

MINUTES

HUNTERVILLE RURAL WATER SUPPLY MANAGEMENT SUB-COMMITTEE MEETING

Date: Monday, 13 December 2021

Time: 4.00 pm

Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Present

- Mr Sam Weston
- Mr Mark Dawson
- Mr Bernie Hughes
- Mr John McManaway
- Mr Sam Duncan
- Mr Patrick Henderson
- HWTM Andy Watson

In attendance

- Mr Arno Benadie, Chief Operating Officer
- Mr Dave Tombs, Group Manager – Corporate Services
- Mr Andrew van Bussel, Operations Manager
- Mr Ivan O'Reilly, Reticulation Serviceman
- Mr Ash Garstang, Governance Advisor
- Mr Alex Sinclair, CR Law (*via Zoom*)

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1 Welcome

The meeting opened at 4.02 pm.

2 Apologies

Resolved minute number 21/HRWS/013

HWTM will depart at 4.30 pm. Mr Crawford may arrive late.

Mr S Weston/Mr B Hughes. Carried

3 Public Forum

Nil.

4 Conflict of Interest Declarations

Nil.

5 Confirmation of Order of Business

No changes.

6 Confirmation of Minutes

Resolved minute number 21/HRWS/014

That the minutes of the Huntermville Rural Water Supply Management Committee meeting held on 20 September 2021, with amendment, be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this committee be added to the official minutes document as a formal record.

Amendments:

pg 11, "... to Huntermville urban residents *after further treatment*".

pg 9, change 'clarification' to "*where in the accounts is the depreciation funded by the scheme and where is it showing*".

Mr B Hughes/Mr J McManaway. Carried

7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from previous Huntermville Rural Water Supply Meetings

Mr van Bussel advised that Mr Flintoff has had no luck with his contact with KiwiRail, and he has asked the Chief Executive for assistance with this.

8 Chair's Report

8.1 Chair's Report - December 2021

There was no report from the Chair.

9 Reports for Decision

9.1 Council's Ability to Transfer HRWS to another Body

Mr Alex Sinclair from CR Law attended the meeting to discuss the possibility of transferring the Huntermville Rural Water Supply management scheme to a community entity. His legal opinion was that Council cannot divest itself of this service, as it supplies water to more than 200 people in the Huntermville township and there is no alternative water source currently being utilised (as per the Local Government Act 2002). He further explained that the Council's treatment of the water qualifies it as "drinking water" at the point of service (not the point of extraction), under the Health Act 1956. This is different from water that goes to rural users, as the treatment of this water varies per user (it is not treated by Council). The Mayor concluded from this advice that Council has a legal obligation to supply drinking water to the Huntermville urban township.

Resolved minute number 21/HRWS/015

That the report 'Council's Ability to Transfer HRWS to another Body' be received.

Mr J McManaway/Mr M Dawson. Carried

10 Reports for Information

10.1 Operations Report - December 2021

As per section 2.2 of the report, Mr van Bussel advised that filters have been added to prevent the engines faulting. He will approach the supplier of the pumps to seek remediation, as they have not operated as expected. The insurance excess is too high to cover the engine failure, but he hopes that the supplier will cover the cost as the fault lies with them. He will bring a full report back to the

Committee in the event that the supplier does not agree to provide a replacement. The Committee agreed that this is an issue that should be resolved by the supplier.

Mr van Bussel advised that the Rathmoy break pressure tank needs replacing as it is beyond repair. He estimated that replacement of the tank (including the pipe work) will cost around \$50,000, but he will finalise this price at the next meeting in March 2022. In response to a query, Mr van Bussel advised that this replacement is okay to wait until after summer.

Mr Weston requested that staff investigate a price estimate for installing above-ground pipes at the SH 1 Forestry area next to Grace's property. Mr van Bussel will investigate and advise.

Resolved minute number 21/HRWS/016

That the Operations Report – December 2021 be received.

Mr J McManaway/Mr B Hughes. Carried

10.2 Huntermville Rural Water Scheme - Financial Update

Mr Tombs explained that the scheme has a cash position of *around* \$400,000, but he will confirm the exact amount at the March 2022 meeting.

Mr McManaway queried what the status is of the depreciation that has been shown to have been taken out of the schemes accounts in previous years. Mr Tombs advised that he is going back to previous financial statements (back to 2014) and converting these figures to capital expenditure. Mr Tombs hopes that this will help to simplify future financial statements and clarify some of the confusion that has resulted from previous years' reporting. He will bring an updated report back to the Committee in March 2022 once he has reconciled the financial statements of previous years.

The Committee discussed the current rating of the schemes users. Mr Weston explained that the rate had been increased in previous years in order to try and build up a cash position. Due to the confusion of the financial statements at the time, the Committee believed that they were not charging enough and the rates were probably increased more than necessary to compensate for this. Several members indicated that they would prefer to keep the rates at their current level and continue to build a strong cash position rather than decreasing them, at least until there was complete clarity around the financial position of the scheme.

Mr van Bussel advised that a related issue to this was the failure of some of the PVP pipe that has been in for several decades. He advised that the Committee will need to consider whether it wishes to fund depreciation for this work, or fund it from a strong cash position.

In response to a query, Mr Benadie advised that the Huntermville urban township is charged at a slightly cheaper rate than rural users.

Resolved minute number 21/HRWS/017

That the report 'Huntermville Rural Water Scheme Financial Update' be received, noting that sections 4.3, 4.4 and 4.5 are to be disregarded.

Mr B Hughes/Mr M Dawson. Carried

11 Public Excluded

The meeting went into public excluded session 5.19 pm.

Resolution to Exclude the Public

Resolved minute number 21/HRWS/018

That the public be excluded from the following parts of the proceedings of this meeting.

1. Erroneous Billing

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the *Local Government Official Information and Meetings Act 1987* for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
1.1 - Erroneous Billing	s7(2)(a) - Privacy	s48(1)(a)(i)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding or the whole or the relevant part of the proceedings of the meeting in public as specified above.

Mr M Dawson/Mr P Henderson. Carried

12 Open Meeting

The meeting closed at 5.33 pm.

The minutes of this meeting were confirmed at the Hunterville Rural Water Supply Management Sub-Committee held on 28 March 2022.

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Chairperson