

**BEFORE A HEARINGS PANEL OF THE GREATER WELLINGTON REGIONAL
COUNCIL AND MASTERTON DISTRICT COUNCIL**

IN THE MATTER of resource consent applications to
Greater Wellington Regional Council
pursuant to section 88 of the Resource
Management Act 1991

AND

IN THE MATTER of a Notice of Requirement to
Masterton District Council pursuant to
section 168, 168A and 181 of the
Resource Management Act 1991

BY Masterton District Council

FOR the proposed upgrade of the Masterton
Wastewater Treatment Plant

**SUPPLEMENTARY STATEMENT OF EVIDENCE OF WES TEN HOVE
ON BEHALF OF MASTERTON DISTRICT COUNCIL**

RESPONSE AND CLARIFICATION

1. INTRODUCTION

1.1 This supplementary evidence has been prepared in response to various matters that have been raised during the course of the hearing. While I do not purport to be an expert in technical matters, I hold a Master's degree in Public Policy and it is my role as the chief executive to bring affordability and risk issues before the Council. I will also be responsible for implementing its decision (and your decision).

2. TERM OF THE CONSENT

2.1 I remain of the view that a 15 year consent term would have a significant impact on the affordability of the scheme for the Masterton community and that this would have impacts on the economic wellbeing of people and the community. It may also have health impacts as a result of a further increase in rates beyond what would be required for a long term consent.

2.2 The proposed 15 year term does not take into account construction, lead times for data analysis, adaptive management, and further lead times post adaptive management responses.

2.3 The officers have not presented any evidence to support their view that it is a realistic prospect that the land disposal might need to be decommissioned 10 to 12 years after being commissioned (which is the potential effect of a 15 year term). Their views are not based on an assessment of the probability of magnitude or failures during the term of the consent.

3. AFFORDABILITY

3.1 During the course of the hearing, I had the opportunity to seek input from my Council as to the affordability issues inherent in this matter. While this was an informal briefing of all councillors (other than Cr Holmes who was present at the hearing as a submitter), Council was unanimous in reaffirming their concern that a short term would have impacts on affordability and/or the social and economic wellbeing of the community.

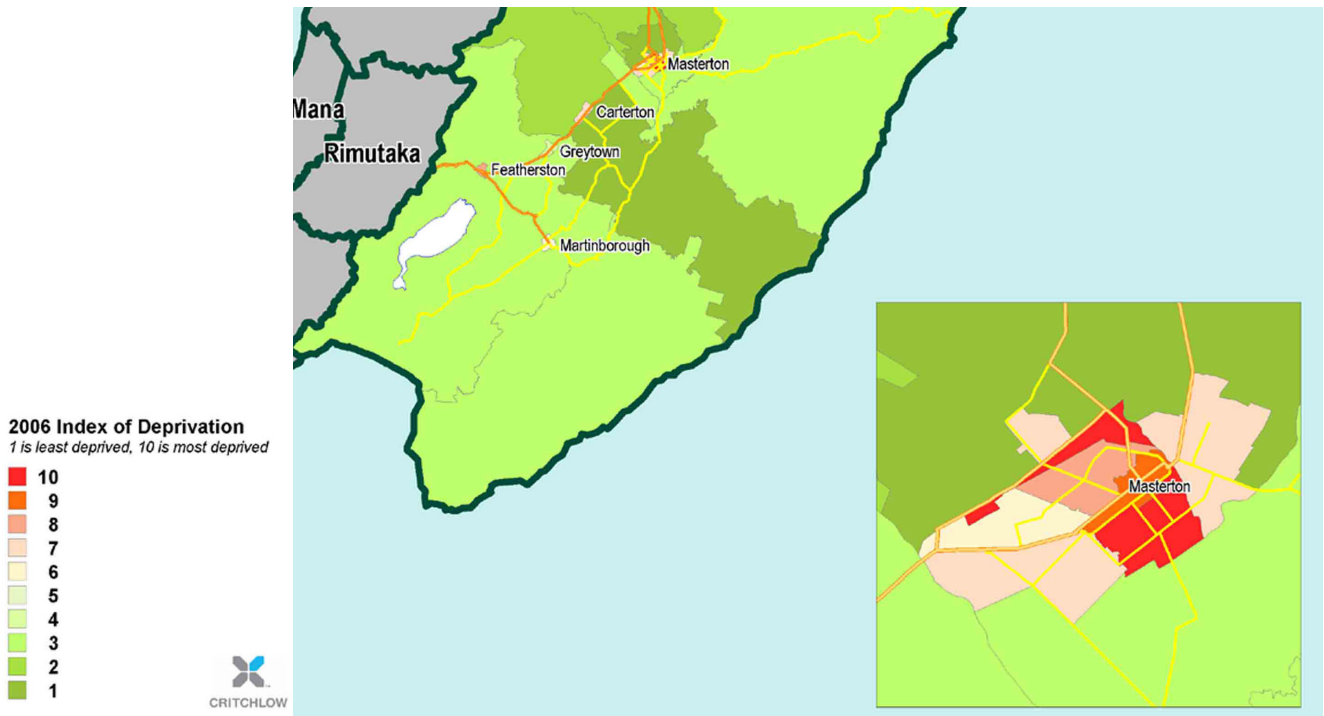
3.2 Observations have been made as to how desirable MDC rates appeared, even with the upgrade costs included. It is not reasonable to compare the Masterton urban community with its rather better-off neighbours over the hill. A more

appropriate comparison would be with other communities with similar socio economic mix and rating base. Nor do I think it is fair to compare entirely different treatment plants and receiving environments with what we have here. Contrary to the views of some, the upgraded plant will be a very high quality solution. As outlined by Mr Archer, it does include disinfection. Most importantly, it will be a leader in terms of an innovative (not low cost) approach which is targeted at key environmental effects. It is not Mr Lowe's Ferrari, or a gas guzzler, but nor is it a Lada! It will not be driven by a race driver but will be driven by an experienced and properly qualified driver.

3.3 The Council's position is based on a good understanding of its community, its socioeconomic composition, its concern for the health and welfare of its citizens, the health of the Masterton environment, the impacts in this case of its proposals on the Wairarapa down river and an understanding of the relative impact of the post upgrade discharge in the context of the whole catchment. The Council has statutory obligations in this regard under the LGA 2002 to take these wellbeings into account.

3.4 The concerns of submitters, particularly tangata whenua and Public Health, as to the overall health impacts of the proposal are equally concerns of the Council. They underpin much of the concern about affordability.

3.5 Below is the map of the deprivation index.



3.6 The actual index of Socioeconomic Deprivation for Areas within the Wairarapa Electorate is as follows. I have highlighted the Masterton Urban areas noting Maori population and % home ownership:

Area	Unit Index of Deprivation 2006	Maori	%Dwellings not Owned
Opaki-Fernridge	1	6.8%	15.7%
Te Wharau	1		
Kopuaranga	2		
Mt Holdsworth	2		
Homebush-Te Ore Ore	3	14.6%	18.3%
Whareama	3	12.2%	29.1%
Waingawa	3		
Tuturumuri	3		
Kahutara	3		
Nireaha-Tiraumea	4		
Greytown	4		
Owahanga	5		
Solway North	6	16.4%	27%
Martinborough	6		
Solway South	7	19.4%	26.3%
Ngaumutawa	7	16%	26.9%
Lansdowne	7	15.3%	25.1%
Carterton	7		
Masterton West	8	13.5%	27.8%
Featherston	8		
Masterton Central	9	12.2%	40%
Masterton East	10	31.2%	38%
Masterton Railway	10	29%	48.6%

78% of Masterton residents reside in urban deciles 6 and above.

87.2% of Maori residents reside in urban deciles 6 and above
18.9% of Masterton residents reside in urban deciles 9-10
31.1% of Maori residents reside in urban deciles 9-10

- 3.7** From the above statistics, it is noted that the Masterton urban area has the greatest concentration of the high deprivation indices of towns in the Wellington region. I have accepted advice from a wide range of sources as to the correlation of health and wellbeing with the socio-economic demographics of the community, noting in particular the correlation with Maori health.
- 3.8** Concern around affordability and social and economic wellbeing is the major reason why the Council endeavours to minimize the rating impact of one particular project while balancing the needs and costs of all the public infrastructure investments that it is responsible for. Any unnecessary costs impact disproportionately on the poorer socio-economic groups within our society, noting that Maori feature prominently within these areas. In my view, if there was to be a full Health Impact Assessment, that would also need to assess the impact of further expenditure on the health of Maori and others. (I understand that is a component of the type of HIA suggested by Dr Palmer.)
- 3.9** As a small example of the funding impacts, the consenting costs alone for the proposal are estimated at some \$3.5m +-(excluding post decision costs, appeals etc). The difference between a 15 year term and 30 year term for consenting costs alone will amount to approximately 1% of urban rates. This simple example illustrates how the capacity of the community to address other challenges can be easily compromised, yet serves no additional outcome or purpose.
- 3.10** A shorter term and/or onerous consent conditions, will make the scheme more expensive for Masterton urban ratepayers. Additional costs may also compromise the ability for the community to respond to adaptive management or to future options.
- 3.11** The longer term sought for the same given set of effects-based consent conditions, enhances the community's capacity and capability to ramp up any investment, adaptive management response, future land disposal options, future methodology improvements and the like. I have been surprised by officers' comments that they see no reason why the consent should not be limited to a term of 15 years. I look at it from the other perspective and can see no good reason for not providing for a 35 year term.

4. RISK ANALYSIS

- 4.1** The effect of any claimed uncertainty is in my opinion a factor in determining the consent term. Even if there were any uncertainty with the land treatment, it is clear that the worst case scenario of temporary discharge to the river outside of the terms of the consent would not have any significant adverse effects.
- 4.2** A risk analysis would suggest that an unlikely 'massive' management failure would not result in any worse scenario than current, which shows the River bathing water quality being poorer upstream of the MWWTP than at the Cliffs, downstream. Again, any 'massive' management failure would only impact during the period until repairs are effected. Limiting the term of the consent would not address such matters.
- 4.3** The land treatment and disposal operations are such that immediate management problems, if they arise, will be responded to very quickly. From a risk analysis perspective, any immediate management failure resulting in downstream and ground water impacts will be minimal given the size, scale and nature of the proposed operation.
- 4.4** Longer term risks may arise out of more subtle impacts that take time for any cumulative effects to show. These risks are addressed through monitoring conditions of the consent, not by limiting the term. If any such risks are of a long term cumulative nature, a 15 year term, with only some ten years or so post commission operations, is unlikely to improve the data available to decision makers at that time.

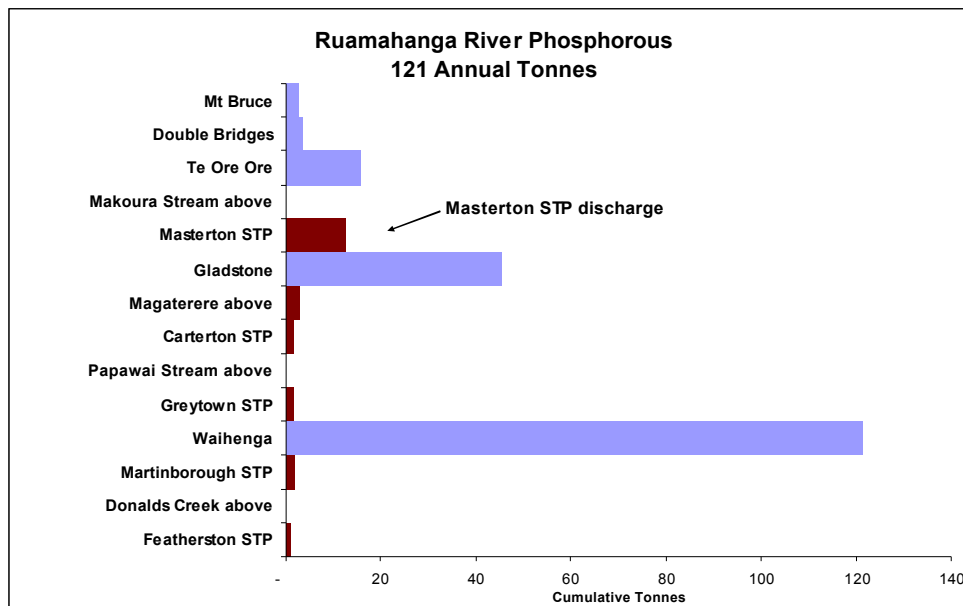
5. MANAGEMENT

- 5.1** Management of the irrigation and water balancing components of the proposed is an internal matter for the Council.
- 5.2** Management plans and protocols will give the best indications of how the operations will be managed and how risks are dealt with. Management must be adaptive to the learning and evolution of operational skills that will enhance the resulting outcomes by operating well within the more extreme parameters the conservative modelling has provided.

5.3 The Council will engage appropriately qualified advice and staff to meet the consent conditions. The moderate scale of the proposal will not limit the management resources available as the upcoming Riversdale WWTP irrigation and other Wairarapa schemes will make this region the future centre for WW irrigation management. The opportunity to do this with the high possibility for future cooperation with other communities in Wairarapa who will also be considering land based disposal options, should be obvious.

6. EQUITY ARGUMENTS

6.1 A number of submitters have raised equity arguments. The Council is mindful of its current River effects. The following graph (GWRC data of 2003) based on Phosphorus as the limiting nutrient, shows the loading and proportionate share of the MWWTP:

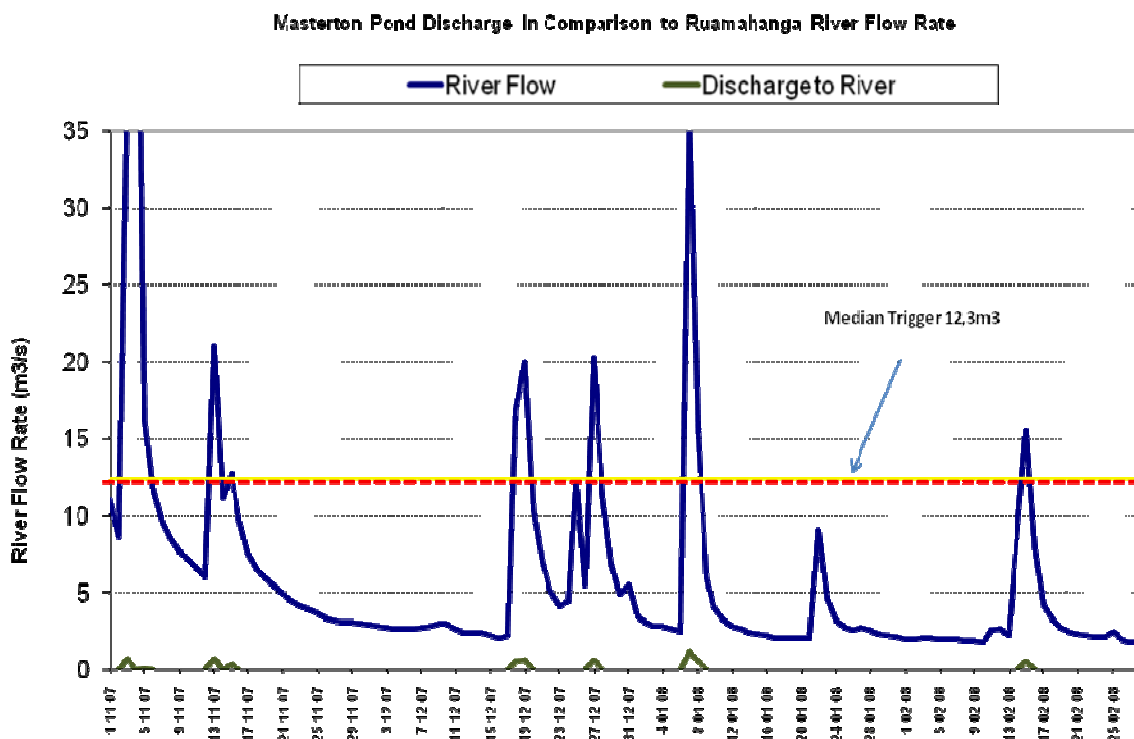


6.2 The ratios in this graph are reaffirmed in Dr Cooke's evidence. I note his summary conclusion that post upgrade, summer contribution of nutrients to Lake Onoke from MWWTP will be less than 2.5% (Cooke executive summary 3.3). As GWRC staff have pointed out: "non point discharges account for the lion's share of nutrient load in the River" (GWRC correspondence to Fonterra, 2003). Clearly, a catchment-wide approach is required. Masterton is proposing to do its share. There are equity issues around the expectations of those who argue that the Masterton urban community should do even more. The evidence suggests that removal of the remainder of the discharge would achieve little in terms the total nutrient loading problem. The proposed upgrade already picks the low hanging cherry.

6.3 I note the GWRC report 2006 390_1 by the Surface Water Quality Scientist, advising:

The relatively high correlation between the occurrence of heavy rainfall and elevated bacteria counts at the majority of monitoring sites in both fresh and marine waters across the region supports advice from the Greater Wellington Regional Council and the Ministry of Health to avoid swimming and other contact recreation activities during, and for up to two days after, heavy rain.

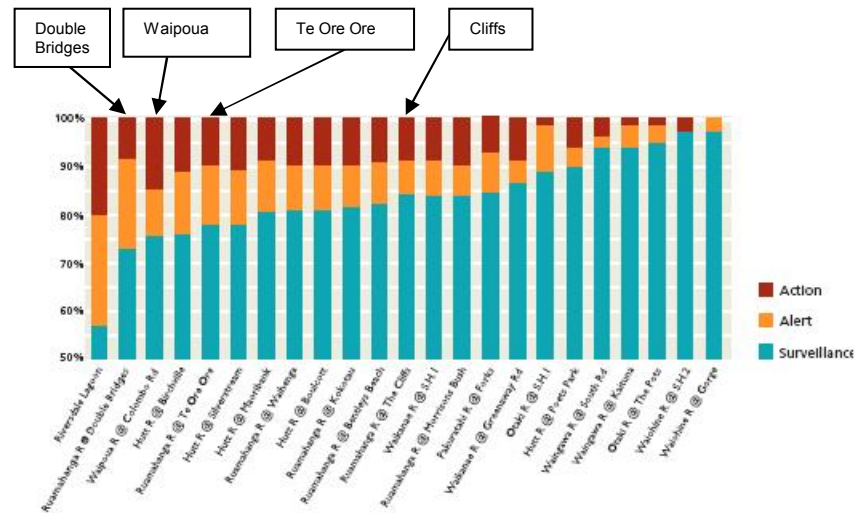
6.4 What the Council proposes can be summarized by the following graph which shows the type of River effect proposed over the 1 November 2007 to 25 February 2008 summer period. The graph is based on a 30:1 discharge ratio. It puts into context the effect of a discharge coinciding with a fresh in the River over a summer period and any sensitive post fresh 24 – 48 hour period. From a risk analysis perspective, the graph shows that the intended discharge does not significantly not compromise the River during the period of the discharge nor the subsequent 24 or 48 hours after any fresh.



7. HEALTH RISK

7.1 The water quality at the Cliffs, downstream of the MWWTP, is consistently below alert levels. GWRC bathing water quality reports (eg Juliet Milne, GWRC June

2005) identify these up-stream sites as being of lesser quality and presumably, therefore of greater risk.



7.2 The 2005 report comments that 90% of action level events coincide with rainfall events, the exception in Ruamahanga River at Double Bridges, upstream of the MWWTP.

8. HEALTH RISK ASSESSMENT AND COMMUNICATION

8.1 I agree with Dr Palmer that there should be good liaison amongst the public authorities as to the water quality and any associated health risks in the Ruamahanga River valley and the communication of risks to the public. That is not presently the case; the river is not currently graded and signage is inconsistent.

8.2 Unfortunately there is much public confusion and misconception about the health risks of the current discharge and the proposed upgraded discharge. Dr Palmer and I worked together to provide a media release two weeks ago in an attempt to clarify the situation. The issue has been comprehensively addressed in the Council's assessment of effects and in its evidence. I have had further discussions with Dr Palmer over the last two weeks and you now have a joint statement from him and Dr Ball clarifying their views.

8.3 I believe that your decision will be critical in terms of the public perceptions around health risk and the improvements which will result from the upgrade. That is why the Council has put so much effort into this issue.

8.4 Whilst I appreciate that Dr Palmer would have preferred that the Council carry out a full HIA, my understanding is that the present assessment goes much further than is normal and is appropriate for RMA purposes. I accept that there may be a role for an HIA and the Council would be willing to contribute to a joint Regional Council, Public Health TLA study which takes a whole catchment approach.

8.5 So far as risk communication is concerned, post upgrade, the discharge will be removed from the River during the sensitive, high recreation periods when upstream water quality is good. In my opinion it is unreasonable to require MDC to implement signage at Wardells Bridge or the Cliffs which imply a greater risk than will exist.

8.6 We have worked with Dr Palmer over the last week to develop a strategy which will lead to a Wairarapa Regional Risk Communication Protocol. The strategy encompasses monitoring, grading in accordance with the guidelines and the development of a risk communication protocol. The risk assessment and strategy would address issues such as stand down time. I accept that until this strategy is in place there will need to be some interim signage, but it should not imply a higher level of risk than modelling and modelling predicts.

9. COST OF COMPLYING WITH CONDITIONS

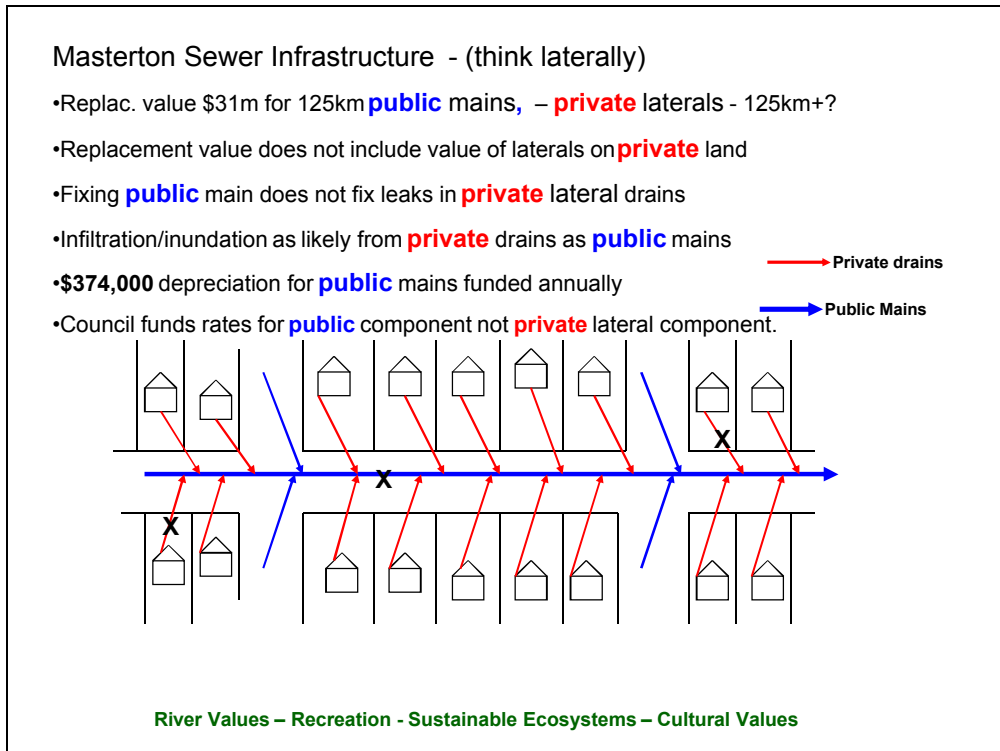
9.1 I am concerned that some of the monitoring requirements that are being mooted will add significantly to the cost, without necessarily having any environmental benefit. By way of example, Mr Proffitt informs me that the irrigation ground water sampling analysis cost (excluding collection costs) as proposed by GW are estimated to be in the region of \$22,000/year.

9.2 The analysis cost as proposed by MDC will be approximately \$10,000/year. Mr Proffitt advises me that little additional information for the adaptive management of the irrigation system will be gained by this additional expense.

10. INFILTRATION AND INFLOW

10.1 During the course of the Hearing, Commissioners were asked to consider the Council's knowledge of I/I information. In April/May 2005, I presented the following to the Council, pointing out the need to avoid oversimplifying the I/I response as a quick and easy solution to the inflow problem – while the estimates

have increased substantially since then, the only component not quantified was the extent of private lateral investment – the “think laterally” heading was intended to highlight this uncertainty and to be conscious of additional impacts on private properties:



11. FUTURE USE OF WASTEWATER

11.1 The Council will continue to have regard to options for altering the operations to take advantage of new technologies, new land areas, beneficial re use of wastewater, etc. However it will need to properly assess the costs, benefits and affordability of any such options. As Mr Archer illustrates in his evidence, options which may appear attractive at first sight may well have hidden costs which may outweigh benefits.

11.2 The Council has considered the future use of treated wastewater as a resource that can be used for irrigation purposes. It agrees with the comments that the nutrients in the treated wastewater has value, and may in future be sought after. To date, offers of availability have not been taken up by neighbours. Options to use private land would presumably involve the urban ratepayers meeting the additional costs of storage, reticulation, further treatment and leasing of the land. Those costs will need to be weighed against the limited benefits to the community

as a whole of further expenditure (the current proposal will pluck the low hanging cherry by targeting the most significant potential effects).

- 11.3** The starting point for the Council remains a consented solution that is sustainable in the long term and is able to be controlled and monitored by GWRC and MDC. Future concepts, which may or may not be cost effective, may have management challenges of their own (for example, neighbour issues will need to be considered).
- 11.4** The Council is committed to exploring zero discharge options, but putting in place a "big stick" by way of term of consent is in my view neither necessary or reasonable. A limitation on the consent term is not in my view justified merely because offsite disposal opportunities exist.
- 11.5** The Council remains open to any request for access to the treated effluent for off-site disposal. The Council has developed a policy framework for this. The policy framework is outlined in the Council's resolution of November 2008:

That the Council authorises officers to proceed with any commercial negotiations regarding the wastewater resource based on the following policy outline:

- 1 Cost of Resource: no initial cost proposed as an incentive to take resource.*
- 2 Future Cost: reserve right to review the charges.*
- 3 Operating costs to be passed onto user at cost.*
- 4 Priority of Use: initially first come first served, with Council reserving the right to take a strategic review.*
- 5 Promotion: Council to call for expressions of interest, but not provide funding.*
- 6 Lease costs of public land to match equivalent farm lease income.*
- 7 Land treatment capacity: initially first come first serve, with Council reserving the right to take a strategic review.*
- 8 Impact on treatment costs: no initial cost passed onto users, but right to review.*

12. REVIEWS

- 12.1** The Council objective to maximise land based treatment and disposal (subject to costs benefits and affordability) has been clearly expressed. A long term consent for the current proposal is however essential to allow the Council to move forward.
- 12.2** The Council will continue to review options. Such reviews will consider amongst other things, the impacts of I/I improvements, increased irrigation rates and areas the health and wellbeing of the community, tangata whenua concerns, any

operational issues, environmental effects and opportunities for further land based treatment or disposal.

- 12.3** This type of review could be carried out through normal LTCCP type processes regardless of any consent condition. However the Council is open to having its commitment to periodic cost benefit reviews of options and enhancements reflected in consent conditions. It accepts that such commitment is appropriate in the context of the long term consent which it seeks. The key purpose of such reviews would be to assess the costs, benefits and affordability of enhancements. However that would also of necessity address the uncertainties claimed by submitters and the officers. In other words in the unlikely event of problems developing then the Council would take those into account when looking at changes or additions to the scheme. I will leave Mr Milne to suggest possible wording for such a condition.

13. COMMUNITY LIAISON AND INTEGRATED CATCHMENT MANAGEMENT

- 13.1** The Council has no great objection to the proposed Community Liaison condition, however in my opinion such a requirement will achieve little. In my view it would be much better for the Council to be part of and contribute to, an integrated catchment management working party. That should involve river users, tangata Whenua, Public Health, Fish and Game, the Regional Council and Sustainable Wairarapa. That approach would recognise that the whole community needs to "own" the river and issues associated with it.
- 13.2** If there is to be a Community Liaison condition then I believe it should be focused on neighbours to the site. (The Council already has in place consultation protocols for tangata whenua.)

Wes ten Hove
Chief Executive
Masterton District Council
27 March 2009