

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

Date: Friday, 29 January 2016
Time: 11am
Meeting Room: Orawia Community Centre
Venue: 2044 Ohai Clifden Highway
Orawia

Orawia Water Supply Subcommittee Agenda

OPEN

MEMBERSHIP

Chairperson	George Harpur
Deputy Chairperson	
Members	John Black Rodney Crack Chris & Dawn Glynn Tahawai Pastoral Ltd Patrick & Hellene Martin Timothy & Marilou Pierce Kieron & Alexia Ward Trevor & Lynley Whyte

IN ATTENDANCE

Operations Technician	Matt Keil
Manager, Area Offices	Chris Dolan
Area Officer	Kelly Tagg

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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

6.1 Meeting minutes of Orawia Water Supply Subcommittee, 30 January 2015

Orawia Water Supply Subcommittee

OPEN MINUTES

Minutes of a meeting of Orawia Water Supply Subcommittee held in the Orawia Community Centre, Ohai-Clifden Highway, Clifden on Friday, 30 January 2015 at 11.15 am.

PRESENT

Chairperson Councillor George Harpur

Members Trevor Whyte

IN ATTENDANCE

Manager, Area Offices Chris Dolan
Operations Technician Matt Keil
Management Accountant Susan McNamara

1 Apologies

Apologies for non-attendance were lodged by Member Black and Member Martin.

Moved Member Whyte, seconded Councillor Harpur and **resolved:**

That the Orawia Water Supply Subcommittee accept the apologies

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

There were no Members of the public seeking speaking rights in the Public Forum section of the meeting.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved Councillor Harpur, seconded Member Whyte

Confirms the minutes of Orawia Water Supply Subcommittee meeting held on 31 January 2014.

Reports

7.1 Works and Finance Report to Orawia Water Supply Subcommittee for the period ended 30 November 2014

Record No: R/15/1/587

The Works and Finance Report to the Orawia Water Supply Subcommittee for the period ended 30 November 2014, was tabled.

Mr Keil (Operations Technician), outlined to the meeting the current situation with the water supply headworks.

Resolution

Moved Member Whyte, seconded Councillor Harpur

That the Orawia Water Supply Subcommittee:

- a) **Receives the report titled “Works and Finance Report to Orawia Water Supply Subcommittee for the period ended 30 November 2014” dated 30 January 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.**

7.2 Orawia Water Supply Draft Estimates and Local Activity Plan Information for the Draft Long Term Plan (LTP) 2015-2025

Record No: R/15/1/566

The Orawia Water Supply Draft Estimates and Local Activity Plan Information for the Draft Long Term Plan (LTP) 2015-25 report was tabled.

The Subcommittee noted that this report provides an overview of the local activities and services for Orawia Water Supply for 2015-2025 which are provided under the governance of the Orawia Water Supply Subcommittee. The report details the estimated costs of these activities over the 10 years as well as the draft rates.

The Subcommittee also noted 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).

At this point Mr Keil advised that the key matters for the Orawia Water Supply community for the next 10 years included in this report are;

- Storage Capacity Project and Intake upgrade in 2015/16
- Consent Renewal Preparation in 2017/18.

Resolution

Moved Member Whyte, seconded Councillor Harpur

That the Orawia Water Supply Subcommittee:

- a) **Receives the report titled “Orawia Water Supply Draft Estimates and Local Activity Plan Information for the Draft Long Term Plan (LTP) 2015-2025” dated 30 January 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) **Identifies the following priority projects for the local area for inclusion in the 2015-2025 Long Term Plan consultation process;**
 - **Storage Capacity Project & Intake Upgrade**
 - **Consent Renewal Preparation**

11.30am

CONFIRMED AS A TRUE AND CORRECT
RECORD AT A MEETING OF THE ORAWIA
WATER SUPPLY SUBCOMMITTEE HELD ON
30 JANUARY 2015.

DATE:.....

CHAIRPERSON:.....

Works and Finance Report to Orawia Water Supply Subcommittee for the period ended 31 December 2015

Record No: R/16/1/614
Author: Bill Witham, Operations Manager - Water and Waste Services
Approved by: Ian Marshall, GM - Services and Assets

Decision Recommendation Information

Water and Waste 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.
- 2 For the year to date, there has been no unplanned expenditure exceeding the \$5,000 threshold.

Project List

- 3 The table below shows all of the projects that are currently planned for 2015/2016, including carry forwards from previous years with an update on their progress. Carry forwards are identified in the following table as ***bold and italic***.

Activity	Project	Type	Year	Budget	Status	Officer's Comments
Water Supply	Increase Storage	LOS	1516	\$24,533.00	Construction	Enhanced storage capacity.
Water Supply	Intake Upgrade	LOS	1516	\$50,000.00	Construction	Improvement of water intake security.

Recommendation

That the Orawia Water Supply Subcommittee:

- a) **Receives the report titled "Works and Finance Report to Orawia Water Supply Subcommittee for the period ended 31 December 2015" dated 20 January 2016.**

Attachments

- A Orawia Water Supply Subcommittee Financial Report, 31 December 2015 [View](#)

Orawia Community Financial Report

50.00% Of Year

For the Period Ended December 2015

Income	<u>Annual Budget</u>	<u>Actual Income to Date</u>	<u>Income to Date %</u>	<u>Full Year Projection</u>
28160 Water Supply Orawia	74,533	157	0%	37,423
Subtotal Water & Waste Business Units	74,533	157	0%	37,423
Total	74,533	157	0%	37,423
Capital Expenditure	<u>Annual Budget</u>	<u>Actual Spent to Date</u>	<u>Spent to Date %</u>	<u>Full Year Projection</u>
28160 Water Supply Orawia	74,533	157	0%	37,423
28168 WS - Orawia WAT416 Increase St	0	5,611	0%	5,611
Subtotal Water & Waste Business Units	74,533	5,768	8%	43,035
Total	74,533	5,768	8%	43,035
Funding Adjustments (Contributions, Loans, Provisions, Reserves, Forestry Dividend)	<u>Annual Budget</u>	<u>Actual Adjustments to Date</u>	<u>Adjustments 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

Unaudited Annual Accounts Report to Orawia Rural Water Supply Subcommittee for the year ended 30 June 2015

Record No: R/15/8/15185
Author: Bill Witham, Operations Manager - Water and Waste Services
Approved by: Ian Marshall, GM - Services and Assets

Decision Recommendation Information

Project List

Project Name	Financial Year	AP Budget	Actual cost	Status	Officer's Comment
Treatment Upgrade	14/15	\$8,329	\$7,500	Complete	

Financial Considerations

- 1 Please note these financial results are subject to review by Audit NZ in September, and therefore may change.

Recommendation

That the Orawia Water Supply Subcommittee:

- a) Receives the report titled "Unaudited Annual Accounts Report to Orawia Rural Water Supply Subcommittee for the year ended 30 June 2015" dated 15 September 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.

Attachments

- A Orawia Water Supply Annual Report Figures 30 June 2015 [View](#)

Orawia - Financial Report

For the Period Ended June 2015

2014/2015 Financial Year

Item 7.2 Attachment A

28160 Water Supply Orawia			<u>Year to Date</u>	<u>Year to Date</u>	<u>%Variance</u>
<u>Annual</u>	<u>Department</u>		<u>Actuals</u>	<u>Budget</u>	
<u>Budget</u>					
Income					
<u>(8,329.00)</u>	28160.11637	Internal - Water Capital	<u>(7,500.00)</u>	<u>(8,329.00)</u>	<u>90.05%</u>
<u>(8,329.00)</u>			<u>(7,500.00)</u>	<u>(8,329.00)</u>	<u>90.05%</u>
Expenditure					
<u>0.00</u>			<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
<u>(8,329.00)</u>		Net Operating (Surplus)/Deficit	<u>(7,500.00)</u>	<u>(8,329.00)</u>	
Capital Movements					
<u>8,329.00</u>	28160.65561	Water - Acquisition LOS	<u>7,500.00</u>	<u>8,329.00</u>	<u>90.05%</u>
<u>8,329.00</u>			<u>7,500.00</u>	<u>8,329.00</u>	<u>90.05%</u>
<u>0.00</u>			<u>0.00</u>	<u>0.00</u>	

Annual Plan 2016/2017 - Draft Estimates Report

Record No: R/15/10/19259
Author: Bill Witham, Operations Manager - Water and Waste Services
Approved by: Ian Marshall, GM - Services and Assets

Decision Recommendation Information

Purpose

- 1 This report provides an overview of the forecasted services for the Orawia 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 Orawia 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 Orawia 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 Orawia 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

Orawia Water Supply Financial Summary			
	Actuals	Budget	Forecast
	2014/2015	2015/2016	2016/2017
Capital Expenditure	(7,500)	(74,533)	-
Total Expenditure	(7,500)	(74,533)	-
<i>Less Funding</i>			
Other Income	7,500	74,533	-
Total Funding	7,500	74,533	-

Attachments

There are no attachments for this report.