



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

Date: Tuesday, 6 November 2018
Time: 2.00pm
Meeting Room: Southland District Council Te Anau Office, 116
Venue: Town Centre, Te Anau

Te Anau Basin Water Supply Subcommittee Agenda OPEN

MEMBERSHIP

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

IN ATTENDANCE

Committee Advisor	Jenny Labruyère
Operation Manager	Bill Witham

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Website: www.southlanddc.govt.nz

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, 14 August 2018



Te Anau Basin Water Supply Subcommittee

OPEN MINUTES

Unconfirmed

Minutes of a meeting of Te Anau Basin Water Supply Subcommittee held in the Southland District Council Te Anau Office, 116 Town Centre, Te Anau on Tuesday, 14 August 2018 at 2.00pm.

PRESENT

Chairperson

Keith Thompson

Deputy Chairperson

Murray Hagen

Members

Steve Bayler

Henry Douglas

Bill Hunter

IN ATTENDANCE

Committee Advisor

Jenny Labruyere

Operations Manager Water and Waste

Bill Witham

Downers

Geoff Grey

1 Apologies

Apologies for non-attendance were lodged by Members G Johnston, R Millar and Councillor Kremer.

Moved Member Douglas, seconded Member Hunter and **resolved:**

That the Te Anau Basin Water Supply Subcommittee accept the apologies for non-attendance lodged by Members G Johnston, R Millar and Councillor Kremer.

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 Hagen, seconded Member Douglas

Confirms the minutes of Te Anau Basin Water Supply Subcommittee meeting, held on 17 April 2018 as a true and correct record of the proceedings.

Reports

7.1 Financial Report for the period ended 31 May 2018

Record No: R/18/7/15772

Mr Witham, Operations Manager Water and Waste, presented the report.

Members enquired as to the budget set aside for the Princhester Scheme renewal of the Environment Southland's resource consent in respect of the Princhester scheme. Mr Witham advised this figure has been set aside as an estimate for the preparations of the

consent however may all the funds set aside may not be expended. Mr Witham advised the subcommittee he is negotiating for at least a 25 to 30 year consent renewal.

Resolution

Moved Member Hagen, seconded Member Bayler **and resolved;**

That the Te Anau Basin Water Supply Subcommittee:

- a) **Receives the report titled “Financial Report for the period ended 31 May 2018” dated 17 July 2018.**

7.2 Level of Service for Installation of Utilities

Record No: R/18/5/10699

Mr Witham, Operations Manager Water and Waste, presented the report.

Mr Witham advised that the purpose of this report is to set out Council’s decision to maintain its current Level of Service for installation of utilities, such as pipelines and other infrastructure, for the Te Anau Basin Rural Water Supply schemes.

Mr Witham added that previously the Subcommittee had request Council to consider allowing a lower standard of installation methodology for the installation and renewal of pipe reticulation for the Te Anau Basin schemes.

Mr Witham outlined Council’s obligation to ensure all assets renewed and maintained are to meet their full design lifecycle along with New Zealand Standards, Code of Practice and Industry Best Practice Guidelines.

Following a lengthy discussion on the report Members questioned in particular Council’s required open trench methodology, with an invert depth of 900mm, and believed a suggested depth of 700-750mm a more appropriate depth and cost effective method for trenching, at least on tributary lines if not on main lines.

Members did not agree to the recommendation set out in the report and requested further discussion as to the feasibility of a change in the methodology for the depth of pipelines for the Te Anau Basin Water Supply schemes.

Resolution

Moved Member Hagen, seconded Member Douglas **and resolved;**

That the Te Anau Basin Water Supply Subcommittee:

- a) **Request the report titled “Level of Service for Installation of Utilities ” dated 17 July 2018 “lie on the table” pending further discussion, in particular to the methodology for the invert depth of pipeline to be changed from 900mm to 700-750mm .**

7.3 Kakapo Reservoir Tank Renewals

Record No: R/18/8/18472

Mr Witham, Operations Manager Water and Waste, presented the report.

Mr Witham outlined the purpose of this report is to recommend the tank replacements at the Kakapo reservoir and booster tanks site and recommend to Council to approve an unbudgeted expenditure of \$48,000.00 +GST.

Mr Witham advised that the report is to seek approval from the Te Anau Basin Water Supply Subcommittee to undertake water tank replacements at both the Kakapo reservoir and Kakapo booster tank sites.

Mr Witham added the total cost for this work is expected to be \$88,000.00 +GST, the current long term plan includes a project for \$40,000.00 to replace tanks at Kakapo.

Resolution

Moved Member Douglas, seconded Member Hunter **and resolved;**

That the Te Anau Basin Water Supply Subcommittee:

- a) **Receives the report titled “Kakapo Reservoir Tank Renewals” dated 8 August 2018.**
- 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 the proposed water tank renewals at both the Kakapo reservoir and Kakapo booster tank sites.**
- e) **Resolves that the Kakapo rural water supply tank renewals project is undertaken within the current 2018/2019 financial year for the total amount of \$88,000.00, excluding GST.**
- f) **Requests Council to approve unbudgeted expenditure of \$48,000.00 (bringing the total budget to \$88,000.00) to be funded by available reserves, with the remainder funded by a loan.**

7.4 Chairperson's Report

Chairperson K Thompson raised a number of matters for discussion. These included;

Duncraigen Scheme

Mr Witham reported to members of the consent conditions relative to the Duncraigen scheme which includes the enforcement of a compliance upgrade to the fish screens on the water intake for this particular scheme.

The Chairperson commented that Members have previously discussed the potential transfer of the Duncraigen scheme to Landcorp. Mr Witham advised the meeting that investigation into the legal process and costs are required prior to the possible transfer.

Homestead Scheme

Mr Witham outlined issues that occurred during the last dry summer on this scheme when the Whitestone River was at extremely low level. He advised contractors and staff were very aware of the issues, and worked hard to keep the supply running although very little could be achieved when the river dried up.

What's App Link

Members again raised the potential for a "What App" type phone application to be set up for each of the water supply schemes, whereby the member for each scheme could be used as the contact to advise the rest of the scheme users when there is an issue on the scheme. It was felt this would be of assistance to help alert users of low supply and to conserve water where possible.

Moved Member Hagen, seconded Member Douglas **resolved that**

The Te Anau Basin Water Supply Subcommittee:

- a) **Request staff to investigate further the potential to transfer the Duncraigen scheme to Landcorp and report the findings back to the Subcommittee.**
- b) **Request staff to investigate further the potential to set up a "What's App" link to each of the subcommittee members so as the relevant scheme member can advise users when there is an issue on a particular scheme.**

The meeting concluded 3.15pm

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE TE ANAU BASIN WATER SUPPLY
SUBCOMMITTEE HELD ON TUESDAY 14 AUGUST
2018.

DATE:.....

CHAIRPERSON:.....

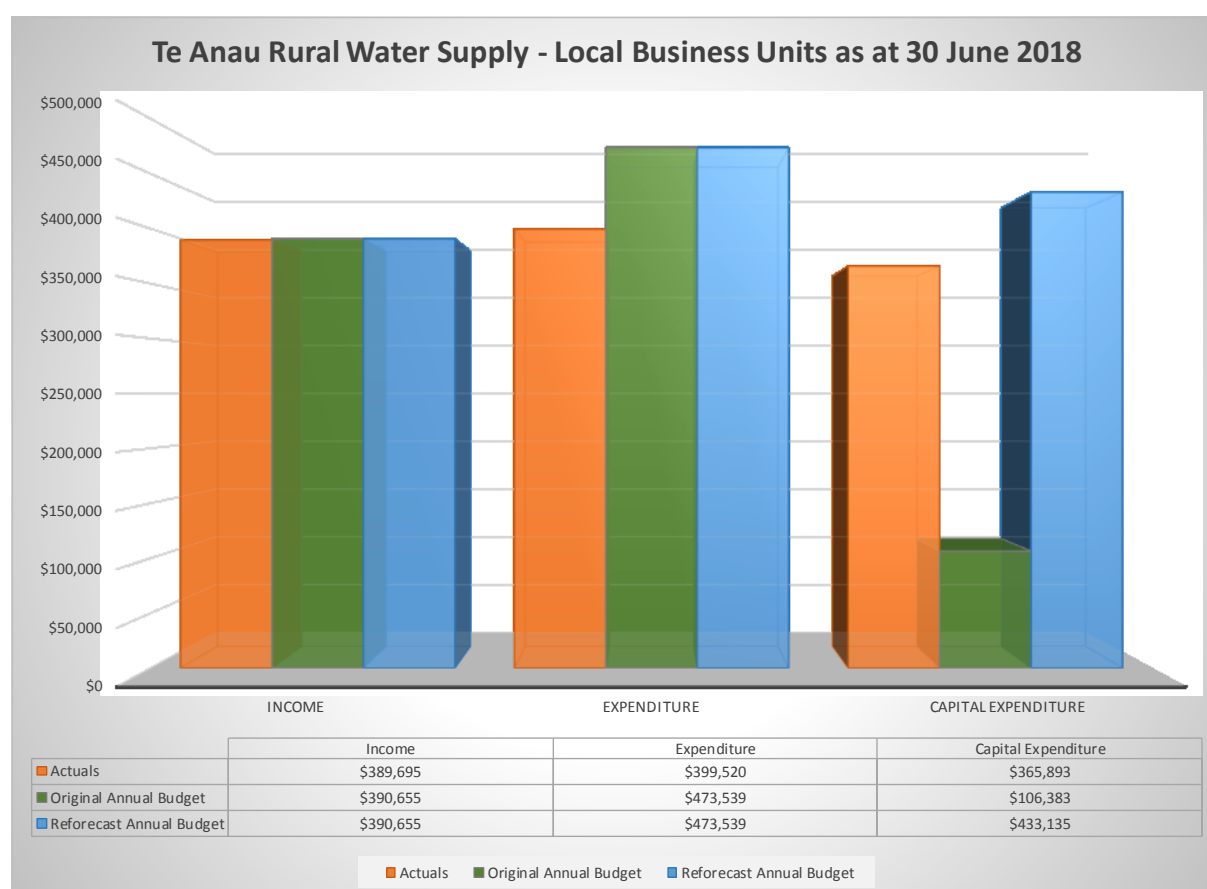
Financial Report for the year ended 30 June 2018

Record No: R/18/7/17859
Author: Bill Witham, Operations Manager - Water and Waste Services
Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision ☐ Recommendation ☒ Information

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

Community financial performance for the year



- 2 The graph above shows what actually happened (Actuals), what the original budget was (Original annual budget) and then what was expected to occur by year end (Reforecast annual budget) for each of the Income, Expenditure, and Capital Expenditure categories.
- 3 The 'Reforecast' totals show the effect of unbudgeted expenditure, projects that have been put on hold or are to be completed in 2018/2019 and/or expected changes to income and operating expenditure over the year.
- 4 Monthly reports provided to you by the Community Engineers compared the actual YTD against reforecast YTD totals.
- 5 Any significant variances between the 'Actual' and 'Original budget' totals are explained below. The details are provided in the attached Annual Report figures.

Significant Variances to the Annual Budget

Income

- 6 Income was on target for the year.

Expenditure

- 7 Overall operating expenditure is under budget by \$74,019 due to:

- 8 Ramparts, Kakapo and Homestead electricity underspent

- 9 Internal interest underspent

Capital Expenditure

- 10 Capital projects that were undertaken are detailed in the Projects list below. Projects that did not have an AP Budget were approved through Councils carry forward and unbudgeted expenditure processes.

Schedule of Loan Balances

	Balance June 2017	Uplifted Loan	Principal Repayments	Balance June 2018	Years Remaining
Takitimu	\$17,214	-	\$8,387	\$8,827	1

Project List

- 11 Community projects that were budgeted to be undertaken in the 2017/2018 year are in the table below.

Project Name	Financial Year	AP Budget	Actual cost	Status	Officer's Comment
Pipeline Renewal (Ramparts)	2016/2017	-	13,238	Completed	Completed
Pipeline Renewal (Takitimu)	2016/2017	-	53,757	Completed	Completed
Replace reservoir tanks ahead of schedule (Kakapo)	2015/2016	85,000	85,000	Completed	Completed
Pipeline Renewal (Takitimu)	2017/2018	-	143,959	Completed	Completed
Pipeline Renewal (Kakapo)	2016/2017	-	48,899	Completed	Completed
Consent Renewal Preparation (Princhester)	2017/2018	21,383	21,040	In progress - Investigation	Submitted for approval

Financial Considerations

Reserves

- 12 Interest has been allocated to the reserve accounts. Interest is calculated on the average balance of the reserves for the year at an interest rate of 3%. The budgeted interest rate was 4.19%.

Te Anau Rural Water Supply

Schedule of Reserve Balance

		Actual June - 017	Transfers To/(From)	Actual June -018
Water				
<i>Reserve Account</i>				
	Te Anau Rural WS General - RES	88669		
		101,663.48	(100,138.53)	1,524.95
		<u>101,663.48</u>	<u>(100,138.53)</u>	<u>1,524.95</u>
Water Total		<u>101,663.48</u>	<u>(100,138.53)</u>	<u>1,524.95</u>
Total Te Anau Rural Water Supply Reserves		<u>101,663.48</u>	<u>(100,138.53)</u>	<u>1,524.95</u>

Recommendation

That the Te Anau Basin Water Supply Subcommittee:

- a) **Receives the report titled “Financial Report for the year ended 30 June 2018” dated 2 November 2018.**

Attachments

- A Te Anau Rural Water Supply Annual Report figures for the year ended 30 June 2018 [↗](#)

Te Anau Rural Water Supply - Financial Report

For the Period Ended June 2018

2017/2018 Financial Year

26960 Water Supply Overheads

<u>Annual Budget</u>	<u>Department</u>		<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
		Income			
(33,228.00)	26960.11171	Rates - Collected	(33,228.72)	(33,228.00)	100.00%
0.00	26960.11176	Rates - Adjustments	(14.35)	0.00	0.00%
<u>(2,661.00)</u>	26960.19151	Internal - Interest on Reserve	<u>(1,524.95)</u>	<u>(2,661.00)</u>	<u>57.31%</u>
(35,889.00)			(34,768.02)	(35,889.00)	96.88%
		Expenditure			
0.00	26960.31553	Monitoring (Extra)	1,246.05	0.00	0.00%
145,461.00	26960.41128	Depn - Water Supply	151,534.17	145,461.00	104.18%
<u>2,730.00</u>	26960.43317	Internal -Interest	<u>1,285.20</u>	<u>2,730.00</u>	<u>47.08%</u>
148,191.00			154,065.42	148,191.00	103.96%
112,302.00	Net Operating (Surplus)/Deficit		119,297.40	112,302.00	
		Capital Movements			
0.00	26960.71532	Internal Loans - Princ	(122,053.38)	0.00	0.00%
11,027.00	26960.71533	Internal Loans - Repaid	10,481.28	11,027.00	95.05%
2,661.00	26960.88668	To-TeAnau RWS General - RE	1,524.95	2,661.00	57.31%
0.00	26960.88669	Ex-TeAnau RWS General - RE	154,756.92	0.00	0.00%
50,133.00	26960.89226	Depn To Te Anau Rural	151,534.17	50,133.00	302.26%
(30,662.00)	26960.89227	Depn Ex Te Anau Rural	(164,007.17)	(30,662.00)	534.89%
(50,133.00)	26960.89244	Depn NFS Te Anau Rural	(151,534.17)	(50,133.00)	302.26%
<u>(95,328.00)</u>	26960.99511	Add Back Non Cash Depn	<u>0.00</u>	<u>(95,328.00)</u>	<u>0.00%</u>
(112,302.00)			(119,297.40)	(112,302.00)	106.23%
0.00			0.00	0.00	

26961 Water Supply Ramparts

<u>Annual Budget</u>	<u>Department</u>		<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
Income					
(95,945.00)	26961.11171	Rates - Collected	(95,947.08)	(95,945.00)	100.00%
0.00	26961.11176	Rates - Adjustments	(41.43)	0.00	0.00%
(95,945.00)			(95,988.51)	(95,945.00)	100.05%
Expenditure					
545.00	26961.21117	SCADA	328.37	545.00	60.25%
186.00	26961.21311	Material Damage Insurance	529.94	186.00	284.91%
43,139.00	26961.31211	Electricity	27,842.08	43,139.00	64.54%
673.00	26961.31531	Resource Consents	1,038.43	673.00	154.30%
39,238.00	26961.35227	Maintenance - Routine	33,753.60	39,238.00	86.02%
4,242.00	26961.43317	Internal -Interest	0.00	4,242.00	0.00%
6,242.00	26961.43344	Internal - WWS Management Fee	6,242.04	6,242.00	100.00%
94,265.00			69,734.46	94,265.00	73.98%
(1,680.00)	Net Operating (Surplus)/Deficit		(26,254.05)	(1,680.00)	
Capital Movements					
64,104.00	26961.65562	Water Supply Networks - Renewa	13,238.29	64,104.00	20.65%
1,680.00	26961.71533	Internal Loans - Repaid	0.00	1,680.00	0.00%
(64,104.00)	26961.88669	Ex-TeAnau RWS General - RE	13,015.76	(64,104.00)	-20.30%

26961 Water Supply Ramparts

<u>Annual Budget</u>	<u>Department</u>	<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
1,680.00		26,254.05	1,680.00	1,562.74%
0.00		0.00	0.00	

26962 Water Supply Mount York

<u>Annual Budget</u>	<u>Department</u>		<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
	Income				
(34,204.00)	26962.11171	Rates - Collected	(34,204.68)	(34,204.00)	100.00%
0.00	26962.11176	Rates - Adjustments	(14.78)	0.00	0.00%
(34,204.00)			(34,219.46)	(34,204.00)	100.05%
	Expenditure				
201.00	26962.21117	SCADA	120.69	201.00	60.04%
1,005.00	26962.21311	Material Damage Insurance	665.93	1,005.00	66.26%
16,716.00	26962.31211	Electricity	13,272.53	16,716.00	79.40%
673.00	26962.31531	Resource Consents	644.85	673.00	95.82%
10,584.00	26962.35227	Maintenance - Routine	12,406.20	10,584.00	117.22%
5,025.00	26962.43344	Internal - WWS Management Fee	5,025.36	5,025.00	100.01%
34,204.00			32,135.56	34,204.00	93.95%
0.00	Net Operating (Surplus)/Deficit		(2,083.90)	0.00	
	Capital Movements				
0.00	26962.65562	Water Supply Networks - Renewa	85,000.29	0.00	0.00%
0.00	26962.88669	Ex-TeAnau RWS General - RE	(82,916.39)	0.00	0.00%
0.00			2,083.90	0.00	0.00%
0.00			0.00	0.00	

26963 Water Supply Takitimu

<u>Annual Budget</u>	<u>Department</u>		<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
Income					
(54,758.00)	26963.11171	Rates - Collected	(54,759.24)	(54,758.00)	100.00%
0.00	26963.11176	Rates - Adjustments	(23.62)	0.00	0.00%
(54,758.00)			(54,782.86)	(54,758.00)	100.05%
Expenditure					
270.00	26963.21117	SCADA	161.05	270.00	59.65%
126.00	26963.21311	Material Damage Insurance	589.46	126.00	467.83%
21,570.00	26963.31211	Electricity	13,779.44	21,570.00	63.88%
673.00	26963.31531	Resource Consents	644.85	673.00	95.82%
18,175.00	26963.35227	Maintenance - Routine	16,554.72	18,175.00	91.09%
6,389.00	26963.43317	Internal -Interest	0.00	6,389.00	0.00%
5,025.00	26963.43344	Internal - WWS Management Fee	5,025.36	5,025.00	100.01%
52,228.00			36,754.88	52,228.00	70.37%
(2,530.00)	Net Operating (Surplus)/Deficit		(18,027.98)	(2,530.00)	
Capital Movements					
105,526.00	26963.65562	Water Supply Networks - Renewa	182,715.92	105,526.00	173.15%
(65,306.00)	26963.71532	Internal Loans - Princ	0.00	(65,306.00)	0.00%
2,530.00	26963.71533	Internal Loans - Repaid	0.00	2,530.00	0.00%
(40,220.00)	26963.88669	Ex-TeAnau RWS General - RE	(164,687.94)	(40,220.00)	409.47%
2,530.00			18,027.98	2,530.00	712.57%
0.00			0.00	0.00	

<u>Annual Budget</u>	<u>Department</u>		<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
Income					
(90,036.00)	26964.11171	Rates - Collected	(90,037.92)	(90,036.00)	100.00%
0.00	26964.11176	Rates - Adjustments	(38.91)	0.00	0.00%
(90,036.00)			(90,076.83)	(90,036.00)	100.05%
Expenditure					
406.00	26964.21117	SCADA	255.93	406.00	63.04%
2,774.00	26964.21311	Material Damage Insurance	545.13	2,774.00	19.65%
29,119.00	26964.31211	Electricity	18,607.93	29,119.00	63.90%
653.00	26964.31531	Resource Consents	873.91	653.00	133.83%
36,458.00	26964.35227	Maintenance - Routine	26,933.22	36,458.00	73.87%
9,660.00	26964.43317	Internal -Interest	0.00	9,660.00	0.00%
7,141.00	26964.43344	Internal - WWS Management Fee	7,141.32	7,141.00	100.00%
86,211.00			54,357.44	86,211.00	63.05%
(3,825.00)	Net Operating (Surplus)/Deficit		(35,719.39)	(3,825.00)	
Capital Movements					
246,494.00	26964.65562	Water Supply Networks - Renewa	63,898.67	246,494.00	25.92%
(246,494.00)	26964.71532	Internal Loans - Princ	0.00	(246,494.00)	0.00%
3,825.00	26964.71533	Internal Loans - Repaid	0.00	3,825.00	0.00%
0.00	26964.88669	Ex-TeAnau RWS General - RE	(28,179.28)	0.00	0.00%
3,825.00			35,719.39	3,825.00	933.84%
0.00			0.00	0.00	
26965 Water Supply Homestead					
<u>Annual Budget</u>	<u>Department</u>		<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
Income					
(34,836.00)	26965.11171	Rates - Collected	(34,836.72)	(34,836.00)	100.00%
0.00	26965.11176	Rates - Adjustments	(15.06)	0.00	0.00%
(34,836.00)			(34,851.78)	(34,836.00)	100.05%
Expenditure					
177.00	26965.21117	SCADA	105.74	177.00	59.74%
1,171.00	26965.21311	Material Damage Insurance	429.26	1,171.00	36.66%
15,099.00	26965.31211	Electricity	9,997.22	15,099.00	66.21%
673.00	26965.31531	Resource Consents	948.70	673.00	140.97%
14,754.00	26965.35227	Maintenance - Routine	11,494.38	14,754.00	77.91%
2,962.00	26965.43344	Internal - WWS Management Fee	2,962.32	2,962.00	100.01%
34,836.00			25,937.62	34,836.00	74.46%
0.00	Net Operating (Surplus)/Deficit		(8,914.16)	0.00	
Capital Movements					
0.00	26965.88669	Ex-TeAnau RWS General - RE	8,914.16	0.00	0.00%
0.00			8,914.16	0.00	0.00%
0.00			0.00	0.00	
26966 Water Supply Princhester					
<u>Annual Budget</u>	<u>Department</u>		<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
Income					
(37,701.00)	26966.11171	Rates - Collected	(37,701.84)	(37,701.00)	100.00%
0.00	26966.11176	Rates - Adjustments	(16.30)	0.00	0.00%
(37,701.00)			(37,718.14)	(37,701.00)	100.05%

26966 Water Supply Princhester

<u>Annual Budget</u>	<u>Department</u>		<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
	Expenditure				
109.00	26966.21117	SCADA	65.76	109.00	60.33%
1,339.00	26966.21311	Material Damage Insurance	283.38	1,339.00	21.16%
9,706.00	26966.31211	Electricity	4,235.57	9,706.00	43.64%
64.00	26966.31531	Resource Consents	2,071.96	64.00	3,237.44%
2,138.00	26966.35227	Maintenance - Routine	6,759.60	2,138.00	316.16%
2,962.00	26966.43344	Internal - WWS Management Fee	2,962.32	2,962.00	100.01%
16,318.00			16,378.59	16,318.00	100.37%
(21,383.00)	Net Operating (Surplus)/Deficit		(21,339.55)	(21,383.00)	
	Capital Movements				
21,383.00	26966.65561	Water - Acquisition LOS	18,391.80	21,383.00	86.01%
0.00	26966.88669	Ex-TeAnau RWS General - RE	2,947.75	0.00	0.00%
21,383.00			21,339.55	21,383.00	99.80%
0.00			0.00	0.00	

26967 Water Supply - Duncraig

<u>Annual Budget</u>	<u>Department</u>		<u>Year to Date Actuals</u>	<u>Year to Date Budget</u>	<u>%Variance</u>
	Income				
(7,286.00)	26967.11171	Rates - Collected	(7,286.16)	(7,286.00)	100.00%
0.00	26967.11176	Rates - Adjustments	(3.16)	0.00	0.00%
(7,286.00)			(7,289.32)	(7,286.00)	100.05%
	Expenditure				
58.00	26967.21117	SCADA	34.37	58.00	59.26%
275.00	26967.21311	Material Damage Insurance	270.22	275.00	98.26%
4,314.00	26967.31211	Electricity	4,429.48	4,314.00	102.68%
673.00	26967.31531	Resource Consents	671.70	673.00	99.81%
749.00	26967.35227	Maintenance - Routine	3,533.28	749.00	471.73%
1,217.00	26967.43344	Internal - WWS Management Fee	1,216.68	1,217.00	99.97%
7,286.00			10,155.73	7,286.00	139.39%
0.00	Net Operating (Surplus)/Deficit		2,866.41	0.00	
	Capital Movements				
0.00	26967.65561	Water - Acquisition LOS	2,648.05	0.00	0.00%
0.00	26967.88669	Ex-TeAnau RWS General - RE	(5,514.46)	0.00	0.00%
0.00			(2,866.41)	0.00	0.00%
0.00			0.00	0.00	

Direction-setting for Annual Plan 2019/2020

Record No: R/18/10/24743
Author: Chantelle Subritzky, Corporate Performance Lead
Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision ☒ Recommendation ☐ Information

Purpose

- 1 The purpose of this report is to confirm the direction determined for the 2nd year of the LTP.
- 2 This report provides an overview of the forecasted projects and services for the Te Anau Basin Water Supply Subcommittee in 2019/2020. It includes any variations from what was anticipated in year two of the Long Term Plan 2018-2028 ("LTP").

Executive Summary

- 3 The direction-setting provided by the Te Anau Basin Water Supply Subcommittee will be incorporated into the Council's Draft Annual Plan for 2019/2020. If consultation is required, this will occur in February 2019 and March 2019.
- 4 Once the plan is finalised (and subject to any changes resulting from submissions), the direction given for 2019/2020 will be used to set rates for the year beginning 1 July 2019.
- 5 It is recognised that extraordinary projects or changes to the level of service may be needed outside of the LTP process. The Annual Plan process is an opportunity to raise these extraordinary projects or events, to ensure the on-going needs of the community are being met.
- 6 Council has streamlined its 2019/2020 Annual Plan process, and all extraordinary projects for the local area that were received by Council in the project plan template prior to 21 September have been included in the 2019/2020 Annual Plan.
- 7 The Te Anau Basin Water Supply Subcommittee have no variances for year two of the LTP.
- 8 Staff recommend Option 1 to accept the budgets as proposed in this report.
- 9 Following the recommendations made to Council, any variances will be summarised in Council's Draft 2019/2020 Annual Plan. If there are significant or materially different variances from the LTP, these will be included in a consultation document and released for consultation in February 2019.
- 10 The final Annual Plan including changes made as a result of consultation, will be adopted by Council in June 2019.

1 Recommendation

That the Te Anau Basin Water Supply Subcommittee:

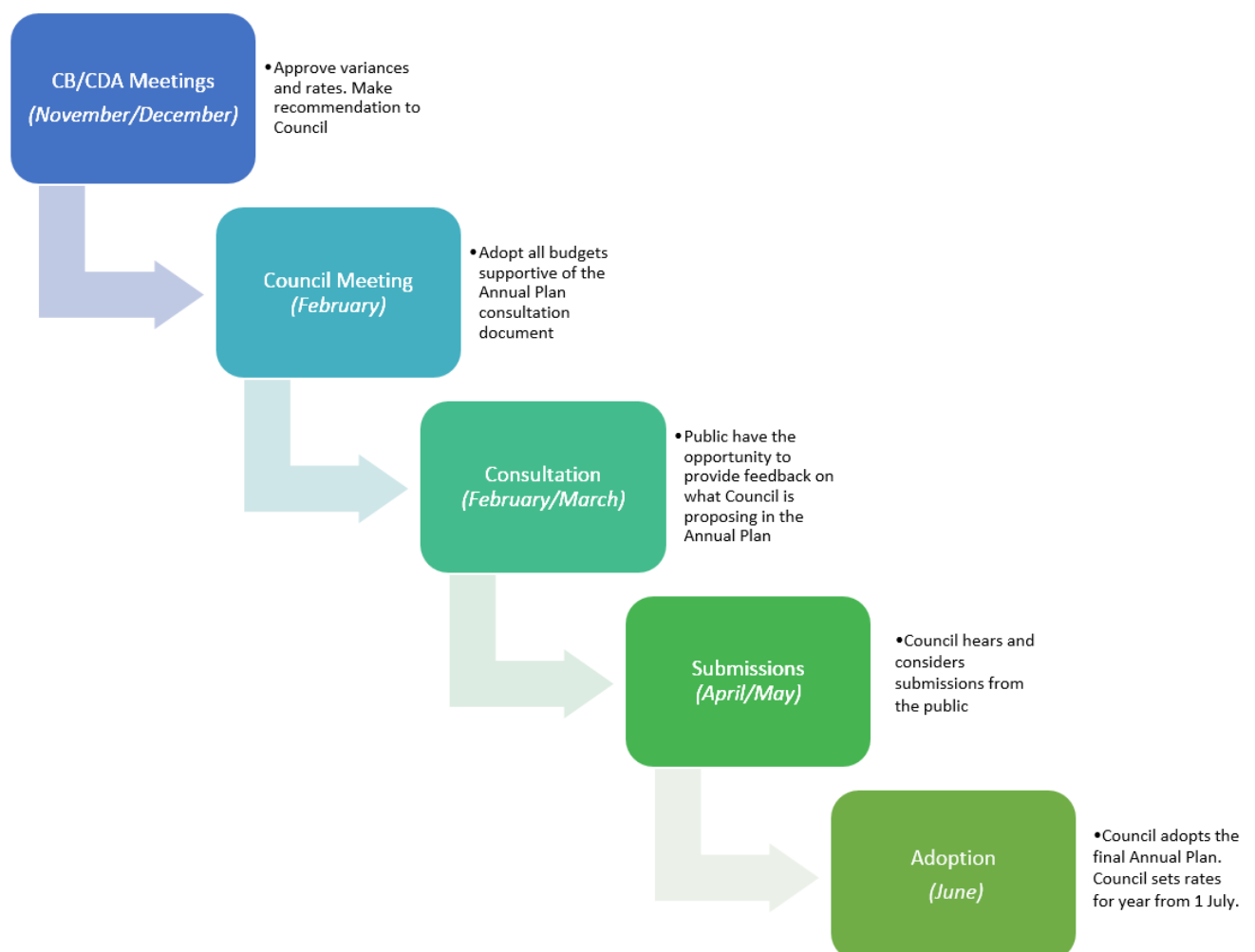
- a) Receives the report titled “Direction-setting for Annual Plan 2019/2020” dated 2 November 2018.**
- b) Determines that this matter or decision be recognised not significant in terms of Section 76 of the Local Government Act 2002.**
- c) Determines that it has complied with the decision-making provisions 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) Notes that any extraordinary projects for the local area have been included in the 2019/2020 Annual Plan, as identified through Council process in the project plan for extraordinary projects/activities/events project template completed by 21 September 2018.**
- e) Agree that the budgets for the year commencing 1 July 2019 be adopted for inclusion in the Council’s Draft 2019/2020 Annual Plan (subject to any minor amendments made at this meeting).**
- f) Requests the setting of the following rates and charges (including GST) for the year commencing 1 July 2019 based on the approved budgets in (e) above.**

<u>Rate Description</u>	<u>Rate (GST Incl)</u>
Te Anau Basin Water Supply Subcommittee Rate	\$454,642

Background

- 11 The Annual Plan process ensures that planned community projects and rates align with the Long Term Plan (LTP) strategic vision. The LTP community outcomes for Southland district are:
- proud, connected communities that have an attractive and affordable lifestyle
 - resilient communities that leave a legacy for tomorrow
- 12 The purpose of this report is to confirm the direction determined for the 2nd year of the LTP.
- 13 It is recognised that extraordinary projects or changes to the level of service may be needed outside of the LTP process. The Annual Plan is an opportunity to raise these extraordinary projects or events, to ensure the on-going needs of the community are being met.
- 14 The draft budgets for the Te Anau Basin Water Supply Subcommittee for 2019/2020 have been based on forecasted information from year two of the Long Term Plan 2018-2028.

Overview of the process:



Issues

- 15 Other than the variances noted in the cost and funding section of this report, there are no significant changes from what was originally included in year two of the LTP.
- 16 Changes to projects that have been identified are detailed in the table below.

District Funding of Water and Wastewater

- 17 Council's water and wastewater activities are funded by a fixed rate across the district for properties connected or able to be connected to a Council scheme. Decision making is the responsibility of the Council rather than community boards or community development area subcommittees (CDA's), however community boards and CDA's are kept informed of planned projects as well as those in progress.

District Funding of Library Services

- 18 Council operates 10 libraries across the district which historically were funded by a mix of district and local rates. In the 2018-2028 LTP Council, with the support of the community, decided to fund 100% of all library services across the district from the Uniform Annual General Charge. This has resulted in all ratepayers paying the same amount towards library services, irrespective of where they live.

Setting all Community Board/Community Development Area Subcommittee rates as Uniform Targeted Rates (UTRs)

- 19 In the 2018-2028 LTP, Council with the majority of the community's support, decided to assess local rates for Riverton/Aparima, Otautau, Stewart Island/Rakiura, Tuatapere, Mossburn and Waikaia as uniform targeted rates, with variances as required.
- 20 Council made this change because there was no consistent approach to local community board and community development area subcommittee rating, despite the fact that each local rate was being used to fund similar activities and services in their local communities.
- 21 This has resulted in all ratepayers in each community paying the same amount towards their local services, irrespective of the value of their property. Te Anau and Tuatapere community boards will continue to apply variances to rural properties (both) and commercial properties (Te Anau only).

Stormwater Consenting Update

- 22 Council currently has discharge applications lodged with Environment Southland for a number of townships across the District. It is a requirement from Environment Southland that such discharges are consented in line with other authorities within the region.
- 23 In late 2017, Council received draft consent conditions for Balfour, Brown, Lumsden, Mossburn, Riversdale, Tokanui and Waikaia and accordingly project and monitoring budgets were reduced in the 2018-2028 LTP. For all other communities, as at the date of this report Council are still waiting on the draft consents and their associated requirements.

- 24 Stormwater costs are the responsibility of each local community, and therefore the outcome of any hearing and the subsequent monitoring and capital costs will need to be funded by the relevant community.

Factors to Consider

Legal and Statutory Requirements

- 25 The Annual Plan 2019/2020 is a requirement of the Local Government Act 2002 and is also closely aligned with the Local Government (2002) Rating Act.

Community Views

- 26 Any significant issues affecting local communities may be included in the official consultation document which will be publicly available. The consultation document will be available to households throughout the District.
- 27 Consideration should be given to if all or some of the additional costs or projects could be funded from reserves or loans.

Assumptions made in preparing the Budgets

- 28 All assumptions that were made when preparing the LTP have been applied in these budgets including the interest rate on borrowings. The interest rate applicable to community borrowings has been held consistent with the 2018-2028 LTP at 4.65%. This interest rate is based on the average BNZ three year fixed interest rate at the time of setting the LTP assumptions.
- 29 Interest on community reserves (monies held on reserve by the community for various purposes) has been calculated at 3.29% on the average of these balances at year end and is consistent with the 2018-2028 LTP.
- 30 Inflation rates have also been kept consistent with BERL rates adopted in the 2018-2028 LTP.

Fees and Charges

- 31 As part of the 2019/2020 Annual Plan process, Council are required to set all Council related fees and charges.
- 32 Council has a legislative requirement to publish all fees and charges imposed by Council or Council committees. This is achieved by way of Council's annual Fees and Charges booklet. The Fees and Charges booklet is a single document where ratepayers and Council staff can locate all charges in one place for the relevant financial year. The 2019/2020 Fees and Charges booklet is currently being prepared and will take effect from 1 July 2019.

Policy Implications

- 33 There are no policy implications in the direction setting for the Annual Plan 2019/2020.

Analysis

Options Considered

- 34 Council staff have reviewed the original LTP outcomes and revised as necessary.

35 There are two options to be considered in this report:

- option 1 is to accept the budgets as proposed in this report
- option 2 is to amend the budgets proposed in this report.

Analysis of Options

Option 1 – Accept the budgets as proposed in this report

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• ensures that community outcomes are met• enables an Annual Plan to be compiled in with in the set timeframe.• the cost and associated funding for preparing and consulting on the 2019/2020 Annual Plan are included in the organisations approved operational budgets.	<ul style="list-style-type: none">• none identified

Option 2 – Amend the budgets proposed in this report

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• allows for any amendments that staff may not have factored in.	<ul style="list-style-type: none">• rates recalculations may be higher than identified in the LTP.• may impact the delivery of the Annual Plan within the set timeframe.

Assessment of Significance

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

Recommended Option

37 Through the process of identifying any extraordinary projects/events, and updating any changes to the level of service required, staff recommend Option 1 to accept the budgets as proposed in this report.

Next Steps

38 The recommendations passed in this report will be summarised in Council's Draft 2019/2020 Annual Plan. If there are significant or materially different variances from the LTP, these will be included in a consultation document and released for consultation in February 2019.

39 The final Annual Plan including changes made as a result of consultation, will be adopted by Council in June 2019.

- 40 This report has the following appendices:
- 41 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.
- 42 Appendix 2: A list of loans that are current and to be uplifted in 2019/2020.
- 43 Appendix 3: A list of reserves with the opening balance and projected closing balance.

Appendix 1

Te Anau Rural Water Supply Financial Summary			
	Actuals	Budget	Forecast
	2017/2018	2018/2019	2019/2020
Operating Expenditure	(399,520)	(446,341)	(456,287)
Capital Expenditure	(365,893)	(120,000)	-
Loans Raised	(10,481)	(34,385)	(31,110)
Non Cash Expenditure	-	94,259	78,795
Total Expenditure	(775,894)	(506,467)	(408,602)
<i>Less Funding</i>			
Loans Raised	122,053.00	40,000	-
Net Reserve Movements	264,146	86,175	13,261
Other Income	1,525	-	-
Total Funding	387,724	126,175	13,261
Total Rates Required	388,170	380,292	395,341
GST	58,226	57,044	59,301
Rate (including GST)	446,396	437,336	454,642
\$ Increase/(Decrease)		(9,060)	17,306
% Increase/(Decrease)		-2.03%	3.96%

Te Anau Rural Water Supply Rates Calculation				
		Actual	Actual	Proposed
Rate Type	Basis of Rate	2017/2018	2018/2019	2019/2020
Te Anau Rural Water 7.7 Units	Fixed Charge	2,969.48	2,909.27	3,017.10
Te Anau Rural Water Connection Charge	Fixed Charge	578.47	566.74	587.75
Te Anau Rural Water Full Unit	Fixed Charge	385.65	377.83	391.83
Te Anau Rural Water Half Unit	Fixed Charge	192.82	188.91	195.92

Appendix 2

Te Anau Rural Water Supply Loan Report				
Description	Term Left as at 30/6/20	Balance 30/6/18	Forecast Balance 30/6/19	Forecast Balance 30/6/20
Electrical Upgrade	2	3,537	7,315	4,988
Te Anau Rural Water Renewal	0	3,827		-
Water Supply Overheads	13	122,053	116,282	110,237
Replace tanks at Kakapo	4		55,306	53,424
Te Anau Rural Pipe Renewal	14		161,493	153,857
Tank replacement (Kakapo)	9		10,000	36,780
Total		140,417	390,396	359,286

Appendix 3

Te Anau Rural Water Supply Reserve Report			
	Opening Balance 1/07/2018	Forecast Budget 30/06/2019	Closing Balance 30/06/2020
Local Reserve			
Te Anau Rural WS General	1,525	1,525	1,525
Total Local Reserve	1,525	1,525	1,525
Total Local Balance	1,525	1,525	1,525
Overall Reserve Balance	1,525	1,525	1,525

Attachments

There are no attachments for this report.