

Rangitikei District Council



Huntermville Rural Water Supply Sub-Committee Meeting

Minutes – Monday 15 March 2021 – 4:00 pm

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Present: Mr Sam Weston (Chair)
 Mr Mark Dawson
 Mr John McManaway
 Mr Bob Crawford
 His Worship the Mayor, Andy Watson
 Cr Richard Lambert

In attendance: Mr Arno Benadie, Group Manager – Assets and Infrastructure
 Mr Andrew van Bussel, Operations Manager – Operations and Utilities
 Mr Ivan O’Reilly, Reticulation Serviceman
 Mr Dave Tombs, Group Manager – Corporate Services
 Mr Girish Meher, Team Leader – Financial Services
 Mr Ash Garstang, Governance Administrator

1 Welcome

Mr Weston opened the meeting at 4.00pm.

The resignation of Paul Peterson was received in February 2021.

2 Public Forum

3 Apologies

Resolved minute number **21/HRWS/001**

That the apology for Mr Bernie Hughes be received.

Mr Crawford/Mr Dawson. Carried

4 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.

5 Confirmation of Order of Business

No change to the order of business.

6 Confirmation of Minutes

Mr McManaway advised that the Committee never approved the financial statements. The Committee is awaiting further clarity from Council regarding these, in order to understand them better, and will not confirm them this meeting.

Resolved minute number **21/HRWS/002**

That the Minutes of the Hunterville Rural Water Supply Sub-Committee meeting held on 7 December 2020 (not including and with the exception of the 2019/20 financial reports) be taken as read and verified as an accurate and correct record of the meeting.

Mr Crawford/Mr McManaway. Carried

7 Chair's Report

There were no updates to provide.

8 Council Decisions on Recommendations from the Committee

There were no recommendations from the Committee.

9 Questions put at Previous Meeting for Council Advice or Action

Understanding Financial Matters/Queries

This was addressed by members of the Committee, Dave Tombs (Group Manager - Corporate Services) and Girish Meher (Financial Services Team Leader). A request was made for:

1. Cash flow statement for January 2021 and;
2. Recreating and explaining the financial statements going back to 2016 in a format that the Committee can feel comfortable with.

RDC finance staff estimate this will take approximately two weeks to complete as this requires not only the compilation of the data but understanding and explaining the transactions and balances in the financial statements that have been presented to the Committees in the past, along with answers to some of the fundamental questions that were raised at the meeting last week.

The Committee sought further clarification from RDC finance staff about how depreciation is charged.

Once this work has been completed this information will be sent to committee members, this is expected to be by 31 March.

10 Hunterville Rural Water Supply – Operations Report

Mr van Bussel highlighted the following from his report:

- Proposing two new pumps – one for each pump station. Waiting for confirmation of prices. Would like to look at removing the old KSB pumps once new ones are installed, as they don't trust the old pumps to perform and are not sure how long they'll last.
- If the current stainless steel pump breaks down and they need to rely on the old KSB pumps over a hot summer, they're not sure if they could keep the reservoir full.

There were follow up questions from Committee members about the age, type and energy usage of the current pumps. In response, Mr van Bussel indicated that he will draft a report before the next committee meeting that provides these details. Mr McManaway noted that it was important to be able to measure the efficiency of the pumps. Mr van Bussel acknowledged this point and indicated that he will include details about pump efficiency in his upcoming report.

The Committee also queried whether there was any money in the replacement budget that could be used for big ticket items - Mr van Bussel advised that there wasn't.

Resolved minute number 21/HRWS/003

That the 'Huntermville Rural Water Supply - Operations Report' to the 15 March 2021 Huntermville Rural Water Supply Sub-Committee be received.

Mr Dawson/Mr Crawford. Carried

11 Huntermville Bore – Update

The Committee confirmed that there was no report to receive.

A brief discussion followed and Mr Benadie stated that the project is completely done. Next step is to complete a study in April based on the numbers.

HWTM queried the possibility of reducing costs. Mr Benadie advised that Council would need to on-sell water capacity and this would require an extension to the scheme. Mr Weston advised that although the market is there, there are restrictions regarding the size of pipes. Mr van Bussel advised that there are additional restrictions in relation to the gallery capacity and water storage facilities.

12 Huntermville Rural Water Supply Financial Statements Commentary Update for the 7 Months Ended 31 January 2021

Mr Tombs and Mr Meher provided some commentary to the report:

- They advised that there are historical anomalies and inconsistencies with previous financial statements and that this was making it more complicated for them to accurately interpret the data. Mr McManaway advised that the meters supply charges don't appear to compute year-on-year and that the figures don't take into account the cost per unit.
- There was discussion between the RDC finance staff and the Committee about the breakdown and allocation of overheads. Mr McManaway noted that these costs made up a fifth of their budget, which seemed high. RDC finance staff explained that overhead costs are distributed across all departments and could more accurately be termed as 'centralised costs'.
- Mr McManaway queried what MDC charges (professional services) related to. Mr Meher explained that these costs are derived from a shared services agreement with the Manawatu District Council, who charge on time.
- Mr Crawford queried the increase in utilities charges. Mr Meher acknowledged that the Committee had disputed this before and that he needed to work through past financial statements in order to accurately advise the Committee on why there was an increase.
- Cr Lambert proposed that the Committee organise an open day for the pumps, which the Committee agreed with.

On a separate note, Mr van Bussel advised Mr McManaway that he had approached Kiwirail about using their existing deed for repairs, but was advised by Kiwirail that this would need to come under

a 'variation to the deed'. HWTM offered assistance with this, as the Council is currently involved with Kiwirail and could advocate on their behalf. Mr van Bussel acknowledged the offer and advised that he will let HWTM know.

Resolved minute number **21/HRWS/004**

That the 'Huntermville Rural Water Supply Financial Statements Commentary Update for the 7 Months Ended 31 January 2021' to the 15 March 2021 Huntermville Rural Water Supply Sub-Committee be received.

Mr McManaway/Mr Crawford. Carried

13 Late Items

No late items.

14 Next Meeting

Monday, 21 June 2021 – 4.00pm.

15 Meeting Closed

Mr Weston closed the meeting at 5.07pm.

The minutes of this meeting were confirmed at the Huntermville Rural Water Supply Management Committee meeting held on 21 June 2021.

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Chairperson