

IN THE MATTER

of the Resource Management Act 1991

AND

IN THE MATTER

of a Hearing to consider a Variation (Variation 1 – Ruakura) to the Hamilton City Council Proposed District Plan

**Statement of Evidence of William (Bill) Mitchelmore on behalf of
Tainui Group Holdings Limited**

15 July 2016

Introduction

1. My name is William Mitchelmore and I hold an honours degree in civil engineering from the University of Canterbury.
2. I have over 40 years of work experience in both the public and private sectors including:
 - (a) 10 years in various engineering and engineering management roles within local government;
 - (b) 12 years in the energy industry involving engineering management roles associated with the transmission and distribution of natural gas throughout NZ;
 - (c) 10 years in various project management roles in the aggregates and solid waste industries; and;
 - (d) Over 8 years as an independent business advisor, negotiator and Development Contribution (DC) practitioner.
3. I have extensive experience in the management of infrastructure from a resource management perspective and I have presented to BOI and hearing commissioners on a range of matters including designation for roads and transmission lines.
4. In a previous role at Waipa District Council, I was actively involved in the negotiation of development agreements, the assessment of development and financial contributions, and the formulation of policies to enable development.
5. My involvement with TGH at Ruakura commenced following the BOI decision and the subsequent proposed variation to the Proposed Hamilton District Plan. My involvement has been largely confined to providing assistance on the provision and funding of the network infrastructure in accordance with the Local Government Act 2002.

Code of Conduct

6. I confirm that I have read the 'Code of Conduct for Expert Witnesses' as contained in the Environment Court Consolidated Practice Note 2014. I agree to comply with this Code of Conduct. In particular, unless I state otherwise, this evidence is within my sphere of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

Scope of Evidence

7. My evidence relates to the infrastructure to be provided at Ruakura, and sets out my opinion, based on recent development agreement discussions and negotiations, on the related provisions in the Variation.

Private Development Agreement

8. The Council, TGH and CPL are currently in discussions about the content of a development agreement under the Local Government Act 2002 for the provision of infrastructure within Ruakura that is also intended to replace an existing strategic development agreement involving the parties and Waikato District Council that was executed in September 2009. I am assisting TGH with these discussions.
9. The discussions have now progressed to the point where:
- (a) the strategic infrastructure requirements for transport, wastewater and stormwater management have been resolved; and
 - (b) the bulk water strategic infrastructure requirements including the location of proposed reservoir and its connection to the existing network, including associated funding arrangements have also been resolved.
10. In terms of the specification of strategic infrastructure the only outstanding matter is agreeing the sizes for some sections of the trunk water mains to be provided downstream of the proposed reservoir site. Whilst the preferred location of the site has been identified, securing it remains a matter for a yet

to be completed negotiation with the tenant of the land, which provides good reason not to overly prescribe the final location of infrastructure in the District Plan.

11. The parties have largely agreed a set of high level principles for underpinning the development agreement. The outstanding issues relate to direct cost allocations between the parties for the planned wastewater and water capacity and the associated financial settlement arrangements. Discussions on these matters are now rapidly drawing to a fair and equitable outcome for each of the parties. Final agreement on the high level principles is imminent and Council is now compiling a draft development agreement for discussion.

3.7.1.7 Transportation Network

12. Sections 3.7.1.7 (c), (d), (e), (f) and (h) of the Variation generally describe the concept of a multiple service corridor that includes a road reserve and an adjoining drainage reserve and/or open space area. Whilst I understand it is the developers' intention for these two tracts of land to be adjoining, the land necessary for the drainage and open space cannot be identified until detailed engineering design is complete. The alignment of both the road corridor and adjoining service areas are both established; the width of the road corridor has been agreed but the width of the strip required for drainage and open space are subject to detailed design.
13. I understand the parties have agreed processes to secure the corridors for the strategic transport infrastructure during the development agreement discussions but not the additional land necessary for the stormwater management solutions and/or open space.
14. I consider sections 3.7.1.7 (c), (d), (e), (f) and (h) need to be amended to accommodate this practical constraint on the adoption of an all encompassing services corridor for co-locating strategic infrastructure. The references to co-location of infrastructure should be confined to the road corridor identified by Fig 15.2(a).

3.7.1.10 Water and Wastewater

15. Early in the development agreement discussions it became apparent the most optimal bulk water infrastructure outcome for the City was to provide the Council with the capability to install reservoir capacity at Ruakura in stages that could be aligned with both future demand and the Council's infrastructure funding constraints. For both technical and funding reasons section 3.7.1.10(a) of the Variation no longer reflects the position the parties have agreed and should be amended accordingly.
16. Likewise I understand development agreement discussions have resolved the Council's concerns associated with the placement of infrastructure ahead of the creation of future reserves. Access to construct, maintain and operate the planned strategic infrastructure will be contractually secure and is not dependent on being secured through provisions in the District Plan.
17. Section 3.7.1.10(b) refers to detailed design matters that are considered by the Council at the time of engineering approval for each stage of development. I consider such matters should not be specified in the District Plan . Costs are only one of a number of variables that influence the engineering approval process that can include the most appropriate type of infrastructure, material specifications, optimal infrastructure capacity requirements, location as well as likely capital and operating costs.
18. The Council has advised both TGH and CPL that it has re-specified its strategic wastewater requirements at Ruakura following an in-house needs review. The Council had originally intended that the strategic wastewater infrastructure in Ruakura would also service future growth areas located to the south of Ruakura but this plan has now been abandoned. Sections 3.7.1.10(c) and (e) of the Variation do not reflect the Council's new requirements and these requirements do not need to be a prescribed in the District Plan because they can unnecessarily constrain the provision of fit for purpose infrastructure.
19. In relation to section 3.7.1.10 (e) of the Variation, Council has accepted some pumping stations in area A. In any event, pumping station design matters are considered by the Council at the time of engineering approval for each stage of development. I consider such matters do not need to be specified in the District Plan.

3.7.1.11 Indicative Infrastructure Development Programme

20. Section 3.7.1.11 of the Variation may not reflect how strategic infrastructure will be provided, funded and accessed at Ruakura.
21. The processes identified related to the timing and transfer of infrastructure to the Council does not recognise that:
- (a) some strategic water and wastewater pipelines will be installed in road corridors years in advance of the construction of the roads and the pipelines will be transferred to the Council immediately they are connected to existing networks;
 - (b) the Council will be purchasing much of the strategic infrastructure from TGH and CPL at a price that reflects the cost of the capacity it has requested; and,
 - (c) the Council will be directly providing some of the strategic infrastructure in the road corridors.
22. I consider this section should either be deleted or amended to be less prescriptive, including to recognise that the assets may be either vested in or acquired by the Council.

3.7.1.12 Connections to Ruakura Strategic Infrastructure

23. Connections to the existing infrastructure networks should be subject to the provisions of the bylaws and specific engineering approval at the time of an LDP consent. These approvals will determine and justify the nature or form of the connections involved as has occurred with approvals provided to date. For these reasons there is no need for connection constraints to be identified in the District Plan.
24. The first sentence in section 3.7.1.12 c) is factually incorrect. There is existing capacity to receive wastewater into the City network at the Crosby Road-Wairere Drive roundabout. The issue is that a gravity sewer needs to be connected to the existing interceptor sewer which has been partially extended

along Pardoia Boulevard toward its intersection with the proposed Spine Road.

I consider the first sentence should be replaced as follows:

Other than for any wastewater disposal solutions specifically agreed to by the Council on a case by case basis all development in the Ruakura Structure Plan Area must connect either directly or indirectly to the City's existing wastewater network in the vicinity of the Crosby Road- Wairere Drive roundabout.

3.7.3.4 Ruakura Strategic Infrastructure Rules

3.7.3.4.1 Potable Water Supply

25. The connection to the existing network is subject to engineering approvals at the time of a consent or a specific connection application to the Council, as well as the provisions of the operative water supply bylaw. These are not matters for inclusion in District Plan rules.
26. Whilst there will be access and water use limitations until the Council expands its bulk water network by constructing the Ruakura reservoir, these can be managed at the time of engineering approval for any stage relative to the contractual obligations set out in the development agreement.
27. Secondly, this rule may have the effect of compromising existing use in Area A that is currently connected to the network in the vicinity of Silverdale Road and which TGH intends to continue to access as necessary ahead of the completion of the Ruakura reservoir. Thus it is important that the rule recognises the ability for Council to agree to alternatives where appropriate, such as the inclusion of a clause "or unless otherwise approved by the Council".

Conclusions

28. I support Mr Hall's evidence as prescribing these infrastructure solutions within the district plan will affect the ability for these matters to evolve to best meet the demands on this infrastructure and the ability to manage the environmental effects of the infrastructure alongside those of the development.

Bill Mitchelmore

15 July 2016