

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER Proposed Plan Change 56 – Lockerbie, Morrinsville

STATEMENT OF EVIDENCE OF SUSANNE KAMPSHOF

Dated 13 July 2022

INTRODUCTION

1. My name is Susanne Kampshof. I hold a Bachelor of Engineering Science (Hons) from the Waikato University. I also have a Graduate Diploma in Highway Engineering from the NZ Institute of Highway Technology. I have worked in the civil/transportation field for 17 years.
2. I have worked at Matamata-Piako District Council for the past 16 years. I started off as Roading Engineer, moved to Roading Manager and have been the Asset Manager Strategy and Policy for the past 10 years. I have 11 staff in my team. The team's responsibilities are not limited to but include the strategic planning for all 3 Waters, Transport, Solid Waste and Parks and Facilities infrastructure across the District.
3. I am familiar with the infrastructure issues arising in Matamata-Piako District Council on a range of transport, 3 waters and parks and facilities related projects. I have the following specific experience relevant to the matters within the scope and purpose of this report:
 - (a) Having Developed Council's Infrastructure Strategy 2018-28 (first year it was a requirement) and Council's Infrastructure Strategy 2021-31. The Purpose of the infrastructure strategy is:
 - (i) Identify Significant infrastructure issues for a council during the period covered by its strategy; and
 - (ii) Identify the principal options for managing those issues and implications of those options.
 - (b) The team and I have managed and developed the 10 year, and more recently 30 year Activity Management Plans for Water, Wastewater, Stormwater, Solid Waste, Transportation, Parks and Open Spaces and Community Facilities and Buildings. The Plans outline and summarise Council's long term asset management approach for the individual activities. These were completed in 2012, 2015, 2018 and 2021 while I was managing the team.
 - (c) Providing strategic input into subdivisions throughout the district to ensure new infrastructure aligns with Council's plans and strategies.

EXPERT CODE OF CONDUCT

4. I confirm that I have read and am familiar with the Code of Conduct for Expert Witnesses in the Environment Court, Practice Note (2014), and agree to

comply with that Code of Conduct. I state where I have relied on the statements of evidence of others for my assessment. I have not omitted to consider material facts known to me that might alter or detract from my opinions.

OVERVIEW OF EVIDENCE

5. I have been providing funding advice relating to Private Plan Change 56 (PC56) and have also been involved in the infrastructure assessment across the 3 Waters, Transportation and Parks and Reserves.
6. The purpose of this statement of evidence is to address infrastructure funding matters raised in submissions and expert evidence relating to PC56.
7. In preparing this evidence I have reviewed the evidence of:
 - (a) Vinish Anand Prakash, Civil Designer from Graymatter
 - (b) Gunasantha Agas, Utilities Asset Engineer from Matamata-Piako District Council

INTRODUCTION AND SUMMARY

8. Throughout the review of the Plan Change and information received from the applicant, the aim has been to ensure that costs directly associated with the Plan Change are funded by the Developer and any other wider network improvements need to be identified and costs apportioned and funded by Council.

Council funds renewals and improvements to current levels of service, generally due to compliance or legislative changes.

Council also has a development contribution policy, the current 2021 policy, which identifies Growth related works and The Policy will be reviewed again with the Long Term Plan cycle in 2024.

9. The works identified through expert advice that are required and solely benefit the development are as following:
 - (a) The George Street/Coronation Road intersection;
 - (b) Upgrade to the eastern side of Morrinsville-Tahuna Road, and the southern side of Taukoro Road.

- (c) Internal infrastructure to the development which includes Transport, water, wastewater, Stormwater and parks and reserves.
 - (d) Individual water meters and rainwater storage tanks.
10. The works identified through expert advice that are already included in Council's capital works programme and 2021 Development Contribution policy and which have a funding mechanism in place through the Development Contributions collected for the entire Morrinsville catchment are as follows:
- (a) The wastewater reticulation upgrade. A new Wastewater line from Lockerbie to the Wastewater Pump station off Riverview Road.
 - (b) A new Water Bore and Water Treatment Plant in Stage 3 of the current Lockerbie Development to treat 4,000m³/day of water.
11. Additional works identified through expert advice which mainly benefit the Lockerbie Plan development but also have some wider benefits for other developments going forward and are currently not in Council's 2021 Development Contribution policy are as follows:
- (a) Upgrades to the Morrinsville Wastewater Treatment Plant.
 - (b) A roundabout at Morrinsville-Tahuna/Taukoro Road/ Hangawera Road Intersection
12. Two submitters¹ have raised specific concerns relating to the cost of infrastructure required to service the Plan Change Area. They have raised concerns that they don't want to see the cost of the infrastructure required for the development landing on current ratepayers.

FUNDING MECHANISM

13. Council has a development contribution policy 2021. The Policy will be reviewed again with the Long Term Plan cycle in 2024.

When new development occurs throughout the district it creates demand for new and upgraded infrastructure.

Council is required by law to provide details about how we will fund capital expenditure – the costs of providing new assets or increasing their capacity.

¹ David & Cheryl Holland (Submitter 29), Robert Lowe (Submitter 21)

As the cost of growth is driven by development, we believe that each development should pay a share of those costs.

To cover those costs, we charge Development Contributions to people or organisations when they develop property. These funds are then used to fund capital works (new infrastructure) driven by that growth.

Section 3.2 of the Policy

3.2.2. Distribution of benefits

By definition, capital works funded by development contributions relate primarily to future residents and businesses. Their aim is to increase capacity to accommodate new users, not to improve service levels for existing users. As a result, new users benefit directly from the growth related works their development contributions are put towards. While there may be some spill over benefits (where existing ratepayers benefit from growth related works) these are generally offset by new ratepayers benefiting from existing infrastructure, such as roads. Overall, new residents and businesses gain the most benefit from these works and, therefore, are the primary funding source

3.2.3. Period over which benefits occur

Most infrastructural assets have very long useful lives. In order to make sure the period of funding and the period of benefit are the same, a long life funding tool such as development contributions must be used. Our Policy allows for the costs of growth related infrastructure to be recovered over 25 years, ensuring that each generation of development 'pays its own way.' That is to say, each generation of development pays only for its own needs, not those of future generations.

3.2.4. Need to undertake activity

Pressures caused by growth are the sole driver of capital works funded by development contributions. Requiring these capital works to be funded by the growth community helps to ensure that the costs are covered by those that cause them to be incurred. This is both efficient and equitable.

3.2.5. Separation from other activities

Growth related capital works do not usually stand-alone within our capital works programme; they are usually included within much larger projects that simultaneously cater for a number of different needs. The use of development contributions to fund the growth components not only improves equity, but also transparency and accountability. It forces us to allocate the shared costs of capital works between various project drivers and to recover those costs according to the amount of pressure that each driver exerts on our services

4.4. Other significant assumptions and Risks

4.4.1. Planning timeframe

This Policy is based on the ten year timeframe of our Long Term Plan and on the principle that costs, triggered by growth over that period should be both allocated to, and recovered within, that period. However, in many cases, economies of scale require us to build assets of greater capacity that extend beyond the timeframe of our Long Term Plan. We accept that, in such cases, we may have to bank roll costs and recover them over time from future developments. Any costs incurred in anticipation of future growth (i.e. beyond our Long Term Plan) will be allocated to and recovered in those later years, subject to a maximum total recovery period of 25 years. Where the risks to the community associated with 'bank rolling' future growth is considered too great by Council, we will seek to share the risk with developers through private developer agreements.

The Development Contribution Policy includes a list of projects that are funded through contributions.

WATER

14. The new Bore and Water Treatment Plant is there to provide additional capacity to treat water for new developments in Morrinsville, including the PC 56 area but also to provide more resilience to the current supply. It will reduce water restrictions, not eliminate, for all of Morrinsville and not just provide additional water to Lockerbie and other developments in Morrinsville. Funding for the new Bore and new Treatment Plant was included in the 2021 Long Term Plan and 2021 Development Contribution Policy.

Projects	What is this project about?	What drives this project			Budget (\$000)			
		Growth	Increased Level of Service	Renewal	2021/22	2022/23	2023/24	2024-31
Water Retic Renewals	This is the renewal programme for the water retic components			100	1,899	1,899	1,899	6,667
Water Plant Renewals	This is the renewal programme for the water plant components			100	803	803	803	6,599
Morrinsville Additional Bore Pump and Water Treatment Plant 1	Purchase of land and construction of the additional bore pump and water treatment plant	50	50		500	-	2,500	1,500
Morrinsville Additional Water Treatment Plant 2	Development and construction of a new water treatment plant in Morrinsville	50	50		-	-	1,500	-

Instead of two separate treatment plants, Council is consolidating to the one treatment plant and bore as the bore testing provided enough yield to concentrate the water take to the one location at Lockerbie. The split is showing 50% funded by growth and 50% funded by an increase in level of service for the current users.

15. During the current Lockerbie development in the residential zone, larger diameter pipes were installed by the developer from the proposed new bore and treatment plant to the boundary of the PC 56 Area. This will provide for the additional capacity to service PC56 and no further public reticulation upgrade works are required.
16. Water is an important resource that needs to be used efficiently. To ensure the additional water source will be optimised, a condition has been included in the Plan Change rules to require the following Water conservation measures to be implemented by the developer and/or property owner:
 - (a) Water meters for each unit
 - (b) Rainwater storage tank with minimum capacity of 5,000 litres for the supply of non-potable water for outdoor use for lots that have a standalone house
 - (c) Rainwater storage tank with minimum capacity of 2,000 litres for the supply of non-potable water for outdoor use for lots that have a duplex or terrace – for clarity that would be 4,000 litres for the duplex combined, or 10,000 litres for a 5 unit terrace block.

WASTE WATER

17. Council has included a major Wastewater reticulation upgrade works in the 2018 and 2021 Long Term Plan and included funding in the 2021 Development Contribution policy. The work will provide sufficient capacity in the network for PC56. The work has been designed and is currently being tendered for. The work also includes some upgrades to the current pump station off River View Road which is also included in the cost. \$1.9m in 2021/22.

Projects	What is this project about?	What drives this project			Budget (\$000)			
		Growth*	Increased Level of Service	Renewal	2021/22	2022/23	2023/24	2024-31
Morrinsville NW Sewer Main	This is for a new pipeline to service the Lockerbie development	100			1,900	-	-	-

There was also funding in the 2018 LTP, \$1.4m funding in 2019/20, which has been carried forward to this financial year. This was not included in the 2018 Development Contribution Policy and therefore is funded via capital contribution, through a level of service increase and some additional renewal work.

A total of \$3.85 million dollars has been allocated to this job. The increase in cost is due to inflation, demand on resources and materials.

18. PC56 will need to provide a connection to the public network which will also likely require a pump station located somewhere in the north eastern part of the site to ensure all the waste can reach the existing public network. The Developer will need to provide this through the consent process. There may potentially be another pump station required if the detailed reticulation network cannot achieve the required fall and minimum pipe depths.
19. With growth occurring faster than anticipated within the district an updated report was sought on the state of the Wastewater Treatment Plant Capacity in Morrinsville. Council has included \$4million for upgrade works in 2025/26 and 2026/27 in the 2021 Long Term Plan. The funding was for the discharge

consent renewal for the plant due in 2024. It has been anticipated that Council's consent conditions would become stricter due to changes in legislation around fresh water and an updated regional plan being in place by then. This would require the plant to upgrade some of its existing treatment. The report identified that work needed to be completed prior to 2025 as indicated in the LTP due to growth occurring faster than anticipated.

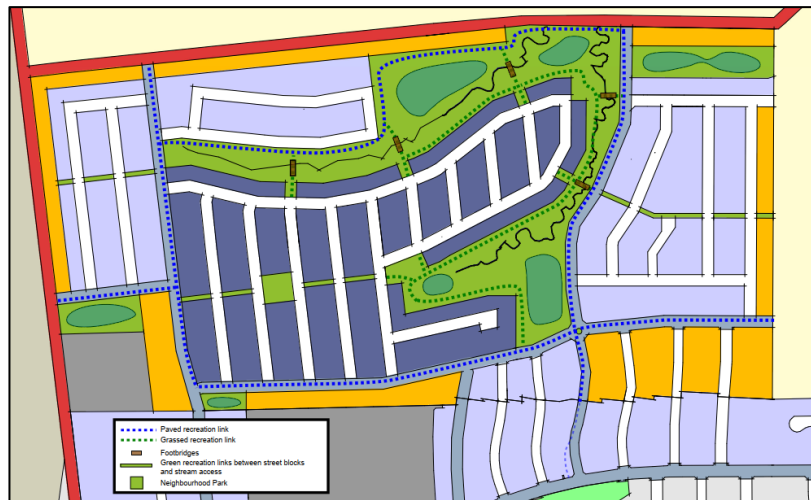
20. The treatment plant work identified is estimated to cost \$3.4million dollars. This will require Council to move some of the further investigation and design forward into 2022/23 and the bulk of the upgrade works into 2023/24. Instead of funding the work as an existing capital improvement and level of service increase, a large part of it will need to be growth funded.
21. The development contribution in 2024 will need to be updated to reflect this project. PC56 will be charged the appropriate Development Contribution once the policy has been updated. In the interim the Developer Agreement has captured an appropriate contribution required to fund part of the upgrade works. This has been based on using some of the updated growth projections by Lockerbie and our own growth work and updating the Development Contribution model with the additional treatment plant upgrade. An additional charge of \$1,894 per HEU has been calculated. This will be in place until the new Development Contribution policy is adopted by Council in 2024.

STORMWATER

22. There are no public network infrastructure upgrades required for Stormwater. The developer is required to dispose of Stormwater on-site and the new systems will be vested with Council. Approval from Council and Regional Council will be required for the individual consents but on-site soakage and retention are allowed for in their design.

TRANSPORTATION

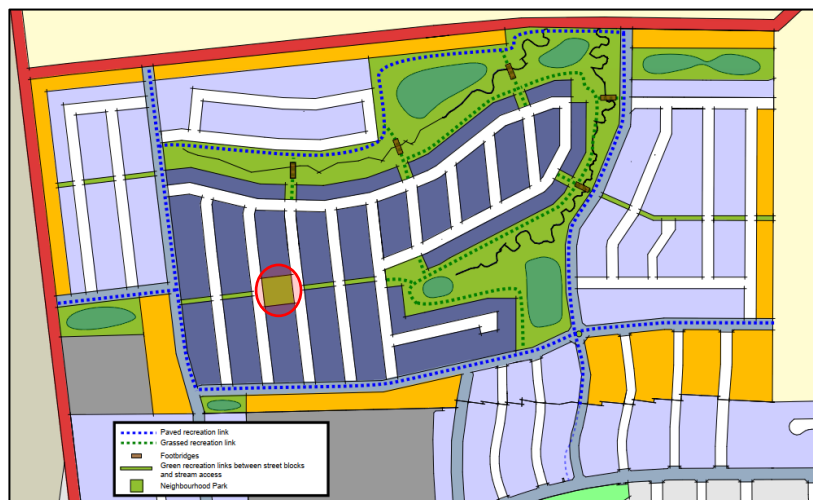
23. There have been a number of upgrades identified by the expert advisers for Transportation on the wider Transportation Network. All internal and new intersections created with existing roads throughout the development will be upgraded and funded fully by the Developer.
24. The new cycle and walkways will be constructed through PC56 and it will integrate with the existing network. All the costs lie with the developer.



25. An upgrade to the eastern side of Morrinsville-Tahuna Road to urbanise the road, and the upgrade of the southern side of Taukoro Road to provide for the additional traffic and pedestrian and cyclist movements are a requirement of the plan change and included in the Developer Agreement. They are to be funded by the Developer when the trigger identified has been reached. No funding is required from Council.
26. Upgrading of the intersection at Taukoro/Morrinsville-Tahuna and Hangawera Road and installing a new roundabout has also been identified in traffic assessments. An independent report was completed to identify whether Council should also contribute to the funding of the roundabout or whether this was purely attributed to PC56 based on the additional traffic.
27. It was found that if incorporating additional rural residential zoned land on Hangawera Road and Morrinsville-Tahuna Road then the cost should be spread across some of the other zoned land as well. It was determined that a fair split would be 71% of it being funded by PC56 and 29% Council funded. The split was based on estimated traffic volumes created.
28. The total cost is estimated to be \$5 million. So Council's share that needs to be included in the next Development Contribution policy and LTP, in 2024, is \$1.45million which will be attributed to growth. There is currently no funding allocated to this project in the 2021 Development Contribution Policy or 2021 Long Term Plan.
29. The safety assessment of the George Street/Coronation Road corridor also identified that some work was required at the intersection to improve safety with the increase in traffic, both for vehicles turning right or travelling across the intersection on George Street. The work is estimated to cost \$7,000. The work has been included in the Developer Agreement and because it involves discussion with property owners it was determined that Council would do the work but be fully funded by the Developer.

PARKS AND RESERVES

30. There are a number of Open Spaces proposed throughout PC56. Most are to incorporate Stormwater disposal and attenuation and some for walking and cycling connectivity. There will be no cost to Council for the acquisition of the land or the development. This has been specified in the Developer Agreement.
31. A neighbourhood park has also been identified in the Plan Change. Council has agreed to have it vested with us but has identified that it shall also be at no cost to Council. A new park has been vested with Council just south of the site which has a new community playground installed and meets the provision of the Open Spaces Strategy for Playgrounds. With the open spaces created and vested in Council, it does allow for any future smaller playgrounds to be installed if required.



CONCLUSION

32. In summary, I consider that:
- (a) The funding of wider infrastructure upgrades has been captured and is either included in the Developer Agreement, Council's existing Development Contribution Policy or provisions are being made to include these in the upcoming Development Contribution Policy and/or Council's Long Term Plan.
 - (b) There is clarity around funding requirements and appropriate mechanisms are in place in the District Plan Provisions.