



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

Date: Tuesday, 17 April 2018
Time: 2.00pm
Meeting Room: Southland District Council Te Anau Office,
Venue: 116 Town Centre, Te Anau

Te Anau Basin Water Supply Subcommittee Agenda OPEN

MEMBERSHIP

Chairperson	Keith Thompson
Deputy Chairperson	Murray Hagen
Members	Steve Bayler Henry Douglas Bill Hunter Graham Johnston Rex Millar
Councillor	Ebel Kremer

IN ATTENDANCE

Committee Advisor	Jenny Labruyere
Operations Manager	Bill Witham

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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 – Water Supply Subcommittees Te Anau Basin, Five Rivers and Matuku

The activity of the Southland District Council's Water Supply Subcommittees is framed by Southland District Council policies and plans. The responsibilities of these Water Supply Subcommittees include:

- Providing feedback to Council officers on relevant plans and strategies (including Asset Management Plans).
- Receiving operational and financial reports.
- Community engagement and representing community views to Council.

The Te Anau Basin, Matuku and Five Rivers Water Supply Subcommittees shall have the following delegated powers and be accountable to Council for the exercising of these powers:

- (a) Power to recommend the annual budget relating to the relevant water supply scheme.
- (b) Power to approve expenditure outside Council's authorised officer levels but within the budget of the water supply schemes. All decisions to approve expenditure outside Council's authorised officer levels must be made by way of a resolution at a meeting of the Water Supply Subcommittees. Any such decisions must be reflected in the minutes of the meeting.
- (c) Power to approve new connections to the relevant water supply scheme.
- (d) Power to approve expenditure outside of the relevant annual budget for emergency works.
- (e) Policies relating to water schemes;

In addition to the power to approve expenditure outside of the relevant annual budget for emergency works, this Subcommittee can also recommend unbudgeted expenditure to Council for approval.

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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 Te Anau Basin Water Supply Subcommittee, held on 11 October 2017.



Te Anau Basin Water Supply Subcommittee

OPEN MINUTES

Unconfirmed

Minutes of a meeting of Te Anau Basin Water Supply Subcommittee held in the Distinction Hotel, 64 Lakefront Drive, Te Anau on Wednesday, 11 October 2017 at 1.30pm.

PRESENT

Chairperson	Keith Thompson
Members	Steve Bayler
	Bill Hunter
	Graham Johnston
Councillor	Ebel Kremer

IN ATTENDANCE

Committee Advisor	Jenny Labruyere
Operations Manager	Bill Witham
Chief Financial Officer	Anne Robson
Community Partnership Leader	Simon Moran

1 Apologies

Apologies for non-attendance were lodged by Members Douglas, Hagen, and Millar.

Moved Cr Kremer, seconded Member Johnston and **resolved:**

That the Te Anau Basin Water Supply Subcommittee accept the apologies lodged for non-attendance by Members Douglas, Hagen, and Millar.

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 was no public forum.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved Member Hunter, seconded Member Bayler

Confirms the minutes of Te Anau Basin Water Supply Subcommittee meeting, held on 8 August 2017.

Reports

7.1 Financial Report to Te Anau Basin Water Supply Subcommittee for the year ended 30 June 2017

Record No: R/17/9/21406

Mr Witham, Operations Manager, presented the report.

Mr Witham advised of the significant underspend across the schemes for the electricity budget due to lower power tariffs and that the 2018-2028 Long Term Plan budget will be adjusted to reflect actual costs.

Mr Witham updated the subcommittee on the project list advising of the completion of works to the pipeline renewal for both the Ramparts and Takitimu schemes, and that the renewal works for the Kakapo Scheme is now underway.

Mr Witham further advised the Mt York reservoir tanks are due for replacement and installation will occur once the tanks become available.

Resolution

Moved Member Johnston, seconded Cr Kremer

That the Te Anau Basin Water Supply Subcommittee:

- a) **Receives the report titled “Financial Report to Te Anau Basin Water Supply Subcommittee for the year ended 30 June 2017” dated 3 October 2017.**

7.2 Strategic Framework 2018 - 2028 Long Term Plan

Record No: R/17/9/23092

Simon Moran, Community Partnership Leader, presented the report.

Mr Moran advised the purpose of this report is to update Community Boards, Community Development Area Subcommittees and other local Council committees on the revised Strategic Framework that has been developed by Council for the Long Term Plan 2018-2028.

Mr Moran explained the report outlines the framework for information and highlights the key changes to the Council’s intended areas of focus in response to the key strategic challenges facing Southland District over the next twenty years.

The Subcommittee noted the report also aims to remind members of the wider strategy work that is expected to be undertaken as part of and following the development of the 2018-2028 LTP programme to develop a proactive response to the fundamental shifts occurring in communities and operating environment, (eg Community Futures 2040 Project/ Community Leadership Planning).

Resolution

Moved Member Hunter, seconded Member Johnston

That the Te Anau Basin Water Supply Subcommittee:

- a) **Receives the report titled “Strategic Framework 2018 - 2028 Long Term Plan” dated 3 October 2017.**

7.3 Local Budgets for the Long Term Plan 2018-28

Record No: R/17/10/23572

Anne Robson, Chief Financial Officer, presented the report.

Ms Robson advised the purpose of the report is to set local budgets for 2018-2028 and propose rates for the year commencing 1 July 2018.

Ms Robson explained the report provides an overview of the local activities and services for Te Anau Rural Water for 2018-2028 which are provided under the governance of the Te Anau

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

Ms Robson informed the draft budgets will be incorporated into the Council's draft Long Term Plan (LTP) 2018-2028 which will be released for consultation in March 2018. Once the plan is finalised (and subject to any changes resulting from submissions), the budgets shown for 2018/2019 will be used to set rates for the year beginning 1 July 2018 (referred to as LTP year 1).

The subcommittee noted the information in this report and its attachments, has been sourced from previous discussions between the Committee and Community Partnership Leader/Community Engineer along with Activity Management Plans (AMPs) that staff have prepared. The AMPs contain more detail about the activities and expenditure requirements.

Ms Robson outlined the key issues for the Subcommittee to be aware of over the next 10 years, included;

- During the first years of the plan Council will be seeking expert advice in relation to the risks to Council where rural water supplies are being used as drinking water and the options available to mitigate these risks.
- The network is experiencing more repairs than should be expected for the age of the asset. Currently Council's work programme reflects the assets to be renewed due to the normal estimate time for replacement. Council officers are concerned that certain parts of the asset may need replacing sooner; this will impact on the capital projects planned and the rates required to fund it. Council will undertake a detail review of the asset over this planning period to recommend the works needed.

Members requested that once Council has undertaken a review of the life of assets and believe there is a need for the life span to be provided to the subcommittee prior to the next Long Term Plan.

Following discussion on the report Members agreed to the rates and charges with no changes as set out in the recommendation.

Resolution

Moved Member Hunter, seconded Chairperson Thompson

That the Te Anau Basin Water Supply Subcommittee:

- a) Receives the report titled "Local Budgets for the Long Term Plan 2018-28" dated 5 October 2017.**
- b) Determines that this matter 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) **Recommends to Council that the following rates and charges (including GST) for the year commencing 1 July 2018 be included in the 2018-2028 Long Term Plan.**

<u>Rate</u>	<u>Rate GST inclusive</u>
Te Anau Rural Water - Annual Charge	\$113,438
Te Anau Rural Water - Full Charge	\$99,727
Te Anau Rural Water - Half Charge	\$1,854
Te Anau Rural Water - 7.7 Charge	\$214,087

- e) **Requests staff identifies the life span of all assets prior to the next Long Term Plan process.**

The meeting concluded at 2.45pm

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE TE ANAU BASIN WATER SUPPLY SUBCOMMITTEE HELD ON 11 OCTOBER 2017.

DATE:.....

CHAIRPERSON:.....

Financial Report to the Te Anau Basin Water Supply sub committee for the period ended 28 February 2018

Record No: R/18/4/8057

Author: Bill Witham, Operations Manager - Water and Waste Services

Approved by: Matt Russell, Group Manager Services and Assets

 Decision Recommendation Information

Water and Waste Engineer's Report

- 1 The monthly operations reports for Downer are provided to the Subcommittee advisor as they are published. They include data on Downer's district wide operations activities which are presented on a town by town basis.

Project list

- 2 The table below shows all of the projects that are currently planned for Te Anau Rural Water Supply in 2017/18. There is a separate report on the agenda covering a number of these projects.

Project Name	Type	Year	Budget	Staff Comments
Replace reservoir tanks ahead of schedule (Kakapo)	DEM	2015/16	\$85,000	Tanks fabricated – awaiting delivery
Consent Renewal Preparation (Princhester)	LOS	2017/18	\$21,383	Consultant working on
Pipeline Renewal (Ramparts)	REN	2016/17	\$64,104	Completed
Pipeline Renewal (Takitimu)	REN	2016/17	\$105,526	Completed
Pipeline Renewal (Takitimu)	REN	2017/18	\$156,000	Completed
Pipeline Renewal (Kakapo)	LOS	2016/17	\$161,494	Completed

Financial Considerations

Loans

- 3 The table below outlines the community loans as at 30 June 2017. The interest rate applicable on these loans for the 2017/18 year is 5.15%.

	Business Unit	Balance June 2017	Years Remaining
Electrical Upgrade	26960	\$11,631	5
Te Anau Water Renewal	26960	\$17,214	2

Reserves

4 Reserves are projected as

	Opening balance 30 June 17	Annual Plan balance at 30 June 18	Forecast Closing 30 June 18
Te Anau Rural General Reserve	\$101,663	\$2,661	\$0

Recommendation

That the Te Anau Basin Water Supply Subcommittee:

- a) **Receives the report titled “Financial Report to the Te Anau Basin Water Supply sub committee for the period ended 28 February 2018” dated 10 April 2018.**

Attachments

- A Financial Report to 28 February 2018 [↓](#)

Te Anau Rural Water Supply Community Financial Report

66.67% Of Year

For the Period Ended February 2018

2017/2018 Financial Year

Income	<u>Annual Budget</u>	<u>Actual Income to Date</u>	<u>Income to Date %</u>	<u>Full Year Projection</u>	<u>Annual Budget vs Projection Var</u>	<u>Annual Budget vs Projection %</u>
26960 Water Supply Overheads	35,889	22,167	62%	35,904	14	0%
26961 Water Supply Ramparts	95,945	64,006	67%	95,988	43	0%
26962 Water Supply Mount York	34,204	22,818	67%	34,219	15	0%
26963 Water Supply Takitimu	54,758	36,530	67%	54,782	25	0%
26964 Water Supply Kakapo	90,036	60,064	67%	90,076	40	0%
26965 Water Supply Homestead	34,836	23,240	67%	34,852	15	0%
26966 Water Supply Princhester	37,701	25,151	67%	37,718	17	0%
26967 Water Supply - Duncraig	7,286	4,861	67%	7,289	3	0%
Subtotal Water & Waste Business Units	390,655	258,836	66%	390,828	172	(0%)
Total	390,655	258,836	66%	390,828	172	0%
Expenditure	<u>Annual Budget</u>	<u>Actual Spent to Date</u>	<u>Spent to Date %</u>	<u>Full Year Projection</u>	<u>Annual Budget vs Projection Var</u>	<u>Annual Budget vs Projection %</u>
26960 Water Supply Overheads	98,058	97,724	100%	130,410	(32,352)	(33%)
26961 Water Supply Ramparts	94,265	46,118	49%	77,477	16,789	18%
26962 Water Supply Mount York	34,204	21,478	63%	32,544	1,660	5%
26963 Water Supply Takitimu	52,228	26,328	50%	43,696	8,534	16%
26964 Water Supply Kakapo	86,211	35,861	42%	63,673	22,538	26%
26965 Water Supply Homestead	34,836	18,674	54%	29,896	4,941	14%
26966 Water Supply Princhester	16,318	9,931	61%	14,924	1,395	9%
26967 Water Supply - Duncraig	7,286	6,542	90%	8,879	(1,594)	(22%)
Subtotal Water & Waste Business Units	423,406	262,655	62%	401,499	21,911	5%
Total	423,406	262,655	62%	401,499	21,911	5%

Te Anau Rural Water Supply Community Financial Report

66.67% Of Year

For the Period Ended February 2018

2017/2018 Financial Year

Capital Expenditure	<u>Annual Budget</u>	<u>Actual Spent to Date</u>	<u>Spent to Date %</u>	<u>Full Year Projection</u>	<u>Annual Budget vs Projection Var</u>	<u>Annual Budget vs Projection %</u>
26961 Water Supply Ramparts	64,104	0	0%	21,368	42,736	67%
26962 Water Supply Mount York	0	33,360	0%	33,360	(33,360)	0%
26963 Water Supply Takitimu	105,526	0	0%	35,175	70,351	67%
26964 Water Supply Kakapo	246,494	157,512	64%	239,677	6,817	3%
26966 Water Supply Princhester	21,383	0	0%	7,128	14,255	67%
Subtotal Water & Waste Business Units	437,507	190,872	44%	336,708	100,799	23%
Total	437,507	190,872	44%	336,708	100,799	23%
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>	<u>Annual Budget vs Projection Var</u>	<u>Annual Budget vs Projection %</u>
26960 Water Supply Overheads	62,169	90,860	146%	111,583	49,414	79%
26961 Water Supply Ramparts	62,424	(0)	0%	20,808	(41,616)	(67%)
26963 Water Supply Takitimu	102,996	(0)	0%	34,332	(68,663)	(67%)
26964 Water Supply Kakapo	242,669	(0)	0%	80,890	(161,779)	(67%)
Subtotal Water & Waste Business Units	470,258	90,860	19%	247,613	(222,644)	47%
Total	470,258	90,860	19%	247,613	(222,644)	(47%)

Contract 17/14 Te Anau Basin Rural Watermain Renewals Project Update

Record No: R/18/3/7181

Author: Joe Findley, Contracts Administrator

Approved by: Matt Russell, Group Manager Services and Assets

Decision

Recommendation

Information

C17/14 Separable Portion 1: Kakapo

- 1 Separable Portion 1: Kakapo is fully complete. The project was completed \$24,157.77 under budget due to a property lateral not required to be installed under Tutoko Lane and a reduction in the actual pipe length as a result of an alignment variation. This figure includes the \$15,000.00 contingency sum.
- 2 Positive feedback has been received regarding the project outcome. Water flow has increased and there has been no instance of non-supply reported to Council since the new line was installed.

C17/14 Separable Portion 2: Ramparts

- 3 Separable Portion 2: Ramparts is fully complete. The project was completed \$1513.31 under budget. A \$13,486.69 portion of the \$15,000.00 contingency sum was used to cover a 770m variation in length of pipe and the installation of a second air valve. The main was extended after it was discovered that the pipe reduced in size to a 25mm line which fed both the Stevenson and Carran properties. There were also significant flow restrictions in the 25mm main due to fragments of pipe from previous breakages along the line.
- 4 There has been significant increases to the flow properties of this section of main since the project was completed and there has been no instance of non-supply reported to Council.

C17/14 Separable Portion 3: Takitimu

- 5 Separable Portion 3: Takitimu is fully complete. The project was completed \$19,582.94 under budget due to two valves not being required, as one was re-used (replaced in 2016) and one was not required. This figure includes the \$15,000.00 contingency sum.
- 6 I spent time working with Rodger McDougall from Downer Ltd, during the Christmas period, within the Te Anau Basin. During this time Rodger showed me his day to day operation tasks involved with a number of the schemes and some of the issues with each system. One of these issues was the continued pipe breakages within the Gillespie Road booster shed and the poor condition on the pressure tank. Given we have an approved project to replace one of the lines running away from the booster shed, I made a phone call to Keith Thompson to request that we use part of the contingency sum to replace the pressure tank and pipe work within the booster shed. Keith agreed that this made sense and Downer Ltd provided a price of \$4,596.35 to complete this work.
- 7 This re-piping of the booster shed is yet to be completed, however once this has occurred the project will have come in \$14,986.59 under budget with \$13.41 of the contingency sum used.

C17/14 Separable Portion 4: 1362 Blackmount Redcliff Road

- 8 Separable Portion 4: 1362 Blackmount Redcliff Road is nearing completion. All pipe is now in the ground with only the connections at either end left to complete, as of Thursday 29 March 2018.
- 9 There has been a variation to the original alignment of the pipe. Instead of heading out the back of the booster shed we have continued along Gillespie Road a further 440m before heading west through the McConnell property. This alignment was preferred due to the cluster of existing water and power services within the yard behind the booster shed and also for ease of locating the asset in the future. This involved an increased overall pipe length due to the alignment change which equates to \$5,583.20 which will come out of the contingency sum.
- 10 It is expected that the renewal of this length of pipe will have the same benefits to flow properties as Separable Portions 1 and 2. A further project update and any subsequent feedback will be supplied once the project has been completed.

Mt York Reservoir Tank Replacement

- 11 The replacement of the eight reservoir tanks at Mt York has been completed. The tanks were successfully flown into place by helicopter on Tuesday 13 March 2018. Capacity in this reservoir has been increased by 60,000L as the replacement tanks are 30m³ where the old tanks were 22.5m³. Supply was maintained to the Mt York scheme throughout this process.

Kakapo Reservoir Tank Replacement

- 12 Due to the previous Kakapo Tank Project budget being reallocated to Mt York, a new budget has been included in the Long Term Plan for the replacement of the existing reservoir on the Kakapo scheme. This is in line with previous discussion held between the Committee and Council.

Recommendation

That the Te Anau Basin Water Supply Subcommittee:

- a) **Receives the report titled "Contract 17/14 Te Anau Basin Rural Watermain Renewals Project Update" dated 9 April 2018.**

Attachments

There are no attachments for this report.