specification required to deliver a high quality building resulted in an increased cost for each of the two options).

Several iterations of the conceptual design and budgeting were undertaken until the project team settled on the preliminary design concept for each of the longlist options (plans of each concept are contained in Appendix C). The full budget for each of the three short-list options, also included in Appendix C, was then given a final review by Council staff outside the project team. A summary of these budgets is outlined in Table 2, below:



| Table 2: Budget Summary                  |             |             |              |
|--|-------------|-------------|--------------|
|  | Option SL-1 | Option SL-2 | Option SL-3  |
| Capex Cost                               | \$62,000    | \$8,586,113 | \$15,057,328 |
| Operating Income (annually)              | \$0         | \$34,150*   | \$188,650**  |
| Operating Costs (excl finance, annually) | \$2,400     | \$12,233    | \$133,823    |
| Net Operating Costs (annually)           | \$2,400     | -\$21,917   | -\$54,828    |

\*includes \$9,500 of office rental to HDC staff

\*\*includes \$114,000 of office rental to HDC staff

An analysis of each of the short-list options was undertaken by the project team following the concept design and budgeting, summarised in Table 3 on the following page.

As identified, Option SL-1 represents the baseline option. Selection of this option essentially rejects the Water Central concept, although some minor works (such as signage) could be included as part of the minimum mitigation package, at minimal cost. This is the fall-back option if the Water Central concept is not supported.

Option SL-3 meets all of the project objectives, but is recognised by the project team as requiring a capital expenditure that is greater than the core infrastructure project alone, and therefore sits above a considered affordability threshold. It is also recognised that the required building (to house up to 50 staff) brings an element of risk, in that the demand for such a facility has not been fully determined.

Therefore, **Option SL-2 is preferred**. This option meets all of the Water Central objectives, and presents a relatively affordable added-value solution. Preliminary discussions with potential funding providers (set out in the following section) indicates there is interest in the proposal, and that the funding requirements can likely be met. Going forward, this is called the '**Water Central Concept**'.

| Table 3: Short-List Option Analysis            |  |   |   |
|--|--|---|---|
|  | Option SL-1  | Option SL-2   | Option SL-3   |
| OBJ 1:<br>Provides Good Quality Infrastructure | Infrastructure delivered to drinking water standards, hidden from public in utilitarian building   | Infrastructure 'enhanced' to showcase quality, housed in a glass building   | Infrastructure 'enhanced' to showcase quality, housed in a glass building   |
| OBJ 2:<br>Enhance Community Understanding      | Some limited signage would provide public with an understanding of what the site is being used for | Interactive displays and interpretative signage, and a glass building, would fully explain the water journey and treatment process  | Interactive displays and interpretative signage, and a glass building, would fully explain the water journey and treatment process  |
| OBJ 3:<br>Recognise Cultural Value             | Limited opportunities available  | Interpretative signage, cultural narratives, integrated layout and artworks would demonstrate cultural meanings, pure water source provides opportunity for cultural interaction  | Interpretative signage, cultural narratives, integrated layout and artworks would demonstrate cultural meanings, pure water source provides opportunity for cultural interaction                          |
| OBJ 4:<br>Add to Character of Hastings         | Limited opportunities available, site would be largely utilitarian                                 | Quality architecture of the building, use of the tank for films, would contribute to the city and create a unique facility, emphasised by high quality landscape development      | Quality architecture of the building, use of the tank for films, would contribute to the city and create a unique facility, emphasised by high quality landscape development; larger building may detract |
| OBJ 5:<br>Multi-Purpose Facility               | Limited opportunities  | Enhancement of a currently underutilised CBD space for public use, inclusion of seminar room, inclusion of pure water source all add value to the site, office space for 5 people | Enhancement of a currently underutilised CBD space for public use, inclusion of seminar room, inclusion of pure water source all add value to the site, office space for 50 people                        |
| OBJ 6:<br>Value for Money                      | Adds no cost to core infrastructure  | Moderate budget required, potential for full external funding   | High budget required, would likely need lending or ratepayer investment; large building presents risk   |

## Preferred Option: The Water Central Concept

The identified preferred option (Option SL-2) involves creating a facility that:

- Provides a standard of infrastructure appropriate for the CBD location that mitigates the impact of the core infrastructure on the CBD landscape.
- Educates community on drinking water supply and treatment process, including the reasons why treatment is required, and encourages people to value water.
- Showcases the story and journey of water celebrating its cultural, spiritual and life-giving value.
- Is unique nationally and internationally, bringing positive attention to Hastings enhancing the city's identity and promoting this part of the Hawke's Bay region as a great place to live.
- Remedies and mitigates potential effects on neighbouring properties.
- Is affordable to construct and operationally sustainable.

The preferred Water Central Concept includes:

- Water pumping and treatment facilities (including chemical storage) laid out in a manner that showcases quality workmanship, within an architecturally designed glass building (large enough to meet operational, safety and regulatory requirements) such that the whole process is visible to the public.
- Digital 'real-time' displays that provide information on the current water network operation.
- An emergency electricity generator contained in the same building as the pumping and treatment facility.
- An office space for up to 5 Council water staff, located in a separate building, but under the same canopy as the pumping and treatment facility.
- A seminar/education room of approximately 150m<sup>2</sup> that is available for both Council and public use. It would likely be fitted out with media equipment and flexible furniture.
- Toilets and kitchenette facilities to support the office and seminar/education room.
- A water reservoir with a 10,000m<sup>3</sup> capacity, measuring 34m diameter and 18m tall, with an additional observation deck or platform on top (with a 45 person capacity) that allows people to view the wider 'water landscape' (e.g. Te Mata Peak, Heretaunga Plains, Kaweka Ranges), and appreciate the scale of the facility through direct interaction with it. The deck would be accessed via a lift, and emergency egress stairs would also be provided.
- An outdoor amphitheatre space to accommodate approximately 200 people, including equipment to project film/lighting onto the side of the reservoir, and outdoor sound system.
- An overall design/layout that responds to a 'mountains to the sea' theme, and minimises potential effects of the facility on neighbouring properties.

- An 'urban wetland' feature around the base of the reservoir to enhance the connection of the facility to a natural water story, with a bridge leading to the building entrance.
- A 'pure water' water source, with associated artwork, seating and water feature for the use of taonga blessing.
- Relocation of the chlorine-free tap from Civic Square.
- Various interactive and interpretative signs and installations to engage the public in the story of water.
- Various sensory features such as lighting and misting to enhance public engagement.
- Various seating.
- Landscaping, including tree and shrub planting, shade, screening and mitigation of the building.
- Various on-site stormwater treatment facilities.
- Extension and improvement of the existing car park for use by the public visiting the site.

### Educational and Cultural Components

The list outlined above provides a brief overview of the educational and cultural components to be included in the project. Detailed design of these has yet to be undertaken, but significant thought has been put into how the project will ultimately deliver the educational objectives outlined throughout this document.

Ultimately, the focus of the site would be on self-exploration. That is, members of the public visiting the site would make their own journeys through it, engaging with the various elements at their own pace, free of charge. A typical experience would include:

- Experiencing the overall layout of the site, which would tell a 'mountains to the sea' story. At one end, the focus would be on more natural elements, with various interpretational information about the natural states of water. At the other end, the focus would be more heavily weighted towards the infrastructure components – the process Council uses to deliver water to the tap (and ultimately take it from the drain to the sea).
- Experiencing various artworks and cultural references, which would collectively engage people in the cultural significance and meaning of water. It is envisaged that such references would be developed by local artists, brought together through korero and cultural narratives. They wouldn't be 'installed artworks' as such, but rather would be fully integrated elements within the buildings and site.
- Experiencing the physical, tangible scale of the reservoir. This would also include journeying to the top of the tank, where maps and installations would point out key landscape and cultural features (such as 'the mountains where the gods cry to make rain', where underground aquifers are, where rivers are, etc). Potentially a glass viewing window would be included in the tank, with interior lighting showing the movement of stored water in the tank itself.
- Experiencing the treatment process, including feeling and hearing the vibration of the pumps, seeing the pipework, and various dials and gauges actually used to run the process. Typically, this kind of infrastructure is hidden from public view.



- Experiencing various sensory elements of water through the use of misting machines, water features, sound and light.

In addition to these experiential elements, more direct information would be provided, including:

- Interpretative signs that explain various elements of the natural and infrastructure processes, and help narrate cultural stories.
- Digital display boards that explain in real-time what is happening within the water network, including how much water is currently being consumed, what the water pressure is, where the water is going, what the current chemical content is, etc.
- Interactive models or installations that help demonstrate some of the natural processes, such as a 'pipe-game' where there are valves to turn on/off to help illustrate the complexities of the water network, and/or models of the below-ground aquifers that show how these operate.
- Interactive terminals that allow for more in-depth research and understanding of the various water processes.

Further, the Water Central Concept allows for 'live' use by the public for organised events, such as:

- Films or documentaries projected onto the side of the tank, with seating in the amphitheatre. It is envisaged that such showings could be focussed around water issues, although obviously the scope can also cover other film types.
- Lectures and public information talks, either outside in the amphitheatre or within the education/seminar room.
- Exhibitions, either outside throughout the site or within the education/seminar room. These could be artwork exhibitions, school displays, political displays, photographic exhibitions, etc.
- School groups, that could use the amphitheatre as an outdoor classroom (or the education/seminar for indoor use), with activities focussed around the various materials on display.

Ultimately, the focus of the Water Central Concept is to allow for flexibility, but equally ensure that it is an engaging, interesting site that 'makes water visible'. The inclusion of the observation tower is considered a drawback, as is the relocation of the chlorine-free tap (both also providing the opportunity for education). Information would be targeted at a wide audience, although likely with a focus on older primary school children.

At this stage, it is not considered that the site would be specifically staffed or resourced, other than for live events. However, if such an option became justified it can be considered on its own merits, and could become a paid-for addition. Equally, the development of additional learning materials or a website are possibilities that have been considered for future development outside of the current project.

### **Water Central Objectives Test**

The Water Central Concept has been reassessed against each of the Water Central objectives, as set out on the following pages. This assessment also included identification of the business need, alongside the potential benefits, risks and constraints.

|                              |   |
|------------------------------|---|
| Objective 1                  | Provide good community infrastructure that is contemporary, of quality construction and appropriate for the CBD site.   |
| Existing Arrangements        | <ul style="list-style-type: none"> <li>Existing water storage and treatment infrastructure prioritises functionality over aesthetics, and most of the utility is hidden from public view in windowless buildings.</li> <li>Water storage and treatment is considered a functional utility rather than something that provides for community health and wellbeing.</li> </ul>  |
| Business Needs               | <ul style="list-style-type: none"> <li>Mitigate the impact of placing large, potentially unattractive infrastructure and buildings on a central CBD site, reflecting on the vibrancy objectives of the Hastings City Centre Strategy.</li> <li>Mitigate the potential effects on immediate neighbours.</li> </ul>   |
| Potential Scope              | <ul style="list-style-type: none"> <li>Develop the architectural character of the infrastructure such that it becomes an iconic part of the CBD, to include design of the building and the layout/look of the internal facilities.</li> <li>Shroud the building in glass to maximise public visibility of the equipment, reflecting the style/character of other inner-city buildings.</li> <li>Mitigate the building and tank with appropriate landscape treatments and maintain with a relatively high service level agreement.</li> <li>Seek opportunities to encourage public interaction with the facility.</li> </ul> |
| Potential Benefits           | <ul style="list-style-type: none"> <li>Adds value to the Hastings CBD through the addition of unique and aesthetically appropriate infrastructure.</li> <li>Creates transparency of the Council water treatment process.</li> <li>Aids the consenting process.</li> <li>Promotes community wellbeing through pride of place, pride of facilities.</li> <li>Potentially turns negative connotations around water infrastructure into positive aspirational outcomes.</li> </ul>  |
| Potential Risks              | <ul style="list-style-type: none"> <li>High capital or operational costs / unaffordability.</li> <li>Sets overly high community expectation for future capital infrastructural projects within the Hastings CBD.</li> <li>Residential neighbour objections or concerns.</li> <li>High depreciation / renewal costs.</li> <li>Delays the critical path of delivery of the core water storage and treatment infrastructure.</li> <li>Project construction may have temporary adverse impacts on local community, such as access, traffic and parking, noise and dust.</li> </ul>  |
| Constraints and Dependencies | <ul style="list-style-type: none"> <li>Short Timeframes. Core infrastructure needs to be delivered by July 2021.</li> <li>Preferred site is in close proximity to residential activities.</li> <li>Contractor availability.</li> <li>Buoyant economy.</li> </ul>  |

| Objective 2                  | Enhance community understanding of Council's safe drinking water objectives.   |
|------------------------------|--|
| Existing Arrangements        | <ul style="list-style-type: none"> <li>• The 'core project' aims to deliver on only some of the Council's Safe Drinking Water objectives, through the delivery of tangible infrastructure. It does not address other objectives and aspirations to enhance the level of engagement with communities.</li> <li>• The 'core project' will potentially create adverse effects on the landscape surrounding the site.</li> </ul>   |
| Business Needs               | <ul style="list-style-type: none"> <li>• The six fundamental principles of drinking water safety can be delivered through a combination of tangible and intangible outcomes: <ul style="list-style-type: none"> <li>• 'a high standard of care must be embraced' can be enhanced by delivering infrastructure that is inherently respected and loved by Council and the community;</li> <li>• 'protecting source water' requires greater levels of community engagement and understanding around the principles and realities of water management;</li> <li>• 'maintain multiple barriers against contamination', 'change precedes contamination' and 'suppliers must own the safety of drinking water' requires greater levels of accountability that can be enhanced through increased community knowledge;</li> <li>• 'apply a preventative risk management approach' can be enhanced by better transparency and speed of reporting (such as real-time reporting and alarms); and</li> <li>• the 'core project' needs to be appropriately integrated and mitigated into the sensitive site in order for it to succeed.</li> </ul> </li> </ul> |
| Potential Scope              | <ul style="list-style-type: none"> <li>• Enhancement of the 'core project' through integration of facilities that enhance community understanding around water management and provides real-time reporting of water quality and/or issues with the water source/system.</li> <li>• Creation of high-quality (rather than 'good-quality') infrastructure that promotes pride in Council staff and the community and encourages a greater focus on water issues.</li> <li>• Add value to the 'core project' that assists in the consenting and delivery of the facility in a potentially sensitive location.</li> </ul>  |
| Potential Benefits           | <ul style="list-style-type: none"> <li>• Better delivery of the wider suite of objectives contained in the Safe Drinking Water strategy.</li> <li>• Starts a conversation with the community about potential future water treatment opportunities and options.</li> <li>• Enhancement of Hasting's reputation (both Council and community) as a leader in delivering high-quality, safe drinking water.</li> </ul>   |
| Potential Risks              | <ul style="list-style-type: none"> <li>• Investment in non-tangible outcomes may deplete resources available for investment in tangible outcomes.</li> <li>• Delivery of non-tangible outcomes may come at a cost that cannot be easily measured or justified.</li> </ul>  |
| Constraints and Dependencies | <ul style="list-style-type: none"> <li>• Funding for delivery of non-tangible outcomes beyond the core-project is not currently budgeted for.</li> <li>• Will potentially require enhanced operational budget in order to maintain higher service level agreements for the 'core project'.</li> </ul>  |

| Objective 3                  | Enhance the cultural value of water  |
|------------------------------|--|
| Existing Arrangements        | <ul style="list-style-type: none"> <li>• Limited recognition and understanding of the cultural value of drinking water.</li> <li>• Water storage and treatment considered as a functional utility with no specific consideration from a Maori perspective of Te Mana o Te Wai.</li> </ul>  |
| Business Needs               | <ul style="list-style-type: none"> <li>• Meet and realise obligations to Iwi as referenced in council planning documents.</li> <li>• Need to reach and educate community on drinking water treatment process while developing an understanding and appreciation of wai from a cultural perspective.</li> </ul>   |
| Potential Scope              | <ul style="list-style-type: none"> <li>• Involvement of iwi during the design and development of the facility.</li> <li>• Introduction of cultural protocols into the operation of the facility, such as blessing of water before major maintenance works take place and/or ongoing engagement between iwi and workers to help enhance their understanding of the cultural value of water.</li> <li>• Introduction of cultural interpretative signage that educates people about the cultural value of water.</li> <li>• Inclusion of cultural artworks that draw attention to and endorse the facility.</li> <li>• Linking of tangible fixtures, such as the tank and building, to significant cultural figures such as Ranginui and Tane.</li> <li>• Naming of the facility.</li> <li>• Creation of a 'pure water source' that can be used for blessing of taonga.</li> <li>• The use of natural or traditional elements in the building.</li> <li>• The reflection/integration of key cultural narratives in the design of the facility.</li> <li>• The use of the space for the display of cultural stories, artwork and media.</li> </ul> |
| Potential Benefits           | <ul style="list-style-type: none"> <li>• Greater engagement of mana whenua.</li> <li>• Increased understanding of the cultural value of water to Council, maintenance workers and the community, potentially resulting in greater respect for the use of water by the community.</li> <li>• Greater respect for the value of water.</li> <li>• Creation of a new community space that at its heart is focussed on delivering cultural value, including a facility for blessing of taonga that currently does not exist in the city.</li> <li>• Increased opportunity for mana whenua expression through sculpture, art, live media and performance.</li> </ul>   |
| Potential Risks              | <ul style="list-style-type: none"> <li>• Cultural values conflict with the operational requirements of the site and project (the facility is being constructed to provide safe drinking water for the city).</li> <li>• Timing and potential length of the engagement process with mana whenua may conflict with the tight project timelines.</li> <li>• Negatively impacts on other project objectives.</li> <li>• Narratives included are not appropriate.</li> <li>• Lack of community support.</li> <li>• Lack of available tangata whenua willing to contribute to the project narratives.</li> </ul>   |
| Constraints and Dependencies | <ul style="list-style-type: none"> <li>• Identification of the correct tangata whenua to engage with.</li> <li>• Trust in tangata whenua to deliver the most appropriate narratives.</li> </ul>  |



|                              |  |
|------------------------------|--|
| Objective 4                  | Add to the profile, character and identity of Hastings through creating a unique facility.   |
| Existing Arrangements        | <ul style="list-style-type: none"> <li>Traditional approach to water storage and treatment infrastructure focusses on core purpose and function and does not consider beyond prescribed planning requirements, added community or amenity value opportunity.</li> <li>Water storage and treatment is considered a functional utility rather than something that can add to Hastings profile, character and identity.</li> </ul>  |
| Business Needs               | <ul style="list-style-type: none"> <li>Utilise the opportunity created through core infrastructure requirement to enhance the profile, character and identity of Hastings by: <ul style="list-style-type: none"> <li>constructing a facility of sufficient standard and contemporary design that reflects well on Hastings and promotes the city as a great place to live;</li> <li>creating a facility that is unique and contributes to Hastings identity in the national and global arena in a positive and meaningful way; and</li> <li>creating a facility that that compliments existing CBD attractions and facilities.</li> </ul> </li> </ul>  |
| Potential Scope              | <ul style="list-style-type: none"> <li>Is anticipated that an "Intermediate" (vs minimum and maximum) level of investment will be required to realise the objective "add to the profile, character and identity of Hastings through creating a unique facility". Uniqueness will be achieved through constructing a facility that: <ul style="list-style-type: none"> <li>challenges traditional design convention with contemporary buildings and reservoir infrastructure;</li> <li>recognises infrastructure height and size as an advantage;</li> <li>makes visible inner workings of a treatment plant and pump station;</li> <li>allows for significant community engagement and education around water treatment process;</li> <li>makes the facility a community destination; and</li> <li>produces positive outcomes across education, culture, tourism and community wellbeing.</li> </ul> </li> </ul> |
| Potential Benefits           | <ul style="list-style-type: none"> <li>Enhanced mana and community pride in Hastings.</li> <li>Greater public appreciation and value of Hawke's Bay's water resource.</li> <li>Expected increase in visitors to Hastings and educational tourism.</li> <li>Enhanced national and global profile of Hastings.</li> </ul>  |
| Potential Risks              | <ul style="list-style-type: none"> <li>High capital or operational costs / unaffordability.</li> <li>Sets overly high community expectation for future capital infrastructural projects within the Hastings CBD.</li> <li>High depreciation / renewal costs.</li> <li>Delays the critical path of delivery of the core water storage and treatment infrastructure.</li> <li>Potential benefits are not met and reflects negatively on Hastings District Councils reputation.</li> <li>Lack of Community support for a unique facility.</li> </ul>  |
| Constraints and Dependencies | <ul style="list-style-type: none"> <li>Limited space and potentially limited resources to develop a fully interactive resource.</li> <li>Displays potentially need to be static.</li> <li>Limited timing to develop concept, deliver detailed plans and construct the facility.</li> <li>Increased service levels to maintain.</li> </ul>  |

|                              |   |
|------------------------------|---|
| Objective 5                  | Create a multi-purpose facility with space for other business initiatives.  |
| Existing Arrangements        | <ul style="list-style-type: none"> <li>• 3 waters staff including operational staff housed on single floor in open plan environment.</li> <li>• Workstation space shortage for existing staff.</li> <li>• No specific facility for drinking water education in Hastings.</li> </ul>   |
| Business Needs               | <ul style="list-style-type: none"> <li>• Desire to house 3 waters operational staff in single facility.</li> <li>• Need to accommodate additional Asset Management staff as numbers increase.</li> <li>• Need to construct an education facility to educate the Hawke's Bay community on the value of water, drinking water supply and treatment processes.</li> </ul>  |
| Potential Scope              | <ul style="list-style-type: none"> <li>• Is anticipated that an "Intermediate" (vs minimum and maximum) level of investment will be required to realise the objective "create a multi-purpose facility with space for other business initiatives". Space can be achieved through: <ul style="list-style-type: none"> <li>• constructing an office for up to 5 staff;</li> <li>• providing space for other complimentary initiatives;</li> <li>• creating an amphitheatre that can be used for community/commercial events;</li> <li>• providing space for a market, coffee cart, or other temporary concessionary activities; and</li> <li>• providing space for exhibitions or public displays.</li> </ul> </li> </ul> |
| Potential Benefits           | <ul style="list-style-type: none"> <li>• Provides space that allows for current staff demand and growth.</li> <li>• Provides space for and enables community education around drinking water supply and treatment process and objectives.</li> <li>• Provides additional storage space.</li> <li>• Provides additional meeting room option.</li> <li>• Provides additional car parking.</li> <li>• Provides opportunities for community and commercial activities and engagement.</li> </ul>  |
| Potential Risks              | <ul style="list-style-type: none"> <li>• Space provided is insufficient and objective is not met.</li> <li>• Not enough land area to provide additional space.</li> <li>• Providing additional space makes project unaffordable.</li> <li>• Negatively impacts on other project objectives.</li> </ul>  |
| Constraints and Dependencies | <ul style="list-style-type: none"> <li>• Confined land area, adjacent residential activities.</li> <li>• Car parking requirement.</li> <li>• Unknown space / business requirement.</li> <li>• Increased service levels to maintain.</li> </ul>  |

|                              |  |
|------------------------------|--|
| Objective 6                  | A value for money asset / community facility.  |
| Existing Arrangements        | <ul style="list-style-type: none"> <li>Existing water storage and treatment infrastructure prioritises functionality over aesthetics, and most of the utility is hidden from public view in windowless buildings.</li> <li>Water storage and treatment is considered a functional utility rather than something that provides for community health and wellbeing.</li> </ul>   |
| Business Needs               | <ul style="list-style-type: none"> <li>Utilise the opportunity created through core infrastructure requirement to enhance the profile, character and identity of Hastings by:               <ul style="list-style-type: none"> <li>constructing a facility of sufficient standard and contemporary design that reflects well on Hastings and promotes the city as a great place to live;</li> <li>creating a facility that is unique and contributes to Hastings identity in the national and global arena in a positive and meaningful way; and</li> <li>creating a facility that compliments existing CBD attractions and facilities.</li> </ul> </li> </ul>   |
| Potential Scope              | <ul style="list-style-type: none"> <li>Is anticipated that an "Intermediate" (vs minimum and maximum) level of investment will be required to realise the objective "add to the profile, character and identity of Hastings through creating a unique facility". Uniqueness will be achieved through constructing a facility that:               <ul style="list-style-type: none"> <li>challenges traditional design convention with contemporary buildings and reservoir infrastructure;</li> <li>recognises infrastructure height and size as an advantage;</li> <li>makes visible inner workings of a treatment plant and pump station;</li> <li>allows for significant community engagement and education around water treatment process;</li> <li>makes the facility a community destination; and</li> <li>produces positive outcomes across education, culture, tourism and community wellbeing.</li> </ul> </li> </ul> |
| Potential Benefits           | <ul style="list-style-type: none"> <li>A facility that improves the efficiency and effectiveness of water delivery for the Hastings Community.</li> <li>A facility that explains the water story without additional impact on rates.</li> </ul>  |
| Potential Risks              | <ul style="list-style-type: none"> <li>High capital or operational costs / unaffordability.</li> <li>High depreciation / renewal costs.</li> <li>Delays to the critical path of delivery of the core water storage and treatment infrastructure.</li> <li>Total project costs not funded.</li> <li>Securing funding over the life of the project.</li> <li>Tender exceeds the cost limit for the project.</li> </ul>   |
| Constraints and Dependencies | <ul style="list-style-type: none"> <li>Confined land area adjacent residential activities.</li> <li>Car parking requirement.</li> <li>Unknown outcome of national 3 waters review into water delivery for Local Government.</li> <li>Timeframe for delivery.</li> <li>Funding envelope.</li> <li>Increased service levels to maintain.</li> <li>External Funding Sources and their ability to contribute.</li> </ul>   |

### Summary of Key Benefits of the Water Central Concept

The following list outlines the key benefits the Water Central Concept is likely to deliver:

- Increase understanding of the value of water, leading to less wastage by the community.
- Improved community understanding of how safe drinking water is delivered to homes, resulting in fewer public complaints and enquiries.
- Council demonstrates positive outcomes following on from the Havelock North contamination event.
- Public is educated about the chlorination treatment process.
- Facilitates a conversation about water treatment opportunities and constraints.
- Enhanced engagement and relationship outcomes with Tangata Whenua.
- Contributes to Hawke's Bay being a tourist destination (e.g. by creating national promotional opportunities).
- Increases professional visitors to the Hawke's Bay to learn about the facility (e.g. conferences, seminars).
- Enhanced inter-Council relationships, both within and external to the Region, resulting in more efficient management of water regionally and nationally (e.g. sharing of best practice).
- Contribution to the pride of place objectives that aim to grow business opportunities through the provision of high-quality public spaces and facilities.
- Direct revenue resulting from private hire of the facility for events (e.g. the function room, the amphitheatre or concessionary activities).
- Increased opportunities for not-for-profit and community groups to engage with the public through development of a new, unique public space that can be used for events and seminars.
- Re-energisation of a corner of Hastings CBD that is currently undervalued and underutilised.
- Enhancement of staff pride in the facility resulting in greater productivity.
- Potential reduction in vandalism to the facility due to its cultural and community value.



## Funding and Affordability

During the Short-List selection process budgets for each option were prepared. A summary of this budget is included in Table 4, below. The proposed capital cost of the project is \$8.6 million over the 2-year construction period with \$8.34 million falling 2020/21 financial year. Annual operating expenditure is forecast at approximately \$22,000 and annual revenue potential is forecast at \$34,150. This includes notional annual revenue of \$9,500 for supplying a 5-person office.

| Table 4: Water Central Concept Budget Summary |                |             |          |             |
|---|----------------|-------------|----------|-------------|
|   | Financial Year |             |          |             |
|   | 2019/20        | 2020/21     | 2021/22  | Total       |
| Capital Expenditure:                          | \$250,000      | \$8,336,113 | \$0      | \$8,586,113 |
| Operating Expenditure:                        | \$0            | \$0         | \$22,208 | \$22,208    |
| Potential Revenues:                           | \$0            | \$0         | \$34,150 | \$34,150    |

The proposed funding strategy for the Water Central concept is based on 100% of the \$8.6 million capital cost being funded external to HDC. Preliminary discussions with funders indicates external funding up to this level is achievable. Funds will be required for drawdown by June 2021. The active fund-raising period will be between October 2019 and December 2020. Potential funding providers (or partners) and figures to be targeted are listed in Table 5, below:



Appropriate contingencies have been made for risks and uncertainties. The key risk to the project is the inability to raise enough external funding to cover the capital costs, which would require Council to meet any shortfall (assuming the project had begun construction). The cost of covering any shortfall would most likely require a Council loan. Four loan scenarios have been considered and are summarised in Table 6, below:

| Table 6: Funding Shortfall Costs        |             |             |             |              |
|---|-------------|-------------|-------------|--------------|
| Loan Over 25 Years<br>@ 3% pa           | \$2m Loan   | \$4m Loan   | \$6m Loan   | \$8m Loan    |
| Monthly Repayments                      | \$9,484     | \$18,968    | \$28,453    | \$37,937     |
| Total Repayments (P&I) over<br>25 Years | \$2,840,279 | \$5,680,558 | \$8,520,837 | \$11,361,116 |
| Total Interest over<br>25 Years         | \$840,279   | \$1,680,558 | \$2,520,837 | \$3,361,116  |

## Procurement Approach

The procurement strategy for the core infrastructure project is to engage a suitably qualified design team and contractor using an appropriate contract delivery mechanism, such as design/bid/build, Design & Construct (D&C), or Early Contractor Involvement (ECI) using NZS:3910 Civil Engineering construction contract methodology. This is a similar strategy to the approach being used to deliver the HDC Opera House project.

It is recommended that the Water Central Concept, if approved, be included in the brief for the core infrastructure project.

In addition to the funding risk identified in the last section, the project team are also cognisant that there may be risks through the design, tendering and construction phases of the project. The following steps are being considered to reduce such risks:

- Timing – the core infrastructure project is scheduled for delivery by mid 2021, therefore commitments to the additional Water Concept phase are required by the end of October 2019 to allow for its inclusion in into the core infrastructure project brief. A project timeline for the Water Central Concept has been developed that marries into the core infrastructure project.
- Design – the Water Central concept is well advanced and has been designed to be incorporated into the core infrastructure project. The current design team are aware of the requirements if the Water Central Concept is approved.
- Build – An appropriate procurement and tender process will need to be determined taking account of a busy and buoyant civil engineering contracting market. The size, scale and relative complexity of this project needs to ensure a significant level of interest from key (ideally local) construction companies, and preliminary discussions are underway to assist with the process.
- Cashflow/Insurances – These can be managed using Council’s standard procurement templates, policies and insurances.
- Health & Safety – such risks are to be managed through a detailed project H&S plan which links to wider Council H&S policies.
- Public Interest – a Resource Consent process is being developed for the core infrastructure project, of which the Water Central Concept would become part of. This process is likely to involve some level of public notification, and in addition the Council communications team are developing a strategy around both the core infrastructure project and the Water Central Concept.
- Budget – managing to contain the project within an approved budget is always a challenge, and the Water Central Concept will be no exception. The preliminary budgets have been robustly tested against known rates and costs, and they also contain provisional sums for items that may or may not be included. During the design and construction process, the project will go through value-engineering tests to ensure that what is delivered on the ground meets the project objectives and is appropriately priced.

# Management Arrangements

The proposed project is an integral part of the approved \$48 million Drinking Water Strategy Major Capital Works programme, which comprises a portfolio of related projects for the delivery of safe drinking water for the residents of Hastings District Council.

If the Water Central Concept receives formal approval, it will be formally established as a project to deliver the required services. This project would be managed as part of the Major Projects section of Council, using the Teamworks project management methodology.

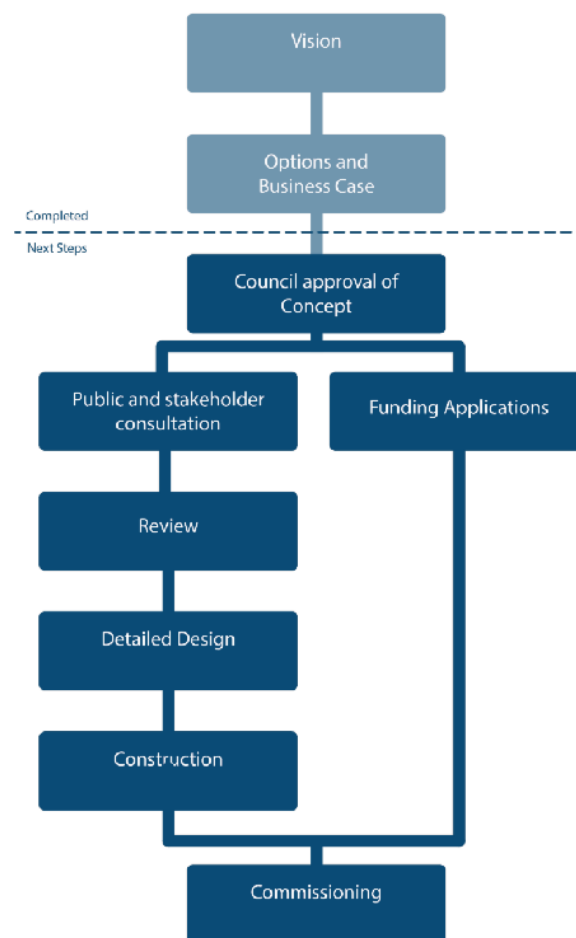
The relevant project management and governance arrangements are proposed to be as follows:



## Next Steps

This business case seeks formal approval from Council to support the inclusion of the Water Central Concept as part of the Drinking Water Strategy: Eastbourne Water Treatment Plant project. Following approval, it is recommended that public and stakeholder consultation should be undertaken, prior to reviewing and detailing the concept ready for construction. This consultation will enrich the business case, particularly in regard to how the project responds to the more recent direction in legislation and policy.

To ensure the successful delivery of the project, \$8.6m in external funding is required. Preliminary discussions with funding providers are underway, but this needs to be formalised so that a clearer understanding of the available budget can be obtained.





## Conclusions

This business case has set out the process that has been undertaken to settle on a preferred value-added concept for the water storage and treatment facility proposed at the Southampton Street East site. The opportunity was identified when potential mitigation options were being considered for the core infrastructure, and it was realised by the project team that the project had significant potential to showcase water processes.

The business case is primarily based on the policy assessment, both at national and local level. Government is leading discussions on water, and seeking greater transparency of water management amongst communities. The Havelock North contamination event has highlighted to everyone that we can't take safe drinking water for granted, and that it is up to all the community to engage with water. Council needs to make water more visible.

Although the core infrastructure project will deliver tangible outcomes, the Water Central Concept aims to add additional value to the infrastructure by delivering on less tangible, community benefit outcomes. Through education and cultural storytelling, it is considered that Council will help to start more detailed, productive conversations about water management whilst at the same time help achieve less water wastage and fewer complaints about the treatment process.

Measuring the actual financial benefit of the Water Central project is hard to achieve. The quantification of how education facilitated by a single site might change specific community behaviours can only be estimated. What is known is that across all levels of Governance (national to local), and particularly within the Council Long Term Plan, there are strong pointers to community engagement in water management. To transition to a different water future, we need to make water systems more visible and easier for people to understand. The Water Central Concept is focussed on achieving such outcomes.

The options process, that is anchored in a set of project objectives derived from the policy context, has resulted in a refined concept that presents the best balance between outcomes and cost. With the opportunity to be fully funded by external funding agencies, on the back of the significant investment the Council is already making into the delivery of safe drinking water, it represents good value for money for the community. The Water Central Concept is affordable, and can be delivered in the timeframes required.

## Appendix A: Policy Context

The following District, Regional and National Policies are of relevance to the proposal:

### Hastings District Council Drinking Water Strategy, March 2018

The need for a water storage and treatment facility in the vicinity of the preferred site location is driven by the Drinking Water Strategy developed by Council in early 2018. This strategy brings together the genesis of a strategy first developed in 2008 along with the plethora of new information that came to light following the investigation into the Havelock North contamination event in August 2016. The purpose of the strategy was to present a vision for the delivery of water services based on an agreed set of objectives, with water quality and safety as the prime<sup>3</sup> objective

The reservoir and treatment facility project is being developed under the guidance of the Drinking Water Strategy. It is being designed in accordance with strict New Zealand Drinking Water Standards, and will operate at the highest standards. In this regard, any added-value components to the core project must not interfere with the overarching requirements of that project, particularly in terms of the infrastructural requirements and delivery timeframes. However, beyond the core project, there are further objectives contained within the Drinking Water Strategy, and recommendations from the Havelock North event Board of Inquiry that are of particular relevance to any added-value opportunities being explored, as follows:

- **Avoiding Adverse Environmental Effects**

*While Council has an obligation under the Local Government and Health Acts to continue to provide adequate and safe drinking water supplies, this service needs to be provided in the context of the Resource Management Act<sup>4</sup>. The purpose of this Act is to promote the sustainable management of natural and physical resources, including avoiding, remedying and mitigating any adverse effects of activities on the environment. Such effects could be generated from the construction and operation of the water storage and treatment facility.*

- **Using Water Wisely**

*The Drinking Water Strategy references the Water Conservation and Demand Strategy that has been utilised by Council since 2008. Together these strategies outline objectives to encourage the wise use of water, including through targeted, community-wide information and education<sup>5</sup>.*

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<sup>3</sup> 'Hastings District Drinking Water Strategy' March 2018, Page 1 (Purpose of Document)

<sup>4</sup> 'Hastings District Drinking Water Strategy' March 2018, Page 10

<sup>5</sup> 'Hastings District Drinking Water Strategy' March 2018, Page 34

### Three Waters Review

The Three Waters Review was established in mid-2017 as a cross-agency Government initiative led by the Department of Internal Affairs to look into the challenges facing our three waters system (drinking water, wastewater and stormwater)<sup>6</sup>.

Alongside recommendations and standards that will be incorporated into the core storage and treatment facility project, the Three Waters Review also focusses strongly on engagement across Councils, iwi/Māori and stakeholders to inform conversation relating to water service delivery. It sets out a programme that is focussed on collaboration in response to issues such as funding pressures, rising environmental standards, climate change, and seasonal pressure from tourism<sup>7</sup>.

Through engagement and collaboration, the following preliminary stakeholder responses have been identified<sup>8</sup>:

- It is important to uphold Te Mana o Te Wai – or the integrated and holistic well-being of a freshwater body.
- There is a need for community education about the value of water – communities need to own and lead the conversation if there is self-regulation.
- Cultural values and measures are not commonly well understood or accommodated in consenting decisions.
- There is a need for greater source water protection, with opportunities to strengthen iwi/hapū/whanau roles as kaitiaki.

These themes, alongside more tangible outcomes such as enhanced infrastructure and regulation, are consistent with the Government's desire to enhance wellbeing through regional growth, strengthening the role of our communities and engaging the potential of our young people in relation to water infrastructure<sup>9</sup>.

### The Health (Drinking-Water) Amendment Act, 2007

The Health (Drinking-Water) Amendment Act aims to protect public health by improving the quality of drinking water provided to communities. The main obligations are to take all practicable steps to comply with the Drinking Water Standards for New Zealand, and introduce/implement water safety plans for the water supply<sup>10</sup>.

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<sup>6</sup> Three Waters Review: High Level Outline March 2019

<sup>7</sup> Three Waters Website, Department of Internal Affairs

<sup>8</sup> Three Waters Regulation, Report on Targeted Stakeholder Engagement, DIA/MoH/MfE, June 2019

<sup>9</sup> Wellbeing and Water – a necessary conversation with Local Government, Ministerial Release by Hon Nanaia Mahuta, November 2018

<sup>10</sup> Ministry of Health, Drinking Water Legislation Website.

Importantly, alongside regulation and compliance to standards, the Act also requires record keeping and publication of information about compliance, alongside a focus on the provision of information to the public about water standards<sup>11</sup>.

### **Hastings District Council Long Term Plan**

The Council Long Term Plan, 2018 – 2028 (LTP), sets out a strategic framework centred on 6 areas of focus. ‘Water for our Future’ is a key area under the ‘Our Environment’ focus, with good community support received for necessary investment in drinking water<sup>12</sup>. The LTP also sets out a vision for Great Living, Today and Tomorrow, where the wider community will progress as town and country together, sustaining natural resources, and building a strong economy and community founded on innovation and partnering for success<sup>13</sup>.

The LTP identifies an opportunity to ‘transition to a different water future’, noting that the Havelock North contamination event had a marked impact on the community, and on the plan. The outcome statement for local infrastructure is for it to ‘contribute to public health and safety, support growth, connect communities, activate communities, and help to protect the natural environment’<sup>14</sup>, noting that ‘it starts with water’<sup>15</sup>.

In setting out significant increases to water infrastructure investment, the plan recognises that the capital investment required to respond to changes in drinking water infrastructure will have a significant impact on the debt profile of the Council<sup>16</sup>. Finding the optimal level of debt for the community was considered against other Council objectives, such as the desire to continue to invest in the community to make it a place where people want to work, live and play. Wider objectives around the LTP signal the need to engage with the community about such investment, particularly following the findings of the Havelock North contamination inquiry.

Within the Water Services portion of the LTP, key non-financial performance measures include targeting a limit to the number of complaints about drinking water clarity, taste, odour, pressure and continuity of supply, and also targeting a limit on average consumption of drinking water volume per day.

### **Hastings City Centre Strategy, 2013**

The City Centre Strategy was developed in conjunction with supporting strategies, plans and guidelines to maintain and feed the vitality of the City Centre. At its core, the strategy recognises that collaboration is the key, particularly with the drive of passionate and empowered people in the community<sup>17</sup>.

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<sup>11</sup> Act s69Q Drinking Water Standards must be notified and made available.

<sup>12</sup> LTP Page 4

<sup>13</sup> LTP Page 12

<sup>14</sup> LTP Page 9

<sup>15</sup> LTP Page 120

<sup>16</sup> LTP Page 125

<sup>17</sup> Hastings City Centre Strategy Page 7

City Centres that function well are recognised as having a strong edge; they attract and grow businesses and consumers who are in turn attracted to quality physical environments<sup>18</sup>.

The strategy was developed following extensive community consultation. The broad reoccurring themes arising from this consultation process included<sup>19</sup>:

- Retain our sense of place, heritage character and amenity
- Establish more green/open space
- Improve vibrancy
- Grow after 5pm activities

The strategy is supported annually by the Hastings City Centre Vibrancy Plan and the Public Spaces Revitalisation Plan. Amongst other things, these plans aim to reinforce the city centre as a key destination; recognise the character, history and culture of the area; and create vibrant and distinctive places that attract people<sup>20</sup>. It has been developed following community consultation through the LTP and City Centre Strategy.

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<sup>18</sup> Hastings City Centre Strategy, Page 12

<sup>19</sup> Hastings City Centre Strategy, Page 25

<sup>20</sup> Hastings Public Spaces Revitalisation Plan, Page 4



## Appendix B: Long-List Options

### Options Considered

The following table sets out the details of each long-list option considered in the multi-criteria analysis:

| Option   | Details   |
|--|---|
| LL-A<br>Minimum Mitigation                             | In terms of the Water Central objectives, this option represents a 'do nothing' option – it assumes a level of minimal mitigation required by consent conditions that would be delivered as part of the core project.   |
| LL-B<br>Interactive Public Education                   | The addition of an interactive educational facility within and around the core infrastructure, including housing the pumps and treatment facility in a glass building; adding live displays about the water network; interpretative signage about water processes; amphitheatre space for showing documentaries/films; small function room for seminars; relocation of the chlorine free tap; and general landscaping to a moderately-high standard.  |
| LL-C<br>Cultural Narratives                            | The addition of cultural interpretation panels and meaning to explain cultural narratives around water; amphitheatre for use for cultural events; small function room for seminars; installation of a pure-water source for blessing of taonga; and general landscaping to a moderately-high standard.  |
| LL-D<br>50 Desk Office Space                           | The addition of an office building that could accommodate up to 50 HDC staff (or potentially external staff), focussed around water (e.g. could be a regional office for a new 'three-waters' agency if one was established); a larger seminar room that could be used by the public and also by staff as a function room; and general landscaping to a moderately-high standard.   |
| LL-E<br>Taonga Storage and Display Area                | The addition of a storage and display building for the Hastings Taonga collection, built to artefact storage standards; a small function room for seminars and display; installation of a pure-water source for blessing taonga; and general landscaping to a moderately-high standard.   |
| LL-F<br>Observation Deck on top of Reservoir           | The addition of an observation deck on top of the water reservoir as a means to attract people to the site, showcase city views, and potentially enhance the understanding of the water storage facility through some degree of interaction; a lift and emergency egress stairs; and general landscaping to a moderately-high standard.   |
| LL-G<br>Combination of LL-B, LL-C, LL-F & Small Office | A combination of the educational and cultural elements to create an interactive facility around the core infrastructure, including housing the pumps and treatment facility in a glass building; adding live displays about the water network; amphitheatre for showing documentaries/films; relocation of the chlorine free tap; small function room for seminars; installation of a pure-water source for blessing taonga; the addition of an observation deck on top of the water reservoir as a means to attract people to the site, showcase city views, and tell the story of the water journey |

|  |  |
|--|--|
|  | through interaction; a lift and emergency egress stairs; and general landscaping to a high standard. |
|--|--|

In addition, it was recognised that there might be certain combinations of the above that might be worth exploring, so these were added to the long-list as follows:

| Option      | Details  |
|-------------|--|
| Option LL-H | Being a combination of LL-B, LL-C, LL-D, LL-E and LL-F (essentially, ‘do everything’ option). This also included a larger public seminar room that could double as a function room used by the office staff. |
| Option LL-I | Being a combination of LL-B and LL-C, showcasing education and culture without the small office or the observation deck.   |
| Option LL-J | Being a combination of LL-D and LL-E, provision of a large 50-person office together with a taonga storage and display space.  |
| Option LL-K | Being a combination of LL-B and LL-F, showcasing education and combining with an observation deck.   |

**Key Performance Indicators**

To assist with the MCA, a series of Key Performance Indicators were developed and grouped around each of the Water Central objectives, as outlined in the following table:

| Objective/KPI | Description  |
|---------------|--|
| Objective 1   | Provide good community infrastructure that is contemporary, of quality construct and appropriate for the CBD site            |
| KPI 1a        | Helps mitigate the impact on the CBD and Urban landscape   |
| KPI 1b        | Creates high quality infrastructure (buildings / tank / pipework)  |
| KPI 1c        | Meets a need of the Community / Council beyond water treatment   |
| Objective 2   | Enhance community understanding of Council's safe drinking water objectives.   |
| KPI 2a        | Encourages people to value water.  |
| KPI 2b        | Establishes an educational facility where people can learn about water processes, both natural and municipal                 |
| Objective 3   | Recognise and enhance the cultural value of water  |
| KPI 3a        | Showcases the story and journey of water, celebrating its cultural, spiritual and life-giving value.                         |
| Objective 4   | Add to the profile, character and identity of Hastings through creating a unique facility.                                   |
| KPI 4a        | Creates a facility that promotes Hastings as a great place to visit and live.  |
| KPI 4b        | Creates a facility within Hastings that is unique and contributes to the city's identity in the national and global arena    |
| KPI 4c        | Creates a facility that compliments existing CBD attractions / facilities  |
| Objective 5   | Create a multi-purpose facility with space for other complimentary initiatives.  |
| KPI 5a        | Provides space that allows for current demand and growth of staff/community facilities                                       |
| Objective 6   | A Value for money asset / community facility   |
| KPI 6a        | Capital Requirements that fit within Council's Capital Budget, or attracts sufficient external funding to meet the shortfall |
| KPI 6b        | Creates a facility that is operationally sustainable on rates  |

**Multi-Criteria Analysis**

Refer to the table on the following page.





| Water Central Objectives   | Weighting | Option LL-A                                       | Option LL-B                  | Option LL-C         | Option LL-D                        | Option LL-E                           | Option LL-F                                | Option LL-G  | Option LL-H   | Option LL-I                          | Option LL-J                     | Option LL-K                             |
|--|-----------|---|------------------------------|---------------------|------------------------------------|---------------------------------------|--|--|---|--------------------------------------|---------------------------------|---|
|  |           | Minimal mitigation only (the 'do nothing' option) | Interactive Public Education | Cultural Narratives | 50 Desk Office Space for HDC Staff | Taonga Storage Space and Display Area | Observation Deck on top of Water Reservoir | LL-B + LL-C + LL-F + Small Office (Education, Cultural, Office, Observation, Office) | LL-B + LL-C + LL-D + LL-E + LL-F (Education, Cultural, 50-person Office, Taonga, Observation) | LL-B + LL-C (Education and Cultural) | LL-D + LL-E (Office and Taonga) | LL-B + LL-F (Education and Observation) |
| OBJ1: Provide good community infrastructure that is contemporary, of quality construct and appropriate for the CBD site.             |           |   |                              |                     |                                    |                                       |  |  |   |                                      |                                 |   |
| KPI 1a: Helps mitigate the impact on the CBD and Urban landscape   | 10.0%     | 1   | 3                            | 3                   | 2                                  | 2                                     | 3  | 5  | 5   | 4                                    | 2                               | 4                                       |
| KPI 1b: Creates high quality infrastructure (buildings / tank / pipework)  | 10.0%     | 3   | 4                            | 3                   | 3                                  | 3                                     | 4  | 5  | 5   | 4                                    | 3                               | 4                                       |
| KPI 1c: Meets a need of the Community / Council beyond water treatment   | 5.0%      | 1   | 4                            | 3                   | 3                                  | 3                                     | 3  | 4  | 5   | 4                                    | 4                               | 4                                       |
| OBJ2: Enhance community understanding of Council's safe drinking water objectives.   |           |   |                              |                     |                                    |                                       |  |  |   |                                      |                                 |   |
| KPI 2a: Encourages people to value water.  | 8.0%      | 1   | 4                            | 4                   | 1                                  | 2                                     | 2  | 5  | 5   | 5                                    | 2                               | 4                                       |
| KPI 2b: Establishes an educational facility where people can learn about about water processes, both natural and municipal           | 7.0%      | 1   | 5                            | 3                   | 1                                  | 2                                     | 2  | 5  | 5   | 5                                    | 2                               | 5                                       |
| OBJ3: Recognise and enhance the cultural value of water  |           |   |                              |                     |                                    |                                       |  |  |   |                                      |                                 |   |
| KPI3a: Showcases the story and journey of water, celebrating its cultural, spiritual and life giving value.                          | 10.0%     | 1   | 3                            | 5                   | 1                                  | 2                                     | 2  | 5  | 5   | 5                                    | 2                               | 3                                       |
| OBJ4: Add to the profile, character and identity of Hastings through creating a unique facility.                                     |           |   |                              |                     |                                    |                                       |  |  |   |                                      |                                 |   |
| KPI 4a: Creates a facility that promotes Hastings as a great place to visit and live.  | 5.0%      | 2   | 3                            | 4                   | 2                                  | 3                                     | 3  | 5  | 5   | 4                                    | 3                               | 4                                       |
| KPI 4b: Creates a facility within Hastings that is unique and contributes to the city's identity in the national and global arena    | 5.0%      | 1   | 4                            | 3                   | 1                                  | 3                                     | 3  | 5  | 5   | 4                                    | 3                               | 3                                       |
| KPI 4c: Creates a facility that compliments existing CBD attractions / facilities  | 5.0%      | 1   | 4                            | 4                   | 1                                  | 3                                     | 4  | 4  | 5   | 4                                    | 3                               | 4                                       |
| OBJ5: Create a multi-purpose facility with space for other complimentary initiatives.  |           |   |                              |                     |                                    |                                       |  |  |   |                                      |                                 |   |
| KPI 5a: Provides space that allows for current demand and growth of staff/community facilities                                       | 10.0%     | 1   | 2                            | 2                   | 4                                  | 4                                     | 2  | 3  | 3   | 2                                    | 4                               | 2                                       |
| OBJ6: A Value for money asset / community facility   |           |   |                              |                     |                                    |                                       |  |  |   |                                      |                                 |   |
| KPI 6a: Capital Requirements that fit within Council's Capital Budget, or attracts sufficient external funding to meet the shortfall | 12.5%     | 5   | 4                            | 4                   | 4                                  | 4                                     | 3  | 4  | 3   | 4                                    | 4                               | 3                                       |
| KPI 6b: Creates a facility that is operationally sustainable on rates  | 12.5%     | 5   | 3                            | 3                   | 4                                  | 4                                     | 3  | 4  | 3   | 3                                    | 4                               | 3                                       |
| OVERALL RANKING  | 100%      | 2.34  | 3.46                         | 3.39                | 2.74                               | 3.12                                  | 2.82                                       | 4.45   | 4.23  | 3.94                                 | 3.11                            | 3.41                                    |
|  |           | 11  | 4                            | 6                   | 10                                 | 7                                     | 9  | 1  | 2   | 3                                    | 8                               | 5                                       |
| PROCESSED TO SHORT-LIST AS OPTION NUMBER:  |           | SL-1  |                              |                     |                                    |                                       |  | SL-2   | SL-3  |                                      |                                 |   |

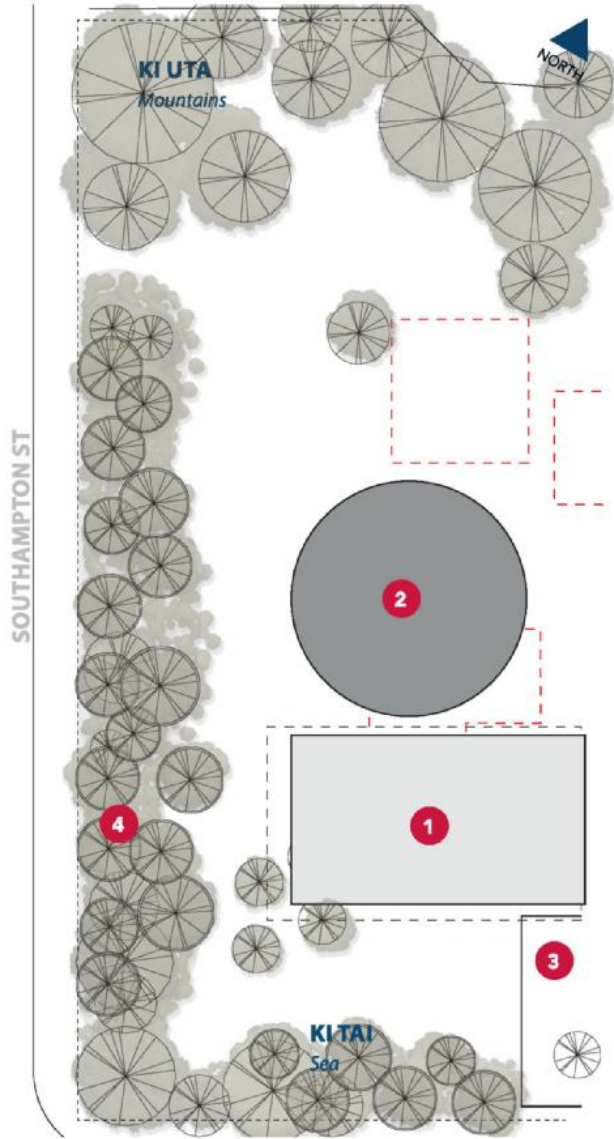
|                                   |   |
|-----------------------------------|---|
| SCORING MATRIX USED               |   |
| 100% Doesn't Meet KPI (Worst Fit) | 1 |
| Mostly Doesn't Met KPI            | 2 |
| Partly Meets KPI                  | 3 |
| Mostly Meets KPI                  | 4 |
| 100% Meets KPI (Best Fit)         | 5 |



## Appendix C: Short-List Options

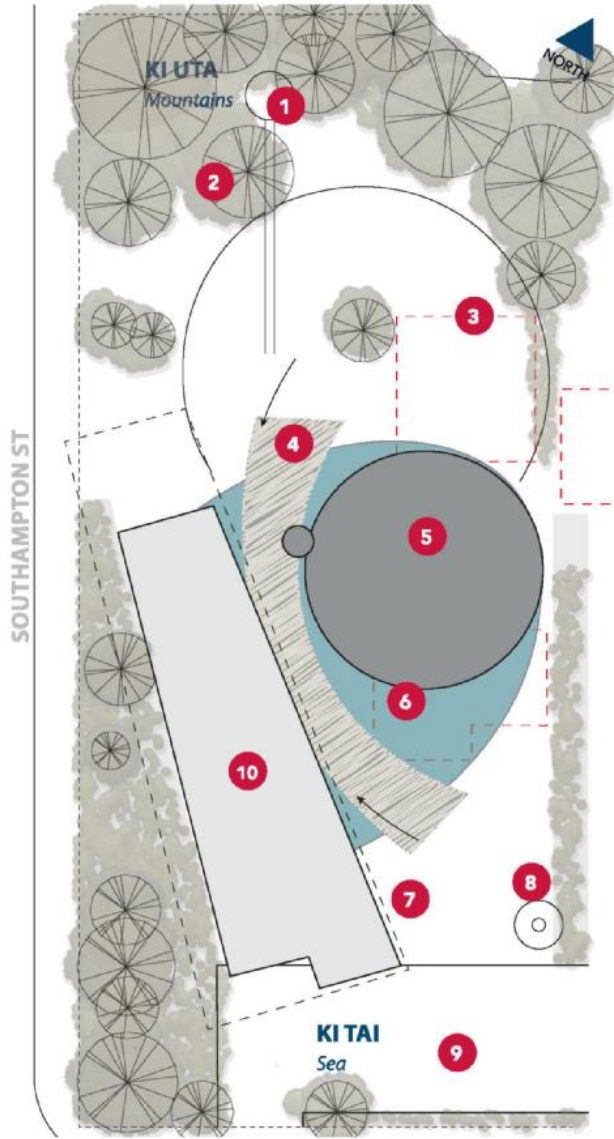
Appendix C





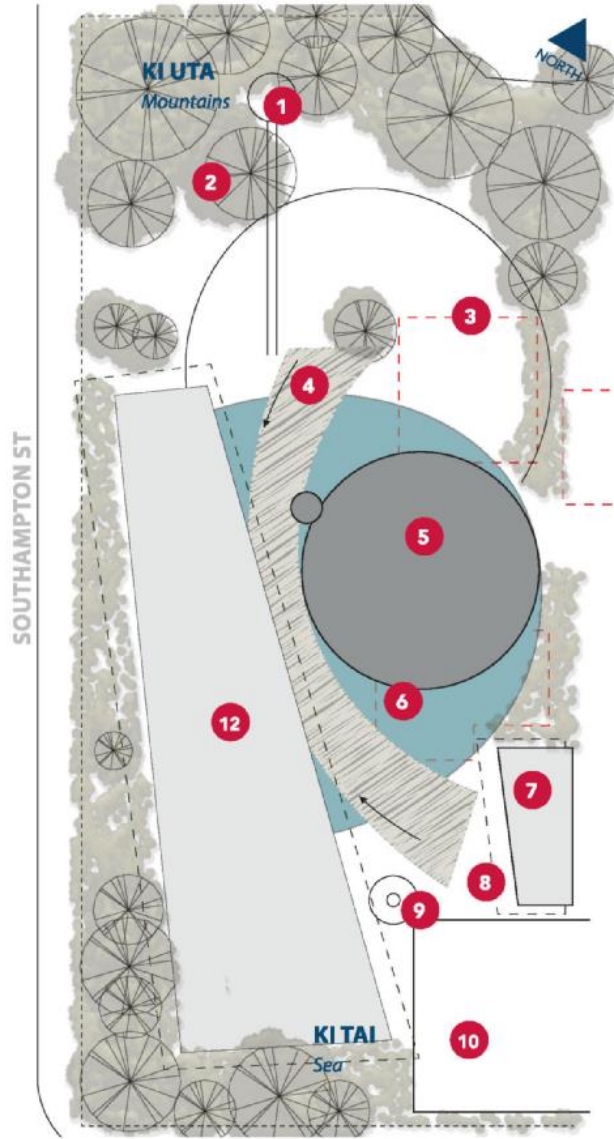
SL-1 : Baseline

- 1. Water Treatment Building
- 2. Water tank
- 3. Car park and service entry
- 4. Landscape Mitigation



SL-2 : Mid-level

- 1. Taonga water
- 2. Natural water outdoor learning
- 3. Outdoor amphitheatre
- 4. Bridge
- 5. Water tank
- 6. Wetland
- 7. Treated water outdoor learning
- 8. Chlorine free tap
- 9. Car park and service entry
- 10. Water Treatment Building



SL-3 : Top level

- 1. Taonga water
- 2. Natural water outdoor learning
- 3. Outdoor amphitheatre
- 4. Bridge
- 5. Water tank
- 6. Wetland
- 7. Treatment annex building
- 8. Treated water outdoor learning
- 9. Chlorine free tap
- 10. Car park and service entry
- 12. Water Treatment Building

July 1, 2019 - Revision 1  
Sheet 1  
Subject to detailed design following community and stakeholder consultation

Option Assessment  
Water Central  
Prepared for Hastings District Council









**Item 3**

**Attachment 2**



**Item 3**

**Attachment 2**



**Item 3**

**Attachment 2**



**Item 3**

**Attachment 2**





**Item 3**

**Attachment 2**

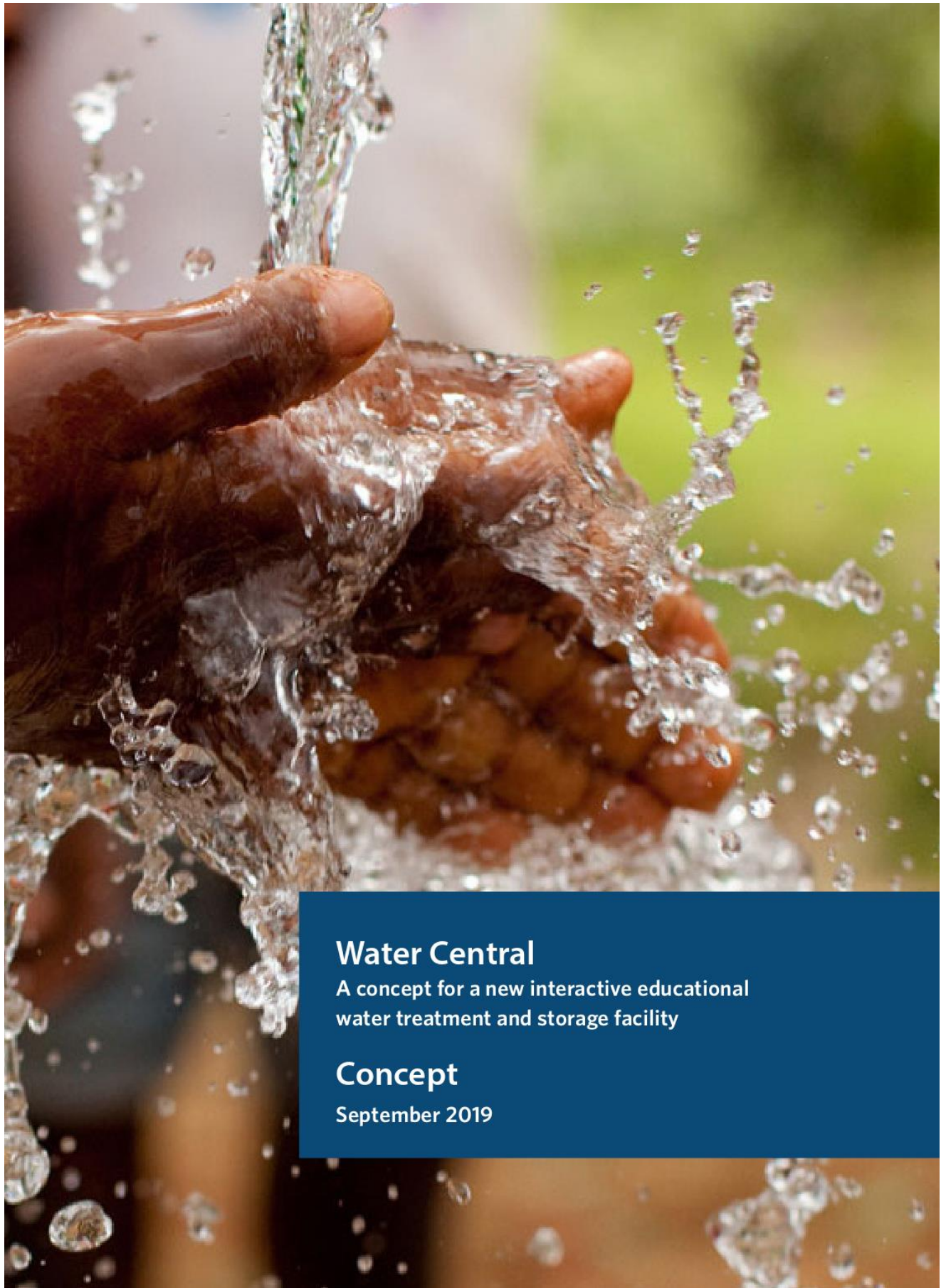


**Item 3**

**Attachment 2**

## Appendix D: Preferred Option

Appendix D





*Te mana o te wai*      *The spirit of the waterbody*  
*Te mauri o te wai*      *The Life-essence of the waterbody*  
*Te hauora o te tangata*      *The health of the people*  
*Te hauora o te taiao*      *The health of the environment*  
*Te hauora o te wai*      *The health of the waterbody*

Item 3

Attachment 2



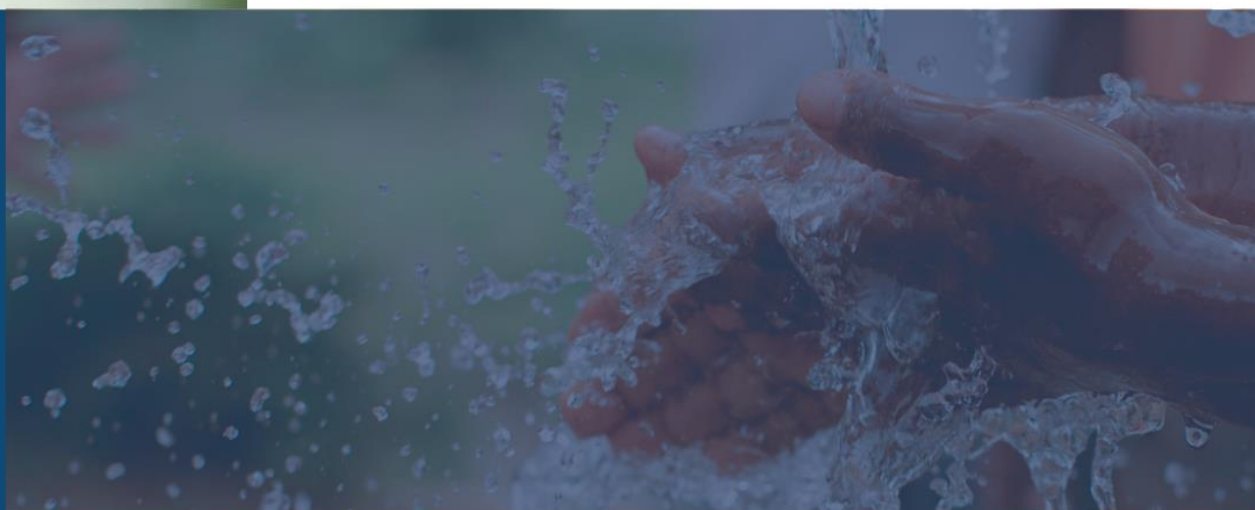


Imagine a place where we could all come together to learn and respect water.

Where spirituality and the meaning of water can be explored; where the value of water is explained; where the journey of water can be better understood; and where everyone can engage.

We call it Water Central.

It's an educational and immersive facility that focuses on water in its entirety and enhances community understanding of Council's safe drinking water objectives, integrated with Hastings' water infrastructure.





## Background

Hastings District Council (Council) is undertaking a significant project aimed at delivering safe drinking water across Hastings City and Suburbs. It involves the construction and operation of new water treatment and storage facilities, built around new and existing bores, in two locations within the city.

In order to deliver the project successfully, it is important to consider the potential adverse effects (particularly landscape and visual effects) of the proposed infrastructure (particularly the reservoirs). Whilst the site selection process has assisted in this process, there remains scope for further refinements to the design of each facility to help its integration into the surrounding environment.

In addition, Council has explored potential opportunities that could be realised as part of the project for enhancing the city, and the wellbeing of its residents and visitors. There is a strong desire to 'be proud' of the proposed infrastructure and the benefits it might be able to bring to the city beyond just safe water.

This document provides an overview of the 'Water Central' concept that has been developed to achieve these outcomes at the Eastbourne site, corner of Southampton and Hastings Streets.



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Attachment 2





## The Project

Water can be so easily taken for granted by the simple turn of a tap, but it is becoming one of our most complex problems.

The water treatment and storage project is one of the most significant infrastructure projects to be delivered by Council, and is required to be fully operational by June 2021. The project is a key part of a wider suite of projects aimed at delivering healthier, cleaner water; increased capacity; greater network flexibility; and improved resilience of supply.

The facility involves the construction of a 10,000m<sup>3</sup> capacity reservoir, measuring approximately 28m diameter and 18m high. In addition, a building will need to be constructed to accommodate pumping, treatment and ancillary equipment, including an emergency generator.

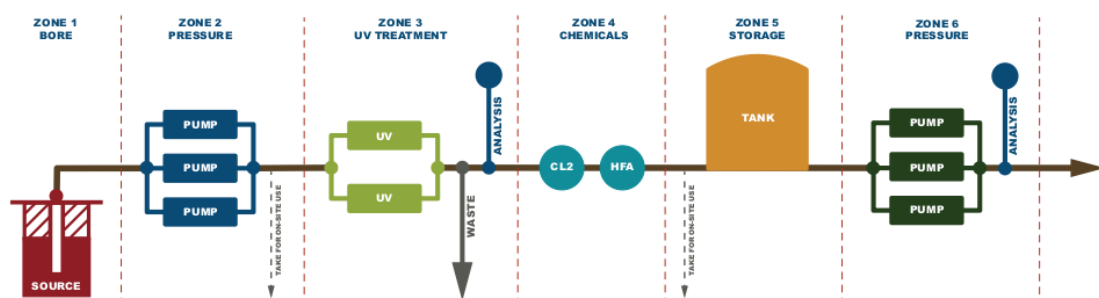
The diagram below provides an overview of the process, taking water from multiple sources, pumping through the treatment stages and into the tank. Water is then pumped from the tank through the network.



## Project Objectives

The core objective of Water Central, in alignment with the Hastings Drinking Water Strategy, is the delivery of safe water. Fundamentally, it is a requirement that the project ensures the long-term health and wellbeing of water and helps to prevent any potential contamination issues such as were experienced in Havelock North in 2016. The following objectives have been identified for the project:

- Provide good community infrastructure that is contemporary, of quality construct and appropriate for the CBD site
- Enhance community understanding of Council's safe drinking water objectives
- Recognise and enhance the cultural value of water
- Add to the profile, character and identity of Hastings through creating a unique facility
- Create a multi-purpose facility with space for other business initiatives
- A value for money asset/community facility



Water treatment and storage process





## Vision

The Water Central vision is to utilise the infrastructure elements as a way of engaging everyone in the story of water and the process it goes through to arrive at the kitchen tap.

Rather than hiding the infrastructure away (as is regularly done on projects such as this), the vision explores an opportunity to place everything in a transparent box - and build around it an immersive educational facility focused on water in its entirety. The pipework would be deliberately exposed above ground, and the treatment facility housed in a glass building. Interpretative signage would be used to help explain the process.

The overall concept is themed around the 'Flight of Kahu' – the Māori legend that talks of the creation of Heretaunga and reflects the journey of water from the mountains to the sea. It

is anchored in the whakapapa of water, and looks to develop forms such as Ranginui (Sky Father) and Papatūānuku (Earth Mother) as tangible elements of the facility.

On the ground, the project needs to integrate into its central city location and explore ideas for added value. At its core is the water infrastructure, including the water reservoir, which will be located centrally on the site to help reduce potential visual and shading effects on surrounding neighbours. The treatment, pumping and ancillary components will be either housed in a large multi-functional building, or in a small annex that is designed to showcase the infrastructure.

Through the creation of a new unique public facility, Water Central aims to showcase the value of water to everyone.





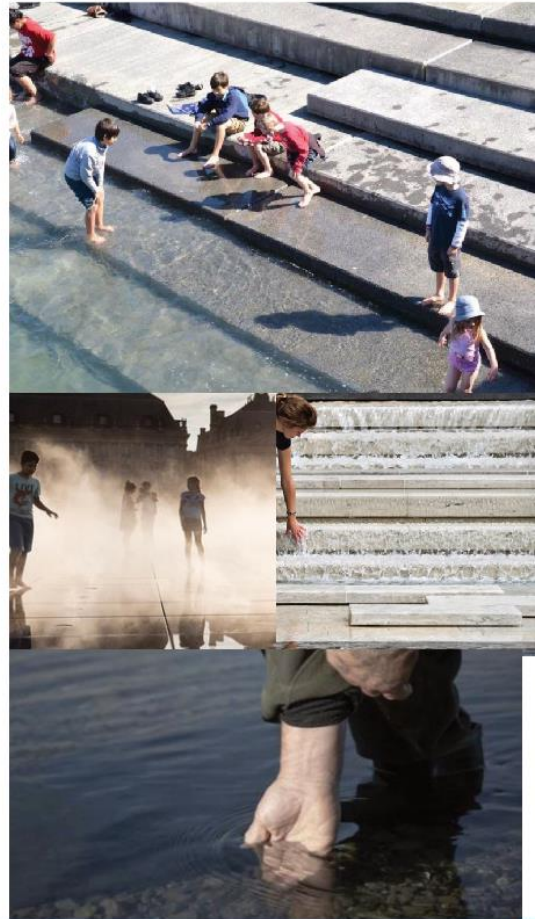
## Concept Components

The project will include kōrero from mana whenua that captures the cultural journey and values of water. It will include immersive sensory experiences that explore the natural states of water, such as touch, sound, light, mist and reflection.

Dials and gauges will explain in real time what's happening in the city's water network right now. Infographics will explain the journey of water, and tactile elements will be incorporated to encourage a hands on experience and simulate the challenges of managing water.

The tank will be integrated as part of the overall public experience, potentially including an outdoor amphitheatre and observation platform.

The facility will provide a source of pure water for the community both for the blessing of taonga and the collection of chlorine free water for drinking at home.



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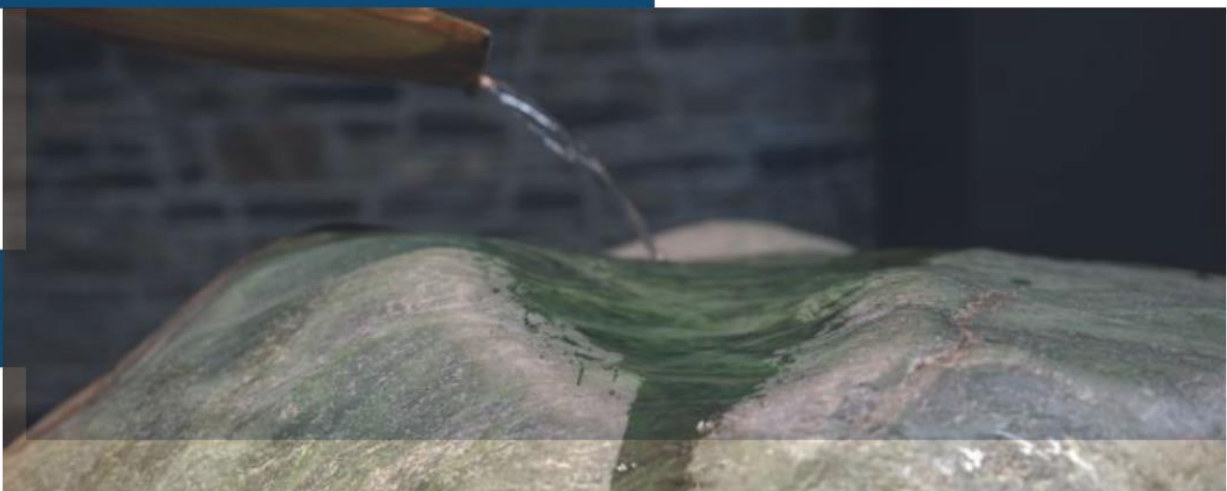
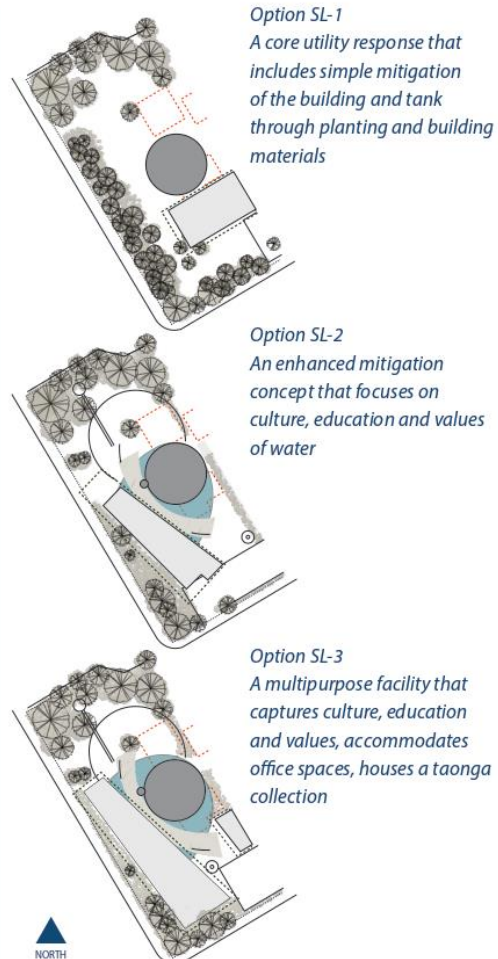
## Concept Refinement

The concept refinement process has involved the comparison of a total of 11 different preliminary concepts, as part of the development of a detailed business case. This included refinement of the concept brief, clarifying variables such as:

- How an interactive educational facility might best be operated and how big it will need to be
- How many staff an office area might need to cater for
- Whether there are any specific cultural requirements that need to or could be incorporated
- Where funding sources for the project might come from
- What the overall capital and operational budgets for Water Central will potentially be

This business case lead to development of a shortlist of three potential options, including a core utility response, an enhanced mitigation approach, and a multipurpose option (which are detailed in the adjacent illustrations). Each option delivers the vision to a different level of capital investment.

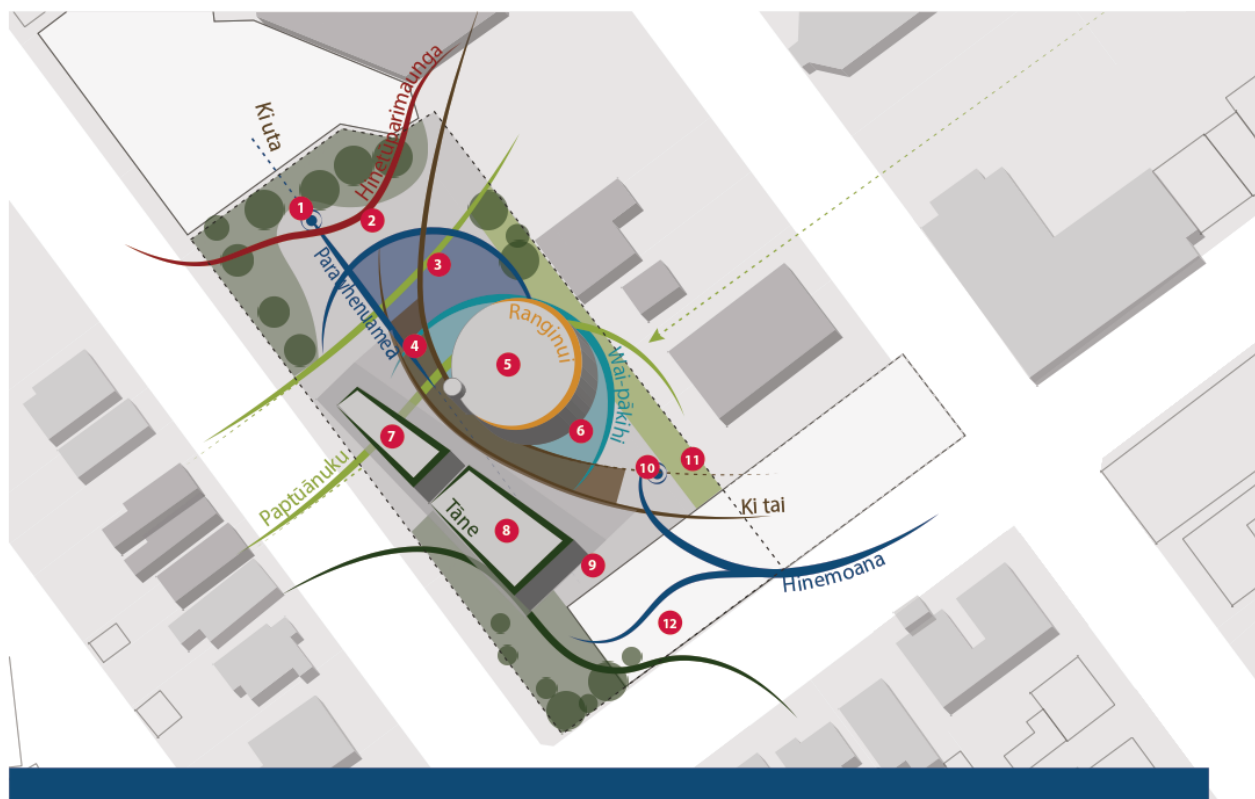
Through the business case process each concept was tested against the project objectives before a single recommended option was developed. This recommended option 'the proposal' (SL2) is detailed on the following page.







## The Proposal



### Key

#### 1. Taonga water

A pure water source that provides an opportunity for blessing taonga and focus on the natural states of water.

#### 2. Natural water outdoor learning

An experiential space that provides Interactive, tactile and sensory components that help educate people about the natural states and processes of water.

#### 3. Amphitheatre

An outdoor theatre provides a place to view images and films projected onto the tank. An opportunity to share stories, values and the journey of water.

#### 4. Bridge

An arching bridge that curves over the wetland, between the tank and building. The bridge connects and enhances the journey through the site between the 'mountains and sea'.

#### 5. Water tank

The tank is the storage component of the water infrastructure, a large central focus within the site.

#### 6. Wetland

An urban wetland that reflects the natural processes of water. The wetland helps to set the tank into the landscape with the tank appearing to be elevated above the wetland.

#### 7. Separated office building

A small office space with a versatile meeting and education room, and associated utilities.

#### 8. Building with water treatment infrastructure

A building that counterbalances the tank as a reflection of the natural forests. The building will house the water infrastructure.

#### 9. Treated water outdoor learning

An outdoor learning space that focuses on the water treatment process through interactive and experiential elements.

#### 10. Chlorine free tap

Relocate the Hastings chlorine free water tap from Civic Square.

#### 11. Screening

Vegetative screening to create courtyard space and hide neighbouring Council buildings.

#### 12. Car park and service entry

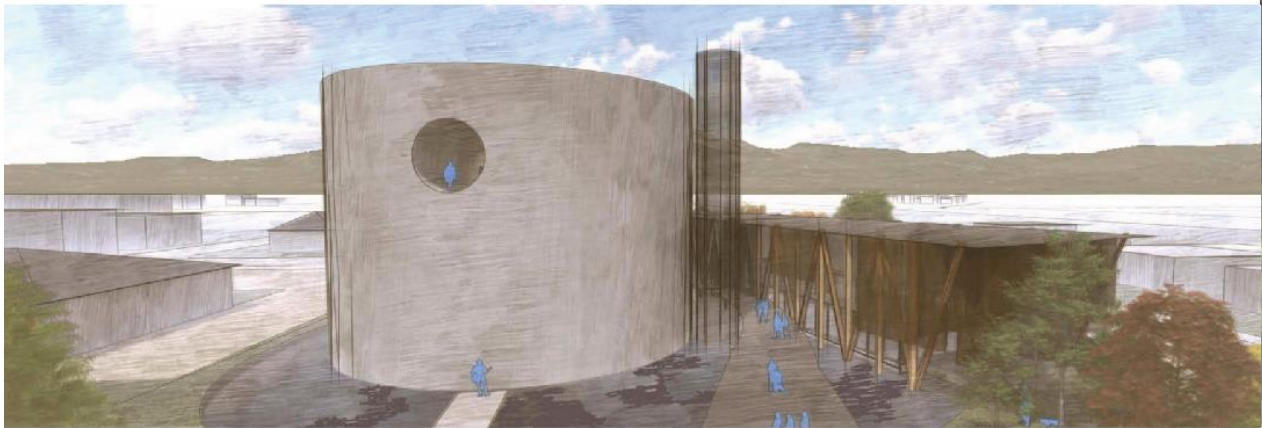
Meet the parking needs for those visiting Water Central and a service entry for the operational requirements of the water infrastructure.

OUR WATER | WATER CENTRAL

9



The building design counter balances the tank and reflects the forests of Tāne, using natural elements and glass to create a striking, unique feature. The multi-functional building will house and showcase the water infrastructure, with the inside of the building arranged in a way that allows views into the infrastructure and also provides space for staff, and an education/seminar room. Additionally the building will have various utilities such as kitchens, ablution area and an emergency generator.

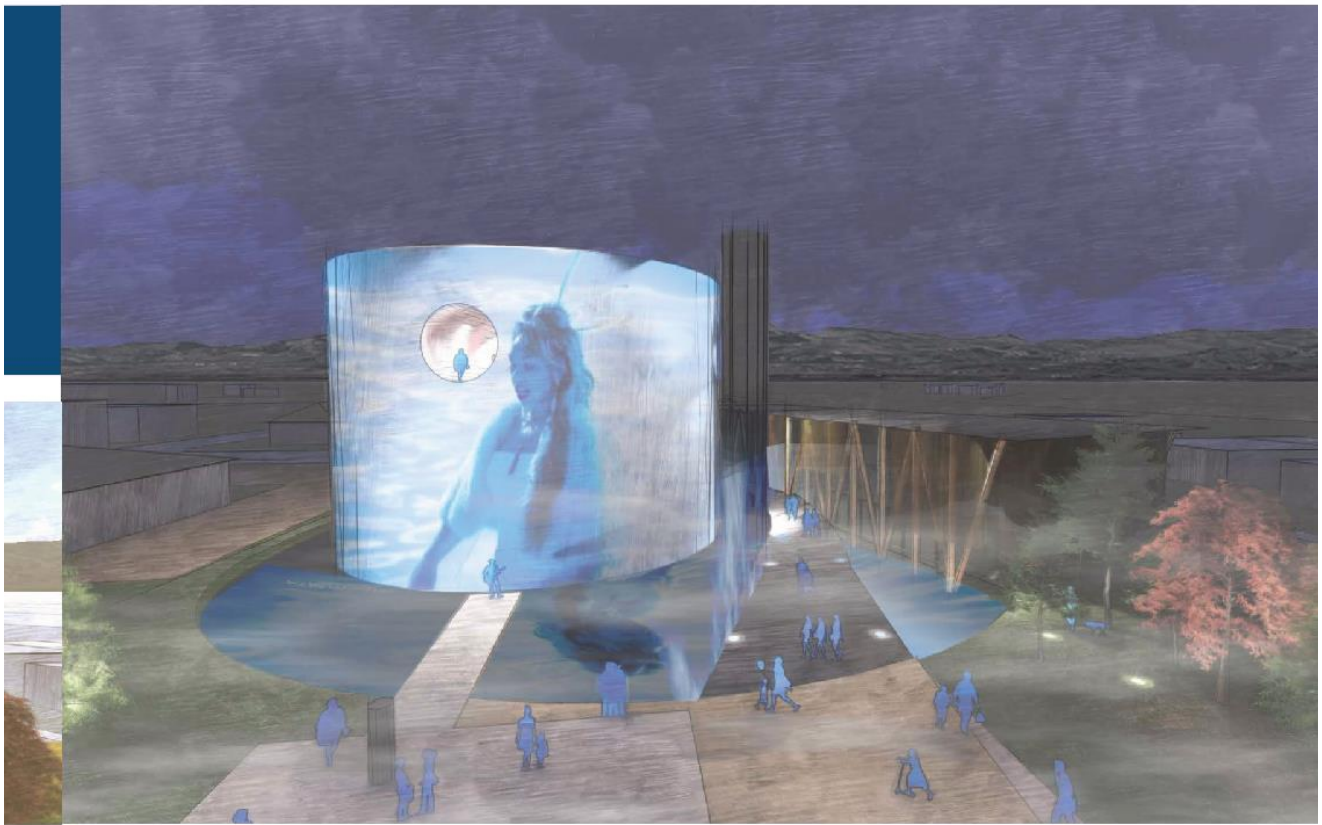


The tank is located as a central focus, reaching to the skies, with a viewing platform visually connecting with the City and wider ranges, including Kahuranaki.

The tank and building are elevated above the wetland feature that provides opportunity for artistic interpretation, with an arching bridge that takes the traveller on a journey through the site with cultural and sensory experiences.







## Water Central

August 2019

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Prepared for: Hastings District Council  
Date: 2nd September 2019 (Revision 3)

Prepared by:



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Attachment 2





## Water Central Business Case

Prepared by Hastings District Council

September 2019





## *Hastings District Council*

Civic Administration Building  
Lyndon Road East, Hastings 4156

Phone: (06) 871 5000

Fax: (06) 871 5100

[www.hastingsdc.govt.nz](http://www.hastingsdc.govt.nz)

Item 3

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# OPEN MINUTES

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## COUNCIL

Attachment 3

Meeting Date: Tuesday, 10 September 2019

CG-14-1-01514

1

Minutes of a Meeting of the Council held on  
Tuesday, 10 September 2019 at 10.30am

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| 4. Conflicts of Interest                                    | 2               |
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Item 3

**HASTINGS DISTRICT COUNCIL**

**MINUTES OF A MEETING OF THE COUNCIL  
HELD IN THE COUNCIL CHAMBER, GROUND FLOOR, CIVIC ADMINISTRATION  
BUILDING, LYNDON ROAD EAST, HASTINGS ON  
TUESDAY, 10 SEPTEMBER 2019 AT 10.30AM**

- 
- PRESENT:** Mayor Hazlehurst (Chair)  
Councillors Barber, Dixon, Harvey (*part of meeting*),  
Heaps, Kerr (Deputy Chair) (*part of meeting*), Lawson,  
Lyons, Nixon, O'Keefe, Poulain, Redstone, Schollum,  
Travers and Watkins.
- IN ATTENDANCE:** Chief Executive (Mr N Bickle)  
Group Manager: Asset Management (Mr C Thew)  
Group Manager: Planning and Regulatory Services (Mr J  
O'Shaughnessy)  
Group Manager: Economic Growth and Organisation  
Improvement (Mr C Cameron)  
Group Manager: Human Resources (Mrs B Bayliss)  
Chief Financial Officer (Mr B Allan)  
Acting Group Manager: Community Facilities &  
Programmes (Ms D Elers)  
Director: Major Capital Projects Delivery (Mr G Hansen)  
Senior Projects Engineer (Mr S Cave)  
Project Manager (Mr H Wismeyer)  
Marketing & Communications Manager (Ms J Mackay)  
Marketing & Communications Advisor (Ms A Harris)  
Public Spaces Planning Manager (Ms R Stuart)  
Environmental Consents Manager (Mr M Arnold)  
General Counsel – (Mr S Smith)  
Manager Strategic Finance (Mr B Chamberlain)  
Pou Ahurea Matua: Principal Advisor: Relationships,  
Responsiveness & Heritage (Dr J Graham)  
Manager: Democracy and Governance Services (Mrs J  
Evans)  
Democracy & Governance Advisor (Mrs C Hilton)
- ALSO PRESENT:** Shannon Bray, Landscape Architect, Wayfinder  
Lizzie Burn, Wayfinder  
Annette Sweeney, Good Earth Matters

**1. PRAYER**

A Karakia was given by Councillor Barber.

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**2. APOLOGIES**

Councillor Dixon/Councillor Nixon

**That an apology for lateness from Councillor Harvey be accepted.****CARRIED****LEAVE OF ABSENCE**

Councillor Heaps/Councillor Nixon

**That leave of absence be granted to Councillor Dixon for 17 and 18 September 2019.****CARRIED****3. SEAL REGISTER**

Mayor Hazlehurst/Councillor Lyons

**That the Seal Register remain lying on the table for the meeting.****CARRIED****4. CONFLICTS OF INTEREST**

There were no declarations of conflicts of interest.

**5. CONFIRMATION OF MINUTES**

Councillor Kerr/Councillor Travers

**That the minutes of the Council Meeting held Thursday, 22 August 2019 including the minutes of the meeting held while the Public were Excluded be confirmed as a true and correct record and be adopted.****CARRIED****6. ADDITIONAL BUSINESS ITEMS**

There were no additional business items.

**7. EXTRAORDINARY BUSINESS ITEMS**

There were no extraordinary business items.

**8. RECOMMENDATION TO EXCLUDE THE PUBLIC FROM ITEMS 9 AND 10**

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

Mayor Hazlehurst/Councillor Heaps

**THAT the public now be excluded from the following parts of the meeting, namely;**

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**9 Drinking Water Capital Programme Update****10 Haumoana Water Treatment Plant – Acquisition of Land**

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the matter and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

| <i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>         | <i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>  | <i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>   |
|--|---|---|
| <b>9 Drinking Water Capital Programme Update</b>               | <b>Section 7 (2) (i)</b><br>The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).<br><br>The report contains commercially sensitive information.                             | <b>Section 48(1)(a)(i)</b><br>Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act. |
| <b>10 Haumoana Water Treatment Plant – Acquisition of Land</b> | <b>Section 7 (2) (i)</b><br>The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).<br><br>To conclude negotiations with the landowner with regard to the acquisition of land. | <b>Section 48(1)(a)(i)</b><br>Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act. |

And that Shannon Bray, Landscape Architect, Wayfinder; Lizzie Burns, Wayfinder; and Annette Sweeney, Good Earth Matters, be permitted to remain in the meeting after the public have been excluded, because their knowledge of the matters under consideration is essential to assisting the Council towards a decision.

**CARRIED**

The meeting closed at 3.10pm

Confirmed:

Chairman:

Date:

Attachment 3



## *Hastings District Council*

Civic Administration Building  
Lyndon Road East, Hastings 4156

Phone: (06) 871 5000

Fax: (06) 871 5100

[www.hastingsdc.govt.nz](http://www.hastingsdc.govt.nz)

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# **PUBLIC EXCLUDED MINUTES**

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## **COUNCIL**

Meeting Date: **Tuesday, 10 September 2019**

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CG-14-1-01515

1

Minutes of a Public Excluded Meeting of the Council held on  
Tuesday, 10 September 2019 at 10.30am

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Item 3

**HASTINGS DISTRICT COUNCIL**

**MINUTES OF A PUBLIC EXCLUDED MEETING OF COUNCIL  
HELD IN THE COUNCIL CHAMBER, GROUND FLOOR, CIVIC ADMINISTRATION  
BUILDING, LYNDON ROAD EAST, HASTINGS ON  
TUESDAY, 10 SEPTEMBER 2019 AT 10.30AM**

**PRESENT:**

Mayor Hazlehurst (Chair)  
Councillors Barber, Dixon, Harvey (*part of meeting*),  
Heaps, Kerr (Deputy Chair) (*part of meeting*), Lawson,  
Lyons, Nixon, O'Keefe, Poulain, Redstone, Schollum,  
Travers and Watkins.

**IN ATTENDANCE:**

Chief Executive (Mr N Bickle)  
Group Manager: Asset Management (Mr C Thew)  
Group Manager: Planning and Regulatory Services (Mr J  
O'Shaughnessy)  
Group Manager: Economic Growth and Organisation  
Improvement (Mr C Cameron)  
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General Counsel – (Mr S Smith)  
Manager Strategic Finance (Mr B Chamberlain)  
Pou Ahurea Matua: Principal Advisor: Relationships,  
Responsiveness & Heritage (Dr J Graham)  
Manager: Democracy and Governance Services (Mrs J  
Evans)  
Democracy & Governance Advisor (Mrs C Hilton)

**ALSO PRESENT:**

*Project Group members permitted by resolution to remain  
for Public Excluded session of meeting*  
Shannon Bray, Landscape Architect, Wayfinder  
Lizzie Burn, Wayfinder  
Annette Sweeney, Good Earth Matters

**9 DRINKING WATER CAPITAL PROGRAMME UPDATE**

(Document 19/808)

The Director: Major Capital Projects Delivery, Mr G Hansen, gave an overview of the project, speaking to his agenda report and giving a power point presentation titled "Drinking Water Programme Update" (CG-14-1-01519). He responded to

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questions from the meeting.

Mr S Bray, Landscape Architect, Wayfinder spoke to three power point presentations titled "Draft Frimley Park Water Treatment and Storage Facility" (CG-14-1-01520); "Hastings Street Reservoir Visual Simulation Package" (CG-14-1-01521); and "Frimley Park Reservoir Visual Simulation Package" (CG-14-1-01522). He also responded to questions from the meeting.

Extensive discussion took place.

*Councillor Harvey joined the meeting at 10.55am.*

The meeting adjourned for lunch at 12.40pm and resumed at 1.16pm  
Councillor Kerr (Deputy Chair) did not rejoin the meeting following the lunch break.

The meeting resumed with further extensive discussion taking place.

The meeting briefly adjourned to allow officers time to display amended recommendation wording for consideration

At this point, with the agreement of the meeting, Agenda Item 10 "Haumoana Water Treatment Plant – Acquisition Of Land" was taken out of order and addressed.

#### 10 HAUMOANA WATER TREATMENT PLANT – ACQUISITION OF LAND

(Document 19/931)

Councillor Travers/Councillor Redstone

**A) That the Council receives the report titled "Haumoana Water Treatment Plant – Acquisition of Land".**



**CARRIED**

The meeting adjourned for afternoon tea at 2.40pm and resumed at 3.00pm

The meeting then continued addressing Agenda Item 9 "Drinking Water Capital Programme Update".

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**9 DRINKING WATER CAPITAL PROGRAMME UPDATE ...(CONTINUED)...**

(Document 19/808)

The meeting then addressed and voted on each of the recommendations in turn separately, as set out below.

Councillor Nixon/Councillor Travers

- A) That the Council receives the report titled "Drinking Water Capital Programme Update".**

**CARRIED**

Councillor Watkins/Councillor Dixon

- B) That the Council receives the update on timeline and capital budget detail for the Drinking Water Major Capital Delivery project.**

**CARRIED**

Councillor Redstone/Councillor Schollum

- C) That the Council approves and confirms the site for establishment of Drinking Water Infrastructure for the Eastbourne Water Treatment Plant site on the corner of Southampton Street East and Hastings Street South on Hastings District Council land, described within titles HB186/28 (Lot 1 DP 8237); HB131/277 (Lot 2 DP8237); HB151/28 (Lot 3 (DP8237); and HB52/50 (Lot 226 Deeds Plan 83).**

**CARRIED**

Councillor Watkins/Councillor Dixon

- D) That the Council approves and confirms the site for establishment of Drinking Water Infrastructure for the Frimley Water Treatment Plant site in Frimley Park contained within title HB136/54, comprising Lot 2 DP 3197 and (2) Pts Lot 254 DP 2101.**

**CARRIED**

Councillor Nixon/Councillor Schollum



**CARRIED**

Councillor Travers/Councillor Lawson

- F) That Council adheres to the recommended community engagement approach for the Eastbourne and Frimley sites as set out in the report.**

**CARRIED**



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Councillor Redstone/Councillor Schollum

**G) That the Council receives the update on the Water Central Concept and endorses the Water Central recommended Option SL-2 Mid-Level Solution subject to:**

- a) Officers obtaining secure status for the existing Eastbourne water supply and reporting this outcome back to Council.
- b) The Water Central recommended Option SL-2 Mid-Level Solution being externally (no ratepayer funds) funded.

**CARRIED**

Councillor Poulain asked for her vote AGAINST Part G of the Motion be recorded.

\_\_\_\_\_  
The meeting closed at 3.10pm

Confirmed:

Chairman:

Date:

Attachment 3

**REPORT TO: COUNCIL - EXTRAORDINARY**

**MEETING DATE: FRIDAY 4 OCTOBER 2019**

**FROM: MAYOR  
SANDRA HAZLEHURST**

**SUBJECT: INVESTIGATION INTO THE UNAUTHORISED  
DISCLOSURE OF CONFIDENTIAL INFORMATION**

## **1.0 EXECUTIVE SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA**

- 1.1 The purpose of this report is to obtain a decision from Council to instruct the Chief Executive to appoint an independent and appropriately qualified person to investigate the unauthorised disclosure of confidential information.
- 1.2 Councillors attended an informal and internal Council meeting at 5.00pm on Friday 27 September 2019. The Acting Chief Executive, attended the start of the meeting then left the room for Councillors to discuss matters amongst themselves.
- 1.3 All Councillors in attendance at this meeting were unanimous in their decision that they wanted to;
  - Request the Chief Executive to prepare a Declaration that they may sign to state they have no involvement with the unauthorised disclosure of confidential information. Signing of this declaration is to be entirely voluntary and the decision of individual members alone.
  - Convene an Extraordinary Council Meeting to consider an investigation into the unauthorised disclosure of confidential information.
- 1.4 The requested Declaration is attached as **Attachment 1**.
- 1.5 The Chief Executive will conduct an internal investigation into the unauthorised disclosure of confidential information.
- 1.6 For the Chief Executive to extend the scope of his investigation to include Council, he needs a decision by way of a Council resolution to investigate the possible actions and/or omissions of Councillor/s which may have led directly or indirectly to the unauthorised disclosure of confidential information.
- 1.7 This report contributes to the purpose of local government by Council taking action as required to help ensure Council and Councillors comply with Hastings District Council Standing Orders to ensure best practice in the conduct of our meetings, compliance with legislation and public confidence in our decision making processes.

## 2.0 BACKGROUND – TE HOROPAKI

- 2.1 A Hastings District Council Meeting was held on Tuesday 10 September 2019 commencing at 10.30am in the Hastings District Council Chambers.
- 2.2 Agenda Item 8 “Recommendation to Exclude The Public From Items 9 and 10” was moved by Mayor Hazlehurst and seconded by Councillor Heaps. The motion was voted on and the Recommendation was adopted.
- 2.3 The report for Agenda Item 9 was public excluded under Section 7 (2)(i) of The Local Government Official Information and Meetings Act 1987, namely the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

## 3.0 DISCUSSION - TE MATAPAKITANGA

- 3.1 Section 6 of the Hastings District Council Councillor Code of Conduct specifies protocols for Councillor engagement with Media.

*“The media play an important part in the operation and efficacy of local democracy. In order to fulfil this role the media needs access to accurate and timely information about the affairs of Council.*

*From time to time individual members will be approached to comment on a particular issue either on behalf of the Council, or as an elected member in their own right. When responding to the media members must be mindful that operational questions should be referred to the Chief Executive and policy-related questions referred to the Mayor or the member with the appropriate delegated authority.*

*When speaking to the media more generally members will abide by the following provisions:*

*Media contact on behalf of the Council, the Mayor or chairperson is the first point of contact for an official view on any issue, unless delegations state otherwise. Where the Mayor/chair is absent requests for comment will be referred to the deputy Mayor/chair or relevant committee chairperson or portfolio holder;*

*The Mayor/chair may refer any matter to the relevant committee chairperson or to the Chief Executive for their comment, and no other Member may comment on behalf of the Council without having first obtained the approval of the Mayor/chair.*

*Elected members are free to express a personal view in the media, at any time, provided the following rules are observed:*

*Media comments must not state or imply that they represent the views of the Council;*

*Media comments which are contrary to a Council decision or policy must clearly state that they do not represent the views of the majority of members;*

*Media comments must observe the other requirements of the Code; for example, comments should not disclose confidential information, criticize, or compromise the impartiality or integrity of staff; and*

*Media comments must not be misleading and should be accurate within the bounds of reasonableness”.*

- 3.2 Any failure by members to meet the standards set out above represents a breach of this Code.
- 3.3 If a Councillor/s have released confidential information to the media or other party/ies other than another member, officer or person authorised by the Chief Executive, any information that has been, or will be, presented to any meeting from which the public is excluded, or proposed to be excluded; - Prima Facie this may constitute a breach or breaches of The Hastings District Council Councillor Code of Conduct.
- 3.4 Section 7 of the Hastings District Councillor Code of Conduct details that in the course of their duties members will occasionally receive information that is confidential. This will generally be information that is either commercially sensitive or is personal to a particular individual or organisation. Accordingly members agree not to use or disclose confidential information for any purpose other than the purpose for which the information was supplied to the member.

#### **4.0 OPTIONS - NGĀ KŌWHIRINGA**

##### **Option One**

- 4.1 Instruct the Chief Executive to appoint and commission an independent and appropriately qualified person to investigate the Unauthorised Disclosure of Confidential Information from the Public Excluded Agenda Item “Drinking Water Capital Programme Update” in the Hastings District Council Meeting held in Hastings District Council Chambers on Tuesday 10 September 2019.
- 4.2 Councillors attended an informal and internal Council meeting at 5.00pm on Friday 27 September 2019.
- 4.3 All Councillors in attendance at this meeting were unanimous in their decision that they wanted to convene an Extraordinary Council Meeting to consider an investigation into the unauthorised disclosure of confidential information.

##### **Option Two**

- 4.4 Do not instruct the Chief Executive to commission an investigation into the Unauthorised Disclosure of Confidential Information.



**5.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA**

- A) That the Council receives the report titled “Investigation into the Unauthorised Disclosure of Confidential Information”.**
- B) That the Council receives the Declaration prepared as requested by Council and attached as Attachment 1 (CG-14-42-00049).**
- C) That Council notes that the Chief Executive will conduct an internal investigation into the unauthorised disclosure of confidential information.**
- D) That the Council instruct the Chief Executive:**
  - to appoint and commission an independent and appropriately qualified person to investigate the Unauthorised Disclosure of Confidential Information from the Public Excluded Agenda Item “Drinking Water Capital Programme Update” in the Hastings District Council Meeting held in Hastings District Council Chambers on Tuesday 10 September 2019; and**
  - to agree the scope and process of the investigation in accordance with best practice. The investigations will be done in good faith and use natural justice principles.**
- E) That the Chief Executive report the investigation findings and recommendations back to Council at the conclusion of the investigation. The Chief Executive will provide interim progress reports to Council when requested.**

**Attachments:**

1 [↓](#) Declaration

CG-14-42-00049

## **SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO**

### **Fit with Purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-rohe***

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

This report contributes to the purpose of local government by Council taking action as required to help ensure Council and Councillors comply with Hastings District Council Standing Orders to ensure best practice in the conduct of our meetings, compliance with legislation and public confidence in our decision making processes.

### **Link to the Council's Community Outcomes - *E noho hāngai pū ai ki te rautaki matua***

This proposal promotes the well-being of communities in the present and for the future Council taking action as required to help ensure Council and Councillors comply with Hastings District Council Standing Orders to ensure best practice in the conduct of our meetings, compliance with legislation and public confidence in our decision making processes.

### **Māori Impact Statement - *Te Tauākī Kaupapa Māori***

Not Applicable

### **Sustainability - *Te Toitūtanga***

Not Applicable

### **Financial considerations - *Ngā Whaiwhakaaro Ahumoni***

Investigation costs are an unbudgeted expense.

### **Significance and Engagement - *Te Hiranga me te Tūhonotanga***

This report has been assessed under the Council's Significance and Engagement Policy as being of moderate significance. It is anticipated there will be a high level of public and media interest in the prospect of an investigation and in the investigation itself if it proceeds.

### **Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho***

Councillors have discussed this matter in depth in their own private and informal meetings and have given clear direction to the Mayor that they wish to have the situation investigated by an independent investigator.

**Risks: Legal/ Health and Safety - *Ngā Tūraru: Ngā Ture / Hauora me te Haumaru***

Council has adopted 'Governance Failure' as Risk number 14 on the Council Strategic Risk Register.

The relevant Threat to Governance Failure is;

Lack of a high performance team culture with all members committed to engaged, quality governance; celebrating debate, diversity, thoughtful challenge and respectful dissent.

**Rural Community Board - *Ngā Poari-ā-hapori***

Not Applicable

4 October 2019

## **Personal Declaration**

### **Background**

At a meeting of the Hastings District Council on Tuesday 10 September 2019 commencing at 10.30am, Councillors voted to move the meeting to a public excluded status under Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987.

A report titled 'Drinking Water Capital Programme Update' was the item on the agenda discussed with the public excluded.

This report was public excluded under Section 7 (2)(i) of the Local Government Official Information and Meetings Act 1987, namely the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

Information from this report appears to have been provided to the Hawke's Bay Today Newspaper and to Ms Astrid Austin a reporter employed by the Hawke's Bay Today Newspaper.

You are invited to make the following confirmations and declarations.

**I Councillor \_\_\_\_\_;**

### **Confirm**

**I understand that the signing of this declaration and submission of it to the Chief Executive of Hastings District Council is entirely voluntary.**

### **And, I Declare I Have Not;**

1. Provided any information via any channel or through any person from the publicly excluded report titled 'Drinking Water Capital Programme Update' to the Hawke's Bay Today Newspaper and/or staff employed by the Hawke's Bay Today Newspaper.
2. Any knowledge of or information about who may have provided via any channel or through any person any information from the publicly excluded report titled 'Drinking Water Capital Programme Update' to the Hawke's Bay Today Newspaper and/or staff employed by the Hawke's Bay Today Newspaper.

Signature

Witness Signature

Name in Full

Name in Full

Date

Date