



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

Date: **Monday, 9 December 2019**
Time: **1.00pm**
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	Henry Douglas	
	Bill Hunter	
	Graham Johnston	
	Rex Millar	
	Scott Harpham	Landcorp

IN ATTENDANCE

Committee Advisor/Customer Support Partner Jenny Labruyère
Manager Operations - Water and Waste Bill Witham

Contact Telephone: 0800 732 732
Postal Address: PO Box 903, Invercargill 9840
Email: emailsdc@southlanddc.govt.nz
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, Matuku

TYPE OF COMMITTEE	Subcommittee
SUBORDINATE TO	Fiordland and Northern Community Board
LEGISLATIVE BASIS	Subcommittees delegated powers by Council as per schedule 7, clause 32, LGA 2002.
MEMBERSHIP	<p>Te Anau Basin Water Supply Subcommittee (Fiordland Community Board)</p> <p>The total membership of the Te Anau Basin Water Supply Subcommittee will be nine. Membership of the subcommittee shall be determined by an election at a triennial public meeting.</p> <p>The subcommittee representation shall comprise:</p> <ul style="list-style-type: none"> • a water supply consumer from each of the following areas: <ul style="list-style-type: none"> – Duncraigen – Homestead – Kakapo – Mt York – Princhester – Ramparts – Takitimu • two representatives appointed by Landcorp. <p>Matuku Water Supply Subcommittee (Northern Community Board)</p> <p>The total membership of the Matuku Water Supply Subcommittee will be six plus a councillor.</p> <p>The chairperson shall be elected by the vote of the subcommittee.</p> <p>Five Rivers Water Supply Subcommittee (Northern Community Board)</p> <p>The total membership of the Five Rivers Water Supply Subcommittee will be six members plus a councillor.</p> <p>The chairperson shall be elected by the vote of the subcommittee.</p>
QUORUM	<p>Te Anau Basin Water Supply Subcommittee – 5</p> <p>Matuku Water Supply Subcommittee – 4</p> <p>Five Rivers Water Supply Subcommittee – 4</p>
FREQUENCY OF MEETINGS	<p>Te Anau Basin Water Supply Subcommittee</p> <p>Three meetings per annum or as required.</p> <p>Matuku Water Supply and Five Rivers Water Supply Subcommittee</p> <p>One meeting per annum or as required.</p>
SCOPE OF ACTIVITIES	The activity of Southland District Council's Water Supply Subcommittees is framed by Council policies and plans. The responsibilities of these water supply subcommittees include:

	<ul style="list-style-type: none"> • 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.
DELEGATIONS	<p>Power to Act</p> <p>The Te Anau Basin, Matuku and Five Rivers Water Supply Subcommittees shall have the following delegated powers and be accountable to the relevant community board for the exercising of these powers:</p> <ul style="list-style-type: none"> (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. <p>In addition to the power to approve expenditure outside of the relevant annual budget for emergency works, this committee can also recommend unbudgeted expenditure to the relevant Community Board and Council for approval.</p>

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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

There are no minutes to confirm as this is the first meeting of the Subcommittee for the 2019/2022 Triennium.

Financial Report for the year ended 30 June 2019

Record No: R/19/12/27952

Author: Susan McNamara, Management Accountant

Approved by: Anne Robson, Chief Financial Officer

☐ Decision

☐ Recommendation

☒ Information

Summary

These financial results have been reviewed by Audit New Zealand and are the final results for the year ended 30 June 2019.

Recommendation

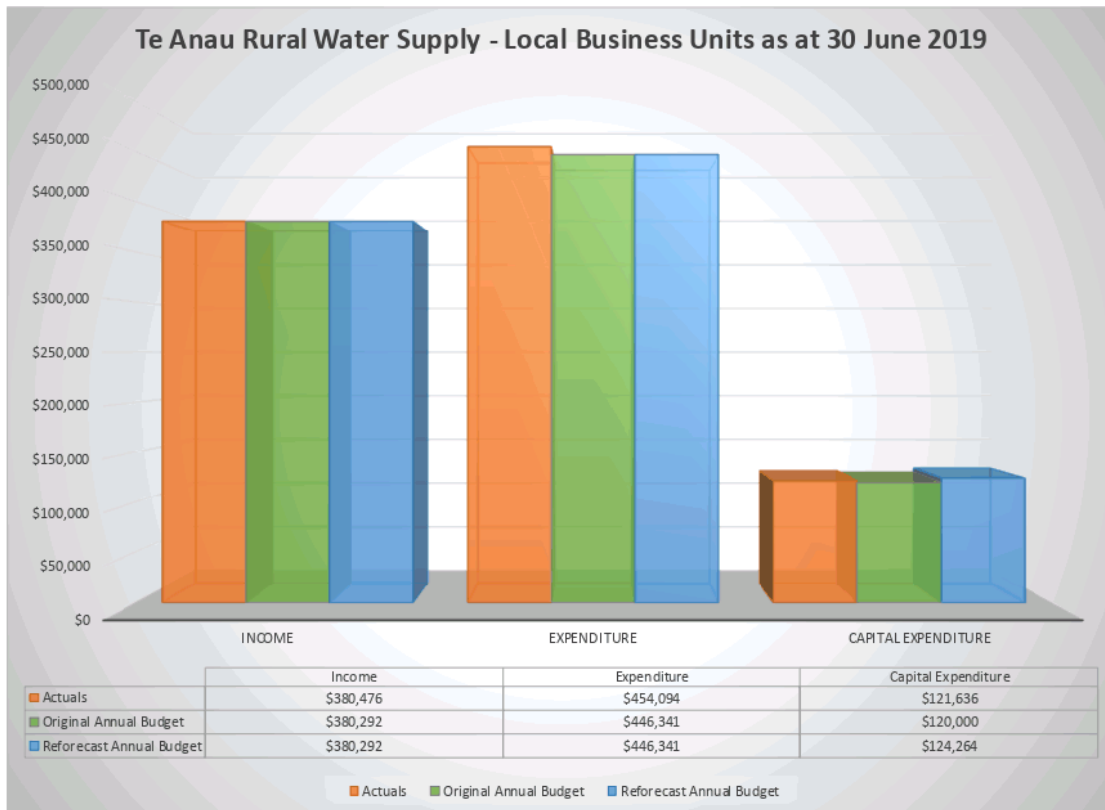
That the Te Anau Basin Water Supply Subcommittee:

- a) **Receives the report titled “Financial Report for the year ended 30 June 2019” dated 4 December 2019.**

Attachments

- A Electronic Document R/19/9/20517 Financial Report to Te Anau Basin Water Supply Subcommittee for the year ended 30 June 2019 9/09/2019 at 8:13 a.m. [↓](#)

Community financial performance for the year



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.

The 'Reforecast' totals show the effect of unbudgeted expenditure, projects that have been put on hold or are to be completed in 2019/2020 and/or expected changes to income and operating expenditure over the year.

Reporting has been provided to you throughout the year by the Manager Operations Water Waste comparing the actual YTD against reforecast YTD totals.

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 Original Annual Budget

Income

Overall income is \$184 over the original budget for the year. This is due to a small amount of interest being received on reserves.

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Expenditure

Overall expenditure is \$7,753 over the original budget for the year.

There has been an additional \$18,077 spend across the schemes to install sampling points and to complete sampling during the year. These costs are shown in attachment B as monitoring and maintenance unplanned. There was also \$2,325 legal costs incurred in relation to the possible transfer of ownership of the Duncraigen scheme. These have been offset by actual costs of electricity (\$6,967) and interest on loans (\$8,317) being under the original budget for the year.

Capital Expenditure

Overall capital expenditure is \$1,636 over the original budget for the year. The projects for the year, the amount spent and the status is shown in the project table below. Overall the total expenditure is similar to what was included in the original budget, however the split between projects is different. The majority of funds were spent on the replacement tanks at Kakapo, while this is over the original budget the committee has approved the changes required to the budget during the year.

Schedule of Loan Balances

	Balance June 2018	Uplifted loan	Principal repayments	Balance June 2019	Years remaining
Electrical Upgrade Residual Balance	9,537	-	2,222	7,315	3
Takitimu	8,827	-	8,827	-	0
Water Supply Overheads	122,053	-	5,771	116,282	14
Replacement tanks (Kakapo)	-	26,012	-	26,012	25

Project List

Community projects that were budgeted to be undertaken in the 2018/2019 year are in the table below.

Project name	AP budget	Actual cost	Status	Officer's comment
Replacement tanks (Kakapo)	40,000	101,734	Completed	Project completed.
Consent renewal preparation (Kakapo)	20,000	6,383	In Progress	Awaiting on processing by Environment Southland.
Consent renewal preparation (Ramparts)	20,000	6,335	In Progress	Awaiting on processing by Environment Southland.
Consent renewal preparation (Princhester)	20,000	7,185	Completed	Project completed
Consent renewal preparation (Homestead)	20,000	-	In Progress	Project started on 12 May 2019



Financial Considerations

Reserves

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 3.29%.

Te Anau Rural Water Supply

Schedule of Reserve Balance

		Actual June - 018	Transfers To/(From)	Actual June -019
Water				
<i>Reserve Account</i>				
	Te Anau Rural WS General - RES	88669		
		1,524.95	8,963.38	10,488.33
		<u>1,524.95</u>	<u>8,963.38</u>	<u>10,488.33</u>
Water Total				
		<u>1,524.95</u>	<u>8,963.38</u>	<u>10,488.33</u>
Total Te Anau Rural Water Supply Reserves				
		<u>1,524.95</u>	<u>8,963.38</u>	<u>10,488.33</u>

Financial Report for the period ended 31 October 2019

Record No: R/19/12/27977

Author: Bill Witham, Manager Operations - Water and Waste

Approved by: Anne Robson, Chief Financial Officer

☐ Decision

☐ Recommendation

☒ Information

Water and Waste Engineer's Report

- 1 The monthly operations report for Downer has been included with this report. The report includes data on Downer's district wide operations activities.
- 2 The Kakapo scheme is still struggling at times. Downer staff have found several leaks and faulty connections however this work is ongoing. Recent wet weather has made finding leaks difficult.

Project list

- 3 The table below shows all of the projects that are currently planned for Te Anau Rural Water Supply in 2019/20.

Project Name	Type	Year	Budget	Staff Comments
Consent renewal preparation (Ramparts)	REN	2018/19	\$13,665	Underway
Consent renewal preparation (Kakapo)	REN	2018/19	\$13,617	Underway
Consent renewal preparation (Homestead)	REN	2018/19	\$20,000	Underway
Consent renewal preparation (Princhester)	REN	2018/19	\$12,815	Underway

Financial Considerations

Loans

- 4 The table below outlines the community loans as at 30 June 2018. The interest rate applicable on these loans for the 2018/19 year is 4.65%.

	Business Unit	Balance June 2017	Years Remaining
Electrical Upgrade	26960	\$7,315	3

Reserves

- 5 Reserves are projected as:

	Opening balance 30 June 19	Long Term Plan balance at 30 June 20	Forecast Closing 30 June 20
Te Anau Rural General Reserve	\$10,488	\$1,525	\$10,488

Recommendation

That the Te Anau Basin Water Supply Subcommittee:

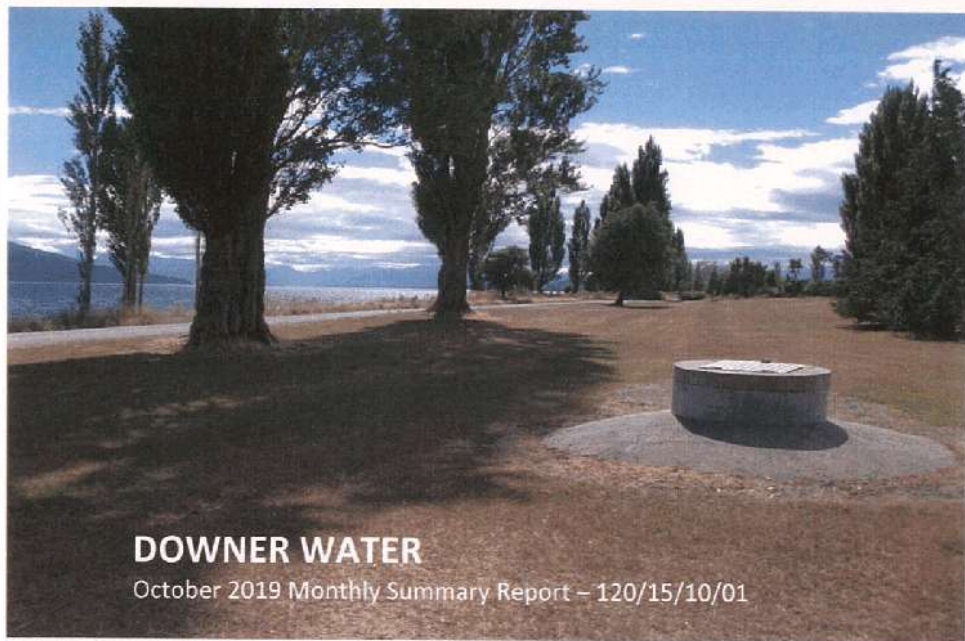
- a) **Receives the report titled “Financial Report for the period ended 31 October 2019” dated 4 December 2019.**

Attachments

- A Downer Monthly Report - October 2019 [↓](#)
B Report to Te Anau Basin Water Supply Subcommittee - 9 December 2019 - Financial Report for the period ended 30 October 2019 [↓](#)



Southland District Council
Water and Wastewater Maintenance Contract



DISTRIBUTION

This Monthly Summary Report 120/15/10/01 has been distributed to:

Copy No.	Holder	Contract Position	Company
01	Ian Evans	Strategic Manager: Water and Waste Services	SDC
02	Bill Witham	Operations Manager: Water and Waste Services	SDC
03	Talita Aitken	IPS Data Analyst: Water and Waste Services	SDC
04	Bevan McKenzie	Project & Programme Manager: Water and Waste Services	SDC

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2. Health and Safety
3. Quality Assurance and Compliance
4. KPI Summary

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120/15/10/01

1. EXECUTIVE SUMMARY

COMPLIANCE (DRINKING WATER)

- All drinking water compliance testing was completed and carried out as per NZDWS.
- All samples were absent of Escherichia Coli.

COMPLIANCE (ENVIRONMENTAL WASTEWATER)

- There was one non-compliant test during October.

FINANCIAL

MISC MINOR WORKS

Riverton WTP – Chemicals	5,390.64	Chemicals & filters Riverton WTP October 2019
Riverton WTP – UV	15,824.04	Riverton WTP – UV
Riverton WTP – Mixing Chemicals	2,053.87	Mixing chemicals up to 26/10/19
125 Havelock St, Riverton	571.59	Replace water meter
190 Gt North Road, Winton	181.58	Replace water meter head
Install new flowmeter Riverton WTP	9,956.11	Install new flow meter Riverton WTP
Curio Bay Water	4,492.80	Delivery of water to Curio Bay – September
Padlocks	187.13	Two padlocks as requested by Geoff Gray
69 Town Centre, Te Anau	6,791.02	Clean up & repairs of two sewer blockages, 69 Town Centre & Luxmore Distinction, Te Anau
Water Outlook Reports	4,600.00	Produce new reports in Water Outlook
Te Anau Ponds Survey	1,772.61	Assist Bonisch Consulting survey Te Anau Ponds
Te Anau Reservoir	480.72	Weld gate at Te Anau Reservoir
4 Caswell St, Te Anau	262.07	Repairs after fibre strike by Marais Laying
28 Caswell St, Te Anau	261.90	Repairs after fibre strike by Marais Laying
Lumsden Mains Burst	11,340.17	Repair two water main leaks
257 Gt North Road, Winton	276.26	Unblock caravan dump
135 Cardigan Road, Wyndham	237.68	SR 203450 – clear rags blocked in dumpstation gully trap
Mokonui St, Te Anau	22,670.19	Repairs after Mokonui St Sewer Burst
Mokonui Pump Station P1	10,042.10	Remove Pump 1 from Mokonui Pump Station
Valve inspections with Brian	912.60	Valve inspections, Te Anau
Curio Bay Pump Checks	237.60	Curio Bay Pump Checks October 2019
TOTAL	\$98,542.68	

ASSET IMPROVEMENTS – PAID UNDER LUMP SUM

All claims and invoices for completed work were certified and accepted.

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HEALTH & SAFETY

- There were two incidents reported in October 2019
 - ✦ Power cord at Riverton WTP blew up after moisture got in.
 - ✦ Pinched little finger with pliers
 - ✦ Safety Alert after a worker in the north got hit in the face while using a manhole lifter.
- Monthly tool box meeting was held at Downer Offices, October 24, 2019.

QUALITY ASSURANCE

- There were no NCR/OFI's issued during October 2019.
- There was no instance of rework or product failure during the month.

PROJECT WORK / ACTIVITIES IN NEXT MONTH**PROJECT WORK/CAPITAL UPGRADES - QUOTED**

New meter De Joux Road, Winton	Pump replacement Princhester
New meter Riverton Townside Ponds	Otautau bores
Kakapo RWS Tank Upgrade	
New turbidity meter, Manapouri	

PLANNED POWER INTERRUPTIONS

- Tuesday October 8 – Pump 3 Nantwich Street, Otautau
- Tuesday October 8 – Town Reservoir, Otautau
- Tuesday October 15 – Riverton Water, Carmichael Road, Riverton
- Tuesday October 29 – Water pumping station, Lyntley Road, Lumsden

STAFFING

- ✦ Contract staff levels are currently sixteen permanent employees. This is made up of five management, administration and QA staff and eleven field staff. Rowena is finishing up on Friday November 15 to further her career with Southland District Council, and Libby Davis will be starting on Monday November 18.

✦ Training Completed in October:

- ✦ Confined Spaces & Gas Detection – Rongopai Barlow
- ✦ Heights Safety Refresher – Rongopai Barlow

✦ Training scheduled for November:

- ✦ Digger Training – Mike Shaw, Ryan Batt

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SUMMARY

- Mokonui pump station pipeline drawings have been laminated and placed in the pump station for the waste operator's information.
- New ultrasonic and float replaced at De Joux Road pump station.



Birchwood Road, Ohai stormwater repairs



Suggested alternative manhole lifter

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Lumsden mains failure 150 AC in very wet area

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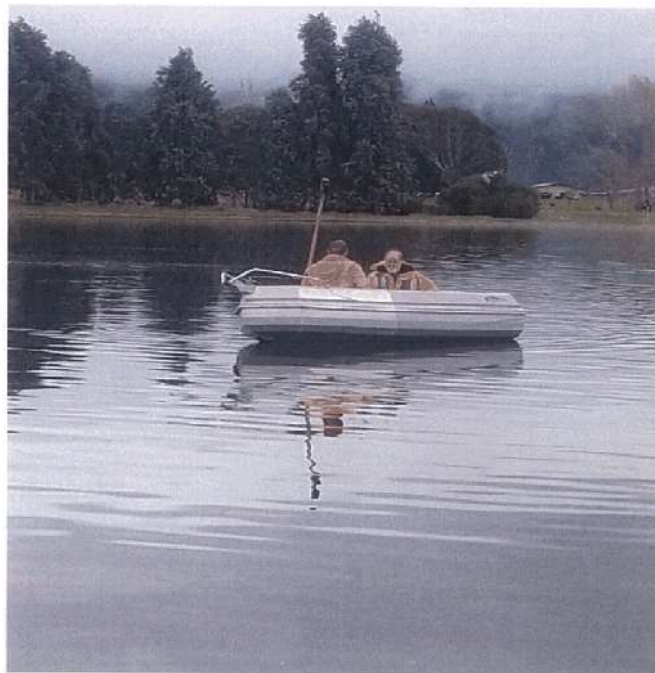
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Mokonui pump line failure

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Te Anau Ponds being surveyed for upgrade



Fibre strike in Riversdale

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2. HEALTH & SAFETY

HEALTH & SAFETY INDICATORS:

Description	Employees	Sub-Contractor
	Current Month	Current Month
Number of Fatalities	0	0
Number of Lost Time Injuries	0	0
Number of Days lost due to LTI's	0	0
Number of Medical Treatment Injuries	0	0
Number of First Aid Treatment Injuries	0	0
Number of Near misses	0	0
Number of Property/Plant Damages	0	0
Number of hours Worked	2354.48	194.5
LTI Incidence Rate (1 million Hrs.)	0.0	0.0

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3. QUALITY ASSURANCE & COMPLIANCE

All potable water samples taken were found to be absent of any e-coli presence. All water and wastewater field sampling was carried out by an independent sampling subcontractor. All water and wastewater samples are tested at an IANZ accredited laboratory, Water Care Laboratory Services in Invercargill. Both site and field sampling results are reported through to Council as well as being logged on our WaterOutlook system.

Description	Number
Water scheme laboratory tested samples taken for month: E-coli, UVT and P2	215
Wastewater scheme sampling completed for month	2
Wastewater scheme site samples taken for month	4
Wastewater scheme laboratory tests completed for month	22
Non-conformance reports received	0
OFI reports received	0
Site audits conducted	2

NZDWS

All Escherichia Coli monitoring for bacteria compliance were fully compliant, with samples all being absent of Escherichia Coli.

Bacteria compliance requires field testing of FAC, pH and turbidity of the water leaving the water treatment plants. The field sampling for these parameters were fully compliant, apart from turbidity on the Eastern Bush Otahu Flat and Orawia Water Supply. The supplies which use UV disinfection for protozoa compliance were monitored for UV transmittance as per the NZDWS, to ensure the UV reactors were disinfecting the water acceptably and all of these tests were compliant.

The Ministry of Health completed Water Safety Plan implementation assessment of the Lumsden water treatment plant during October. This assessment went very well and there were no recommendations of non-conformances related to Downer operations of the plants.

RESOURCE MANAGEMENT ACT

Wastewater discharge consent sampling was carried out at Tuatapere and Stewart Island during October. No joint sampling was carried out in conjunction with Environment Southland during October. There was one non-compliant test during October and this was the dissolved inorganic nitrogen concentration in Little River, Stewart Island.

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4. KEY PERFORMANCE INDICATORS – OCTOBER 2019

No.	Key Performance Indicator	Method Of Monitoring	Target	Compliance Y, N or N/A
1. Health & Safety	Compliance with Contractor's approved Health & Safety Plan	Self-audit plus independent audit	100%	Y
	Feedback on near misses	Monthly reports on incidents and lessons learnt	Any/All incidents reported each month	Y
	Lost time Health & Safety incidents on this contract	Monthly reports on lost time incident hours/hours worked	0.00035% Lost time of total hours worked to date	Y
Wastewater	Percentage compliance with wastewater Resource Consent determinands. Downer to apply for dispensation for Stewart Island and Ohai.	Monitoring programme as required by Resource Consent (Dispensation sought for Stewart Island)	100% 95.45%	Y
	Percentage samples taken in accordance with the Resource Consent requirements (Dispensation to be requested if required).	Monitoring programme as required by Resource Consent	100% 100%	Y
	Number of system failures and pollution incidents (overflows) per year across all systems (not including private)	Data from HANSEN IPS	Less than 20 1	Y
	Percentage of Requests for Service responded to within required timeframes – wastewater	Data from HANSEN IPS	100% 100%	Y

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Water	8.	Percentage of water lab tests that meet the requirements of the NZDWS 2005 (for plants upgraded to meet the NZDWS 2005 standard)	WINZ	100% 100%	Y						
	9.	Number of complaints regarding drinking water quality per year across all systems. (Dispensation to be requested if required)	Data from HANSEN IMS	Less than 65 0	Y						
	10.	Number of complaints regarding drinking quantity and supply of water, over and above 48 hour storage period.	Data from HANSEN IMS	Less than 130 0	Y						
	11.	Percentage of urban water system fire hydrant inspections that meet SNZ PAS 4509:2003	Data from HANSEN IMS	Not less than 95%	Not Started Yet						
	12.	Number of non-notified shutdowns across all urban water systems	Data from HANSEN IMS	Not more than 20 1 (TOTAL)	Y						
	13.	Percentage of Requests for Service responded to within required timeframes - water	Data from HANSEN IMS	Not less than 90% 100%	Y						
Performance Evaluation	A Total number of Y's				12						
	B Total number of N's				0						
	A + B				12						
	OPR = 100 X (A/(A+B)) %										
JUL 19	AUG 19	SEP 19	OCT 19	NOV 19	DEC 19	JAN 20	FEB 20	MAR 20	APR 20	MAY 20	JUN 20
100%	100%	83%	100%								

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PERFORMANCE SCORING TABLE

OPR Score (%)	RATING	DESCRIPTION
91-100	Excellent	Awarded when requirements are consistently met in an outstanding manner
76-90	Above Average	Requirements fully covered in all material aspects, and being proactive
60-75	Average (proactive)	Outputs adequate and performance is adequate
50-59	Average (reactive)	Outputs adequate but in a reactive mode
40-49	Below Average	Barely adequate: Some deterioration in services
40 or less	Poor	Unacceptable: Serious deterioration of services

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33.33% Of Year

For the Period Ended October 2019

2019/2020 Financial Year

Income	Annual Budget	Actual Income to Date	Income to Date %	Full Year Projection	Annual Budget vs Projection Var	Annual Budget vs Projection %
26960 Water Supply Overheads	85,067	27,807	33%	84,518	(550)	(1%)
26961 Water Supply Ramparts	76,182	24,902	33%	75,690	(492)	(1%)
26962 Water Supply Mount York	33,796	11,047	33%	33,578	(219)	(1%)
26963 Water Supply Takitimu	49,581	16,207	33%	49,261	(320)	(1%)
26964 Water Supply Kakapo	62,925	20,569	33%	62,519	(406)	(1%)
26965 Water Supply Homestead	29,447	9,626	33%	29,257	(190)	(1%)
26966 Water Supply Princes	18,171	5,940	33%	18,054	(117)	(1%)
26967 Water Supply - Duncraig	10,979	3,589	33%	10,908	(72)	(1%)
Subtotal Water & Waste Business Units	366,148	119,686	33%	363,785	(2,366)	1%
Total	366,148	119,686	33%	363,785	(2,366)	(1%)
Expenditure	Annual Budget	Actual Spent to Date	Spent to Date %	Full Year Projection	Annual Budget vs Projection Var	Annual Budget vs Projection %
26960 Water Supply Overheads	165,188	54,397	33%	164,983	204	0%
26961 Water Supply Ramparts	76,182	42,748	56%	92,449	(16,266)	(21%)
26962 Water Supply Mount York	33,796	11,418	34%	33,094	702	2%
26963 Water Supply Takitimu	49,581	14,966	30%	47,212	2,369	5%
26964 Water Supply Kakapo	62,925	20,161	32%	61,192	1,735	3%
26965 Water Supply Homestead	29,447	8,135	28%	27,108	2,339	8%
26966 Water Supply Princes	18,171	6,305	35%	18,132	39	0%
26967 Water Supply - Duncraig	10,979	3,112	28%	10,149	829	8%
Subtotal Water & Waste Business Units	446,269	161,243	36%	454,319	(8,049)	(2%)
Total	446,269	161,243	36%	454,319	(8,049)	(2%)



Te Anau Rural Water Supply Community Financial Report

Te Anau Basin Water Supply Subcommittee

09 December 2019

33.33% Of Year

For the Period Ended October 2019

2019/2020 Financial Year

Capital Expenditure	Annual Budget	Actual Spent to Date	Spent to Date %	Full Year Projection	Annual Budget vs Projection Var	Annual Budget vs Projection %
26961 Water Supply Ramparts	13,665	0	0%	9,110	4,555	33%
26964 Water Supply Kakapo	13,617	11,119	82%	20,197	(6,580)	(48%)
26965 Water Supply Homestead	20,000	0	0%	13,333	6,667	33%
26966 Water Supply Princhester	12,815	0	0%	8,543	4,272	33%
Subtotal Water & Waste Business Units	60,097	11,119	19%	51,184	8,914	15%
Total	60,097	11,119	19%	51,184	8,914	15%
Funding Adjustments (Contributions, Loans, Provisions, Reserves, Forestry Dividend)	Annual Budget	Actual Adjustments to Date	Adjustments to Date %	Full Year Projection	Annual Budget vs Projection Var	Annual Budget vs Projection %
26960 Water Supply Overheads	80,121	49,739	62%	107,573	27,452	34%
26961 Water Supply Ramparts	13,665	0	0%	9,110	(4,555)	(33%)
26964 Water Supply Kakapo	13,617	(188)	(1%)	8,890	(4,727)	(35%)
26965 Water Supply Homestead	20,000	0	0%	13,333	(6,667)	(33%)
26966 Water Supply Princhester	12,815	0	0%	8,543	(4,272)	(33%)
Subtotal Water & Waste Business Units	140,218	49,551	35%	147,450	7,231	(5%)
Total	140,218	49,551	35%	147,450	7,231	5%



Unbudgeted Expenditure - Replacement Pump for Kakapo Intake

Record No: R/19/12/27943

Author: Bill Witham, Manager Operations - Water and Waste

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☒ Recommendation

☐ Information

Purpose

- 1 To seek a recommendation that council approves unbudgeted expenditure to replace a pump at the Kakapo Water intake

Executive Summary

- 2 The Kakapo intake pumps are both well beyond their design lives. Should the main pump fail, the current backup pump would not be able to meet demand over the summer months. A replacement pump may take several weeks to procure and install.
- 3 The pump replacement work will cost has been quoted at \$13800 plus approximately \$2000 for installation.
- 4 There is no currently budget for this work.

Analysis

- 5 Council staff have been approached by the operation contractor (Downer) who have expressed concerns with the risk of disruption to the Kakapo Rural water scheme arising from the age of the installed pumps.
- 6 The risk can be significantly addressed by replacing the older of the two pumps with a new unit.
- 7 The preferred Grundfos pump model has been quoted by Downer at \$13800 plus approximately \$2000 for installation which is not included in the pump quote.

Recommendation

That the Te Anau Basin Water Supply Subcommittee:

- a) Receives the report titled “Unbudgeted Expenditure - Replacement Pump for Kakapo Intake” dated 4 December 2019.**
- 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) Recommends that council approve unbudgeted expenditure of \$16000 to proceed with procuring and installing a new pump at Kakapo intake to be funded by a loan.
Or:**
- e) Recommends that council approve unbudgeted expenditure of \$16000 to proceed with procuring and installing a new pump at Kakapo intake to be funded by available reserves with the balance funded by a loan.**

Background

- 8 The current Kakapo intake pumps are both past their design lives. They were installed in 1972 and 1984 and have a 30-year design life.

Issues

- 9 The older pump is unable to match the peak summer demand by itself. The current main pump will become the standby pump.
- 10 Both the current pumps are obsolete and parts are no longer available to undertake repairs.
- 11 Pumps of this size are not available at short notice locally should the main pump fail.
- 12 The new pump is likely to be more efficient which will lower the electricity consumption.

Factors to Consider

Legal and Statutory Requirements

- 13 None identified.

Community Views

- 14 Some of the Rural Water Supply Committee have already been consulted and this request is considered to represent the views of the community.

Costs and Funding

- 15 The pump has been quoted at \$13,810 plus installation. \$16,000 is estimated be adequate to cover the whole job.
- 16 As there is no budget for this work, the costs will need to be covered by a loan.
- 17 There is an option to partially fund this work from reserves.

Analysis

Analysis of Options

Option 1 – Approve the unbudgeted expenditure to replace the oldest pump

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• The new pump will have a lower risk of failure and disruption to the scheme.• The new pump will have an increased efficiency resulting in lower running costs.• The new pump is a current model with spare parts readily available.	<ul style="list-style-type: none">• None identified.

Option 2 – Do nothing

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• None identified.	<ul style="list-style-type: none">• The risk of disruption arising from a pump failure is considered unacceptable.

18

Recommended Option

- 19 To recommend that council approves unbudgeted expenditure of \$16000 to replace the older of the two intake pumps at Kakapo with a new Grundfos unit.

Attachments

There are no attachments for this report.

Direction-setting for Annual Plan 2020/2021

Record No: R/19/11/26775
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 third year of the Long Term Plan 2018-2028.
- 2 This report provides an overview of the forecasted projects and services for the Te Anau Basin Water Supply Subcommittee in 2020/2021. It includes any variations from what was anticipated in year three of the Long Term Plan 2018-2028 ("LTP").

Executive Summary

- 3 The purpose of Local Government is to enable local decision-making and to promote the social, economic, environmental and cultural well-being of communities in the present and in the future.
- 4 The Annual Plan process ensures that planned community initiatives, projects and rates align with the LTP overall strategic vision. Where extraordinary projects or changes to the level of service are needed outside of the LTP process, the Annual Plan provides an opportunity to raise these to ensure the on-going needs of the community are met.
- 5 The direction-setting provided by the Te Anau Basin Water Supply Subcommittee, including any variances, may be incorporated into Council's draft Annual Plan for 2020/2021. Where there are significant changes from the LTP, public consultation is proposed to take place in March/April 2020 so that the community and wider District stakeholders have an opportunity to give feedback on any changes proposed.
- 6 The final Annual Plan, including changes made as a result of consultation, will be adopted by Council in June 2020 and will be used to set rates for the year beginning 1 July 2020.
- 7 This report outlines two options for consideration by the subcommittee; to accept the direction as proposed in the report, or to make amendments to the direction proposed.

1 Recommendation

That the Te Anau Basin Water Supply Subcommittee:

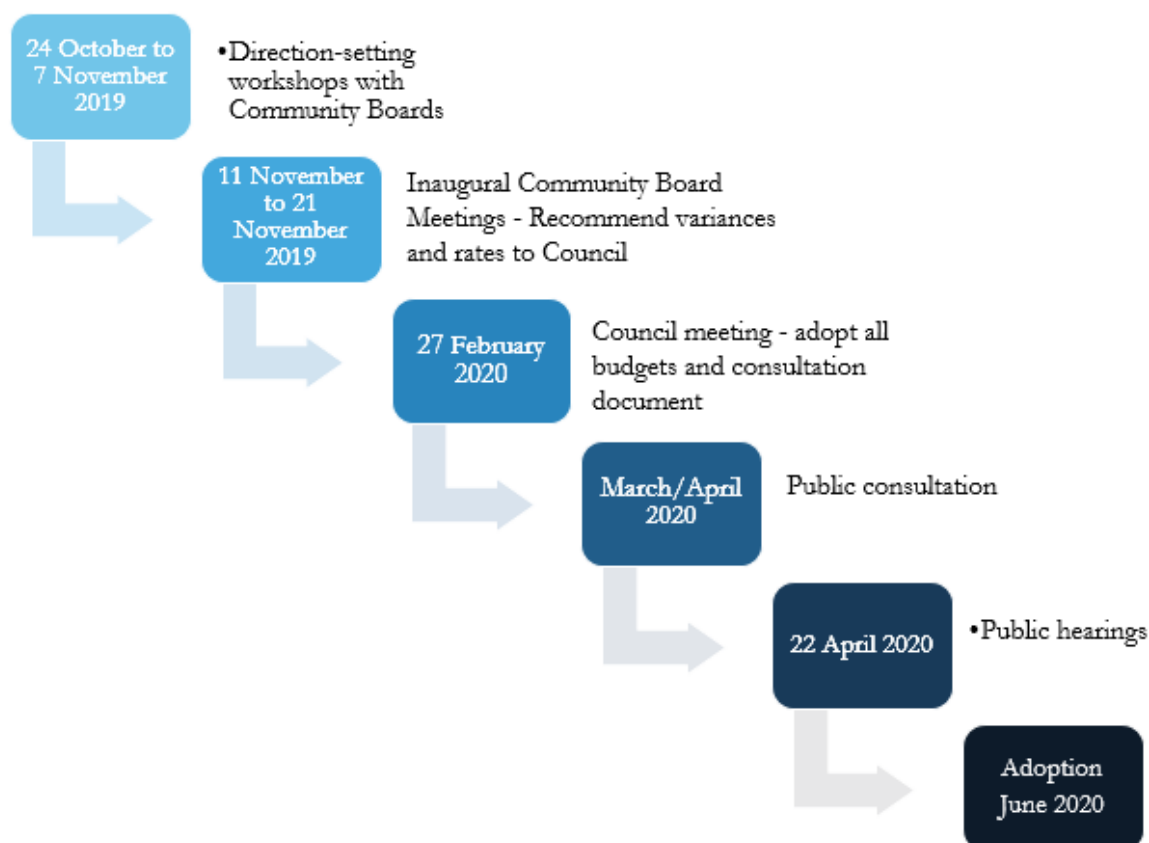
- a) **Receives the report titled “Direction-setting for Annual Plan 2020/2021”**
- b) **Determines that this matter or decision be recognised not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local 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) **Recommends that the budgets for the year commencing 1 July 2020 be adopted for inclusion in Council’s Draft 2020/2021 Annual Plan (subject to any amendments made at this meeting).**
- e) **Recommends to Council the setting of the following rates and charges (including GST) for the year commencing 1 July 2020 based on the approved budgets in (d) above.**

<u>Rate Description</u>	<u>Rate (GST Incl)</u>
Te Anau Rural Water Rate	\$437,024

Background

- 8 The Annual Plan process ensures that planned community initiatives, projects and rates align with the Long Term Plan 2018-2028 (LTP 2018-2028) strategic vision. The LTP 2018-2028 community outcomes for Southland District are:
 - proud, connected communities that have an attractive and affordable lifestyle
 - resilient communities that leave a legacy for tomorrow.
- 9 The purpose of this report is to confirm the direction determined for the third year of the LTP 2018-2028
- 10 There are occasions where 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 variances to ensure that the on-going needs of the community are being met.
- 11 The draft budgets for the Te Anau Basin Water Supply Subcommittee for 2020/2021 have been based on forecasted information from year three of the Long Term Plan 2018-2028, and updated for any known and anticipated changes.

Overview of the process:



Issues

- 12 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 three of the LTP.

New Project Process

- 13 Council identified the need to improve the way that projects were delivered, which includes a more stringent requirement for scoping prior to project approval.
- 14 Subcommittees can recommend new projects in the December 2019 direction-setting meetings. The entire work programme for District and local projects will then be considered by staff and Council to ensure that there is adequate resource to deliver the work and that the projects are aligned with the strategic framework.
- 15 Subcommittees also have the opportunity to raise new projects at the LTP 2021-2031 direction-setting workshops from February to June 2020. If these projects are approved by Council in June 2021, then they will be delivered in the following financial years.
- 16 Changes to projects from what was planned for year three of the Long Term Plan are detailed in the costs and funding section of this report.

Representation Review – New Structure and Community Board Coverage

- 17 Council has undertaken a community governance review project over the past four years. One of the outcomes of this community governance review culminated in the Local Government Commission providing a determination on the community board structure for 2019-2022 as part of the representation review process. There are now nine community boards across the District and they are responsible for all the townships, villages and rural areas within their boundaries. The change will mean that the community boards must now undertake direction-setting for larger geographic areas and wider community interests than previous Annual Plans.

Factors to Consider

Legal and Statutory Requirements

- 18 The Annual Plan 2020/2021 is a requirement of the Local Government Act 2002 and is also closely aligned with the Local Government (2002) Rating Act.

Community Views

- 19 Any significant issues affecting local communities may be included in the official consultation document which will be publicly available. This consultation is expected to occur in March/April 2020 and the public will have the opportunity to attend hearings if they wish to present their submission to Council.

Costs and Funding

- 20 This report provides an indication of the variances to the Annual Plan 2020/2021, including the cost variances and financial implications. Key variances, other than projects, are noted in the table below:

Account	Proposed budget for Annual Plan 2020/2021	Existing budget for year three of LTP 2018-2028	Budget Variance	Comments
Maintenance Routine	\$60,000	\$-	\$60,000	Installation of mag flow meters to allow compliance related flow reporting.
Loans Interest	\$5,207	\$13,474	(\$8,267)	Revised repayment based on actual balance of loan
Loans - Repaid	\$8,767	\$31,406	(\$22,639)	

21

Overall Impact on Rates

- 22 The changes noted above have the potential impact on the rates as follows:

Rate Type	Basis of Rate	Actual 2019/2020 (Incl GST)	Proposed 2020/2021 (Incl GST)	Change
Te Anau Rural Water Annual Charge Rate	Unit Charge	\$541.45	\$563.51	\$22.06
Te Anau Rural Water Full Charge Rate	Unit Charge	\$360.97	\$375.68	\$14.71
Te Anau Rural Water Half Charge Rate	Unit Charge	\$180.48	\$187.84	\$7.36
Te Anau Rural Water 7.7 Charge Rate	Unit Charge	\$2,779.46	\$2,892.71	\$113.25

Assumptions Made in Preparing the Budgets

- 23 All assumptions that were made when preparing the LTP 2018-2028 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 2018-2028 assumptions.
- 24 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 LTP 2018-2028
- 25 Inflation rates have also been kept consistent with BERL rates adopted in the LTP 2018-2028.

Policy Implications

- 26 There are no policy implications in the direction setting for the Annual Plan 2020/2021.

Analysis

Options Considered

- 27 There are two options to be considered in this report:
- option 1 is to accept the direction as proposed in the report
 - option 2 is to make amendments to the direction proposed in the report.

Analysis of Options

Option 1 – Accept the direction as proposed in the report

<i>Advantages</i>	<i>Disadvantages</i>
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<ul style="list-style-type: none"> • ensures that Council has all recommendations from the subcommittee prior to determining whether formal consultation on the Annual Plan will be required. This decision needs to be made by February 2020 • the cost and associated funding for preparing and consulting on the 2020/2021 Annual Plan are included in the organisation's approved operational budgets. 	<ul style="list-style-type: none"> • any variations from the sub-committee regarding the Annual Plan will not be able to be incorporated. subcommittee are still able to submit on the Annual Plan consultation.
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Option 2 – Accept the direction as proposed in the report with minor variations recommended to the Annual Plan

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • allows for any further amendments that staff may not have factored in • initiatives or projects from the community that have been recommended in the report can be scoped by staff. These projects can be included in the Annual Plan, subject to approval by Council. 	<ul style="list-style-type: none"> • rates recalculations may be higher than identified in the LTP • Council resourcing has been allocated based on the 2018-2028 LTP, and a prioritization of resourcing will be required if outside capacity • There may not be sufficient time for staff to adequately scope new initiatives and projects for inclusion in the Annual Plan.

Assessment of Significance

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

Recommended Option

- 29 Staff recommend Option 1, accept the direction as proposed in the report.

Next Steps

- 30 The recommendations passed in this report will be summarised in Council's Draft 2020/2021 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 March/April 2020.
- 31 The final Annual Plan including changes made as a result of consultation, will be adopted by Council in June 2020.
- 32 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.

- Appendix 2: A list of projects to be undertaken in the 2020/2021 year.
- Appendix 3: A list of existing loans and those proposed to be uplifted in 2020/2021.
- Appendix 4: A list of reserves with the forecasted opening balance and projected closing balance.

Appendix 1

Te Anau Rural Water Supply Financial Summary			
	Actual 2018/2019	Actual 2019/2020	Forecast 2020/2021
Operating Expenditure	(454,094)	(446,269)	(509,706)
Capital Expenditure	(121,636)	-	(26,205)
Loans Raised	(16,820)	(11,935)	(9,359)
Non Cash Expenditure	92,673.00	78,795	62,378
Total Expenditure	(499,877)	(379,409)	(482,892)
<i>Less Funding</i>			
Loans Raised	26,012	-	-
Net Reserve Movements	93,389	13,261	102,871
Other Income	178	-	-
Total Funding	119,579	13,261	102,871
Total Rates Required	380,298	366,148	380,021
GST	57,045	54,922	57,003
Rate (including GST)	437,343	421,070	437,024
\$ Increase/(Decrease)		(16,273)	15,954
% Increase/(Decrease)		-3.72%	3.79%

Te Anau Rural Water Supply Rates Calculation				
Rate Type	Basis of Rate	Actual 2018/2019	Actual 2019/2020	Forecast 2020/2021
Te Anau Rural Water 7.7 Units	Fixed Charge	2,909.27	2,779.46	2,892.71
Te Anau Rural Water Annual Charge	Fixed Charge	566.74	541.45	563.51
Te Anau Rural Water Full Unit	Fixed Charge	377.83	360.97	375.68
Te Anau Rural Water Half Unit	Fixed Charge	188.91	180.48	187.84

Appendix 2

Te Anau Rural Water Supply Project Report			
Project Description	Object	2020/2021 Funding \$	
26960 Water Supply Overheads			
TRWS Installation of magflow meters to allow compliance related flow reporting	35227	60,000	Reserves
26962 Water Supply Mount York			
RW1609 - Plant and Equipment (Mt York)	65562	19,036	Reserves
26965 Water Supply Homestead			
RW1602 - Plantroom valves	65562	7,169	Reserves

Appendix 3

Te Anau Rural Water Supply Loan Report				
Description	Term as at 30/6/2019	Actual Balance 30/6/2019	Forecasted Balance 30/6/2020	Forecasted Balance 30/6/2021
Electrical Upgrade	1	7,315	4,988	-
Water Supply Overheads	12	116,282	110,237	97,277
Replace tanks at Kakapo	23	26,012	25,447	24,234
Total		149,609	140,672	121,511

Appendix 4

Te Anau Rural Water Supply Reserve Report			
	Opening Balance 1/07/2019	Forecast Balance 30/06/2020	Forecast Balance 30/06/2021
Local Reserve			
Te Anau Rural WS General	10,488	10,488	10,488
Total Local Reserve	10,488	10,488	10,488
Total Local Balance	10,488	10,488	10,488
Overall Reserve Balance	10,488	10,488	10,488

Attachments

There are no attachments for this report.

