

PROJECT COMMITTEE MEETING 16th December 2015

Good afternoon Mr Chair, fellow Te Anau Wastewater Discharge Committee Members, PDP Consultants, SDC employees, Press and Public gallery.

I refer to the draft report of the “*Te Anau Wastewater and Treatment Disposal*” documents we have before us.

We at Fiordland Sewerage Options (FSO) have some concerns about conclusions in this draft report. We would also like to note that we have not had the full report made available hence have been unable to scrutinize the basis for many of the desktop assumptions. Some of our concerns are:

1. Cost comparisons.

The NPV cost for Kepler is higher than originally predicted and is now in the range of 16 to 20M depending on crop sales. Our advice is that the figure is likely to be at the high end of that range. The quoted example of Mangawhai, even with high tech treatment, currently obtains no sales income and cannot even cover mowing costs.

The NPV cost for Option 2 is 10M. Our advisors suggest that this later cost is more than their experience says it should be, and that for this amount a further large area of SDI could be added to the Slee property providing a system which would avoid all the risks and concerns which PDP identified for RI at the WWTP. Even if this amount was correct then according to the PDP figures an additional 1M would allow 20ha of subsurface irrigation to be installed.

2. Further investigations

In our opinion as ratepayers the potential 10M savings in NPV means it is essential that Council initiate some simple investigations at the WWTP site. This will either confirm, or otherwise, the viability of slow to medium rate irrigation with subsurface drip on SDC land and the land owned by Mr Slee.

Our advisors have said that step 1 is a simple exercise of excavating holes and to carry out a water level survey to confirm flow direction and shallow soil profiles. As noted in the PDP report a recent exploratory hole on the Slee property has confirmed the presence of a suitable soil profile with no ground water to a depth of 4 metres being evident.

Step 2 would be one or more investigation bores to determine the depth of the flow path. We have previously provided this advice and recommendations to PDP and SDC.

And of course the land owner should be consulted.

The option of irrigation at Mr Smith's farm would also be better served by the option our advisors suggested to PDP of subsurface irrigation in conjunction with subsurface irrigation of winter flows and peak flow lopping at the WWTP allowing the concerns PDP noted for a relocated Kepler type system at Smiths to be totally eliminated

3. Staging of construction and related cost savings.

We also note that the flow records being generated with the new meter at the WWTP suggest that flows are significantly less than had been measured previously based on pump run hours. Over the three months the total flow appears to be in the range of half to two thirds of expectations for the spring period. This is very significant because both current and future projected flows may well be much less than was expected.

Generally this is a positive result as it may allow some capital works to be reduced or staged. Unfortunately there doesn't appear to be any potential to defer or stage works at Kepler, including the pipeline, but this is not the case for Option 2 or subsurface irrigation at Smith's where the irrigation and aspects of the treatment could easily be staged with associated cost savings and reduced NPV.

We would appreciate the committee understanding that some low cost investigations at the WWTP should allow many of the concerns raised by PDP to be satisfied and this would be consistent with the longer term goal of mediation and potentially with obtaining a scheme that would address the concerns of FSO, the residents of Manapouri and other concerned ratepayers. We consider that the opinion expressed in Item 5 of the Manager's information paper introducing the PDP report is overly pessimistic and risks associated with further investigations should not be significant. Those investigations should include members visiting systems such as at the Tiwai Point Smelter, or Omaha and talking to the operator about the simplicity of subsurface irrigation. Then follow that up with a visit to the farm or asset manager at Ashburton (or Mangawhai) and talking to him about the complexities and problems with sprinkler irrigation and farm management.

Great emphasis is placed by PDP and SDC on favouring the '**Consented Scheme**' due to the cost of obtaining Consents. However, the huge Kepler cost is attributed to this "no brainer" proposal and its high capital and management costs and severe environmental implications.

The area surrounding the Te Anau ponds is already gazetted for wastewater disposal and the land for initial subsurface irrigation is already owned by Southland District Council .

Attached to this presentation is a copy of an informative email from our consultants which I forwarded to Gary Tong on 28th November, for distribution to your board, and I am disappointed that it was not forwarded on as requested. You all now have a copy.

This concludes my presentation however in closing I would mention that Peter Riddell is prepared to meet with your group at any time to further explain his concept and clarify any concerns or queries you may have.

Thank you for your time.

Chairman

Fiordland Sewerage Options Incorporated.