

# ORDER PAPER

## HUNTERVILLE RURAL WATER SUPPLY MANAGEMENT SUB-COMMITTEE MEETING

**Date:** Monday, 18 September 2023

**Time:** 4.00pm

**Venue:** Council Chamber  
Rangitikei District Council  
46 High Street  
Marton

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**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  
Cr Fi Dalgety  
HWTM Andy Watson

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**Notice is hereby given that a Huntermville Rural Water Supply Management Sub-Committee Meeting of the Rangitikei District Council will be held in the Council Chamber, Rangitikei District Council, 46 High Street, Marton on Monday, 18 September 2023 at 4.00pm.**

**Order Of Business**

<b>1</b>	<b>Welcome</b> .....	<b>4</b>
<b>2</b>	<b>Apologies</b> .....	<b>4</b>
<b>3</b>	<b>Public Forum</b> .....	<b>4</b>
<b>4</b>	<b>Conflict of Interest Declarations</b> .....	<b>4</b>
<b>5</b>	<b>Confirmation of Order of Business</b> .....	<b>4</b>
<b>6</b>	<b>Confirmation of Minutes</b> .....	<b>5</b>
6.1	Confirmation of Minutes .....	5
<b>7</b>	<b>Follow-up Action Items from Previous Meetings</b> .....	<b>11</b>
7.1	Follow-up Action Items from previous Huntermville Rural Water Supply Meetings.....	11
<b>8</b>	<b>Chair’s Report</b> .....	<b>13</b>
8.1	Chair’s Report – September 2023 .....	13
<b>9</b>	<b>Reports for Decision</b> .....	<b>14</b>
9.1	Operations Report-July 2023.....	14
<b>10</b>	<b>Reports for Information</b> .....	<b>16</b>
10.1	Huntermville RWS - 2022/23 Financial Summary .....	16
<b>11</b>	<b>Meeting Closed.</b> .....	<b>20</b>

## **AGENDA**

### **1 Welcome**

### **2 Apologies**

### **3 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 as a late item at this meeting.

## 6 Confirmation of Minutes

### 6.1 Confirmation of Minutes

**Author:** Kezia Spence, Governance Advisor

#### 1. Reason for Report

- 1.1 The minutes from **Huntermville Rural Water Supply Management Sub-Committee Meeting held on 17 July 2023** are attached.

#### Attachments

1. **Huntermville Rural Water Supply Management Sub-Committee Meeting - 17 July 2023**

#### Recommendation

That the minutes of Huntermville Rural Water Supply Management Sub-Committee Meeting held on 17 July 2023 **[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: HUNTERVILLE RURAL WATER SUPPLY MANAGEMENT SUB-COMMITTEE MEETING**

**Date:** Monday, 17 July 2023  
**Time:** 4.00pm  
**Venue:** Council Chamber  
Rangitikei District Council  
46 High Street  
Marton

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**Present** Mr Sam Weston  
Mr John McManaway  
Cr Richard Lambert  
HWTM Andy Watson  
Cr Fi Dalgety (Zoom)

**In attendance** Mr Dave Tombs, Group Manager-Corporate Services  
Mr Andrew Van Bussell, Operations Manager  
Mr Ivan O'Reilly, Water Technician  
Ms Kezia Spence, Governance Advisor

**Order of Business**

1 **Welcome / Prayer** ..... 3

2 **Apologies** ..... 3

3 **Public Forum** ..... 3

4 **Conflict of Interest Declarations**..... 3

5 **Confirmation of Order of Business** ..... 3

6 **Confirmation of Minutes** ..... 3

    7.1 Follow-up Action Items from previous Huntermville Rural Water Supply Meetings..... 3

7 **Chair’s Report** ..... 4

    8.1 Chair's Report - July 2023 ..... 4

8 **Reports for Decision** ..... 4

    9.1 Operations Report-July 2023..... 4

9 **Reports for Information**..... 4

    10.1 Huntermville RWS - 2022/23 Financial Summary ..... 4

    10.2 Update on Rural Water Supply- Three Waters Briefing..... 5

Unconfirmed

## 1 Welcome

Mr Weston opened the meeting at 4.05pm.

## 2 Apologies

**Resolved minute number 23/HRWS/012**

Apologies received Bob Crawford, Mark Dawson, and Bernie Hughes.

Cr R Lambert/Mr J McManaway. Carried

## 3 Public Forum

## 4 Conflict of Interest Declarations

## 5 Confirmation of Order of Business

## 6 Confirmation of Minutes

### Section 9.1

Makohine viaduct changed to Rathmoy tank.

**Resolved minute number 23/HRWS/013**

That the minutes of Huntermville Rural Water Supply Management Sub-Committee Meeting held on 15 May 2023 **as amended** 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 J McManaway/Cr R Lambert. Carried

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

The report was taken as read.



## 7 Chair's Report

### 8.1 Chair's Report - July 2023

Mr Weston thanked Mr Beggs and wished him well in his new role.

**Resolved minute number 23/HRWS/014**

That the 'Chair's Report – July 2023' be received.

Mr S Weston/Mr J McManaway. Carried

## 8 Reports for Decision

### 9.1 Operations Report-July 2023

The committee discussed the Kiwi rail pipe replacement at Makohine viaduct. Mr Van Bussell and Kiwi rail are happy with the specifications of the pipeline on the bridge.

Mr O'Reilly answered questions regarding Charlie's property that previously the pipes had been taken out.

The committee discussed during a weather event that impacts the water supply to Huntermville, whether the water could come from Taihape. Mr Van Bussell responded that it depends on which reservoir in the district has the most water available.

Mr Van Bussell confirmed that the Horricks line and Webb will have GPS on the pipelines.

**Resolved minute number 23/HRWS/015**

That the 'Huntermville Rural Water Supply – Operations Report 1 July 2023' to the Huntermville Rural Water Supply Sub-Committee be received.

Cr F Dalgety/Cr R Lambert. Carried

## 9 Reports for Information

### 10.1 Huntermville RWS - 2022/23 Financial Summary

It was requested that the figures be labelled as GST exclusive.

Mr Tombs responded to questions that the unit price is in the rates resolution.

Mr Tombs will confirm and report back to the committee for the formula of interest paid.

ITEM 6.1  
ATTACHMENT 1

Mr Tombs to confirm cash surplus from the previous financial year and provide further information on CAPEX.

**Resolved minute number 23/HRWS/016**

That the report 'Huntermville RWS – 2022/23 Financial Summary' be received.

Mr J McManaway/Cr R Lambert. Carried

**10.2 Update on Rural Water Supply- Three Waters Briefing**

His Worship the Mayor update:

Kevin Ross will be interim CE until a new CE is appointed. A new CE is unlikely to start until January or February 2024.

Council is now in entity E and transition will be 2025/26.

His Worship the Mayor has stressed during submissions to exempt rural water schemes but at this stage are still included in the transition. His Worship the Mayor noted that there is economic legislation still to come for Three Waters.

**Discussion item:**

That the minutes be completed and sent out within a week.

Committee members discussed the risk of the transition and the impacts on the financial accounts.

Committee had a further discussion on the scheme being separate from Huntermville township.

It was requested that staff provide clarity on the Council contribution into the scheme.

**The meeting closed at 5.19pm.**

**The minutes of this meeting were confirmed at the Huntermville Rural Water Supply Management Sub-Committee held on 18 September 2023.**

.....

**Chairperson**

## 7 Follow-up Action Items from Previous Meetings

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

**Author:** Kezia Spence, 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	17-Jul-23	Minutes completed and sent out within the five days	Kezia Spence	Sent on the 21 July 23	Completed
2	17-Jul-23	Council contribution to scheme	Michael Hodder	This is being looked into	In progress
3	20-Sep-21	<p>HWTM and the CE offered their assistance with negotiations with KiwiRail, for the purpose of getting a water line installed on the viaduct.</p> <p>Mr Flintoff to provide the Chief Executive with an email summary of this issue.</p>	Andrew Van Bussell/CE	<b>Updated 17 July 2023</b> Andrew will provide an update at the meeting.	In progress

## **8 Chair's Report**

### **8.1 Chair's Report – September 2023**

**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 – September 2023' be received.

## 9 Reports for Decision

### 9.1 Operations Report-July 2023

Author: Andrew van Bussel, Operations Manager

#### 1. Leaks and Repairs

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

- 30-06 Installed pipe work in top pump station.
- 04-07 Installed pipe work and fittings at new Rathmoy tank.
- 05-07 Leak at Mark Dawson's tank.
- 06-07 Cut over Rathmoy tank and services.
- 10-07 Set up and service new bermad valve at Rathmoy tank.
- 17-07 Leak on Sam Weston's.
- 18-07 Replace ball-cock at Mahoe Farm.
- 19-07 Building box for new Rathmoy tank.
- 26-07 Installed section of pipe work at top pump station.
- 01-08 Bob Crawford low flow, check break tank, tank full.
- 03-08 Comms fault, pump station.
- 06-08 Bore pump station PLC not communicating.
- 07-08 Top pump station comms not working.
- 08-08 Weld pipe work in top pump station.
- 09-08 Cut over pipe work in top pump station.
- 10-08 Bore pump low flow.
- 23-08 Richard McIntyre change ball-cock.
- 23-08 Look for leak in Cooks Road forest.
- 24-08 check Ohingaiti line for leaks.
- 24-08 Otiwhiti Low flow at top tank.
- 25-08 Comms fault at bore pump station.
- 29-08 Put restrictors in at Charlie Duncan's and looked for leak on north line.
- 01-09 fix tank overflow at Ongro Road, installed PRV for tank.

#### 2. General

2.1 The following upgrades have taken place or are on the list to be completed:

2.1.1 Rathmoy break pressure tank is installed, and commissioned we will be undertaking a minor tidy up when the weather improves.

2.1.2 Lilburn's job has not been started as we are still waiting on the contractor, was programmed for second week in August.

2.1.3 Top pumps installed completed waiting on a pump part .

2.1.4 Progress is being made with Kiwirail regarding pipe replacement on the Makohine viaduct. I will update you further at the meeting.

2.1.5 Operations manager will table project cost summary.

**Recommendation**

That the 'Hunterville Rural Water Supply – Operations Report 1 September 2023' to the Hunterville Rural Water Supply Sub-Committee be received.

ITEM 10.1

## 10 Reports for Information

### 10.1 Huntermville RWS - 2022/23 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 the draft Operating Statement for 2022/2023. Some of these figures may change as the financial year end adjustments are finalised.

#### 2. Commentary

2.1 This shows:

- 2.1.1 Operating Cash Surplus of \$223k
- 2.1.2 Capital Expenditure of \$257k
- 2.1.3 Financial Year Cash Deficit of \$34k
- 2.1.4 Notional Cash Reserves of \$708k at 30 June 2023.

#### 3. Capital Expenditure

3.1 Further information (taken from Council's ledger) regarding the Capital Expenditure is as follows:

##### Contractor Reticulation

Supply and install 95m3 timber tank	\$48,600
Speed YE Accruals	\$14,370
Rathmoy Tank fittings, incl Hi hab	\$13,188
Fittings for Rathmoy	\$2,692
Pump vibration analysis	\$1,505
Measure and repair end tank	\$1,083
Other	\$305
<b>Total</b>	<b>\$82,017</b>

##### Horricks Pipe Upgrade

Pipe	\$33,035
Chain digger	\$3,140
Other parts (couplers, saddles etc)	\$1,238
MDC Staff Time	\$9,834
<b>Total</b>	<b>\$47,247</b>



**Webb Pipe Upgrade**

Pipe	\$16,541
Other parts (couplers, saddles etc)	\$1,441
MDC Staff Time	\$9,792
<b>Total</b>	<b>\$27,774</b>

3.2 Officers suggest that members consider this Report and start considering a preferred rate increase for the Huntermville Rural targeted rate for 2024/25 and other years covered by the next LTP.

**4. Other**

4.1 Officers have added an extra attachment to this month’s report – an excerpt from the 2013/14 Annual Plan. Officers consider that this provides some useful background to the financing of the Scheme’s operations and propose including this at least annually as a useful reminder to all meeting attendees.

**Attachments**

1. **HRWS Draft June 2023 Financial Summary** [↓](#)
2. **RWS Financial Policy (2103)** [↓](#)

**Recommendation 1**

That the report ‘Huntermville RWS – 2022/23 Financial Summary’ be received.

Hunterville Rural Water Scheme  
Operating Statement 2022/23

Amounts are GST Exclusive

		YTD Actual 12 Months Ended June 2023	Full Year Budget 2022/23	Full Year Actual 2021/22	Full Year Budget 2021/22
<b>INCOME</b>					
	Metered Charges	525,025	522,108	528,745	522,110
	Finance Revenue (per ledger)	7,483	0	0	0
	Kiwi Rail : for pipe realignment	10,445	0	0	0
	Penalty	3,678	2,064	8,356	2,004
		<b>546,631</b>	<b>524,172</b>	<b>537,101</b>	<b>524,114</b>
<b>EXPENSES</b>					
	Phone rentals	2,488	2,328	2,883	2,256
	Electricity	258,969	229,452	243,657	181,500
	Insurance	23,011	20,598	22,244	12,476
	Rates - Utility	24,979	20,124	22,569	19,500
	Member Remuneration	570	0	2,560	0
	MDC Professional Services	0	1,176	0	1,140
	Operational Costs - Contractor	0	1,236	0	1,200
	Reticulation Costs - staff	7,875	19,056	11,171	18,456
	Treatment Costs - staff	0	0	2,450	0
	External Contractors	7,559	14,316	31,930	13,872
	Resource Consents	0	2,588	1,556	0
	Chemicals/consumables	0	3,612	0	3,504
	Materials/Other	5,723	12,900	1,986	12,504
		<b>331,174</b>	<b>327,386</b>	<b>343,006</b>	<b>266,408</b>
less	Depreciation	191,000	161,160	204,835	153,600
	Internal Charges	140,563	143,582	0	0
	<b>Accounting Surplus/(Deficit)</b>	<b>(116,106)</b>	<b>(107,956)</b>	<b>(10,740)</b>	<b>104,106</b>
<b>Add back</b>	Depreciation	191,000	161,160	204,835	153,600
	Finance Costs	0	6,493	0	0
	Internal Charges	140,563	143,582	0	0
<b>Plus</b>	Notional Interest Income adj	7,247	0	11,760	0
	<b>Operating Cash Surplus</b>	<b>222,704</b>	<b>203,279</b>	<b>205,855</b>	<b>257,706</b>
<b>Capital Expenditure</b>					
	Contractor - Reticulation	82,018	26,000	3,272	24,996
	Contractor - Treatment	0	20,800	0	20,004
	Staff - Reticulation *	99,696	0	49,297	0
	Horricks Pipe Upgrade	47,247	0	0	0
	Webb Pipe Upgrade	27,774	0	0	0
		<b>256,735</b>	<b>46,800</b>	<b>52,569</b>	<b>45,000</b>
	<b>Cash Surplus/(Deficit)</b>	<b>(34,031)</b>	<b>156,479</b>	<b>153,286</b>	<b>212,706</b>
	<b>Notional Bank bf</b>	<b>741,577</b>		<b>588,291</b>	
	<b>Notional Bank cf</b>	<b>707,546</b>		<b>741,577</b>	
<b>Note</b>	Some year end accruals have not yet been processed As per the March 2022 meeting, Interest Income is adjusted to reflect 2% of Opening Bank Balance				

**Results of Public Consultation on the Draft Plan**

- ✓ Rural Water Schemes
- ✓ Huntermville Urban Water Supply
- ✓ 'Public good' charge for water, wastewater and stormwater
- ✓ Funding the Community Boards
- ✓ Assisting businesses to comply with new food handling requirements
- ✓ Community and leisure assets
- ✓ Proposed application to the Irrigation Acceleration Fund
- ✓ Increased length of season for the Council's swimming pools
- ✓ Speed calming measures in Taumaihi Street, Bulls
- ✓ Youth engagement
- ✓ Mt Stewart Reserve, Taihape

**Rural Water Schemes**

There is a need to adequately address the issue of the financial difficulties being faced by rural water schemes. In the past, these schemes have been sheltered from much of Council internal charging but with the re-vamp of the overhead allocation process for the last few years, none of the schemes was spared a realistic share of these costs. Consequently the level of revenue required increased, but the appropriate level of charging received only minor adjustments and could not achieve the budget for revenue. The necessary increases would have been such that the schemes could have lost participants and become unsustainable.

An added difficulty in managing these accounts is the fact that Council has determined not to "fund" depreciation for these schemes and those that have a steady programme of renewal work have no depreciation funds to fall back on. Consequently, the need for income varies from year to year, causing 'lumpiness'.

The Huntermville rural scheme in particular, has been operating at a deficit which has been increasing, and this matter was not addressed in the Long Term Plan.

As a means of alleviating the situation, the draft annual plan proposed that the internal charges for these rural schemes be met from the wider district through the general rate. This would mean that the Erehwon, Omatane and Putorino schemes would become once again financially viable. In addition, members of the Huntermville rural scheme have agreed to a substantial increase in their charges for 2013/14.

Council decided to implement this proposal.

**Huntermville Urban Water Supply**

This supply is linked to the Huntermville rural supply because the latter supplies the former with untreated water for distribution to users in Huntermville township. This means that if the rural supply has to increase its charges, then the costs of the urban scheme increase.

The urban supply was not included in the district wide approach to rates adopted in the long term plan as were all the other urban supplies in the district, because of the unique nature of the link to the rural scheme and the limited supply of water available. It has remained on meters and is charged on consumption only, rather than the fixed charge made in all other towns.<sup>1</sup>

However, unlike all the other urban schemes, these ratepayers did not receive a 25% contribution from the district for the "public good" component of their costs. This is not considered equitable

<sup>1</sup> This different funding basis did not affect the liability by ratepayers in Huntermville for the 'public good' rate for water etc.

**11 Meeting Closed.**