

Notice is hereby given that a Meeting of the Five Rivers Water Supply Subcommittee will be held on:

Date: Tuesday, 8 December 2015
Time: 6.30pm
Meeting Room: Andrew's Residence
Venue: 94 Andrews Road, Five Rivers
Five Rivers

Five Rivers Water Supply Subcommittee Agenda OPEN

MEMBERSHIP

Chairperson Joan Andrews
Members Allan Baird
Lindsay Baird
David Dodunski
Ian McLachlan
Barbara McNamee
David Nind

IN ATTENDANCE

Area Officer Rose Knowles
**Project Engineer,
Water & Waste
Services** Matt Keil

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Full agendas are available on Council's Website
www.southlanddc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

Terms of Reference for Water Supply Subcommittees

This committee is a subcommittee of Southland District Council and is responsible to:

- Approve the annual budget
 - Review the asset management plan and financial strategy in respect of each individual scheme
 - Review quarterly operation and financial reports
 - Seek the views of consumers of the water scheme
 - Ensure the scheme is operated to best advantage of the consumers
 - Approve new connections to the scheme
 - Recommend the level of annual water charges to Council
 - Recommend changes to Council policies relating to water schemes
 - Recommend emergency works outside of budget
-

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1 Apologies

At the close of the agenda no apologies had been received.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

Committee Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a member and any private or other external interest they might have.

4 Public Forum

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the committee to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

6 Confirmation of Minutes

- 6.2 Meeting minutes of Five Rivers Water Supply Subcommittee, 03 December 2014

SOUTHLAND DISTRICT COUNCIL
FIVE RIVERS WATER SUPPLY SUBCOMMITTEE
ORDINARY/ESTIMATES MEETING
3 DECEMBER 2014

- : -

Minutes of the Ordinary/Estimates meeting of the Five Rivers Water Supply Subcommittee held in the residence of Mrs J Andrews, 94 Andrews Road, Five Rivers on Wednesday, 3 December 2014 at 6.35 pm.

PRESENT: J Andrews (Chair), R Andrews, I McLachlan, B McNamee,
P McNamee, P Nind, Cr J Douglas (Ward Representative).

IN ATTENDANCE: Mr M Keil (Project Engineer, Water & Waste)
Mr R Covey (Asset Management Engineer)
Ms S McNamara (Management Accountant)
Mrs A Hamilton (Area Officer)

1.0 APOLOGIES

Apologies for non-attendance were lodged by D Nind and R Andrews.

Moved B McNamee, seconded P Nind
and RESOLVED THAT THE APOLOGIES LODGED BY D HIND AND R ANDREWS
BE GRANTED AS LEAVE OF ABSENCE FOR THIS MEETING.

2.0 NOTIFICATION OF URGENT BUSINESS

There was no Urgent Business presented at the meeting.

3.0 MINUTES

**3.1 FIVE RIVERS WATER SUPPLY SUBCOMMITTEE ORDINARY/ESTIMATES
MEETING DATED 5 DECEMBER 2013**

R/14/2/01719

Minutes of the previous Ordinary/Estimates meeting of the Five Rivers Water Supply Subcommittee held on 5 December 2013, were tabled.

Moved P Nind, seconded R Andrews
and RESOLVED THAT THE MINUTES OF FIVE RIVERS WATER SUPPLY
SUBCOMMITTEE ORDINARY/ESTIMATES MEETING DATED 5 DECEMBER 2013
BE CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.

4.0 REPORTS

4.1 WORKS AND FINANCE REPORT FOR THE PERIOD ENDED 31 OCTOBER 2014 200/25/1/8

The Works & Finance Report for the period ended 31 October 2014, prepared by Mr B Witham (Operations Manager, Water & Waste), was tabled.

Moved B McNamee, seconded P Nind
and RESOLVED THAT THE WORKS AND FINANCE REPORT FOR THE PERIOD ENDED 31 OCTOBER 2014 FOR THE FIVE RIVERS WATER SUPPLY SUBCOMMITTEE, BE RECEIVED.

4.2 UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014 200/25/2/39

The Unaudited Annual Accounts for the year ended 30 June 2014, prepared by Mr B Witham (Operations Manager, Water & Waste), was tabled.

Members noted the accounts are now audited and no changes have been made.

Moved B McNamee, seconded P Nind
and RESOLVED THAT THE UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014 FOR THE FIVE RIVERS WATER SUPPLY SUBCOMMITTEE, BE RECEIVED.

4.3 DRAFT ESTIMATES AND LOCAL ACTIVITY PLAN INFORMATION FOR THE DRAFT LONG TERM PLAN (LTP) 2015 R/14/11/17625

Report by Mr R Covey and Ms S McNamara, providing an overview of the local activities and services for the Five Rivers Water Supply for 2015-2025 which are provided under the governance of the Five Rivers Water Supply Subcommittee, was tabled.

The subcommittee noted the report details the estimated costs of these activities over the 10 years as well as the draft rates.

It was further noted that the draft estimates will be incorporated into the Council's draft Long Term Plan (LTP) which will be released for consultation in March 2015. Once the Plan is finalised (and subject to any changes resulting from submissions), the estimates shown for 2015/2016 will be used to set rates for the year beginning 1 July 2015 (LTP year 1).

The subcommittee was also informed the objective of the report is to highlight issues, confirm priorities and plan expenditure and funding for the next 10 years as part of the Council's LTP.

Furthermore the report outlined a summary of all planned projects for the Five Rivers Water Supply for the next 10 years as extracted from the AMPs.

The subcommittee noted that the report is organised into two main sections as follows:

4.3 DRAFT ESTIMATES AND LOCAL ACTIVITY PLAN INFORMATION FOR THE DRAFT LONG TERM PLAN (LTP) 2015 (CONT'D)

R/14/11/17625

- a) Rate Type Financial Information;
this section shows the business unit costs making up income and expenditure for the rate type.
- b) Planned Projects;
this section includes a list of the maintenance and capital projects planned for the Five Rivers Water Supply for the next 10 years.

Key Matters for the Five Rivers Water Supply

The key matters for the Five Rivers Water Supply for the next 10 years included in this report are:

- Resource consent for water take will expire in 2018 with the application programmed to be prepared in 2017. Some upfront flow monitoring will be required to provide sufficient information to allow preparation of the appropriate documents.
- It is crucial that the water meter previously advised be installed to provide historic data required for the resource consent process. Re-application without such data will likely stall any further consent issue.

Members were informed if approved by Council via the LTP, the Five Rivers Water Supply will be able to spend the Council funds allocated in accordance with the budgets expenditure. This occurs via Council staff approving purchase orders.

Mr Covey advised if the Five Rivers Water Supply wishes to spend funds that are unbudgeted, including monies from reserves, then the decision will need Council approval.

Mr Covey presented to the subcommittee a quotation from Downers NZ of \$2,111 (GST INCL) to supply and install a new ultrasonic flow meter to the supply main for the Five Rivers Water Supply Scheme for the purpose of measurement of the untreated water supply.

Mr Covey added the cost of the meter is to be borne by the five families involved in the scheme.

Mr Covey advised the meter will be read manually via the built-in LCD display on the meter and it is envisaged the cost of this monitoring will be minimal and will be charged separately to each of the five families involved in the scheme.

Members requested staff ascertain from the Contractor the number of monitoring checks required and confirm the cost to the families concerned.

Mr Covey sought Subcommittee support in purchasing the ultrasonic flow meter suggesting urgency as the information will be a requirement from Environment Southland for the upcoming resource consent application.

4.3 DRAFT ESTIMATES AND LOCAL ACTIVITY PLAN INFORMATION FOR THE DRAFT LONG TERM PLAN (LTP) 2015 (CONT'D)

R/14/11/17625

Moved P McNamee, seconded R Andrews and RESOLVED THAT THE QUOTE FROM DOWNER NEW ZEALAND FOR \$2,111.40 (INCL GST) FOR THE PURCHASE AND INSTALLATION OF A NEW ULTRASONIC FLOW METER TO THE SUPPLY MAIN TO THE FIVE RIVERS WATER SUPPLY SCHEME FOR THE PURPOSE OF MEASUREMENT OF UNTREATED WATER BE ACCEPTED AND THAT THE CONTRACTOR BE INSTRUCTED TO LIASE WITH THE PROJECT ENGINEER, WATER AND WASTE TO CONFIRM LOCATION FOR THE PLACEMENT OF THE METER.

Moved I McLachlan, seconded B McNamee and RESOLVED THAT:-

- (a) **That the report on the draft estimates and local activity plan information for the Five Rivers Water Supply be received.**
- (b) **That the Five Rivers Water Supply draft estimates for 2015-2025 be adopted for inclusion in the Council's draft Long Term Plan.**
- (c) **That the Five Rivers Water Supply Subcommittee identifies the following priority project for the local area for inclusion in the 2015-2025 Long Term Plan consultation process;**
 - **Installation of the ultrasonic flow meter.**

5.0 CONCLUSION

The meeting closed at 7.15 pm.

CONFIRMED:

_____ CHAIRPERSON

_____ DATE

Works and Finance Report to Five Rivers Water Supply Subcommittee for the period ended 31 October 2015

Record No: R/15/11/21166
Author: Bill Witham, Operations Manager - Water and Waste Services
Approved by: Ian Marshall, GM - Services and Assets

Decision Recommendation Information

Item 7.1

Water and Waste Services Engineer's Report

- 1 The monthly operations reports from Downer are provided to the Board secretary as they are published. They include data on Downer's district-wide operations activities which is presented on a town-by-town basis. The latest report will be included as part of this report.
- 2 For the year to date, there has been no unplanned expenditure exceeding the \$5,000 threshold.

Financial Considerations

- 3 Please find the financial report attached.

Recommendation

That the Five Rivers Water Supply Subcommittee:

- a) **Receives the report titled "Works and Finance Report to Five Rivers Water Supply Subcommittee for the period ended 31 October 2015" dated 27 November 2015.**

Attachments

- A Five Rivers Water Supply Financial Report, 31 October 2015 [View](#)

Five Rivers Water Community Financial Report

33.33% Of Year

For the Period Ended October 2015

Income	<u>Annual Budget</u>	<u>Actual Income to Date</u>	<u>Income to Date %</u>	<u>Full Year Projection</u>
23560 Water Supply Five Rivers	1,226	0	0%	817
Subtotal Water & Waste Business Units	1,226	0	0%	817
Total	1,226	0	0%	817
Expenditure	<u>Annual Budget</u>	<u>Actual Spent to Date</u>	<u>Spent to Date %</u>	<u>Full Year Projection</u>
23560 Water Supply Five Rivers	1,226	1,938	158%	2,716
Subtotal Water & Waste Business Units	1,226	1,938	158%	2,716
Total	1,226	1,938	158%	2,716
Capital Expenditure	<u>Annual Budget</u>	<u>Actual Spent to Date</u>	<u>Spent to Date %</u>	<u>Full Year Projection</u>
Subtotal Water & Waste Business Units	0	0	0%	0
Total	0	0	0%	0

Item 7.1 Attachment A

Annual Plan 2016/2017 - Draft Estimates Report

Record No: R/15/10/19254
Author: Bill Witham, Operations Manager - Water and Waste Services
Approved by: Ian Marshall, GM - Services and Assets

Decision Recommendation Information

Item 7.2

Purpose

- 1 This report provides an overview of the forecasted services for the Five Rivers Water Supply Subcommittee in 2016/2017. It includes any variations from what was forecasted in year two of the Long Term Plan (LTP) 2015 - 2025.
- 2 Council has streamlined its 2016/2017 Annual Plan process and as a result the Subcommittee is only required to review your estimates for significant changes. In addition, consideration should be given to funding any significant changes from reserves where appropriate.

Executive Summary

- 3 The draft estimates will be incorporated into the Council's Draft Annual Plan which will be released for consultation in February 2016. Once the plan is finalised (and subject to any changes resulting from submissions), the estimates shown for 2016/2017 will be used to set rates for the year beginning 1 July 2016.

Recommendation

That the Five Rivers Water Supply Subcommittee:

- a) **Receives the report titled "Annual Plan 2016/2017 - Draft Estimates Report" dated 19 November 2015.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves variations in the Five Rivers Water Supply Subcommittee estimates from year two of the Long Term Plan.**
- e) **Estimates for the year commencing 1 July 2016 be adopted for inclusion in the Council's Draft Annual Plan (subject to any amendments made at the meeting).**
- f) **Identifies the key highlights for the local area (to be agreed at the meeting).**

Content

Background

- 4 The draft estimates for the Five Rivers Water Supply Subcommittee for 2016/2017 have been based on forecasted information from year two of the LTP 2015 - 2025.
- 5 The objective of these estimates is to highlight variations from year two of the LTP and set rates for 2016/2017.
- 6 This report has the following appendices:
- Appendix 1: This section is broken into rate types and includes a list of business units that make up the rate type and financial summary statement which shows the expenditure and income and rates calculation.

Issues

- 7 There are no key variances from what was originally included in year two of the LTP and what is planned now.

Revaluations

- 8 Section 9(1) of the Rating Valuations Act 1998 requires Council to revise its District Valuation Roll at least every three years. Quotable Value Limited, Council's valuer, are currently re-valuing all rateable properties in Southland. Ratepayers will be notified in December of their proposed valuation and have until late January 2016 to lodge an objection. The final valuations will be provided to Council in February/March 2016, and these values will be the basis for the 2016/2017 rates strike.

Factors to Consider

Legal and Statutory Requirements

- 9 The Annual Plan 2016/2017 is a requirement of the Local Government Act 2002 and is also closely aligned with the Local Government (2002) Rating Act.

Community Views

- 10 Significant or materially different variances from the LTP will be included in a consultation document and released for consultation from 30 January 2016 to 29 February 2016. As a result of the submission process, amendments may be made prior to Council formally adopting the Annual Plan in June 2016.

Costs and Funding

- 11 All assumptions that were made when preparing the LTP have been applied in these estimates except the interest rate on borrowings. The interest rate on borrowings has been reduced from 6.25% per annum as per the 2015-2025 LTP, to 5.72% per annum to reflect the decline in market rates over the past year. This interest rate is based on the average BNZ three year fixed interest rate at the time of setting the LTP assumptions (August 2014) and now (October 2015). Please note, this interest rate is subject to confirmation by Council in December 2015, so could be subject to change. Interest on reserves has been calculated at 4.19% on the average of these balances at year end and is consistent with the 2015-2025 LTP. Inflation rates have also been kept consistent with BERL rates adopted in the 2015-2025 LTP.

Policy Implications

- 12 The LTP sets out the directions or outcomes the community desires and the activities of Council that will contribute to achieving these outcomes over 10 years. These estimates have been prepared using year two forecasted data in the LTP. Any differences between the LTP and Annual Plan budget have been identified and explained in the Issues Section of this report.

Analysis

Options Considered

- 13 The Engineer has reviewed the original LTP numbers and revised as necessary; the options are to accept the report or amend it.

Analysis of Options

Option 1 - Accept the estimates as proposed in this report

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Enables an Annual Plan to be compiled in advance within the set timeframe. 	<ul style="list-style-type: none"> None.

Option 2 - Amend the estimates proposed in this report

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Further changes can be made to the LTP budgets. 	<ul style="list-style-type: none"> Rates requirement may need to be recalculated. May impact the delivery of the Annual Plan within the set timeframe.

Assessment of Significance

- 14 The contents of this report is not deemed significant under the Significance and Engagement Policy.

Recommended Option

- 15 Option 1 to accept the estimates as proposed in this report is recommended.

Next Steps

- 16 The estimates will be summarised in Council’s Draft Annual Plan. Significant or materially different variances from the LTP will be included in a consultation document and released for consultation in February 2016. The final Annual Plan including changes made as a result of consultation will be adopted by Council in June 2016.

Appendix 1

Five Rivers Water Supply Financial Summary			
	Actuals	Budget	Forecast
	2014/2015	2015/2016	2016/2017
Operating Expenditure	(58)	(7,246)	(7,337)
Capital Expenditure	(2,013)	0	0
Non Cash Expenditure	0	6,020	6,079
Total Expenditure	(2,071)	(1,226)	(1,258)
<i>Less Funding</i>			
Other Income	2,070	1,226	1,258
Total Funding	2,070	1,226	1,258

Attachments

There are no attachments for this report.