



POLICY AND FINANCE COMMITTEE

AGENDA – 31 July 2013

A Conduct of Business

The meeting will be held in the Council Chambers, 19 Kitchener Street, Martinborough and will commence at the conclusion of the District Council meeting. The meeting will be held in public (except for any items specifically noted in the agenda as being for public exclusion).

- A1. Apologies
- A2. Conflicts of Interest
- A3. Public Participation
- A4. Minutes for Confirmation: Policy & Finance Committee 26 June 2013 Pages 1-2
- A5. Action Items from 26 June 2013 Page 3

B Reports

- B1. Services Capacity Report Page 4-13

C Finances



POLICY AND FINANCE COMMITTEE MEETING MINUTES

26 June 2013

- Present:** Mayor Adrienne Staples (Chairperson), Councillors Margaret Craig, Dean Davies, Mike Gray, Brian Jephson, Viv Napier, Julie Riddell and Solitaire Robertson.
- In Attendance:** Paul Crimp (Chief Executive Officer) and Suzanne Clark (Committee Secretary).
- Conduct of Business:** The meeting was held in the South Wairarapa District Council Chambers at 19 Kitchener Street, Martinborough and was conducted in public between 12:00pm and 12:30pm.

A Preliminary Matters

A1. Apologies

COUNCIL RESOLVED (P&F2013/15) to receive apologies from Cr Keith Sexton and Cr Max Stevens.

(Moved Cr Craig/Seconded Cr Davies)

Carried

A2. Conflicts of Interest

No conflicts of interest were declared.

A3. Public Participation

There was no public participation.

A4. Minutes for Confirmation: Policy & Finance Committee 15 May 2013

P&F RESOLVED (P&F2013/16) that the minutes of the Policy and Finance Committee meeting held on 15 May 2013 be received and confirmed as true and correct subject to the correction of the mover and seconder of minutes from:

(Moved Cr Napier/Seconded Cr Gray) to *(Moved Cr Riddell/Seconded Cr Robertson)*

(Moved Cr Jephson/Seconded Cr Gray)

Carried

A5. Action Items from 15 May 2013

P&F RESOLVED (P&F2013/17) to receive the action items from 15 May 2013.

(Moved Cr Napier/Seconded Cr Riddell)

Carried

A6. Minutes for Receipt: Risk and Audit Committee 14 May 2013

COUNCIL RESOLVED (P&F2013/18) to receive the minutes of the Risk and Audit Committee for 14 May 2013.

(Moved Cr Napier/Seconded Cr Davies)

Carried

DISCLAIMER

Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness

A7. Risk and Audit Committee 18 June 2013

Mr Crimp updated councillors on matters from the risk and audit meeting of the 18 June 2013 including dog registration issues.

B Finances

Mr Crimp updated councillors on financial highlights up to the 31 May 2013. Councillors discussed shared services and agreed that although shared and aligned services was the preference, officers should not spend excessive amounts of time attempting to achieve this outcome at the expense of South Wairarapa District Council's work requirements.

P&F RESOLVED (P&F2013/19) to receive the financial report for eleven months ended 31 May 2013.

(Moved Cr Napier/Seconded Cr Robertson)

Carried

Confirmed as a true and correct record

.....(Mayor)

.....(Date)

DISCLAIMER

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Policy & Finance Committee
 Action Items
 From 26 June 2013

Ref #	Meeting	Date	Action Type	Responsible Manager	Action or Task details	Status	Notes
205	P&F	3-Apr-13	Action	Paul	Review whether a special pensioner housing fund should be setup, whether rents should be raised on a CPI basis each year and whether rental covers the cost of requirement maintenance	Open	
397	P&F	26-Jun-13	Resolution		Minutes for Confirmation: Policy & Finance Committee 15 May 2013 P&F RESOLVED (P&F2013/16) that the minutes of the Policy and Finance Committee meeting held on 15 May 2013 be received and confirmed as true and correct subject to the correction of the mover and seconder of minutes from: (Moved Cr Napier/Seconded Cr Gray) to (Moved Cr Riddell/Seconded Cr Robertson) (Moved Cr Jephson/Seconded Cr Gray) Carried	Actioned	

POLICY AND FINANCE COMMITTEE

31 JULY 2013

AGENDA ITEM B1

POLICY AND CAPACITY REVIEW, WATER AND WASTEWATER SERVICES

Purpose of Report

To consider current waterborne infrastructure capacity and what surplus capacity is available for additional users.

Recommendations

Officers recommend that the Council:

1. *Receive the information.*
2. *Adopt the capacity and suggested allocation model for new water and waste-water connections for all communities.*
3. *Adopt the revised policies for water service provision to urban and rural ratepayers.*
4. *Leave the waste water policy in its present form until such time as new resource consents are available for the communities of Greytown, Featherston and Martinborough.*
5. *Allow Council officers to allocate surplus capacity to new entrants for water supply in rural areas for domestic and restricted use only.*

1. Executive Summary

Council receives regular requests for new connections to urban water and waste water services (residential use only) in its three urban townships from property owners in adjoining rural zoned areas. Council has been required in terms of the policy to specifically consider these requests on a case by case basis.

The current policies for water services were adopted in 2009 and then updated in March 2010. The wastewater policy was adopted in 2005 and updated in 2007 because there were concerns about infrastructure of the day being capable of sustaining additional connections.

Rural subdivision on the urban fringes prior the adoption of these policies often contemplated connection to waterborne adjacent services by way of resource consent condition's or notices, which the subsequent policy did not encourage, thus leading to conflict of policy, past and present.

It is clear however that significant water infrastructure upgrade work at Martinborough in recent times and other initiatives aimed at reducing waste through leakage and the introduction of the economic instrument, comprehensive metering, elsewhere, have combined to reduce usage and provide additional resilience and capacity for the three communities water supplies.

Additional waste water servicing however presents some issues and challenges for Council as it moves forward to secure new consents at its three urban facilities.

Hence it is recommended that any assessment of additional wastewater servicing capacity should be deferred until optimisation works and capacity and discharge limits are determined. It is not considered that there would be any negative impacts arising from this approach as the waste water policy can be adjusted to reflect the new operating environment once this has been established in 2014/15.

2. Background

2.1 Water Supply

Before a change in policy could be considered it has been necessary to evaluate current capacity based on average daily demand and present infrastructure constraints.

A spread-sheet Appendix 1 seeks in numerical terms to assess the surplus theoretical capacity that exists in our water head-works systems and what additional servicing can be allocated to meet ratepayer and developer requests.

A number of assumptions have been made in regard of zero growth, a restriction free network, no additional consent or regulatory constraints or extreme and lengthy dry/wet weather events. No consideration has been made of the reduction in usage that has occurred over the last three or four years in the assessment.

2.2 Wastewater

Currently the wastewater treatment plants are able to comfortably accommodate additional dry weather flow domestic load in the three townships but are challenged by inflow and infiltration load over winter and a reduction in retention time due to sludge build up particularly at the Greytown site.

3. Discussion

3.1 Water Supplies

It can be seen from Appendix 1 that additional capacity is available in all three communities and that theoretical average daily demand is approximately 20% above actual daily demand over the last three years.

Head-works capacity for Martinborough and Featherston has been assessed and surplus capacity is available for allocation.

However the UF Plant currently is under- utilised servicing Featherston alone. The Greytown bore whilst capable of good production will not produce current drinking water standard water without upgrading for protozoa compliance. This plant has not been allocated any ability to supply additional consumers or any resilience in regard of emergency storage in this assessment.

It is intended to over time depending on funding levels to return the UF Plant to service as was originally intended i.e. service both Greytown and Featherston as front line infrastructure, leaving the Greytown bore as a true emergency supply.

In summary the three water supplies offer additional capacity quite close to the assessed potential additional residential single properties or residential equivalents for each community and hence it is quite reasonable to take a considered approach to the allocation of this surplus capacity.

3.2 Waste Water

It is anticipated that the new consents will provide clear guidance to Council as to required minimum treatment standards, discharge scenarios and hence system capacity.

Hence for now it is prudent to wait until these processes are complete with a known outcome.

In addition potential connectees in the urban/ rural fringe of the three urban areas generally speaking have through additional land area, retain the ability to successfully deliver and manage wastewater disposal on site solutions and there is not the same pressure on Council to provide reticulated capacity for residential waste water collection and disposal.

3.3 Options

The Council may choose to retain the status quo i.e. retain the ability to approve only under special circumstances, new service requests. If additional capacity is known to be available this approach may be difficult to defend.

Alternatively the recommendations of this report if adopted provide the Council with some flexibility to meet the needs of its communities without compromising its ability to maintain service levels.

4. Supporting Information

4.1 Consultation

None required as a policy document although it is noted that the previous policies were adopted through a LTP process. It is recommended that the new water supply policy be made publically available.

4.2 Financial Considerations

Change of policy will over time generate additional revenue and in some cases infrastructure contributions, hence increasing the rating base and accruing benefits of scale.

4.3 LTP/Annual Plan

N/A

4.4 Existing Policy

The recommendation if adopted will result in an amended policy where officer will approve new water supply connections based on available residential equivalent for each community

5. Appendices

Appendix 1 – Capacity Assessment Summary

Appendix 2 – Proposed Town Water Supply Policy Document

Contact Officer: W H Sloan, Asset Manager Infrastructure Services

Reviewed By: Mark Allingham, Group Manager Infrastructure and Services

Appendix 1 – Capacity Assessment Summary

WATER SUPPLY CAPACITY ASSESSMENT SUMMARY

Locality	Ex. Connected Property Nos (Rating Database)	Existing Residential Equivalents(RE's)	Assessed Average Daily Demand (m3)	Assessed Maximum Daily Demand (m3)	Actual Average Daily Demand m3(over three years)	Available Storage at max. demand (hrs)	Head works Capacity (Limited by)	Potential Additional RE's	Spare Capacity RE's	Comment
Martinbough	1,239	1,306	1,469	2,204	931	39	Average Daily Consent Limit (ADCL)	222	265	Conservative estimate based on ADCL
Greytown (Bore) Stand Alone	1,312	1,362	1,540	2,310	1678	7		391	818	To become a true emergency alternative
Featherston only(UF Plant)	1,303	1,348	1,580	2,370	1272	12	Plant Daily Production Limit and Treated Water Storage	210	1,852	Currently operating below capacity
Greytown/Featherston Combined UF Plant	2,615	2,710	3,120	4,679	2,950	19 (Combined)	Plant Daily Production Limit	601	490	To become the frontline supply in the future
Totals (All supplies)	3,854	4,016	4,589	6,884	3,881	N/A		823	755	

Assumptions

- Capacity means current Headworks Capacity based on a 15 hr production day or a consent limitation
- Flat line growth (for-seeable future)
- No network restrictions in the reticulation taken account of
- No additional consent limitations or dry weather restrictions factored in
- UF Plant Production Limited to 3750 m3 /day
- Consumption Trending Extrapolation is not considered in this reporting

Appendix 2 – Proposed Town Water Supply Policy Document

Town Water Supply Policy

1.0 RATIONALE:

Water supply to urban areas requires a significant investment by Council to meet ratepayer's expectations. This policy is to protect Council's investment by setting standards for connections to the system and identifying where the costs of connection lie.

2.0 PURPOSE:

To set out the conditions and cost responsibilities relating to Council owned water supply schemes in the District.

3.0 GUIDELINES:

3.1 GENERAL

- 3.1.1 All new connections are charged an administration fee set by the Council each financial year.
- 3.1.2 Work shall not commence until an application and administration fee has been paid by an applicant, and the Group Manager of Infrastructure and Services (or his representative) has approved the specifications for the connection work in writing and a permit to connect issued
- 3.1.3 The cost of connection work from the water mains to the road boundary and any other associated costs are met by the applicant.
- 3.1.4 Connection work referred to above may include (but is not limited to) pipe work, testing and disinfection, manifold (back flow preventer) and service box (toby), water meter (if required), flow control system (if required), attendance by the Council's contractor at the time of connection to the water mains, a New Zealand Transport Agency permit for trenching (if required), reinstatement of the road and other disturbed infrastructure, relocation of any other services, and any other related work.
- 3.1.5 Applicants have a choice of engaging either Council's contractor or other contractors acceptable to the Council to carry out the connection work(s) referred to. Applicants pay the costs to the contractor, direct.
- 3.1.6 If applicants engage a contractor other than Council's contractor, that contractor does the connection to the mains in the presence of Council's contractor. Applicants pay the cost of attendance to Council's contractor, direct.
- 3.1.7 Costs of extending the water mains where required are met by applicants.
- 3.1.8 For connections to new subdivision lots and other properties (where serviceable rates have not been paid), applicants pay capital contributions to join the existing system at a rate set by the Council from time to time.

- 3.1.9 Council owns the asset relating to new connection work up to and including the service box (to be) located near the road boundary including water meter and will be responsible for its future maintenance. To meet maintenance requirements, Council requires applicants to use Accuflow manifolds (backflow preventers) and service boxes (Code SM905 double check valve) or equivalent with prior approval of the Group Manager, Infrastructure and Services.
- 3.1.10 Each property receives only one connection. Additional connections may be available at Council's discretion where the Council permits more than one house, a commercial building or any other building in a section. In such cases, applicants pay the initial contribution referred to above and subsequently water charges for each separate connection.
- 3.1.11 New connections will not be approved for irrigation purposes and Council will review existing irrigation connections from time to time to ensure the efficient use of water resources.
- 3.1.12 All new or existing water supply users are required to comply with Council's other policies such as all year round alternate day water supply conservation measures and any other conservation measures applied from time to time.
- 3.1.13 Non-compliance with Council's policies or non-payment of water charges may result in disconnection or reduced flow and non-pressure water supply. For a reconnection, applicants pay an administration charge and other charges.
- 3.1.14 Council's obligation to provide a town water supply complies with Water Supply Model Bylaw NZS 9201 (Chapter 7:1994). Council's goal, strategies and policies are made public through the Annual Plan process each year.
- 3.1.15 As from 1 July 2009, all properties have been be metered. The first 350 cubic metres of water supply per year will be included in water rates. This annual allocation will be subject to review from time to time. Additional usage over the threshold would be charged based on a per cubic metre rate set by the Council each year.
- 3.1.16 Users requiring higher quality of water as compared to that normally available from council town water supply to suit to their particular needs shall install their own treatment / filtration system at their own cost.
- 3.1.17 It is the responsibility of individual users to regularly clean their appliances (for example: washing machine filters and plumbing fittings) clear of any suspended material within their premises.
- 3.1.18 Connecting booster pumps to Council reticulation system and plumbing fittings within the properties are not allowed. Any existing booster appliances must be disconnected.

- 3.1.19 Applicants are required to provide as-built plans of water connections on completion for Council records.
- 3.1.20 This amended policy will come into force from 01 September 2013. This policy will be reviewed from time to time.

3.2 URBAN AREAS

- 3.2.1 Urban boundaries are those defined in the District Plan Maps.
- 3.2.2 In urban areas, new water supply connections are 20mm nominal diameter (internal). Financial contributions set by the Council year to year referred to in 3.1.8 above are for standard 20mm connections. For bigger diameter connections if and where permitted shall be on pro-rata bases, e.g. for 32mm diameter pipe connection, financial contributions will be 2.56 times that of 20mm diameter connection financial contributions.

3.3 RURAL AREAS

- 3.3.1 Rural areas are those areas outside the urban boundaries defined in item 3.2.1 above.
- 3.3.2 New water supply connections are for domestic use only, and to meet that demand, supply is limited to 1500 litres per twenty-four hours. To supplement town water supply, applicants are encouraged to provide a conventional roof water collection system.
- 3.3.3 The relevant conditions for new connections in the urban zones shall apply equally to new connections in the rural zone.
- 3.3.4 Applicants may use a 20-mm connection pipe from the mains and provide a Council approved restricted flow control system to regulate the flow to the extent mentioned above. Details of town supply flow control and roof water collection is available from the Group Manager Infrastructure and Services and on request.
- 3.3.5 Despite clause 3.3.1 above, Council may provide a new connection of any specification to a rural property provided that the connection is for a Council deemed significant commercial use and it promotes the social, economic, environmental and/or cultural well-being of the community. Any connection provided under this clause will be at Council's absolute discretion. For the avoidance of doubt, no connection will be provided under this clause for any agricultural use, irrigation use or a residential subdivision.