



Rangitikei District Council

Huntermville Rural Water Supply Sub-Committee Meeting

Minutes – Monday 3 April 2017 – 3:00 p.m.

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

In attendance: Mr George McIrvine, Finance & Business Support Group Manager
Mr Andrew van Bussel, Operations Manager – Utilities
Mr David Rei Miller, Asset Engineer – Roading and Utilities
Mr Andy Sargent, Management and Project Accountant
Ms Linda Holman, Governance Administrator

1 Welcome

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

2 Apologies

Apologies were received from Mr Sam Weston. It was noted that Mr Ivan O'Reilly is on leave.

Mr B Hughes / Mr B Journeaux. 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 Confirmation of Minutes

Resolved minute number	17/HRWS/007	File Ref	3-CT-3-2
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That the Minutes of the Hunterville Rural Water Supply Sub-Committee meeting held on 20 February 2017 be taken as read and verified as an accurate and correct record of the meeting.

Mr B Journeaux / Mr B Hughes. Carried

6 Chair's Report

No report was made.

7 Council decisions on recommendations from the Committee

No recommendations were made to Council at the previous meeting.

8 Council responses to queries raised at previous meetings

- Mr van Bussel: the mass text system appears to be working - noted
- Mr Miller: vesting of assets information – no documents have been found as yet, so will report back at the next meeting

9 Hunterville town water charges and usage

Confirmation was made that Hunterville town is charged for 370 units annually and metered use accounted for approximately 32% of those units in the 2015-2016 financial year. Considering the unmetered use the figure is closer to 40%.

Discussion was held as to whether the unused units could be used by the rural scheme. Technically the answer is yes – there is capacity in the infrastructure for approximately 150 cubic metres per day to “go back up the line”; however, Mr van Bussel has strong reservations as this could have negative effects in the summer time.

10 Quote for new impellers and wear rings

A verbal update on the purchase of new impellers and wear rings for the Acme pump at the middle pump station was provided by Mr van Bussel. The impellers have been ordered and will be delivered in approximately six weeks.

His Worship the mayor left the meeting at 3.20pm and returned at 3.25pm

11 Hunterville Rural Water Supply – Operations Report

2.1 Kiwirail have changed the positioning of the pipe, to be positioned on the handrail - but this may incur a charge. A decision has not yet been made on this matter.

Resolved minute number **17/HRWS/008** **File Ref** **6-WS-3-4**

That the ‘Hunterville Rural Water Supply – Operations report’ dated 1 April 2017 be received.

Mr B Journeaux / Mr J McManaway. Carried

12 Progressive modelling of increase of depreciation charges

Mr McIrvine explained that 6.5% over four years is \$1.10 a unit every year for 4 years, and 13% = \$2.20 a unit.

Mr Miller identified that not everything had been recorded in the asset register, so this is currently being updated. Mr Miller has taken photographs at various sites and is in discussion with Mr van Bussel; it is a work in progress but is now up from 19 lines to 63. This will help decide upon the amount of depreciation to be set and will also provide good information for insurance purposes. Assets that hadn't been in the register need a value assigned but the end result is that the register will more accurately reflect reality.

Mr Journeaux queried where the current year's depreciation figure of \$90,000 came from. Mr McIrvine answered that it came from historical costings.

13 Financial Report – February 2017

Mr McIrvine noted that the expenditure is on track, but that the recent MagiQ software update has caused a few errors. Mr Crawford noted that there are no major outstanding debtors

Improvements on last year have come from upgraded hardware has gaining efficiencies and electricity savings. Mr Journeaux queried whether there is confidence that next year's costings will be similar to this year. Consensus was that due to the wet summer the costs were lower this year than normal, so rate-setting for future years should take this into account.

Mr van Bussel noted that there is infrastructure to do in the near future, including work on time-of-use pumping and building the programme with the contractor. Next year's work includes overhauling 2 pumps and installing new impellers to increase efficiency. These are capital costs, not operational costs.

Current rate: \$280 per unit per year.

Further discussion was held around the different options for funding depreciation. It was decided to set the rate for the 2017-2018 financial year at \$285 including GST per unit.

Resolved minute number	17/HRWS/009	File Ref
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That the rate for the 2017-2018 financial year be set at \$285 including GST per unit.

Cr D McManaway / Mr B Journeaux. Carried

Resolved minute number	17/HRWS/010	File Ref	3-CT-3-1
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That the Financial Statements and corresponding commentary for the period ending 28 February 2017 be received.

Mr B Journeaux / Mr B Hughes. Carried

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

Mr Miller noted that Mr Murray Robinson has commenced interviewing people in the district and that the results will be reported to the next meeting. Additionally, engineering consultants are currently completing their report.

It was noted that Mr Ross Kane of Speirs Foods pointed out at a recent meeting the huge potential for wise water use on smaller, fertile flat lands in the Rangitikei with a horticultural, rather than agricultural focus. It was also noted that, at a conceptual level, if Hunterville town was to come off the scheme then the excess units could be moved around to people who have expressed an interest in purchasing more units.

Mr Journeaux noted that this hasn't changed anything immediately, and the status quo is in place for now. Mr Crawford noted that once the issues are sorted then users can be canvassed to find out who wants more water. If people want to sell/buy units they need to agree between themselves and then bring it to the committee to be recorded for future information.

15 Updating the Rural Water Supply Policy

It was noted that the amended policy has been sent to the Omatane and Erewhon Rural Water Schemes for approval or further amendment. Once all of the Rural Water Schemes are in agreement the amended policy will be sent to Council for final approval.

16 Late Items

Nil.

17 Next Meeting

Monday 19 June 2017, 3.00pm

18 Meeting dates for the rest of 2017

- 7 August
- 2 October
- 4 December

19 Meeting Closed 4.10pm

Confirmed/Chair: _____

Date: _____