



RANGITIKEI
DISTRICT COUNCIL
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ORDER PAPER

HUNTERVILLE RURAL WATER SUPPLY MANAGEMENT SUB-COMMITTEE MEETING

Date: Monday, 30 May 2022
Time: 4.00 pm
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Chair: Mr Sam Weston

Membership: Mr Bob Crawford
Mr Mark Dawson
Mr Bernie Hughes
Mr John McManaway
Mr Sam Duncan
Mr Patrick Henderson
Cr Richard Lambert
HWTM Andy Watson

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Notice is hereby given that a Hunterville Rural Water Supply Management Sub-Committee Meeting of the Rangitīkei District Council will be held in the Council Chamber, Rangitīkei District Council, 46 High Street, Marton on Monday, 30 May 2022 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 Huntermville Rural Water Supply Management Committee meeting held on 28 March 2022 are attached.

Attachments

1. **Huntermville Rural Water Supply Management Sub-Committee Meeting - 28 March 2022**

Recommendation

That the minutes of the Huntermville Rural Water Supply Management Committee meeting held on 28 March 2022, **[with amendment/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: HUNTERVILLE RURAL WATER SUPPLY MANAGEMENT SUB-COMMITTEE MEETING

Date: Monday, 28 March 2022
Time: 4.00 pm
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Present Mr Sam Weston [*via Zoom*]
Mr Mark Dawson
Mr Bernie Hughes
Mr John McManaway
Mr Sam Duncan
Cr Richard Lambert [*via Zoom*]
HWTM Andy Watson (ex officio)

In attendance Mr Peter Beggs, Chief Executive
Mr Arno Benadie, Chief Operating Officer
Mr Dave Tombs, Group Manager – Corporate Services
Mr Andrew van Bussel, Operations Manager
Mr Ivan O’Reilly, Reticulation Serviceman
Mr Ash Garstang, Governance Advisor

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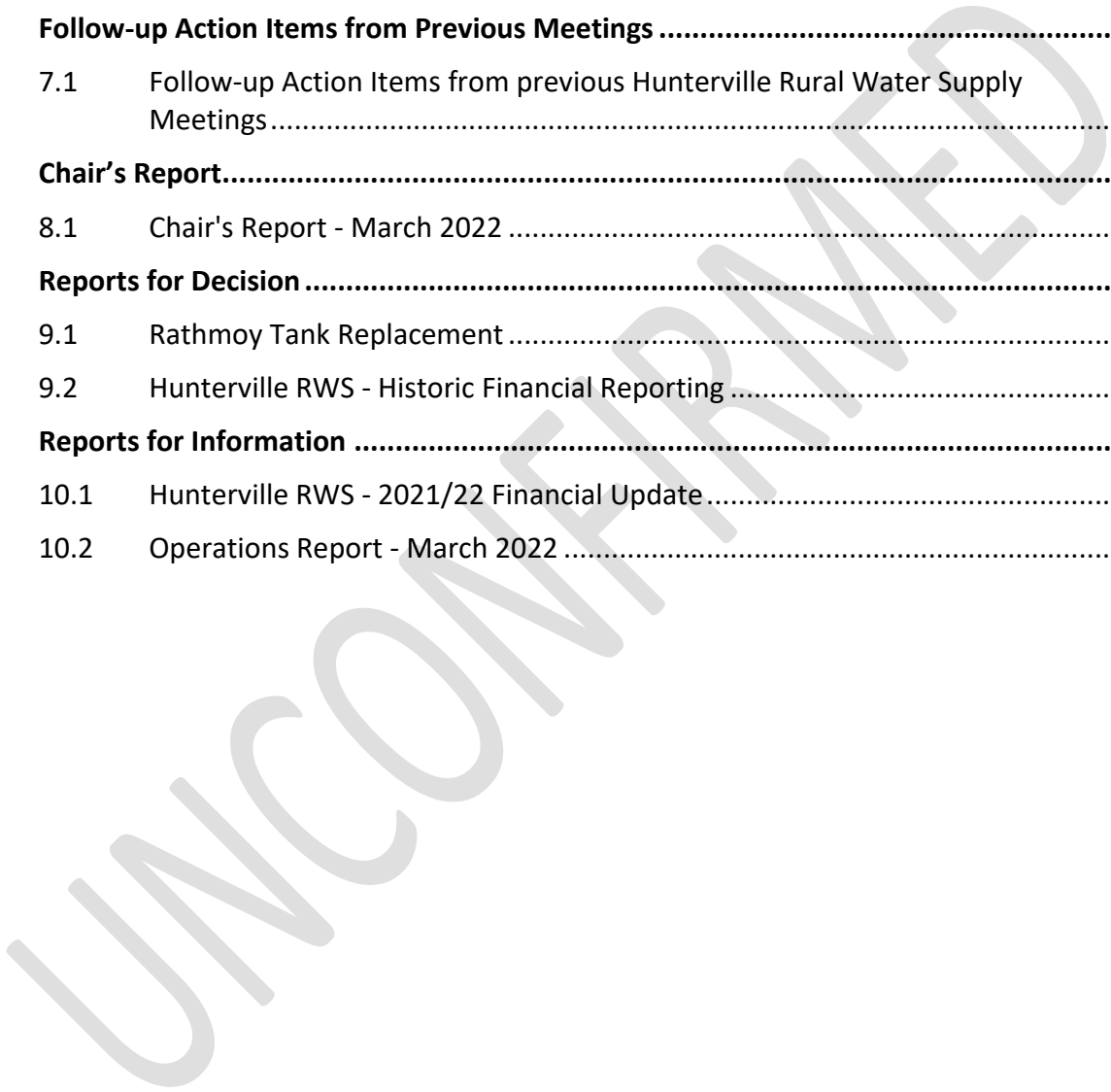
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1 Welcome

Mr Weston opened the meeting at 4.02 pm.

2 Apologies

That the apology for Bob Crawford be received.

3 Public Forum

No public forum.

4 Conflict of Interest Declarations

No conflicts were declared.

5 Confirmation of Order of Business

Item 10.2 (Operations Report – March 2022) was discussed before item 9.1 (Rathmoy Tank Replacement).

6 Confirmation of Minutes

Mr van Bussel updated the Committee on the broken pump motor. A report provided by Brown Brothers Engineering (supplier of the pump) indicated that the breakdown was due to an overheating or voltage issue, likely due to the absence of a choke on the cords. Mr van Bussel confirmed that the breakdown was not due to a lack of water flow, as there are warning signals in place for that. Due to the breakdown being a result of an installation error, Brown Brothers Engineering will not cover the cost.

Mr van Bussell advised that the cost of the new pump was \$12,000.

Mr Duncan arrived at 4.09 pm.

Mr van Bussel advised that Alf Downs (who installed the pump) are refusing liability and will not cover the cost either. The Committee expressed its disappointment with this situation, noting that it was not fair that the cost of this breakdown had fallen on the Committee to cover. Mr van Bussel will seek assurances / a warranty from the companies involved to avoid a future repeat of this situation. He further advised that the new pump has a choke installed, and staff will install

chokes on other pumps that require it as well. In response to a query, Mr van Bussel confirmed that there is no cost to installing chokes on existing pumps.

Resolved minute number 22/HRWS/001

That the minutes of the Huntermville Rural Water Supply Management Committee meeting held on 13 December 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.

Mr M Dawson/Mr B Hughes. Carried

7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from previous Huntermville Rural Water Supply Meetings

Staff provided updates to the Committee around the broke pump, as per item 6.

Resolved minute number 22/HRWS/002

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

Mr J McManaway/Mr M Dawson. Carried

8 Chair's Report

8.1 Chair's Report - March 2022

Mr Weston asked staff if a transfer of units among old properties had taken place. In response, Mr O'Reilly advised that he was not aware of this issue. Mr Duncan will follow up on this at his end and advise staff if needed.

Resolved minute number 22/HRWS/003

That the 'Chair's Report – March 2022' be received.

Mr S Weston/Mr J McManaway. Carried

9 Reports for Decision

9.1 Rathmoy Tank Replacement

Mr van Bussel advised that the Rathmoy tank leakage has contributed to the slip at Mr Grace's property. He would like to move the tank site to a new location (behind the homestead) to avoid further erosion issues.

In response to a query, Mr van Bussel advised that an overall estimate of the cost would come in at around \$55,000. There would be no need to remove old pipes.

Resolved minute number 22/HRWS/004

That the Committee directs staff to replace the Rathmoy break Pressure Tank with a timber tank (of the same size) in a new site, at a cost of \$50,000.

Mr M Dawson/Mr B Hughes. Carried

9.2 Huntermville RWS - Historic Financial Reporting

Mr Tombs advised that he has recreated the scheme's balance sheet for July 2021, going from 2017 figures as a starting point. This now shows that the scheme has \$581,000 in the bank as of July 2021.

The Committee noted that the new balance statement was a marked improvement on the financial reporting from previous years. Mr Weston advised that his own analysis of old minutes had resulted in him arriving at similar figures as those shown in the new balance sheet. It was agreed that the historic financial queries had now been addressed. Mr Weston, Mr McManaway and Mr Tombs will meet to do a final review of the old figures and identify if there are any obvious omissions or mistakes.

The Committee discussed the current rate per unit for the scheme and whether an increase was needed for 2022/23. Mr Tombs advised that with a 7% increase, the cost would rise to \$380 per unit (including GST) for rural users. It was noted by the Committee that the scheme had seen steep rate increases in recent years, due in part to the confusion around the scheme's financial position, and this had effectively resulted in scheme users being overcharged. Due to this, the Committee felt that a break from a rates increase was warranted and affordable. Mr Tombs noted that the draft Annual Plan for 2022/23 includes mention of a rates increase, and that Committee members may wish to advise users to disregard this information.

Mr Beggs advised the Committee that there was still confusion around how the ownership of the scheme may be affected by the Three Waters Reform, particularly due to the scheme supplying both urban and rural users. In any case, it is likely that Council staff in this area will transfer to the new water entity in 2024.

Resolved minute number 22/HRWS/005

That the report 'Huntermville RWS – Historic Financial reporting' be received.

Mr M Dawson/Mr B Hughes. Carried

Resolved minute number 22/HRWS/006

That the Committee provides feedback on the proposed 30 June 2021 balances to be incorporated into future financial reporting, and:

Mr Weston, Mr McManaway and Mr Tombs will meet to verify the opening cash balance.

Mr M Dawson/Mr B Hughes. Carried

Resolved minute number 22/HRWS/007

That the Committee confirms its preferred way to treat Interest from 2020/21 onwards, is to set a rate for every 2 years, with an interest rate of 2% for 2020/21 and 2021/22.

Mr S Weston/Mr J McManaway. Carried

Resolved minute number 22/HRWS/008

That the Committee requests a 0% increase to the rate per unit for 2022/23.

Mr S Weston/Mr J McManaway. Carried

10 Reports for Information

10.1 Huntermville RWS - 2021/22 Financial Update

Mr O'Reilly noted that the new pumps have not been installed.

Resolved minute number 22/HRWS/009

That the report 'Huntermville RWS – 2021/22 Financial Update' be received.

Mr S Weston/Mr M Dawson. Carried

10.2 Operations Report - March 2022

Taken as read.

Resolved minute number 22/HRWS/010

That the 'Operations Report – March 2022' be received.

Mr S Weston/Mr J McManaway. Carried

The meeting closed at 5.29 pm.

ITEM 6.1

ATTACHMENT 1

The minutes of this meeting were confirmed at the Huntermville Rural Water Supply Management Sub-Committee held on 30 May 2022.

.....

Chairperson

UNCONFIRMED

7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from previous Huntermville Rural Water Supply Meetings

Author: Ash Garstang, Governance Advisor

1. Reason for Report

- 1.1 On the list attached are items raised at previous Huntermville 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 Huntermville Rural Water Supply Meetings' be received.

Current Follow-up Actions

Item	From Meeting Date	Details	Person Assigned	Status Comments	Status
1	28-Mar-22	As per resolution 22/HRWS/008 : That the Committee requests a 0% increase to the rate per unit for 2022/23. Staff to note that this change will need to be reflected in the finalised Annual Plan 2022/23.	Dave Tombs	Draft Annual Plan 2021/22 includes a zero rate increase for HRWS Metered Water Charges.	In progress
2	28-Mar-22	As per resolution 22/HRWS/006 : Mr Weston, Mr McManaway and Mr Tombs to meet to verify the opening cash balance that has led to the 30 June 2021 balance.	Dave Tombs	Mr Weston, Mr McManaway and Mr Tombs agreed to progress this in June/July 2022.	In progress
3	28-Mar-22	As per resolution 22/HRWS/004 : That the Committee directs staff to replace the Rathmoy break Pressure Tank with a timber tank (of the same size) in a new site, at a cost of \$50,000.	Andrew van Bussel / Anna Thompson	Andrew will provide an update at the 30 May meeting.	In progress
4	13-Dec-21	Regarding section 2.2 of the Operations Report (engine failure for pumps): Staff to approach the supplier and request compensation / replacement pumps. If the supplier does not agree to do this, staff will bring a full report to the March 2022 HRWS meeting.	Andrew van Bussel / Anna Thompson	Update 28 Mar 22: Noting the refusal of either company to cover the cost, Mr van Bussel will seek assurances / a warranty from them to help avoid any repeat of this situation in the future.	In progress
5	20-Sep-21	HWTM and the CE offered their assistance with negotiations with KiwiRail, for the purpose of getting a water line installed on the viaduct. Mr Flintoff to provide the Chief Executive with an email summary of this issue.	Dave Flintoff / CE	Update 28 Mar 22: Mr Flintoff has received advice from the Chief Executive and is pursuing this issue with Kiwirail.	In progress
6	15-Mar-21	The Committee requested: 1. Cash flow statement for January 2021 and; 2. Recreating and explaining the financial statements going back to 2016 in a format that the Committee can feel comfortable with. 3. Clarification about how depreciation is charged	Dave Tombs	The historic figures were confirmed at the March 2022 meeting, with Mr Weston, Mr McManaway and Mr Tombs to meet separately to discuss some aspects of these.	Closed

8 Chair's Report

8.1 Chair's Report - May 2022

Author: Sam Weston, Chair

1. Reason for Report

- 1.1 A verbal update may be provided by Mr Weston.

Recommendation

That the 'Chair's Report – May 2022' be received.

9 Reports for Information

9.1 Operations Report - May 2022

Author: Andrew van Bussel, Operations Manager

1. Leaks and Repairs

1.1 There have been a number of repairs during this period:

- 15-03 - Water leak at 608 Ongo Road
- 15-03 - Water leak on Jim Bulls Farm
- 17-03 - Repair pipe work at leedstown tank
- 21-03 - Mark out Ohingaiti line for Logging company
- 07-04 - Clean out Richard McIntyres restrictor
- 08-04 - Paul Henderson, leak by tank
- 09-04 - Leak at Sam Horricks, main line
- 17-04 - Change ballcock on Rathmoy tank
- 19-04 - Leak at Horricks, main line
- 20-04 - Leak on Adrian Bulls, 50mm PVC line leaking
- 26-04 - Horses broke air valve at Rata Dairy
- 29-04 - Put culvert into Rathmoy tank to stop water leaking onto track
- 03-05 - Clean Drain out at Rathmoy
- 06-05 - Leak at Richard Lamberts tank
- 06-05 - Change 50mm tap at leedstown Tank
- 06-05 - Leak at Alex McAlley's tank, Murimotu Road
- 07-05 - Leak on Horricks

2 General

2.1 New pumps have arrived, motors have arrived waiting on contractor to install.

2.2 Rathmoy break pressure tank site has been finalised with land owner site works has started completion date unknown at this stage.

Recommendation

That the 'Operations Report – May 2022' be received.

9.2 Huntermville RWS - 2021/22 Financial Update

Author: Dave Tombs, Group Manager - Corporate Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

1. Reason for Report

- 1.1 This Report provides the year-to-date draft Operating Statement for the ten months ended 30 April 2022.

2. Commentary

- 2.1 This shows:
 - 2.1.1 A cash deficit of \$17k for the ten months ended 30 April 2022
 - 2.1.2 Capital expenditure of \$38k for these ten months (which contributed to the cash deficit noted in S2.1.1)
- 2.2 Note that the deficit noted in S2.1 will change significantly in May when the second round of Metered Rates Charges will be applied (approximately \$260k).

Attachments

1. **HRWS Financial Operating Statement - April 2022** [↓](#)

Recommendation

That the report 'Huntermville RWS – 2021/22 Financial Update' be received.

ITEM 9.2
ATTACHMENT 1

Hunterville Rural Water Scheme
Operating Statement 2021/22

	YTD Actual 10 Months Ended Apr 2022	Full Year Budget 2021/22	Full Year Actual 2020/21	Full Year Budget 2020/21
INCOME				
Metered Charges	264,966	522,110	528,590	515,328
Public Good rate	0	0	(128,253)	(102,602)
Penalty	6,054	2,004	7,494	0
	271,020	524,114	407,831	412,726
EXPENSES				
Phone rentals	2,433	2,256	2,358	2,140
Electricity	169,704	181,500	196,746	177,515
Insurance	18,967	12,476	21,912	19,358
Rates - Utility	22,569	19,500	21,334	18,062
Member Remuneration	0	0	1,800	0
MDC Professional Services	0	1,140	0	5,669
Operational Costs - Contractor	0	1,200	0	0
Reticulation Costs - staff	9,380	18,456	1,760	18,189
Treatment Costs - staff	1,773	0	1,530	0
External Contractors	21,818	13,872	14,163	27,545
Resource Consents	1,556	0	1,281	0
Chemicals/consumeables	0	3,504	0	0
Materials/Other	1,986	12,504	3,601	29,823
	250,186	266,408	266,485	298,301
Depreciation	170,696	153,600	204,216	151,000
Internal Charges	0	0	114,815	106,280
Accounting Surplus/(Deficit)	(149,862)	104,106	(177,685)	(142,855)
Add back				
Depreciation	170,696	153,600	204,216	151,000
Public Good Rate	0	0	128,253	102,602
Internal Charges	0	0	114,815	106,280
Operating Cash Surplus	20,834	257,706	269,599	217,027
Capital Expenditure				
Contractor - Reticulation	2,407	24,996	5,535	26,318
Contractor - Treatment	0	20,004	9,636	21,054
Staff - Reticulation *	35,877	0	26,100	0
	38,284	45,000	41,271	47,372
Annual Cash Surplus	(17,450)	212,706	228,328	169,655
Notional Bank bf	584,731		356,403	
Notional Bank cf	567,281		584,731	

* Staff - Reticulation : monthly charges paid to MDC (between \$1.9k and \$5.3k per month)

10 Next Meeting

The next Sub-Committee meeting is scheduled for Monday, 25 July 2022 at 4.00 pm.

11 Meeting Closed