



Rangitikei District Council

Hunternville Rural Water Supply Sub-Committee Meeting

Minutes – Monday 7 December 2020 – 4:00 pm

Contents

1	Welcome	3
2	Public Forum	3
3	Apologies.....	3
4	Members' conflict of interest	3
5	Confirmation of order of business	3
6	Confirmation of Minutes.....	3
7	Chair's Report	Error! Bookmark not defined.
8	Council decisions on recommendations from the Committee	3
9	Questions put at previous meeting for Council advice or action.....	3
10	Hunternville Rural Water Supply – Operations Report.....	4
11	Hunternville Bore – Update	Error! Bookmark not defined.
12	Hunternville Rural Water Supply Financial Statements	4
13	Late Items.....	4
14	Next Meeting	7
15	Meeting Closed	7

Present: Mr Sam Weston (Chair)
Mr Mark Dawson
Mr Bernie Hughes
Mr John McManaway
Mr Bob Crawford
Mr Sam Duncan

In attendance: His Worship the Mayor, Andy Watson
Mr Peter Beggs, Chief Executive
Councillor Richard Lambert
Mr Dave Tombs, Group Manager Corporate Services
Mr Dahl, Finance Services Team Leader
Mr Andrew van Bussel, Operations Manager
Mr Arno Benadie, Principal Advisor – Infrastructure
Ms Janine Simpson, Governance Administrator

Tabled Items: Item 12 – Updated Financial Documents

1 Welcome

The Chair opened the meeting at 4.01 pm

2 Public Forum

Nil.

3 Apologies

Resolved:

That the apologies from Paul Peterson, Dave Flintoff and Ivan O'Reilly be received.

Mr Crawford / Mr Dawson Carried

4 Members' conflict of interest

Nil.

5 Confirmation of order of business

The order of business was confirmed.

6 Confirmation of Minutes

Resolved:

That the Minutes of the Hunterville Rural Water Supply Sub-Committee meeting held on 7 September 2020 without amendment be taken as read and verified as an accurate and correct record of the meeting.

Mr Dawson / Mr Weston Carried

7 Council decisions on recommendations from the Committee

There were no recommendations from the Committee.

8 Questions put at previous meeting for Council advice or action

Staff to seek clarity of what determines privacy, and what information can be released to the Committee.

Council are unable to release personal information to the committee of scheme users, due to privacy concerns. However, as provided in March 2020, Council can provide the Sub-Committee a spreadsheet inclusive of addresses, units owned, units used and charges for.

Letter to Hunterville Rural Water Scheme users

A letter is to be sent to scheme users to advise them to check their water tanks for with the impending dry summer. Users will also be requested to contact Council if they come across any scheme pipeline leaks. This will be sent out with the upcoming water bill which is due 20 November 2020.

9 Hunterville Rural Water Supply – Operations Report

The report was taken as read. Mr Flintoff said the teams are preparing for the summer season. Some of the communications faults are due to weather (high winds).

Resolved minute number **20/HRWS/016**

That the 'Hunterville Rural Water Supply – Operations Report' to the 2 November 2020 Hunterville Rural Water Supply Sub-Committee be received.

Mr Crawford / Mr Peterson Carried

10 Hunterville Rural Water Supply Financial Statements

Resolved minute number **20/HRWS/017**

- 1 That the 'Hunterville Rural Water Supply Financial Statements for the 12 months ending 30th June 2020' to the 2 November 2020 Hunterville Rural Water Supply Sub-Committee be received.
- 2 That the 'Hunterville Rural Water Supply Financial Statements for the 3 months ending 30th September 2020' to the 2 November 2020 Hunterville Rural Water Supply Sub-Committee be received.

The committee requested the Mayor raise the concerns around the non-attendance of staff formally with the Chief Executive to ensure staff are able to attend future meetings.

Mr McManaway /Mr Dawson. Carried

Mr Dahl went through the updated financials provided as per the tabled documents starting 12 months ending 30th June, 2020.

During the discussions it appeared that some of the accounts that are coded to cost centres need to be looked into.

Capital renewals are described as a renewal as it is keeping the level of service. If anything is replaced, it is also considered a renewal.

Staff Time:

These figures comprises all staff. Mr Van Bussel advised that if a separate job is being done, Ivan will get a cost code to charge his time to. If it is a capital or project related job then the time is split, as reflected in the statement of operations.

Asset Schedule:

The asset schedule takes into account what you have as your assets. The list of assets are valued but it will change every three years as an adjustment due to the next valuation.

There was some confusion where things were taken out of one cost centre and moved into another.

Mr Weston and Mr Van Bussel agreed to go through the assets taking into account the 10 year plan.

Undertaking Subject HRWS Asset "Snapshot"

That Mr Dahl provide a snapshot of the assets to the Committee by the end of the week.

Hunterville Rural Water Supply Reserve

Originally the Hunterville Rural Water Supply was started between farmers and the government and they put half the funds in to set the scheme up. Council then took over the role to organise it because a lot of farmers elected not to fund depreciation, they felt they needed money in the bank should there be a storm or flood event that requires funds immediately. They felt that \$100,000 was needed in case any repairs were required.

Mr Tombs asked the Chair if there is a constitution for HRWS, a copy of the 1988 set of rules was provided to Dave.

Why was the general rate revenue not received in the 2020 year?

Mr Dahl advised that we have been reliant on budgets that have been set by others. It hasn't been in the last two budgets but has been in the budget previously, however moving forward it will be available again in the budget.

Mr Weston advised that they nominated whether to put renewals on loans or use our reserve, this can also be looked into. Mr Tombs confirmed that it could be changed and it wouldn't affect Council assets.

Ledger #60617950 – Internal Loan Account:

The opening balance is \$180,000.

The Loan repayment of \$8968.28 is based on previous year's repayments and taken over a 30 year loan period.

Undertaking Subject Loan Repayments – Internal Loan Account

That Mr Dahl will look into the loan repayments and provide more detail to everyone, it will also explain what is capital and renewals.

Depreciation:

Mr McManaway queried the depreciation. Mr Weston advised that he had some old minutes from meetings and the reserve account was increased by the value of the depreciation.

Mr McManaway queried the cash of \$544,000 out of the operating account and the loan hasn't increased. Depreciation hasn't been funding these renewals. The internal loan account was up by \$158,000 funded the \$544,000 – we need to know what has happened to that money.

Mr Dahl advised looking at the 20th June balance sheet, for 2018/2019 there was no accumulated depreciation. The re-evaluation was completed in the 2018/2019 year so it would then build up over the next 3 years under the next revaluation. The depreciation builds up but then gets taken away by increasing the revaluation of this scheme.

Undertaking Subject Depreciation

That Mr Dahl will look into the funding of depreciation and examine where it goes.

Mr Beggs gave the Committee a commitment that the budget will be overhauled and we will get some expertise in to get it sorted. Mr Weston advised that he could also come in to assist.

Undertaking Subject 2021 Budget

That Mr Tombs will look into how the budget was set up and any issues will be addressed.

Mr Weston and Mr Van Bussel agreed to go through the assets taking into account the 10 year plan.

Mr Dahl advised looking at the 20th June balance sheet, for 2018/2019 there was no accumulated depreciation. The re-evaluation was completed in the 2018/2019 year so it would then build up over the next 3 years until the next evaluation. The depreciation builds up but then gets taken away by increasing the devaluation of this scheme.

Undertaking Subject Working Capital

That Mr Dahl will look into the query – is working capital a balancing figure? Mr Dahl will report back to advise how that figure is arrived at and where it is coming from.

Mr McManaway advised that the Council were very helpful getting the scheme up and running. A bone of contention was that it was realised by everyone who went onto the water scheme that the value of their properties went up and they were paying through their rates.

Mr McManaway suggested that a few things have come up that need addressing, most people would look at accounts and don't understand them. The Committee is wanting to understand the financials so when there is a query from a ratepayer, in regards the amount they are paying for water, it can be explained to them.

11 Late Items

There were no late items.

12 Next Meeting

To be confirmed.

13 Meeting Closed

The meeting closed at 5.35 pm