

Report 08.91
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Committee Council
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Waiwhetu Stream clean-up: Ministry for the Environment Funding Deed

1. Purpose

To recommend that the Council enters into a funding deed with the Ministry for the Environment to part fund the clean-up of the Waiwhetu Stream.

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The lower reaches of the Waiwhetu Stream contain sediments contaminated with heavy metals, pesticides and other contaminants from uncontrolled industrial discharges into the stream before 1978.

The Ministry for the Environment, Hutt City Council and Greater Wellington have agreed in principle to jointly fund the removal of the contaminants for disposal to landfill.

As Councillors will note from the minutes of the Catchment Management Committee, the Waiwhetu Stream Advisory sub-committee has recommended that a trial of the proposed removal and disposal process take place this summer.

Before work can commence on the full clean-up a number of actions are required, including:

- Greater Wellington and Hutt City Council confirming funding of the project cost through their respective Annual Plan processes;
- Finalising an agreement between Greater Wellington and Hutt City Council that identifies respective roles and commitments; and

- Greater Wellington (as lead agency for the project) entering in a funding agreement with the Ministry for the Environment to enable payment of the Ministry's share of the project costs.

4. Funding split

The total estimated cost of the trial and the full remediation is \$6,000,000. The funding split arrived at between the Ministry for the Environment, Hutt City Council and Greater Wellington is as follows (in rounded figures):

Ministry for the Environment	\$3,000,000	(50%)
Hutt City Council	\$2,500,000	(41.5%)
Greater Wellington	\$ 500,000	(8.5%)

Greater Wellington's contribution is budgeted for as follows:

2007/08 \$ 75,000

2008/09 \$230,000

2009/10 \$230,000

The additional \$35,000 (Greater Wellington's budget for the three years totals \$535,000) is for other restoration projects involving the community in the upper reaches of the stream.

5. Ministry for the Environment Funding Agreement

A funding agreement between Greater Wellington and the Ministry for the Environment has been prepared to permit the Ministry to reimburse the Council when certain specified milestones are met. The agreement is bipartite as Greater Wellington and Hutt City Council have agreed that Greater Wellington will manage the project, including the financial aspects. As specified milestones are met, Greater Wellington will seek reimbursement from the Ministry for the Environment in terms of the funding agreement. The first stage of the clean up project, the trial this summer, is dependant on funding from the Ministry as per the agreement.

A separate agreement, currently being finalised between Hutt City Council and Greater Wellington, will result in Greater Wellington being reimbursed by Hutt City Council according to the same milestones.

Council approval to enter into the Ministry for the Environment funding agreement is required as the agreement covers three financial years, and the Chief Executive's delegation is only for implementing the current (2007/08) Annual Plan.

It should be noted that the agreement with the Ministry is to provide part funding of the trial and full clean up project in accordance with the cost share arrangement set out above. It does not legally commit this Council to

proceeding with the main phase of the clean-up works, however any delays may require the funding agreement to be renegotiated with no guarantee of a favourable outcome.

6. Communication

A communications plan has been drawn up in consultation with Hutt City Council and the Ministry for the Environment for this summer's trial. The plan includes provisions for communication with neighbours, local residents, and the wider community.

7. Recommendations

That the Council:

1. **Receives** the report;
2. **Notes** the contents and
3. **Approves** the Council entering into the funding deed with the Ministry for the Environment.

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