

Water Supply *Manage and Maintain Assets*



At a Glance

Interesting Facts

Our vision is for everybody in the Far North to have access to sufficient, safe and reliable sources of drinking water that is provided in a sustainable manner. Our water treatment plants, pumping stations and reticulation systems contribute to that by providing the treatment and delivery of safe drinking water to communities served by Council owned systems.

Water supply is regarded as one of the core functions of council, as provided by statute. The Local Government Act 2002 generally requires the continued operation of any water system that council operated at the time the act was passed, as well as continuing to operate any new system that the council constructs from that date.

What Has Changed Since The LTCCP

There are no significant changes to the WATER SUPPLY priorities since the publication of the 2009/19 LTCCP.

Highlights of Performance

Number of Performance Measures	10	11	11
	2008/09	2009/10	2010/11
Achieved	70%	82%	64%
Not Achieved	30%	18%	36%

Performance 2009/10 vs. 2010/11 - needs improving ↓

Statement of Service Performance

For WATER SUPPLY the following pages detail:

1. Service performance information provides the actual achievements, issues and challenges going forward for each performance measure against the Annual Plan 2010/11.
2. Financial performance including comparisons against budget 2010/11.

FYI: Key symbols are used to identify each measure contributing to Community Outcomes. For more information on Community Outcomes please refer to page 76.



Symbols used to identify each measure contributing to community outcomes

PH Public Health PS Public Safety EM Environment SC Services that support Communities

Council Initiatives Treatment plant upgrades		Measure Number of failures of Resource Consent determinants		EM
Result 2009/10: 0	Target 2010/11: 0	Result 2010/11: 73	Not Achieved - Comments: This measure is based on daily water take limits from the resource consent which is measured by flow monitors recording directly onto the telemetry system. Breakdowns occurring at one of the Opononi sources affecting capacity at the second source resulting in daily extraction rates being exceeded.	
In 2009/10 Council advised: The LTCCP stated Council would be undertaking a major investment programme for new treatment works. This is now under review as the investment has to be affordable to the communities.			Challenges going forward: New resource consent still under review, possible capital investment required to improve functionality.	
Council Initiatives Treatment plant upgrades		Measure Number of systems achieving grade Bb (8 systems in all)		PH PS
Result 2009/10: 2	Target 2010/11: 1	Result 2010/11: 2	Achieved - Comments: The target has been achieved however it is not expected to implement major capital investment to achieve this grade across all plants as it would impose an unreasonable cost on the community.	
In 2009/10 Council advised: The LTCCP stated Council would be undertaking a major investment programme for new treatment works. This is now under review as the investment has to be affordable to the communities.			Challenges going forward: In light of the financial constraints and providing low cost solutions the measure and target will be reviewed for the LTP 2012/22.	
Council Initiatives Construct additional treated water storage		Measure Interruptions to supply of water into the reticulation system out of the reserves not to exceed 24 hours in any 1 year (this measure is assessing water leaving the reservoir into the reticulation system, and not individual houses)		PH PS
Result 2009/10: 100%	Target 2010/11: 100%	Result 2010/11: 100%	Achieved - Comments: Services have been managed to ensure that services are maintained at all times.	
In 2009/10 Council advised: Future funding has been allocated for treated water storage however this will need to be balanced against the downturn in growth which would justify the investment.			Challenges going forward: Limited growth in the district will probably not warrant any investment in this area.	
Council Initiatives Water conservation		Measure Reduction in per capita water consumption		EM
Result 2009/10: 0%	Target 2010/11: 2%	Result 2010/11: 0%	Not Achieved - Comments: Council has very limited ability to manage the consumption of water by the public.	
In 2009/10 Council advised: To achieve a reduction we will require an education programme to change the way the community manage their water consumption.			Challenges going forward: A programme of conservation was introduced in the drought and this will continue to be rolled out during the summer.	



Symbols used to identify each measure contributing to community outcomes

PH Public Health PS Public Safety EM Environment SC Services that support Communities

Council Initiatives		Measure		PS
Water conservation		Percentage of unaccounted for water (leakage, illegal connections, unauthorised use)		
Result 2009/10: 27%	Target 2010/11: 26%	Result 2010/11: 28%	Not Achieved - Comments: Due to leakage detection investigations at Opononi, Okaihau, Kawakawa plus follow up remedial works and bulk meter recalibrations and domestic water meter renewals.	
In 2009/10 Council advised: There is a need to review how this KPI is measured to ensure we are using the national standards for measurement of water losses and unaccounted for water.			Challenges going forward: Ongoing investigation will continue but with limited funding it is only possible to work on a small number of the communities.	

Council Initiatives		Measure		SC
General improvements in service		Percentage of very satisfied/satisfied respondents (Communitrak Survey)		
Result 2009/10: 81%	Target 2010/11: 82%	Result 2010/11: 82%	Achieved - Comments: Overall 53% of residents are connected to the town water supply and of these residents, 82% are very satisfied/satisfied.	
In 2009/10 Council advised: Need to redefine Communitrak questions for the next survey in 2011 to receive accurate data.			Challenges going forward: Continuing to meet the high standards set for the provision of drinking water remains a challenge within the financial constraints in place at the moment. Continuing our proactive management of the network and treatment plants will enable the high standards to be retained.	

Council Initiatives		Measure		EM
Customer Service		Percentage of service disruptions resolved in less than 4 hours		
Result 2009/10: 98%	Target 2010/11: 91%	Result 2010/11: 96%	Achieved - Comments: Proactive management of the alliance contract and the implementation of routine maintenance programmes has assisted in maintaining the standards.	
In 2009/10 Council advised: Monitored on a regular basis to ensure levels of service is met by the contractor.			Challenges going forward: Dealing with aging assets, particularly the AC pipelines, which may require more extensive repairs which will take more than 4 hours to complete.	

Council Initiatives		Measure		SC
Optimise water flow and pressure		Reduction in number of bursts per km of pipe		
Result 2009/10: 0.04	Target 2010/11: 0.53	Result 2010/11: 0.44	Achieved - Comments: Replacement of ageing assets using risk based renewals program.	
In 2009/10 Council advised: With aging assets and limited funding this KPI will become more of a challenge to meet.			Challenges going forward: Sustaining renewals investment levels.	



Symbols used to identify each measure contributing to community outcomes

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Council Initiatives		Measure		PH
Reduce operational costs per m3 of water		Operational cost (\$ /cubic metres)		
Result 2009/10: 0.80	Target 2010/11: 1.044	Result 2010/11: 0.83	Achieved - Comments: Operational efficiencies resulting in minimal cost increases.	
In 2009/10 Council advised: Managing unaccounted water is key to ensuring the maximum amount of water produced is delivered to the customer and invoiced.			Challenges going forward: Rising power and chemical costs combined with water conservation programs will affect cost ratio.	

Council Initiatives		Measure		PH
Treatment plant upgrades		Percentage compliance with New Zealand drinking water standards (this measure is assessed on compliance with ecoli only)		
Result 2009/10: 100%	Target 2010/11: 98%	Result 2010/11: 100%	Achieved - Comments: Compliance is key to the delivery of potable water.	
In 2009/10 Council advised: Need to review the methodology for measuring this KPI to ensure it is representative of the desired outcome.			Challenges going forward: Ensuring treatment plants are maintained to the highest standards and that the appropriate monitoring is in place to meet the regulators standards.	

Council Initiatives		Measure		PH
Extend coverage of public water systems		Number of connections		
Result 2009/10: 9,721	Target 2010/11: 9,545	Result 2010/11: 9,533	Not Achieved - Comments: Council has limited control in this area due to market developments.	
In 2009/10 Council advised: Limited funding has restricted Councils investment to extending the rateable area.			Challenges going forward: Number of connections is driven by development. As the market is currently very quiet, the expected number of connection will be correspondingly low.	



Wastewater Manage and Maintain Assets



At a Glance

Interesting Facts

Our vision is that the Far North's coastal marine, river waters and lakes are healthy at all times, so that they support healthy marine and freshwater ecosystems, recreational use, fishing and shellfisheries.

Our sewage treatment plants, pumping stations and reticulation systems contribute to that by controlling the quality of effluent and minimising the risk of sewage overflows and spills.

Our work programme is driven by community expectations about the quality of our environment and the need for sustainability - reducing our overall impact on the environment both now and in the future.

The sewerage function is regarded as one of the core functions of Council. This is confirmed by statute - the Local Government Act 2002 generally requires the continued operation of any sewerage system that Council operated at the time the Act was passed, and continued operation of any new system that the Council constructs from that date.

What Has Changed Since The LTCCP

The following projects have been deferred to allow for Resource Consent amendments:

- Paihia Wastewater Treatment Plant (deferred to 2013/14)
- Hihi Wastewater Treatment Plant (deferred to 2011/12).

Highlights of Performance

Number of Performance Measures	8 2008/09	5 2009/10	5 2010/11
Achieved	70%	100%	40%
Not Achieved	30%	0%	60%

Performance 2009/10 vs. 2010/11 - needs improving ↓

Statement of Service Performance

For WASTEWATER the following pages detail:

1. Service performance information provides the actual achievements, issues and challenges going forward for each performance measure against the Annual Plan 2010/11.
2. Financial performance including comparisons against budget 2010/11.

FYI: Key symbols are used to identify each measure contributing to Community Outcomes. For more information on Community Outcomes please refer to page 76.



Symbols used to identify each measure contributing to community outcomes

PH Public Health PS Public Safety EM Environment

Council Initiatives Treatment plant upgrades		Measure Number of failures of Resource Consent determinants		EM PH
Result 2009/10: 31	Target 2010/11: 20	Result 2010/11: 38	Not Achieved - Comments: Resource consent failures may occur for a number of reasons, e.g. plant failure, climate conditions, operator error; sampling error etc; However it is believed the prime reasons for an increase in failures from last year are due to: - Resource consent renewals requiring tougher limits for effluent discharge quality, requiring upgrade works to treatment plants. Timing of upgrade works has been hampered by capital funding availability and the desire to ensure sustainable cost efficient solutions are implemented. - Continuous improvements in sample monitoring procedures, recording and analysis has resulted in a more critical review of results achieved, likely to have led to an increase in the number of reported failed results.	
In 2009/10 Council advised: A number of treatment plants (Hihi, Kaeo, Kaikohe, Whatuwhiwhi, Paihia) have consent conditions that require plant upgrades. These have not yet been carried out due to budget constraints and appeals to the consent standards.			Challenges going forward: Maintaining compliance for new resource consents is becoming more difficult as the standards being sought by the various stakeholders is rising all the time.	
Council Initiatives Implementation of spill management programme		Measure Number of spills of sewage to water		PH PS EM
Result 2009/10: 4	Target 2010/11: 10	Result 2010/11: 11	Not Achieved - Comments: This measure is based on number of sewage spills to water. The primary causes are pipe blockages or asset failures which are unpredictable and difficult to control. Frequency of occurrence is variable. Increased sewer jetting programs can help to minimise frequency but is subject to funding availability.	
In 2009/10 Council advised: Ensuring that Council meets national standards.			Challenges going forward: Increased operational funding requirements in order to enhance sewer maintenance programs.	
Council Initiatives General service improvements		Measure Percentage very satisfied/satisfied respondents (Communitrak Survey)		PH EM
Result 2009/10: 93%	Target 2010/11: 84%	Result 2010/11: 87%	Achieved - Comments: Overall 39% of residents mentioned that Council provides a sewerage system where they live. Of these residents, 87% are very satisfied/satisfied.	
In 2009/10 Council advised: Monitored on a regular basis to ensure levels of service is met by the contractor.			Challenges going forward: Maintaining high levels of performance whilst targeting improved financial efficiency.	
Council Initiatives Improvements in infrastructure and equipment		Measure Percentage of service disruptions resolved in less than 4 hours		PH
Result 2009/10: 99%	Target 2010/11: 95%	Result 2010/11: 99%	Achieved - Comments: Improved response and monitoring procedures resulting from contract management.	
In 2009/10 Council advised: Monitored on a regular basis to ensure levels of service is met by the contractor.			Challenges going forward: Maintaining high levels of performance whilst targeting improved financial efficiency.	
Council Initiatives Extend coverage of public wastewater systems		Measure Number of connections		PH EM
Result 2009/10: 10,673	Target 2010/11: 10,700	Result 2010/11: 10,648	Not Achieved - Comments: This result is due to the economic environment. The measure and target will be reviewed for the LTP 2012/22.	
In 2009/10 Council advised: Limited funding has restricted Councils investment in to extending the rateable area.			Challenges going forward: Growth is expected to be slow so the demand for new connections will be correspondingly low.	



Refuse and Recycling *Sustaining our Environment*



At a Glance

Interesting Facts

Our vision for the Far North is to waste nothing of value or use. The amount of waste generated in the Far North is kept to a minimum, and maximum value is realised from our renewable resources.

Our refuse and recycling services contribute, by providing the facilities and opportunities to enable communities in the district to dispose of their waste so as to minimise the harmful environmental effects and maximise recycling.

Council is involved in refuse and recycling because the effective management of refuse and recycling is necessary to protect public health and the environment.

What Has Changed Since The LTCCP

There are no significant changes to the REFUSE and RECYCLING priorities since the publication of the 2009/19 LTCCP.

Highlights of Performance

Number of Performance Measures	5 2008/09	4 2009/10	4 2010/11
Achieved	100%	50%	50%
Not Achieved	0%	50%	50%

Performance 2009/10 vs. 2010/11 - is neutral ↔

Statement of Service Performance

For REFUSE and RECYCLING the following pages detail:

1. Service performance information provides the actual achievements, issues and challenges going forward for each performance measure against the Annual Plan 2010/11.
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FYI: Key symbols are used to identify each measure contributing to Community Outcomes. For more information on Community Outcomes please refer to page 76.



Symbols used to identify each measure contributing to community outcomes

PH Public Health EM Environment

Council Initiatives Improvements in recycling facilities		Measure Percentage by tonnage of waste that is recycled/reused		EM PH
Result 2009/10: 49%	Target 2010/11: 52%	Result 2010/11: 54.78%	Achieved - Comments: The public have taken up the challenge to recycle as further community recycling stations have been provided.	
In 2009/10 Council advised: Public education to encourage better use of facilities and waste reduction.			Challenges going forward: Continue with public education on recycling and waste reduction while adding further recycling facilities throughout the district	

Council Initiatives Introduction of greenwaste processing Implementation of environmental awareness programme		Measure Per capita volume of refuse from District disposed of at landfills		EM
Result 2009/10: 1.70	Target 2010/11: 1.58	Result 2010/11: 1.51	Achieved - Comments: Economic climate has incentivised people to waste less and focus more on recycling.	
In 2009/10 Council advised: Provide incentives for recovery of waste and work with waste contractors to reduce waste to landfill.			Challenges going forward: Build on achievement in waste reduction and continue to work with contractors to recover material from the waste stream.	

Council Initiatives General service improvements		Measure Percentage of respondents very satisfied /satisfied with refuse service in Communitrak survey		PH EM
Result 2009/10: 66%	Target 2010/11: 71%	Result 2010/11: 68%	Not Achieved - Comments: Main concern is cost and ease of access to transfer stations. Council operates a user pays policy and does not cover refuse collection or disposal within the rates. However, user level was 83% satisfied.	
In 2009/10 Council advised: The challenge will be to educate the community about waste reduction strategies and increase understanding that currently rates are not subsidising kerbside collections.			Challenges going forward: Council's policy is to have Refuse services within 30min drive for 90% of people. The challenge will be to educate the community about waste reduction and resource recovery.	

Council Initiatives Improvements in infrastructure and equipment		Measure Percentage of respondents very satisfied /satisfied with recycling services in Communitrak Survey		EM
Result 2009/10: 65%	Target 2010/11: 75%	Result 2010/11: 72%	Not Achieved - Comments: Recycling Stations have been expanded into outlying communities. There is a perception that kerbside collection should be free. However, user level result was 85% satisfied.	
In 2009/10 Council advised: Our challenge will be to provide more community recycling facilities and improve the education of the customer about the true costs of recycling.			Challenges going forward: Our challenge will be to continue with more community recycling facilities and improve the education of the customer about the savings that can be made from recycling.	



Financial Information Water and Waste Management



FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	ACTUAL 2011 \$000s	COUNCIL BUDGET 2011 \$000s	VARIANCE \$000s
Income				
Rates Income	1	22,541	20,332	2,209
Other Income	2	3,006	5,318	(2,312)
Total Operating Income		25,547	25,650	(103)
Expenditure				
Direct Costs	3	11,986	11,532	(454)
Indirect Costs	4	2,163	523	(1,640)
Activity Expenditure		14,149	12,055	(2,094)
Depreciation	5	5,623	5,214	(409)
Interest Payable		3,896	5,041	1,145
Total Operating Expenditure		23,668	22,310	(1,358)
Net Operating Surplus/(Deficit)		1,879	3,340	(1,461)
Capital Statement				
Net Operating Surplus		1,879	3,340	(1,461)
Loans		1,868	6,418	(4,550)
Other Funding		1,130	2,741	(1,611)
Total Funding		4,877	12,499	(7,622)
New Work	6	3,032	8,190	5,158
Renewal Works	6	1,290	1,726	436
Loan Repayments		487	2,583	2,096
Total Capital Expenditure		4,809	12,499	7,690
NET SURPLUS/(DEFICIT)		68	0	68



VARIANCE TO THE ANNUAL PLAN 2010/11

1. Rates Income is showing a favourable variance of \$2,209k predominantly due to:
 - a. An increase in penalty rate income of \$2,285k
 - b. Water and Wastewater service fees are showing an unfavourable variance of \$691k which is offset by a favourable variance in Water by Meter charges of \$574k
2. Other income is showing an unfavourable variance of \$2,312k predominantly due to:
 - a. Service fees & charges showing an unfavourable variance of \$114k as a result of reduced refuse tonnage.
 - b. New work subsidies are showing an unfavourable variance of \$227k due to timing delays.
 - c. Development contributions income is below budget by \$2,247k due to a reduction in applications during the year.
3. Direct Costs are showing an unfavourable variance of \$455k predominantly due to:
 - a. Loss on valuation of assets of \$652k
 - b. Direct allocations are showing a favourable variance of \$163k to budget.
4. Indirect costs are above budget \$1,640k due predominantly to a change in presentation for the provision of bad debts on rates penalty income. In previous years this has been netted off against income.
 - a. Increased provision for doubtful debts to offset additional income \$1,707k
 - b. Decrease in corporate allocations \$73k
5. Depreciation is showing an unfavourable variance of \$409k.
6. Capital Expenditure is showing a favourable variance of \$7,690k predominantly due to delays in the commencement of projects

KEY CAPITAL PROJECTS

FOR THE YEAR ENDED 30 JUNE 2011

	ACTUAL 2011 \$000s	COUNCIL BUDGET 2011 \$000s	VARIANCE \$000s
New Works			
Transfer Stations	40	141	101
Landfills	0	0	0
Recycling	12	7	(5)
Wastewater operations	277	0	(277)
Wastewater Schemes	1,630	4,849	3,219
Water Operations	79	0	(79)
Water Schemes	995	3,193	2,198
Total New Works	3,032	8,190	5,158
Renewals			
Landfills	0	5	5
Recycling	0	3	3
Transfer Stations	28	45	17
Wastewater schemes	634	641	7
Water Operations	8	0	(8)
Water Schemes	619	1,032	413
Total Renewals	1,290	1,726	436



SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2010/11

The Local Government Act 2002 requires Councils to provide information regarding any significant assets acquired or replaced during the year. Council's significance Policy does not specify a value but does identify the following assets as significant:

WASTEWATER NETWORKS AND TREATMENT WATER TREATMENT, STORAGE AND SUPPLY NETWORK	BUDGET 2011 \$000s	ACTUAL 2011 \$000s
Wastewater Schemes		
New Scheme – Ngawha Work to develop a new wastewater scheme for the Ngawha area	1,300	743
Kaeo Treatment Plant Upgrade Proposed upgrade of the treatment plant for Kaeo	890	39
Treatment Plant Upgrade Kaikohe Proposed upgrade of the treatment plant for Kaikohe	1,100	5
Renewals Programme – Wastewater Ongoing minor renewals across the district	525	441
Water Schemes		
Renewals Programme – Water Ongoing minor renewals across the district	350	532
Kerikeri Treatment Plant Upgrade Proposed upgrade of the treatment plant for Kerikeri	1,800	153
Rawene Reservoir Major project for the Rawene/Omania area	600	100

VARIANCE TO THE ANNUAL PLAN 2010/11

- New Scheme Ngawha
This project is currently on site and is expected to outturn in line with project forecasts.
- Kaeo Treatment Plant Upgrade
The tender process has delayed the scheme with actual works planned to commence October 2011
- Upgrade Treatment Plant Kaikohe
Delays in gaining Resource Consent changes to allow a better value solution to proceed.
- Treatment Plant Upgrade Kerikeri
Low cost solution identified and implemented. Budget has been reduced.
- Rawene Reservoir
Part of a major project for the Omania/Rawene area.
Delayed due to extensive consultation with the community.

