

Rangitikei District Council

Omatane Rural Water Supply Sub-Committee Meeting

Order Paper – Wednesday 10 May 2017 – 3:00 p.m.



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1 Apologies

2 Confirmation of Minutes

Recommendation

That the minutes of the Omatane Rural Water Supply Sub-Committee meeting held on 23 November 2016 be taken as read and verified as an accurate record of the meeting.

3 Matters Arising

4 Water Managers Report

A verbal report will be provided at the meeting.

Recommendation

That the Water Managers Report, be received.

5 Scheme Overseers Report

Recommendation

That the Scheme Overseers Report, be received.

6 Financial Report

Recommendation

That the statement of operations:Period ending 31 March 2017 be received.

7 Updating the Rural Water Supply Policy

Mr David Miller, Asset Engineer – Roading and Utilities, has drafted an updated Rural Water Supply Policy in order to clarify the responsibilities of the property owners.

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.

Recommendation

That the amendments to the updated Rural Water Supply Policy be accepted or further amended.

8 Members/Questions

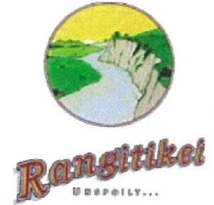
9 Date of Next Meeting

Wednesday 9 August 2017

Rangitikei District Council

Omatane Rural Water Supply Sub-Committee Meeting

Minutes – Wednesday 23 November 2016 – 3:00 p.m.



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Present:

Mr A McKay, Chairperson
 Mr L Bird
 Mr L Kelly
 Mr A Ramsay

In Attendance:

Mr D Miller, Asset Engineer – Roading and Utilities
 Cr R Rainey
 Mrs S Srhoj, Administration

1 Apologies

Resolved minute number **16/ORWS/016** **File Ref**

That the apologies from Mr N Gregory, Mr D Tweeddale, Mr A van Bussel and Mr G McIrvine for absence be received.

Mr McKay/Mr Bird. Carried

2 Confirmation of Minutes

Resolved minute number **16/ORWS/017** **File Ref**

That the minutes of the Omatane Rural Water Supply Sub-Committee meeting held on Wednesday 10 August 2016, be taken as read and verified as an accurate and correct record of the meeting

Mr L Kelly/Mr A Ramsay. Carried

3 Matters Arising

Mr Miller tabled copies of farm maps as requested from the last meeting. He said that committee members would be able to access such maps from Central Archives in Feilding. Taihape office staff to forward committee members a link to this website as well as a copy of the tabled maps.

4 Water Managers Report

Mr Miller spoke to the Water Manager's Report.

He said that the final consent compliance report from Horizons Regional Council for the period 1 April 2015 to 31 March 2016 had been received. The report indicated that the scheme was fully compliant with all relevant resource conditions for this period assessed.

There was some discussion regarding the period in which no data as collected. This may have been due to a broken pipe or that the ballcock got stuck. Mr Bird said that he would look into this matter.

Also noted in the Water Manager's report was information regarding the budget which work on the abstraction flow meter is charged to as requested in the previous minutes.

Resolved minute number **16/ORWS/018** **File Ref**

That the Water Managers Report, as presented be received.

Mr L Bird/Mr L Kelly. Carried

5 Compliance Monitoring Report

Resolved minute number **16/ORWS/019** **File Ref**

That the Compliance Monitoring Report, be received.

Mr L Bird/Mr L Kelly. Carried

6 Scheme Overseers Report

Mr Bird reported that there had been no issues with the scheme since the last meeting.

7 Financial Report

There was some discussion on the financial statements.

Mr Kelly wished to reiterate his comments from the last meeting. He said that in recent years Council had included a capital expenditure which the committee had initially been against; however following discussions with the Financial & Support Business Group Manager it had been agreed that this be removed. Mr Kelly had felt that this was the wrong decision and it would be better for it to remain in order to create a reserve. He felt that the cash flow statements for the past year should have shown a surplus rather than a deficit.

Mr Miller to ask that Councils Finance Manager look into this matter.

The Committee agreed to hold a meeting in April 2017 in order to approve next years rates and budgets.

Resolved minute number **16/ORWS/020** **File Ref**

That the Statement of Operations for period ending 30 June 2016, be received.

Mr L Kelly/Mr L Bird. Carried

8 Members/Questions

There was some discussion on ownership of the schemes tanks. Mr Miller to provide this information.

9 Date of next meeting

The next meeting to be held April 2017 (to be confirmed)

10 Meeting closed

The meeting closed at 3.45pm

OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS
COMMENTARY FOR THE 9 MONTHS ENDING:
31st March 2017

The commentary supporting the performance to date as outlined within the presented financial report is as follows:

Performance:

- **Metered Revenue against budget**
This is showing a variance of \$9k being the rates still to be invoiced in May 2017
- **General Rates**
This is tracking as per the budget
- **Interest Charged**
This shows a variance of \$0.2k down on budget
- **Expenditure against budget**
Is unfavourable at \$2k being an increase in spending

Main activities contributing to the increase were

- i. Favourable - Operational general items of expenditure at \$3.6k and;
- ii. Unfavourable Principal contractor costs at \$5.6k

Capital Renewals Infrastructure

- There is no spend for the 9 month period ending 31st March 2017 against a budget of \$4k

Capital Projects:

- There is no spend for the 9 month period ending 31st March 2017

For further details relating to the expenditure of \$13k please refer to the transaction details as provided within the Financial report for March 2017

Debtors:

- As at 21st April 2017 there are no outstanding debtors

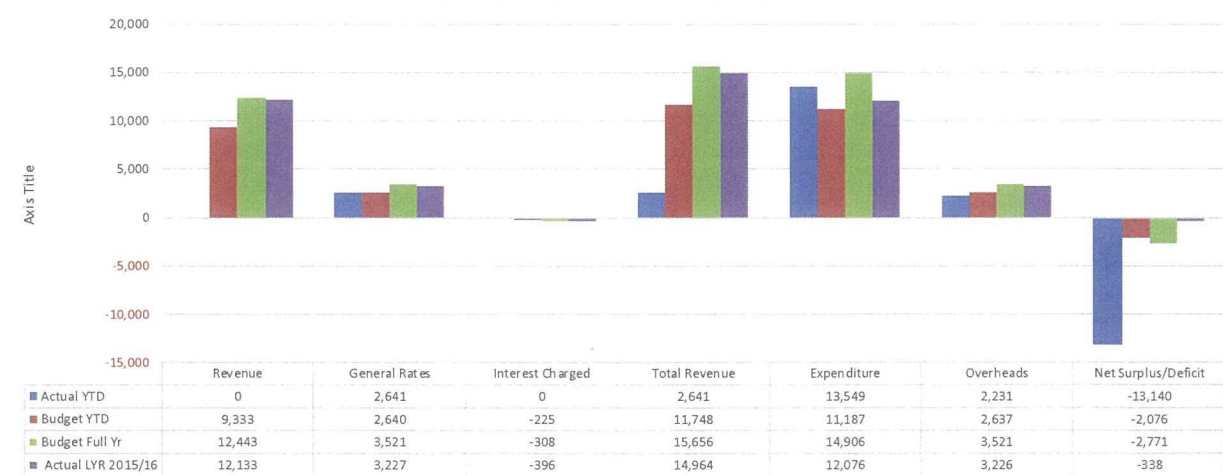
Andrew Sargent
28th April 2017
Management & Project Accountant

OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE SUMMARY
 As at 31 MARCH 2017

Performance Summary

	Actual YTD	Budget YTD	Budget Full Yr	Actual LYR 2015/16
Revenue	0	9,333	12,443	12,133
General Rates	2,641	2,640	3,521	3,227
Interest Charged	0	-225	-308	-396
Total Revenue	2,641	11,748	15,656	14,964
Expenditure	13,549	11,187	14,906	12,076
Overheads	2,231	2,637	3,521	3,226
Net Surplus/Deficit	-13,140	-2,076	-2,771	-338

PERFORMANCE SUMMARY For March 2017



OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE
 As at 31 MARCH 2017

Revenue

Account	Detail	YTD Actual 2016/17	Ytd Budget 2016/17	FYR Budget 2016/17	Actual LYR 2015/16
60618142	Metered Supply Charges	0	9,333	12,443	12,133
	Total Rates	0	9,333	12,443	12,133
Apportioned Rates Revenue					
6061880801	General Rates	2,641	2,640	3,521	3,227
60618809	Internal Interest Paid	0	-81	-112	-126
6061880901	Interest Charged Rate A/c	0	-144	-196	-269
6061880903	Treasury Int Charged Loan A/c	0	0	0	0
	Total Apportioned Rates Revenue	2,641	2,415	3,213	2,831
Internal Charges					
606181791100	Allocated o/heads CEO	841	792	1,059	1,091
606181792100	Allocated o/heads Fin Services	555	621	823	764
606181792500	Allocated o/heads Stat Plannin	513	783	1,045	889
606181794100	Allocated o/heads Cust Service	118	126	172	159
606181795100	Allocated o/heads Assets	205	315	422	324
	Total Internal Charges	2,231	2,637	3,521	3,226
Expenditure					
6061834301	Telephone Costs	0	0	0	0
6061856208	Depreciation infrastructure	7,168	7,164	9,557	9,289
60618565	Insurance	81	549	726	304
6061856702	Rates	642	1,134	1,510	1,129
6061863001	Professional Services - MDC	0	783	1,038	210
6061863003	MDC Charges - PSU	0	0	0	400
60618691	Principal Contractor	5,681	0	0	0
60618697	Resource Consents	-22	1,557	2,075	744
	Total Expenditure	13,549	11,187	14,906	12,076
	Net Surplus	-13,140	-2,076	-2,771	-338

OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
As at 31 MARCH 2017

Capital - Renewals Infrastructure		YTD Actual 2016/17	Ytd Budget 2016/17	FYR Budget 2016/17	Actual LYR 2015/16
60618721	Treasury Loans Repaid	0	207	281	0
6061876201	Omatane Reticulation Contractor	0	3,897	5,190	0
	Total Capital - Renewals Infra	0	4,104	5,471	0
Capital - Projects					
	Net Projects	0	4,104	5,471	0
Equity					
60618990	Public Equity Omatane Rural Wa	425,627	0	0	425,965
	Net Surplus	-13,140	-2,076	-2,771	-338
	Working Capital	2,691	6,180	8,242	-3,281
	Total Equity	415,178	4,104	5,471	422,346
Non Current Assets					
60618878	Infrastructure	-7,168	0	0	0
60618886	Water Supply Schemes	452,460	0	0	452,460
6061888601	Depreciation Infrastructure	-27,867	0	0	-27,867
	Net Projects	0	4,104	5,471	0
	Total Non Current Assets	417,425	4,104	5,471	424,593
Non Current Liabilities					
60618950	Internal Loan	-2,247	0		-2,247
	Total Non Current Liabilities	-2,247	0		-2,247
	Net Assets	415,178	4,104	5,471	422,346

OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS
CASHFLOW STATEMENT
As at 31 MARCH 2017

	YTD Actual 2016/17	YTD Budget 2016/17	FYR Budget 2015/16	
Revenue				
Operating revenue	0	9,333	12,443	12,133
General rates	2,641	2,640	3,521	3,227
Interest Charged Rate A/c	0	-225	-308	-396
Treasury Int Charged Loan A/c	0	0	0	0
Total revenue	2,641	11,748	15,656	14,964
Expenses				
Operating expenses	13,549	11,187	14,906	12,076
Overheads	2,231	2,637	3,521	3,226
Interest paid				
Add back non-cash items	-7,168	-7,164	-9,557	-9,289
	8,613	6,660	8,870	6,013
Net surplus from operating	-5,972	5,088	6,786	8,951
Capital items				
Capital expenditure	0	3,897	5,190	0
Loan repayments	0	207	281	0
Total capital	0	4,104	5,471	0
Net cash surplus(deficit)	-5,972	984	1,315	8,951

Notional bank account	
Opening balance 1 July 2016	3,281
Cash surplus(deficit) above	-5,972
Closing balance 31/03/2017	-2,691

ALTERNATIVE CASH ANALYSIS	
OPENING CASH BALANCE 01/07/16	3,281
PROFIT/LOSS	-13,139
ADD BACK NON CASH ITEMS	7,168
Closing Cash Balance 31/03/2017	-2,691

OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS
EXPENDITURE SUMMARY
As at 31 MARCH 2017

Sum of Value	Account code	Month	Jul-16	Aug-16	Sep-16	Oct-16	Dec-16	Jan-17	Feb-17	Mar-17	Grand Total
Depreciation infrastructure	6061856208		796.42	796.42	796.42	796.42	796.42	796.42	796.42	796.42	7,167.78
Insurance	60618565		17.50	17.50	17.50	28.39					80.89
Principal Contractor	60618691			737.50					360.00	3,905.40	5,681.16
Rates	6061856702			165.87	155.10	320.97					641.94
Resource Consents	60618697			3,396.00				487.00		-3,905.40	-22.40
Grand Total			813.92	5,113.29	969.02	1,145.78	796.42	1,283.42	1,156.42	796.42	13,549.37

OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS
EXPENDITURE SUMMARY - TRANSACTIONS
As at 31 MARCH 2017

Account Description	Account code	Month	Date	Transaction description	Sum of Value
Depreciation infrastructure	6061856208	Jul-16	31/07/2016	Depn Infrastructure	796
		Aug-16	31/08/2016	Depn Infrastructure	796
		Sep-16	30/09/2016	Depn Infrastructure	796
		Oct-16	31/10/2016	Depn Infrastructure	796
		Nov-16	30/11/2016	Depn Infrastructure	796
		Dec-16	31/12/2016	Depn Infrastructure	796
		Jan-17	31/01/2017	Depn Infrastructure	796
		Feb-17	28/02/2017		683
				Depn Infrastructure	796
				Reverse JNLGLMAR5135	-683
		Mar-17	31/03/2017	Depn Infrastructure	796
6061856208 Total					7,168
Insurance	60618565	Jul-16	01/07/2016	Aon Insurance	0
				AP LAPP 109600/07 Annual Contribution 2016/17 - Omatane	
			31/07/2016	Prepayments PPMTS - Annual Lapp Contribution Insurance	17
		Aug-16	31/08/2016	Insurance Aon	0
				Prepayments PPMTS - Annual Lapp Contribution Insurance	17
		Sep-16	01/09/2016	PREPAYMENTS	17
			30/09/2016	Insurance Aon	0
		Oct-16	31/10/2016	PREPAYMENTS	28
60618565 Total					81
Principal Contractor	60618691	Aug-16	10/08/2016	AP Luke Bird 110503/01 Work on Omatane Water Scheme	270
			24/08/2016	AP Taihape Plumbin 110857/01 Take Shane from Alf Downs on Rhino to tank	468
		Nov-16	29/11/2016	AP Cameron White 111938/01 Work on the Omatane Water Scheme	678
		Feb-17	21/02/2017	AP Cameron White 112853/01 Work on the Omatane Water Scheme	360
		Mar-17	31/03/2017	Crn Omatane coding	3,905
60618691 Total					5,681
Rates	6061856702	Aug-16	31/08/2016	RDC Property Rates	166
		Sep-16	30/09/2016	Accrue Horizons Rates Properties Prepmts September Qtr	155
		Oct-16	31/10/2016	Horizon Rates	155
				RDC Property Rates	166
6061856702 Total					642
Resource Consents	60618697	Aug-16	31/08/2016	AP Alf Downs Contr 110787/01 Omatane Flow Meter Fault	3,396
		Jan-17	26/01/2017	AP Horizons Region 112374/01 Annual Rsch Chge - Consent103988 - Omatane	487
		Mar-17	31/03/2017	Crn Omatane coding	-3,905
60618697 Total					-22
Grand Total					13,549



Rural Water Supply Policy¹

Refer to Delegated Authority of Rural Water Supply Sub-Committees.

1 Purpose

The Rural Water Supply Policy explains how the Rangitikei District Council operates and manages the Erehon, Hunterville and Omatane Rural Water Schemes and any subsequent rural water schemes constructed and managed by the Council. It outlines how the schemes function and should be read in conjunction with the delegated authority of the Erehon, Hunterville and Omatane Rural Water Supply Management Sub-Committees.

2 Agreement for Supply

- 2.1 The consumer shall enter into an agreement with such conditions as Council may require in relation to the supply of water.
- 2.2 No property shall connect to or be served by the rural water supply, until application has been made and approved and an agreement entered into.

3 Application for Supply

- 3.1 No new connections will be made until the appropriate connection fee has been paid in full. This application fee shall be at least equal to that fee paid by original consumers of the relevant scheme together with compounded interest thereon.
- 3.2 New consumers shall pay a capital contribution for connection to and participation in the scheme.
- 3.3 Applications for an increase in supply will be approved where it is practicable to do so and the appropriate fee has been paid provided that the total quantity supplied does not exceed the property's share of the scheme's capacity.
- 3.4 Decreases in supply will generally only be allowed at the end of each financial year of Council.
- 3.5 The supply to each property shall be as far as practically possible continuous through orifice valves which will provide a constant flow throughout the year into the customer's primary tank(s).
- 3.6 A register shall be kept detailing the points of supply to a consumer, the size of the orifice valve or valves for each supply and the properties and area supplied there from.

4 Non-potable Supply

¹ 09/RDC/072

4.1 Rural Water Supplies are non-potable. Water provided is not intended for human consumption. If a property owner wishes the water to be used for human consumption, they must install appropriate treatment within the property at their own cost.

45 **Supply Not Guaranteed**

4.15.1 The uninterrupted supply of water is not guaranteed and no allowance or compensation will be made on the account of water not being supplied, whether by accident or for the purpose of scheme construction, extension, or maintenance.

5.2 Each property owner shall provide on their property the equivalent of 48 hours storage of water at peak demand for that property. This shall be at their own expense.

56 **Waste of Water**

6.1 A person who is supplied with reticulated water by, or on behalf of, a Rural Water Supply must not waste the water or allow it to be wasted.

6.2 Wastage of water is to be reported to a member of the relevant Rural Water Supply Committee or to Council staff as soon as possible.

6.3 If a consumer wilfully or negligently wastes water, the supply to that consumer may be cut-off and stopped at the appropriate point until satisfactory repairs have been made.

67 **Property to which Water is Supplied**

6.17.1 **Subdivisions**

Where any participant's property is subdivided and sold into separate ownership and control, it shall be the responsibility of the owner of the property being subdivided to negotiate with the purchaser(s) of the new lot or lots, an agreement concerning the participation of those lots in the Scheme and such agreement will be subject to Council approval. ~~Such approval will not, however, be unreasonably withheld.~~ New scheme mains and/or tank installation, if any, shall be at the expense of the property owner or purchaser.

6.27.2 **Whole of a Property to be a Part of the Scheme**

The whole of any participant's property shall be included in the Scheme and all capital contribution quantity of water supplied and operating costs shall be determined having regard to the total area and stock carrying capacity of the whole property unless determined otherwise by Council.

6.37.3 **Sale of Participant Property**

Where a participant property is sold to the owner of an adjoining non-participant property and the two properties are to be operated as one, the maximum water entitlement shall be limited to the maximum water entitlement of the participant's portion and no water shall be piped or transported across the boundary between the participating and non-participating portions of the total area without Council approval.

~~6.47.4~~ When for any reason a supply of water to a property is no longer required, the owner or occupier shall remain responsible for payment for water supplied unless relief is specifically approved by Council.

~~7.8~~ Water Charges

~~7.18.1~~ Water charges shall be set and may prescribe a scale of charges, which may differ from those in any rural water supply, or differ from subdivisions (if any) within the same rural water supply.

The charges shall:

- a. Fix an annual charge per unit. The value of this charge shall be referred to as the 'unit charge' and shall apply to all supply sites.
- b. Fix a charge per cubic meter for water metered and sold in bulk. Unless specifically fixed, the value of this rate shall be taken as one hundredth of the unit-charge and shall apply to all water supplied other than to supply sites.
- c. Fix other charges for water supplied, or connections made whether to a consumer or not, under such conditions and at such rate as from time to time determined.
- d. Fix a charge for the provision of an additional supply site for an existing customer. Unless determined otherwise, the value of this new supply site charge shall be taken as equal to the unit-charge. In addition, to such charges the consumer concerned shall also bear the full cost of all materials, plant, and labour used to establish the new supply-site, including the cost of providing any necessary pipeline additions or modifications.
- e. Fix a charge for increasing the constant-flow-valve size.
- f. Fix a charge for decreasing the size of the constant-flow-valve.
- g. Fix a charge for the connection of a new consumer.

In addition to these charges the new consumer shall also bear the full or part cost of all materials and labour and engineering and overheads used to establish the

new supply-site(s) including the cost of all rural water supply additions or modifications necessary as may be determined by Council.

Where any consumer becomes liable to a charge for a supply of water, after the start of the water year, the consumer shall pay for the first year a proportion of the annual charges equivalent to the number of complete months during which water has been supplied.

~~7.28.2~~ Water supplied to a non-rateable property in the District shall be by orifice-valve size and charged at such rates as may from time to time be fixed by Council or as may be agreed on with any person receiving that supply. Minimum charges for such extraordinary supply may likewise be specified.

~~8.9~~ Damage

~~8.19.1~~ Council will not be responsible for any damage that may in any way arise from the bursting or overflow of any rural water supply, or private water reticulation.

~~8.29.2~~ If a property owner causes accidental damage to a rural water supply pipe by any action the owner may be held liable for the cost of the repair.

~~9.3~~ Each property owner is liable for the maintenance of adequate insulation and protection for the constant flow valve and pipeline connection between the valve and the primary tank(s) against damage due to weather, stock, etc.

~~8.39.4~~ Property owners and occupiers must allow reasonable access for operation and maintenance of the Rural Water Supply to persons engaged for such.