



Rangitikei District Council

Hunternville Rural Water Supply Sub-Committee Meeting

Minutes – Monday 14 December 2015 – 3:00 p.m.

Contents

1	Welcome	3
2	Apologies.....	3
3	Notification of late items	3
4	Confirmation of minutes	3
5	Matters arising	3
6	Chair’s report	3
7	Financial report	3
8	Hunternville Rural Water Supply – Operations report.....	4
9	Update on potential changes to the Scheme.....	5
10	Proposed rates for 2016/17	5
11	General Business	5
12	Next meeting.....	5
13	Meeting closed.....	5

The quorum for the Hunternville Rural Water Supply Management Sub-committee is 4.

At its meeting of 28 October 2010, Council resolved that “The quorum at any meeting of a standing committee or sub-committee of the Council (including Te Roopu Ahi Kaa, the Community Committees, the Reserve Management Committees and the Rural Water Supply Management Sub-committees) is that required for a meeting of the local authority in SO 2.4.3 and 3.4.3.

Present: Mr Bob Crawford
Mr Bernie Hughes
Mr Brett Journeaux
Ivan O'Reilly
Cr Dean McManaway

In attendance: Mr Ross McNeil, Chief Executive
Mr George McIrvine, Finance and Business Support Group Manager
Mrs Joanna Saywell, Utilities Asset Manager
Ms Laura Richards, Governance Administrator

1 Welcome

Chair Bob Crawford welcomed Committee members to the meeting.

2 Apologies

That apologies for absence from Mark Dawson, Paul Peterson, Andrew van Bussel and Sam Weston be received. Apologies from Johnny McManaway for lateness. Dean/Brett Carried.

Resolved minute number **15/HRWS/028** **File Ref**

That apologies for absence from Mark Dawson, Paul Peterson, Andrew van Bussel and Sam Weston be received.

Cr McManaway / Mr Journeaux. Carried.

3 Notification of late items

A letter from Mr Sam Crowther to be discussed regarding a request for extra units.

4 Confirmation of minutes

Resolved minute number **15/HRWS/029** **File Ref**

That the Minutes of the Hunterville Rural Water Supply Sub-Committee meeting held on 12 November 2015 be taken as read and verified as an accurate and corrected record of the meeting.

Addition within the Chair's report that Mr John Henderson that he had power stolen.

Mr Journeaux/ Mr McManaway. Carried.

5 Matters arising

Nil.

6 Chair's report

Mr Crawford said the Information he wanted to discuss would be covered elsewhere in the meeting.

7 Financial report

Mr George McIrvine presented the financial statement to the group.

Discussion focused on the rates set by the Committee being changed without advising Committee members. They pointed out to the Rangitikei Council staff present that this rate drop could be a hindrance to their budget and reserves.

His Worship the Mayor, Andy Watson entered the meeting at 3.20 pm.

At that time the Committee told His Worship the Mayor that they wanted the Chief Executive to be in the meeting. They then put this discussion on hold at 3.28 pm.

8 Late – Business

The Committee discussed an email from Mr Sam Crowther on behalf of Mr Graeme Rhodes. Mr Crowther and Mr Rhodes noted that there are 11 unused units originally allocated to the dairy farm which they would like to take five from the Ngahere Dairy farm at 231 Putorino Road and transferred to the dry stock farm at 762 Rangatira Road. It was noted the water tank is located on the main water line that crosses the farm between W Partridge's and R Horrocks' farms.

The Committee members said Mr Rhodes would have to pay for all the costs/expenses and the units will go with the original dairy farm. Discussion also centred on the legalities. It was decided to write a letter/email would be written by Mr Crawford to Mr Rhodes stating further investigation into the matter needs to be done.

Council's Chief Executive, Mr Ross McNeil, entered the meeting 3.51 pm

9 Financial report (Continued)

Committee members continued their discussion and reiterated that they were exceedingly unhappy regarding the annual water supply rates settings.

Mr McNeil told the committee there has been a mis-communication of the issue.

Mr McIrvine stated there is a reserve of \$170,000 and the Committee discussed this information and how it would impact the water scheme.

Cr McManaway left the meeting at 4.30 pm.

Resolved minute number	15/HRWS/030	File Ref
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That the Hunterville Rural Water Supply Financial Statement be received.

Mr Journeaux / Mr Hughes. Carried.

10 Hunterville Rural Water Supply – Operations report

The Committee discussed the report and also requested a breakdown for the Porewa River Crossing quotation to be sent out to Committee members.

Resolved minute number **15/HRWS/031** **File Ref** **6-WS-3-4**

That the 'Hunterville Rural Water Supply – Operations report', dated December 2015 be received.

Mr Journeaux / Cr McManaway. Carried.

11 Update on potential changes to the Scheme

Mr McIrvine presented: Financial Modelling for loss of Urban Supply.

The presentation discussed the assumptions that water quality will not require more treatment than is done for water from the Rural Scheme. A subsidy will be taken up and the current project is due to be completed by 30 June 2017. The only additional costs to urban are depreciation, interest and loan payments.

Changes to budgets will be required from 2018/19 onwards if urban supply becomes independent of rural supply. Current information sees urban usage at 16% of total water pumped and urban supply paying for 370 units per year which is 21% of units available. The off side of that is the rural supply will lose 21% of its revenue while only saving 16% of its pumping costs – electricity. From the same financial year, deficits will increase unless water can be sold elsewhere. Also, cash deficits will average close to \$70,000 per year.

The proposed charges for the 2016/17 draft annual plan: unit charge \$280.41 up from the 2015/16 year at \$229.57. The change does not include increases for loss of supply to Urban.

12 Proposed rates for 2016/17

The draft budgets for the 2016/17 Annual Plan and the provisional rates for the scheme were discussed with the Committee along with information from the power point presentation.

13 General Business

Nil.

14 Next meeting

1 February 2015, 3.00 pm

15 Meeting closed

The meeting closed at 4.39 pm.

Confirmed/Chair: _____

Date: