

# ORDER PAPER

## EREWHON RURAL WATER SUPPLY MANAGEMENT SUB-COMMITTEE MEETING

**Date:** Monday, 6 December 2021

**Time:** 4.00 pm

**Venue:** Council Chamber  
Taihape Town Hall  
90 Hautapu Street  
Taihape

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**Chair:** Mr Jock Stratton

**Membership:** Mr Peter Batley  
Mr Geoff Duncan  
Mr Barry Thomas  
Mr Simon Plimmer  
Mr Paul McLaren  
Mr Benjamin Mallalieu  
Steven Stoney (Aorangi Awarua Trust Representative)  
Cr Tracey Hiroa  
HWTM Andy Watson (ex officio)

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**Notice is hereby given that a Erewhon Rural Water Supply Management Sub-Committee Meeting of the Rangitīkei District Council will be held in the Council Chamber, Taihape Town Hall, 90 Hautapu Street, Taihape on Monday, 6 December 2021 at 4.00 pm.**

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## **AGENDA**

### **1 Welcome**

### **2 Apologies**

### **3 Public Forum**

No public forum.

### **4 Conflict of Interest Declarations**

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

### **5 Confirmation of Order of Business**

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, [enter item number](#) be dealt with as a late item at this meeting.

## 6 Confirmation of Minutes

### 6.1 Confirmation of Minutes

**Author:** Ash Garstang, Governance Advisor

#### 1. Reason for Report

- 1.1 The minutes from the Erewhon Rural Water Supply meeting held on 29 September 2021 are attached.

#### Attachments

1. **Erewhon Rural Water Supply Management Sub-Committee meeting - 29 September 2021**

#### Recommendation

That the minutes of the Erewhon Rural Water Supply meeting minutes held on 29 September 2021, **[as amended/without amendment]**, be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this committee be added to the official minutes document as a formal record.

**ITEM 6.1**  
**MINUTES****ATTACHMENT 1****UNCONFIRMED: EREWHON RURAL WATER SUPPLY  
MANAGEMENT SUB-COMMITTEE MEETING****Date: Wednesday, 29 September 2021****Time: 4.00 pm****Venue: Taihape Supper Rooms  
Taihape Town Hall  
90 Hautapu Street  
Taihape**

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**Present**

Mr Jock Stratton  
Mr John Bird  
Mr Peter Batley  
Mr Geoff Duncan  
Mr Barry Thomas  
Mr Simon Plimmer  
Mr Benjamin Mallalieu  
Mr Steven Stoney (Aorangi Awarua Trust Representative)  
Cr Tracey Hiroa  
HWTM Andy Watson

**In attendance**

Mr Peter Beggs, Chief Executive  
Mr Dave Tombs, Group Manager – Corporate Services  
Mr Michael Hodder, Advisor to the Chief Executive (*via phone*)  
Mrs Jess Mcilroy, Operations Manager (Project Management Office)  
Mr Andrew van Bussel, Operations Manager (Operations and Utilities)  
Ms Dawn Hesketh, Library and Information Officer

**Order of Business**

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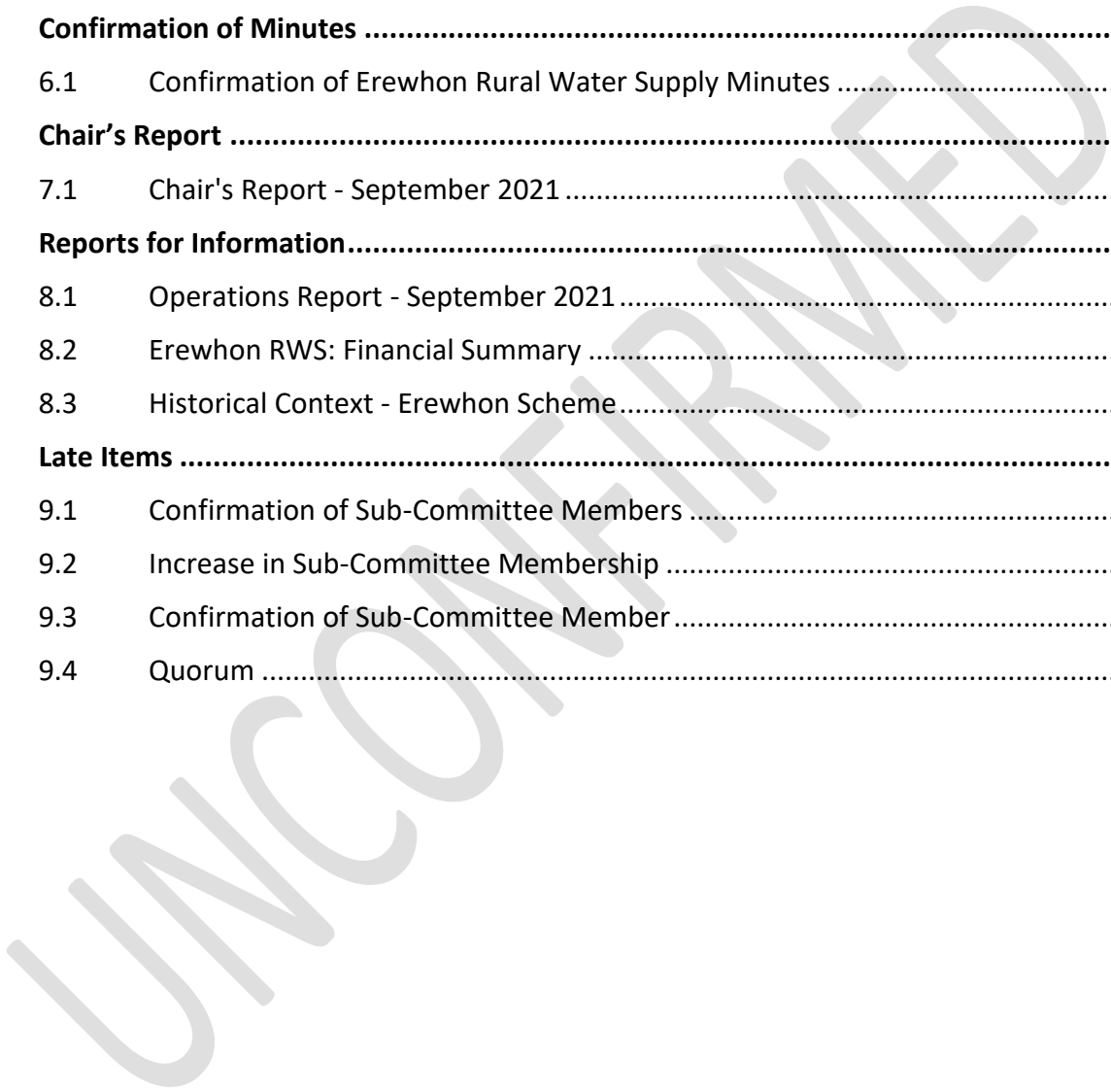
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**1 Welcome**

**2 Apologies**

There were no apologies.

**3 Conflict of Interest Declarations**

There were no conflicts of interest declared.

**4 Confirmation of Order of Business**

Late Item (Item 9.1) – Confirmation of Sub-Committee member.

**5 Elections**

**5.1 Election of New Chair for the Erewhon Rural Water Supply Sub-Committee**

**Resolved minute number**                         **21/ERWS/006**

That Mr Jock Stratton be appointed Chair of the Erewhon Rural Water Supply Sub-Committee.

Mr P Batley/Mr B Thomas. Carried

**6 Confirmation of Minutes**

**6.1 Confirmation of Erewhon Rural Water Supply Minutes**

**Resolved minute number**                         **21/ERWS/007**

That the minutes of the Erewhon Rural Water Supply meeting minutes held on 08 March 2021, without amendment, be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this committee be added to the official minutes document as a formal record.

Cr T Hiroa/Mr P Batley. Carried



## 7 Chair's Report

### 7.1 Chair's Report - September 2021

Mr Stratton presented the Chair's report.

**Resolved minute number** 21/ERWS/008

That the Chair's Report – September 2021 be received.

Mr J Bird/Mr B Thomas. Carried

## 8 Reports for Information

### 8.1 Operations Report - September 2021

Mr van Bussel presented his report and said he is still to check flow meter calibration but had spoken to Horizons who had agreed it would be alright to be a bit late with this due to covid lockdown.

Mr Smith had given a quote for pipe replacement, the committee would discuss finance and make a decision regarding this.

Mr van Bussel suggested the possibility of buying the pipe before the prices go up.

Mr Duncan suggested buying the pipes and discussing the cost/payment later.

Cr Hiroa questioned supply and frequency from the last meeting. Mr van Bussel said they are checking leaks and ensuring everyone is getting the correct amount of water.

**Resolved minute number** 21/ERWS/009

That that 'Operations Report – September 2021' be received.

Mr J Stratton/Mr B Thomas. Carried

### 8.2 Erewhon RWS: Financial Summary

Mr Tombs presented the financial report and explained depreciation.

Mr Stratton questioned why the expenditure fluctuates. Mr Tombs explained in detail. Mr Plimmer questioned the report regarding capital expenditure to finance loan – meter revenue wasn't increased because the loan was paid off.

Mrs Mcilroy, Mr van Bussel and Mr Smith would discuss and come back with an action finance plan for the Capital Works programme.

Mr Stratton would like to have a working group to discuss the 10 Year financial plan.

Mr Plimmer asked when the asset management plan was put together can they get funding from elsewhere.

His Worship the Mayor – suggested Government, DIA, Annual plan for next year and long term plan.

Mr Duncan questioned difference in past years financial reports, Mr Tombs said all finances have been presented to the committee at meetings and had been accepted at the time, but he would look into this. Mr Stratton would like the working group to meet with Mr Tombs to discuss this.

Mr Tombs recommended increasing next year's user rates.

**Resolved minute number** **21/ERWS/010**

That the report 'Erewhon RWS: Financial Summary' be received.

Mr P Batley/Mr G Duncan. Carried

### 8.3 Historical Context - Erewhon Scheme

Mr Michael Hodder spoke (via phone) to his report on Historical Context.

Mr Plimmer spoke regarding the options of the scheme being owned by council or members. Mr Hodder spoke of the process as to how members could become the owners.

Mr Bird questioned why things could not remain as they were as he thought it had worked well in the past. Mr Hodder said it could if this is what members wanted.

Mr Plimmer asked about easements and would they need new permissions if the scheme was privately owned. Mr Hodder said it would be dependent on the Waitangi Tribunal and the Aorangi Trust, if they thought there should be financial reimbursement. Mr Bird read from a document dated 2007 – the agreement between the Aorangi Trust and the ERWS scheme.

His Worship the Mayor, Andy Watson and Mr Peter Beggs Chief Executive spoke of the 3 waters proposal and any effect it may have on rural water schemes.

**Resolved minute number** **21/ERWS/011**

That the report 'Historical Context – Erewhon Scheme' be received.

Mr B Thomas/Mr S Plimmer. Carried

## 9 Late Items

### 9.1 Confirmation of Sub-Committee Members

There is no formal record of Mr Paul McLaren becoming a member of the Sub-Committee.

**Resolved minute number**                                 **21/ERWS/012**

That Mr Paul McLaren be confirmed (retrospectively) as a member of the Erewhon Rural Water Supply Sub-Committee, with effect from 12 February 2020.

Mr B Thomas/Mr P Batley. Carried

### 9.2 Increase in Sub-Committee Membership

**Resolved minute number**                                 **21/ERWS/013**

To increase the Sub-Committee membership number from six to seven.

Mr B Thomas/Mr J Bird. Carried

The above recommendation does not account for the elected member. There will now be seven community members and the elected member (currently Cr Tracey Hiroa) will be the 'eighth' member.

### 9.3 Confirmation of Sub-Committee Member

Mr Bird resigned and nominated Mr Benjamin Mallalieu as his replacement. Mr Stratton thanked Mr Bird for 22 years of service on the committee.

**Resolved minute number**                                 **21/ERWS/014**

That Mr Benjamin Mallalieu be confirmed as a member of the Erewhon Rural Water Supply Sub-Committee.

Cr T Hiroa/Mr P Batley. Carried

### 9.4 Quorum

**Resolved minute number**                                 **21/ERWS/015**

That the Quorum required for the Erewhon Rural Supply Management Sub-Committee meeting to remain at three.

Mr B Thomas/Mr G Duncan. Carried

Note: Recommendation 21/ERWS/015 is unable to stand due to the requirements laid out in Council's Standing Orders and the legislation contained in the Local Government Act 2002, which both state that a quorum must be half of the membership count if this is an even number, or a

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majority if the membership count is odd. As there are eight full members (not including the Aorangi Awarua Trust Representative) the quorum must remain at four.

The meeting closed at 5.40 pm.

ATTACHMENT 1

The minutes of this meeting were confirmed at the Erewhon Rural Water Supply Management Sub-Committee held on 6 December 2021.

.....  
Chairperson

UNCONFIRMED

## **7 Follow-up Action Items from Previous Meetings**

### **7.1 Follow-up Action Items from previous Erewhon Rural Water Supply Meetings**

**Author:** Ash Garstang, Governance Administrator

#### **1. Reason for Report**

- 1.1 On the list attached are items raised at previous Erewhon Rural Water Supply meetings. Items indicate who is responsible for follow up, and a brief status comment.

#### **Attachments**

1. **Follow-up Actions Register** [↓](#)

#### **Recommendation**

That the report 'Follow-up Action Items from previous Erewhon Rural Water Supply Meetings' be received.

**Current Follow-up Actions**

From Meeting Date	Details	Person Assigned	Status Comments	Status
29-Sep-21	Regarding the Financial Summary: Mrs Mcilroy, Mr van Bussel and Mr Smith would discuss and come back with an action finance plan for the Capital Works programme.	Jess Mcilroy / Andrew van Bussel	Andrew is addressing this one.	In progress
29-Sep-21	Regarding the Financial Summary: the Committee would like a working group to discuss past financials, and would like Mr Tombs to be in attendance.	Dave Tombs	Dave is meeting with the Working Group so all parties fully understand the past financials.	In progress
8-Mar-21	That the following questions be answered and in a timely manner. 1. Why is public good being charged and does the scheme get the benefit of it? 2. Does the scheme get depreciation back or does it go into Councils consolidated account? 3. What is Councils role? 4. What cash reserve sits within the scheme?	Dave Tombs	Dave is meeting with the Working Group so all parties fully understand the past financials.	In progress
8-Mar-21	<b>Financial Statements:</b> Mr Meher spoke on the depreciation guide lines and said the last valuation on assets was done in 2018 and he would need to find out how the assets figure had come about.	Dave Tombs	Addressed in Finance Paper presented to September 2021 meeting	Closed (subject to discussion)
8-Mar-21	<b>Financial Statements:</b> Mr Duncan asked for a glossary of terms.	Dave Tombs	Dave is meeting with the Working Group so all parties fully understand the past financials.	In progress
8-Mar-21	Mr Duncan pointed out that there was charges for the Hunterville water scheme on their accounts, Mr van Bussel would let the accounts department know and said it had been coded wrong.	Andrew van Bussel / Anna Thompson	This has been completed.	Closed

8-Mar-21	<b>Operations Report:</b> Mr van Bussel would speak with Mr Benadie and would report back to the committee at the next meeting regarding the Rhino side by side needing to be replaced and the tender for the operational maintenance of the scheme.	Andrew van Bussel / Anna Thompson	This has been completed.	Closed
8-Mar-21	<b>Operations Report:</b> Mr Batley said there is significant monthly checks done and could this be reduced, Mr van Bussel to look into it.	Andrew van Bussel / Anna Thompson	This has been completed.	Closed

## **8 Chair's Report**

### **8.1 Chair's Report - December 2021**

**Author:** Ash Garstang, Governance Advisor

#### **1. Reason for Report**

- 1.1 The Chair will provide a report at the meeting.

#### **Recommendation**

That the Chair's Report – December 2021 be received.

ITEM 8.1



## 9 Reports for Information

### 9.1 Erewhon RWS: October 2021 Financial Summary

**Author:** Dave Tombs, Group Manager - Corporate Services

**Authoriser:** Dave Tombs, Group Manager - Corporate Services

#### 1. Reason for Report

1.1 This Report provides:

1.1.1 year to date draft Financial Results for the four months ended 31 October 2021; and

1.1.2 draft Financial Results for the year ended 30 June 2021; and

1.1.3 an opportunity to discuss rate increases for 2022/23.

#### 2. Context

2.1 The format of financial reporting provided to the Sub-Committee has changed considerably in recent years and this has caused some confusion.

2.2 The Sub-Committee was presented with a 'working copy' of restated current year and historic financial reporting at its September 2021 meeting.

##### **Operating Statement**

2.3 The Sub-Committee appears comfortable with the format that is now being used for the Operating Statement, as attached to this Report.

##### **Statement of Assets and Liabilities**

2.4 Officers continue to meet with a working group of Sub-Committee members to confirm the balances that should appear in restated historic financial reporting.

2.5 Officers have not attached a Statement of Assets and Liabilities ('SAL') to this Report as they are continuing to investigate the draft historic figures as reported at the September meeting. Accordingly there is no real update to the SAL as reported in September.

#### Attachments

1. **ERWS Operating Statement : October 2021** [↓](#)

#### Recommendation

That the report 'Erewhon RWS: Financial Summary' be received.

**Erewhon Rural Water Scheme  
Operating Statement 2021/22**

**ITEM 9.1 ATTACHMENT 1**

		YTD			
		4 Months Ended Oct 2021	2021/22 Full Year Budget		2020/21 Draft
					20/21 Budget
<b>INCOME</b>					
	Metered Charges	0	162,194		162,237
	Public Good rate	0	0		(17,642)
	Treasury Interest	0			(141)
		<b>0</b>	<b>162,194</b>		<b>138,630</b>
					<b>148,806</b>
<b>EXPENSES</b>					
	Contractors and Prof Services	11,853	94,116		89,336
	Rates	12,806	11,065		13,785
	Erewhon Waterboard Lease	1,378	6,866		4,096
	Resource Consents	0	1,372		931
	Telephone Costs	212	588		546
	Materials	875	108		0
	Insurance	2,945	7,930		8,494
	Finance Costs	0	4,919		0
		<b>30,069</b>	<b>126,964</b>		<b>117,188</b>
					<b>119,727</b>
	Depreciation	31,289	134,580		125,158
	Internal Charges	4,226	0		32,651
					29,220
	<b>Accounting Surplus/(Deficit)</b>	<b>(65,584)</b>	<b>(99,350)</b>		<b>(136,367)</b>
					<b>(126,141)</b>
<b>Add back</b>					
	Depreciation	31,289	134,580		125,158
	Public Good Rate	0	0		22,053
	Internal Charges	4,226	0		32,651
					29,220
	<b>Cash Surplus</b>	<b>(30,069)</b>	<b>35,230</b>		<b>43,495</b>
					<b>46,721</b>
	<b>Capital Expenditure</b>	<b>0</b>	<b>120,000</b>		<b>278,923</b>
					<b>286,324</b>

**9.2 Lease Payments****Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

1.1 To provide the Committee with a summary of payments made to the Aorangi Awarua Trust.

**2. Context**

2.1 The timing of payments made by the Scheme under a Deed of Settlement have been relatively inconsistent in recent years and Officers have provided the summary below so Committee members can see what each year's payments relate to.

**3. Financial Summary****3.1 Summary: Annual Payments**

2015/16	\$2.5k
2016/17	\$5.1k
2017/18	\$6.4k
2018/19	\$3.9k
2019/20	\$9.3k
2020/21	\$4.1k
2021/22 YTD	\$1.4k

**3.2 Summary : Timing of Payment Being Recorded**

Quarter	\$	Paid In (Year Recorded)
2015		
Jan to Mar	\$1,260 + CPI	2015/16
Apr to Jun	\$1,260 + CPI	2015/16
Jul to Sept	\$1,260 + CPI	2017/18
Oct to Dec	\$1,260 + CPI	2017/18
2016		
Jan to Mar	\$1,270 + CPI	2016/17
Apr to Jun	\$1,270 + CPI	2016/17
Jul to Sept		

**ITEM 9.2**

Oct to Dec	\$1,269 + CPI	2016/17
2017		
Jan to Mar	\$1,291 + CPI	2019/20
Apr to Jun	\$1,309 + CPI	2016/17
Jul to Sept	\$1,309 + CPI	2017/18
Oct to Dec	\$1,309 + CPI	2017/18
2018		
Jan to Mar	\$1,293 + CPI	2017/18
Apr to Jun	\$1,309 + CPI	2018/19
Jul to Sept	\$1,309 + CPI	2018/19
Oct to Dec	\$1,309 + CPI	2018/19
2019		
Jan to Mar	\$1,334 + CPI	2019/20
Apr to Jun	\$1,334 + CPI	2019/20
Jul to Sept	\$1,334 + CPI	2019/20
Oct to Dec	\$1,334 + CPI	2019/20
2020		
Jan to Mar	\$1,359 + CPI	2019/20
Apr to Jun	\$1,359 + CPI	2019/20
Jul to Sept	\$1,359 + CPI	2020/21
Oct to Dec	\$1,359 + CPI	2020/21
2021		
Jan to Mar	\$1,378 + CPI	2020/21
Apr to Jun	\$1,378 + CPI	2021/22

**Recommendation**

That the report 'Lease Payments' be received.

### 9.3 Operations Report - December 2021

**Author:** Andrew van Bussel, Operations Manager

#### 1. Work Completed

1.1 The following work was completed by Taihape Plumbing from 5 August 2021 to 23 October 2021:

- 5/8 Start of 9 monthly checks. Run lines, check tank flows and run sluices on Mangaohane Station A, B, C & D tanks.
- 6/8 Run lines, check tank flows and run sluices on Mangaohane Station E & F tanks, Kelly Land Co 1, 2, 3 & 4 tanks.
- 7/8 Run lines, check tank flows and run sluices, Makokomiko Station, Peter Batley's and Pukerimu properties.
- 9/8 Run lines, check tank flows and run sluices on Hennah block, Kaiangaroa, Kara Wipaki's and Moores properties.
- 10/8 Run lines, check tank flows and run sluices on John Gilbert's, Mako Deer block, S Stoney's, Jock Stratton's and Rob Stratton's properties.
- 11/8 Run lines, check tank flows and run sluices on Rakanui, John Durrant's, Hiwera, Rob Colliers, Andrew Duncan's Tama Wipaki's and Matt Gilbert's properties.
- 12/8 Run lines, check tank flows and run sluices on John Bird's, Matt Gilbert's, Barry Thomas and Mary Mako's properties.
- 13/8 Run lines, check tank flows and run sluices. Clean up Rhino etc. Anstis.
- 20/9 Carry out Monthly Check.
- 22/10 Kelly Land Co – load up gear and repair leak
- 23/10 Carry out Monthly Check

1.2 Flow meter calibration did not comply, I will discuss further at the meeting.

1.3 10 year renewal plan being worked on with Committee, Council and Contractor.

#### Recommendation

That the Operations Report – December 2021 be received.

## **10 Next Meeting**

The next meeting is scheduled for 07 March 2022, at 4.00 pm.

## **11 Open Meeting**