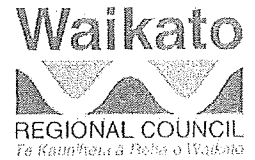


## From the Chairman's Office

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12 December 2012

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Dear Glenn

### Moanataiari Subdivision Investigation and Remedial Planning

The Moanataiari Governance Group meeting held in Thames on 5 December 2012, in respect of Moanataiari property remediation, appeared to be strongly coerced on a number of occasions by you. The Governance Group was requested, by you, to make a decision on 5 December that was at least cost to Thames Coromandel District Council (TCDC) rather than a decision that ensured the acceptable level of risk to human health is commensurate with Ministry for the Environment Policy guidance.

The Governance Group voted in favour of TCDC's recommendation to implement 'Scenario B – Non Physical Works,' remedial option that was set out on the agenda. Governance Group representatives from the Waikato Regional Council (WRC) and the Ministry for the Environment (MfE) voted against the majority decision of the Governance Group in respect of that recommendation. The option approved by the Governance Group includes an awareness creation programme promoting behavioural changes, providing safe soil to grow vegetables in and providing assistance to property owners in affected areas such as Block 2 to cover exposed material in high traffic areas and other similar solutions such as are currently promoted by the Ministry of Health (MoH).

WRC voted against TCDC's recommendation as WRC representatives were not confident that the resolution will provide the best long-term protection of human health in line with Government's policy. WRC representatives recommended that the Governance Group defer the selection of a remedial option until due consideration is given to the MoH's comments outlined in their letter of 26 November 2012, and until the health risks associated with the detailed remedial action plans are appropriately assessed. WRC representatives wish to see the Moanataiari investigation blocks considered separately due to the different levels of risk associated with each block. Unfortunately that did not happen.

The view of WRC representatives was that the Governance Group decision on which remedial option should be implemented was premature and based on incomplete information. The level of uncertainty in the information provided to the Governance Group, particularly information given in Section 2 – Project Manager's report of 5 December 2012 and the assumptions contained in the cost-benefit and risk analysis that was used to make the Governance Group decision, poses a risk of being challenged at some time in the future.

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WRC notes that the funding agreement provides for the appointment of an independent assessor in the event of a dispute or disagreement. WRC would be happy for the issues to proceed to independent assessment if you thought that would provide a meaningful way forward and improve the decision making process.

WRC Governance Group representatives acknowledge that the selection of the remedial option by TCDC and its community representatives is in accordance with Section 31 of the Resource Management Act and is a territorial authority prerogative. The selection of the preferred option effectively concludes the project brief, as per the Terms of Reference. (MARTIN)

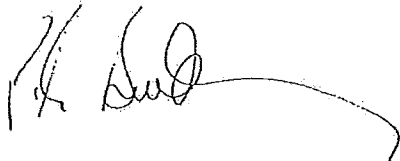
WRC will consider at its February meeting, the termination of the Funding Agreement for the Moanataiari Investigation. There also appears to be no further requirement for the Governance Group and Project Management Group. Future joint activities will need new terms of reference and a project brief. /

WRC representatives will be available to assist TCDC should TCDC wish to make a further application to the MFE's, contaminated site remediation fund. We would be happy to lodge the application on TCDC's behalf. Likewise, if any resident prefers to undertake their own independent remediation programme for their property, we would be happy to support their application to the fund.

WRC will continue to play a regulatory role in the assessment of the remediation reports for those properties that had remediation work such as capping and or soil removal/replacement. Properties within the Moanataiari subdivision will continue to be listed on the WRC's Selected Land Use Register. Each property classification will change as the project moves into management/remediation phases. WRC recommend that similar information continues to be included in TCDC's LIM reports. /

I acknowledge that there was some confusion around what appeared to be a misalignment or contradiction between the soil standards and drinking water standards for arsenic. This was previously raised with Minister Adams when the Minister visited the Moanataiari School earlier this year and more recently at the Governance Group meeting of 5 December. WRC's Chief Executive, Bob Laing, offered to facilitate a meeting between the relevant parties. Please let me know if this would be useful.

Yours sincerely



Peter Buckley  
Chairman

cc Minister Adams  
Moanataiari Governance Group