



Rangitikei District Council

Hunternville Rural Water Supply Sub-Committee Meeting

Minutes – Monday 20 February 2017 – 3:00 PM

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Present: Mr Bob Crawford - Chair
Mr Brett Journeaux
Mr Bernie Hughes
Mr Mark Dawson
Mr Sam Weston
Cr Dean McManaway
His Worship the Mayor, Andy Watson

In attendance: Mr David Rei Miller, Asset Engineer – Roading and Utilities
Mr George McIrvine, Finance & Business Support Group Manager

Mr Andy Sargent, Financial Services
Ms Sue Bligh, Health and Safety and HR
Mr Andrew van Bussel, Operations Manager – Utilities
Mr Ivan O’Reilly, Waste/Water Technician
Ms Linda Holman, Governance Administrator

Tabled Documents: Economic Evaluation of Stock Water Reticulation on Hill Country

1 Welcome

The meeting started at 3pm. The Chair welcomed everyone to the meeting.

2 Apologies

Apologies for lateness were received from Mr John McManaway

Mr Weston / Mr Hughes. Carried

3 Members' conflict of interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda. No conflicts of interest were noted.

4 Confirmation of order of business

No late items were noted.

5 Presentation by Sue Bligh

Ms Sue Bligh presented the Health & Safety Initiative for Rural Water Schemes for the Committee's consideration. Ms Bligh has made this presentation to the Erewhon Rural Water Supply Committee also, and they are happy with the proposal. Ms Bligh will also present to the Omatane Rural Water Supply Committee.

The proposal is that when staff go onto a property they will call the occupier first, or if nobody is home they will leave a message to notify them of the impending visit. A letter will be sent out to all land owners with the next account asking them to provide contact details, particularly in the case of land being tenanted or leased. Additionally, Mr van Bussel will check to see if the mass-text system is working.

The intention is to protect staff and ensure they are alerted to any hazards on the property, so for this reason a blanked pre-authority will not be ideal. There are many properties where cell phone coverage is not available, which puts them in a high-risk situation.

In case of incident the risk is on both the Council and the landowner. The Council staff will need to be added to the Health and Safety files on farms in the same way as other contractors are included.

6 Confirmation of Minutes

The Chair thanked Mr Journeaux for being Acting Chair at the previous meeting.

Mr Miller noted on page 11 of the Minutes there was a query as to whether the depth of the pipes was known, and confirmed that this information is unavailable.

Resolved minute number **17/HRWS/001** **File Ref** **3-CT-3-2**

That the Minutes of the Hunterville Rural Water Supply Sub-Committee meeting held on 12 December 2016 be taken as read and verified as an accurate and correct record of the meeting.

Mr Hughes / Mr Weston. Carried

7 Chair's Report

The Chair thanked Mr van Bussel for keeping him up to date.

Resolved minute number **17/HRWS/002** **File Ref**

That the Chair's Report to the Hunterville Rural Water Supply Sub-Committee meeting on 20 February 2017 be received.

Mr Crawford / Cr D McManaway. Carried

8 Council decisions on recommendations from the Committee

16/RDC/395: The Council agreed to sign an electricity supply contract for Non Half-Hourly (NHH) sites with Genesis Energy, for the period 1 January 2017 to 30 September 2018.

Mr Miller spoke to this - Council approved this at the 15 December 2016 meeting. There are two contracts, one arranged through central government, this one was done directly by Council, and is for all of Council, not just the Hunterville scheme. \$10,000 per year has been saved.

9 Council responses to queries raised at previous meetings

There were no queries raised at the previous meeting.

10 Hunterville Rural Water Supply – Operations Report

Mr Miller explained how the pumps can be set up to save money over the winter. Winter is the only season where such savings can be made, due to the weather conditions. Avoiding the two most expensive peaks of the day, the tanks can be run down and pumping done at the cheaper times of the day, and at the weekend. This can be manually overridden or triggered by a low reservoir level. This is currently under investigation.

Mr van Bussel spoke to the report, taken as read. Item 2.2 was explained in more detail and noted that it is still in discussion.

Mr Journeaux asked when the pump maintenance would be completed, this is still in progress as the pump was late to be delivered and is still in the workshop.

Resolved minute number **17/HRWS/003** **File Ref** **6-WS-3-4**

That the 'Hunterville Rural Water Supply – Operations report' dated 1 February 2016 be received.

Mr Journeaux / Mr Dawson. Carried

11 Financial Report – December 2016

Mr McIrvine spoke to the report, explaining the dates and items. Budget-wise, an increase of 1% looks likely.

With regards to creating a depreciation reserve (p19 of the Order Paper), a \$250k of assets over ten years would result in a 6.5% increase in water charges; and \$500k of assets over ten years would result in a 13% increase in water charges. This would be *in addition* to any further increases due to power increases and the like. The intention is to flatten out the rises and falls of the charges, and to ensure a fund is available when hardware needs replacing.

Mr Journeaux questioned whether \$250k at 6.5% was enough. Mr McIrvine replied that it is a start. Not all the assets are covered at a 6.5% increase as the total value is approximately \$430k. The life of the various assets was questioned and it was noted that while many assets can last longer than ten years, ten is a realistic time frame. Discussion was held on the specific hours of use obtained from various assets.

Discussion was held on when an increase can be implemented. It was recommended that the Committee signal to Council that a 6.5% increase may be implemented at a later date while the details are worked out. The 6.5% increase may not happen in one go, but be progressively implemented. Mr McIrvine will model progressive increases of depreciation charges for above ground assets.

Resolved minute number **17/HRWS/004** **File Ref** **3-CT-3-1**

That the Financial Statements and corresponding commentary for the six months ending 31 December 2016 be received.

Mr Journeaux / Mr Weston. Carried

12 Tutaenui Community Irrigation/Stock Water Scheme – update on pre-feasibility study

Mr Miller gave an update on the pre-feasibility study. 450 properties received a survey, and 73 replies have been received. Shortly someone will be engaged to do 25 face-to-face interviews. It was noted that while it is still early days for the consultation process, Committee members are also encouraged to speak directly with people from a range of areas and interests.

Resolved minute number **17/HRWS/005** **File Ref**

That the verbal update be received.

Mr Weston / Mr Hughes. Carried

13 Maps of scheme assets

Mr Miller provided the following information, and demonstrated the website to the Committee.

- a. Links to maps of rural water supply assets will be added to the Rangitīkei District Council website here: www.rangitikei.govt.nz/services/water.
- b. Information on depth of pipes is not available.

14 Hunterville town water demand

Discussion was held around the price paid and the level of use by residents. Mr Miller will provide updated information at the next meeting. The feasibility of using bore water for town, and removing residents from the scheme is currently being investigated.

15 Updating the Rural Water Supply Policy

It was questioned whether it is possible to check that all users have 48 hours supply. As the onus is on the users not the Committee, it is not possible to do this.

The ownership of the scheme was questioned, and discussion was held around how this may impact insurance paid out in the event of a natural disaster. Mr Miller understands that Council owns the assets and will research the vesting of the assets for the next meeting. It was clarified that the property title owns the units in the scheme, not the individual owner.

Mr Miller has annotated the existing Rural Water Supply Policy to include the changes agreed upon by the Committee at the meeting on 17 October 2016.

File ref: 3-PY-1-11 (original policy)

The changes made are:

- 1. Making it clear that the onus is on the property owner to:**
 - a. **Provide 48 hours supply of water.** Covered by 5.2 in the amended document.
 - b. **Inform any tenants that the water is not for human consumption.** Obligation on the property owner is covered by 4.1 in the amended document. Informing tenants and addressing their concerns should remain the obligation of the property owner. Were Council/the Committee to take on this separate obligation, they would be signing themselves up for liability over something they can't control.
 - c. **Provide access for repair or maintenance.** Covered by 9.4 in the amended document.

2. Removing the sentence within... 6.1... “such approval will not, however, be unreasonably withheld”. Covered in 7.1 of the amended document.

At the meeting on 3 November 2016 Council resolved to accept the recommendations from the Committee (Minute number: 16/RDC/330). However, the Committee needs to agree to the changes made by Mr Miller before the changes to the Constitution can be finalised.

Resolved minute number **17/HRWS/006** **File Ref** **3-PY-1-11**

That the amendments to the updated Rural Water Supply Policy be accepted and the updated Policy be sent to Council.

Mr Journeaux / Mr Dawson. Carried

16 Late Items

Nil

17 Next Meeting

Monday 3 April 2017, 3.00pm

18 Meeting dates for the rest of 2017

- 19 June
- 7 August
- 2 October
- 4 December

19 Meeting closed at 4.37pm

Confirmed/Chair: _____

Date: