



Water Supply Group



Community Outcome
A Safe and Healthy District and
A Sustainable and Livable
Environment

Water Supply

Council meets the need for high quality drinking water and ensures fire-fighting requirements are met within the defined water supply areas.

WATER SUPPLY CONTRIBUTES BY ENSURING

- Treated drinking water supplies conform to established public health standards and
- Water treatment does not adversely effect the environment

COUNCIL'S STRATEGIC PRIORITIES

– in action –

District wide asbestos cement water pipe replacement

What we said we would do in 2013/14

Complete an investigation and condition assessment of asbestos cement water pipe network, and then implement a programme of works to target critical areas over succeeding years.

What we did in 2013/14

Kaitaia area scoped and prioritised. Replacement piping completed as planned.

What we plan to do in 2014/15

Investigation and condition assessment continues across the Kaikohe water supply scheme.



Kaitaia new Sweetwater source

What we said we would do in 2013/14

Commissioning of a new water source for Kaitaia.

What we did in 2013/14

Work on the Sweetwater project was limited to further testing of the effect of pumping the bore on other bores in the area. As of the end of June 2014 progress on the original project concept has been deferred pending an independent engineering review of alternative water supply options.

What we plan to do in 2014/15

Work to identify a new water source for Kaitaia will continue and will be dependent upon on outcomes from the current engineering review.

KEY PROJECTS

– *development so far* –

Omanaia Water Supply

What we said we would do in 2013/14

Progress water supply issues in Omanaia.

What we did in 2013/14

A capital subsidy application to the Ministry of Health was submitted but was viewed as uneconomic and rejected. Work to investigate and develop an area wide solution has commenced and will include the Omanaia water supply issues.

What we plan to do in 2014/15

Progress resolution of water supply issues for Omanaia.

Management Planning

What we said we would do in 2013/14

Gain approval for Water Safety Plans (WSP's were formerly called PHRMP's Public Health Risk Management Plans).

What we did in 2013/14

Approval for 7 of 8 water supplies granted.

What we plan to do in 2014/15

Kerikeri scheme approval in progress.

Fire Fighting Capacity Study & Remedials

What we said we would do in 2013/14

Assessment of fire-fighting performance, i.e. Identifying improvements that compliment local fire-fighting operational strategies.

What we did in 2013/14

Improvements to Russell infrastructure completed. Further physical works will depend on outcomes from modelling exercise studies.

What we plan to do in 2014/15

Implement identified improvements following assessment of fire-fighting performance, within the capacity of the supply.

COMPLETED

– *what we have achieved in 2013/14* –

- Water reticulation extended to provide drinking water supply to Waitangi Trust and Copthorne Hotel.
- Re-roofing of timber tank reservoir at Te Houmi.
- Upgrade works at Paihia water treatment plant has increased capacity of supplies.

CHALLENGES AND DISAPPOINTMENTS

– *where are we now?* –

- Water supply from the Petaka Stream that feeds Rawene experienced a significant slip early June 2014 that affected the quality of raw water available for treatment. A remedial works plan will be proposed to Northland Regional Council and Department of Conservation for approval.
- Summer drought affecting Opononi, Rawene and Kaikohe water supplies led to water restrictions and conservation measures.

THINKING AHEAD¹

– *key priorities planned for 2014/15* –

- Progress investigations into supplementary water sources for Opononi, Rawene and Te Kao.
- Increased engagement and consultation with Iwi and the wider community in order to achieve mutually acceptable solutions that benefit the district.

¹ Please refer to the Water Supply section of the Long-Term Plan (LTP) 2012/13 and the Annual Plans 2013/14 and 2014/15 for further information on priorities

² For more information on Public Health Grading of Water Supplies please refer to the Ministry of Health website: <http://www.drinkingwater.esr.cri.nz/general/grading.asp>

³ Compliance with the Drinking Water Standards for New Zealand has changed. Significant funds will now be required to meet the revised (2008) standard (not budgeted for in 2013-14).

Activity Performance Indicators

The activity service and performance results in 2013/14 is detailed below:

2013/14 results

Result Target

<p>1: Not Achieved The programme for checking / calibrating flowmeters has been extended to include all essential flowmeters. Program in place district wide to replace old imperial water meters.</p> <p>2: Achieved Water takes all within consent limits. Only one recorded in October 2013 at Opononi WTP which breached compliance due to low chlorine levels in reservoir.</p>	<p>1: Percentage of non revenue water measured (losses) 29%</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Result (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>27</td> <td>29</td> </tr> <tr> <td>2010/11</td> <td>26</td> <td>29</td> </tr> <tr> <td>2011/12</td> <td>25</td> <td>29</td> </tr> <tr> <td>2012/13</td> <td>27</td> <td>29</td> </tr> <tr> <td>2013/14</td> <td>25</td> <td>29</td> </tr> </tbody> </table>	Year	Result (%)	Target (%)	2009/10	27	29	2010/11	26	29	2011/12	25	29	2012/13	27	29	2013/14	25	29	<p>2: Compliance with consented water take limits, maximum number of fails per month 1</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Result</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>0</td> <td>1</td> </tr> <tr> <td>2010/11</td> <td>0</td> <td>1</td> </tr> <tr> <td>2011/12</td> <td>0</td> <td>1</td> </tr> <tr> <td>2012/13</td> <td>1</td> <td>1</td> </tr> <tr> <td>2013/14</td> <td>1</td> <td>1</td> </tr> </tbody> </table>	Year	Result	Target	2009/10	0	1	2010/11	0	1	2011/12	0	1	2012/13	1	1	2013/14	1	1
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<p>3: Not Achieved The following systems are currently compliant and exceeding the KPI grade of Bb: Kaitaia - Ab, Kawakawa - Ab, Kerikeri - Ab, Paihia - Ae. Equipment upgrades are required to achieve compliance with remaining schemes.</p> <p>4: Achieved All 7 schemes currently compliant with DWSNZ 2008.</p>	<p>3: Number of systems achieving grade Bb² 4</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Result</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>2</td> <td>6</td> </tr> <tr> <td>2010/11</td> <td>2</td> <td>6</td> </tr> <tr> <td>2011/12</td> <td>2</td> <td>6</td> </tr> <tr> <td>2012/13</td> <td>4</td> <td>6</td> </tr> <tr> <td>2013/14</td> <td>4</td> <td>6</td> </tr> </tbody> </table>	Year	Result	Target	2009/10	2	6	2010/11	2	6	2011/12	2	6	2012/13	4	6	2013/14	4	6	<p>2: All systems fully compliant with the DSWNZ standards³ 7</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Result</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>6</td> <td>7</td> </tr> <tr> <td>2013/14</td> <td>7</td> <td>7</td> </tr> </tbody> </table>	Year	Result	Target	2012/13	6	7	2013/14	7	7									
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<p>5: Achieved This has been achieved by the replacement of ageing assets using a risk based renewal programme.</p> <p>6: Achieved Proactive management of the alliance contract and the implementation of routine maintenance programs assisted in maintaining the standards.</p>	<p>3: 5: Maintain number of mains breaks per km of pipe 11</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Result</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>1</td> <td>11</td> </tr> <tr> <td>2010/11</td> <td>1</td> <td>11</td> </tr> <tr> <td>2011/12</td> <td>1</td> <td>11</td> </tr> <tr> <td>2012/13</td> <td>16</td> <td>11</td> </tr> <tr> <td>2013/14</td> <td>16</td> <td>11</td> </tr> </tbody> </table>	Year	Result	Target	2009/10	1	11	2010/11	1	11	2011/12	1	11	2012/13	16	11	2013/14	16	11	<p>6: Percentage of urgent RFS (4 hours) responded within timeframe 96%</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Result (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>98</td> <td>96</td> </tr> <tr> <td>2010/11</td> <td>96</td> <td>96</td> </tr> <tr> <td>2011/12</td> <td>97</td> <td>96</td> </tr> <tr> <td>2012/13</td> <td>95</td> <td>96</td> </tr> <tr> <td>2013/14</td> <td>93</td> <td>96</td> </tr> </tbody> </table>	Year	Result (%)	Target (%)	2009/10	98	96	2010/11	96	96	2011/12	97	96	2012/13	95	96	2013/14	93	96
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Water Supply Group Financial Information

Financial Summary

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	ACTUAL 2014 \$000s	COUNCIL BUDGET 2014 \$000s	VARIANCE \$000s
INCOME				
Rates income (excluding targeted water supply rates)	1	2,764	2,099	665
Fees, charges & targeted water supply rates	2	6,142	6,326	(184)
Development & financial contributions	3	30	0	30
Subsidies & grants	4	90	184	(94)
Other income		20	0	20
Total operating income		9,046	8,609	437
EXPENDITURE				
Direct costs	5	5,158	4,122	(1,035)
Indirect costs		311	353	42
Activity expenditure		5,469	4,475	(994)
Depreciation		2,401	2,450	49
Interest expense		626	910	284
Total operating expenditure		8,496	7,835	(660)
Net operating surplus/(deficit)		550	774	(224)
CAPITAL STATEMENT				
Net operating surplus		550	774	(224)
Loans		651	3,685	(3,034)
Other funding		1,324	1,560	(236)
Total funding		2,525	6,018	3,493
New work	6	499	4,190	3,692
Renewal works	6	1,051	975	(75)
Loan repayments		776	853	77
Total capital expenditure		2,325	6,018	3,694
NET SURPLUS/(DEFICIT)		200	0	200

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number. The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

Variance To The Annual Plan 2013/14

1. Rates income is showing a favourable variance of \$665k predominantly due to:
 - a. An increase in penalty rate income of \$597k; and
 - b. Water service fees are showing a favourable variance of \$68k.
2. Fees, charges and targeted supply rates are showing an unfavourable variance of \$184k predominantly due to:
 - a. A decrease in water by meter charges of \$314k;
 - b. An increase in water by meter penalty income of \$115k.
3. Development and financial contributions are showing a favourable variance of \$30k predominantly due to a receipt of development contributions that were unbudgeted.
4. Subsidies and grants are showing an unfavourable variance of \$94k predominantly due to:
 - a. Changes in the proposed scheme for Rawene/Omania.
 - b. Repayment of subsidy of \$116k to the Ministry of Health in relation to fluoridation. \$232k had been previously accrued for this subsidy.
5. Direct costs are showing an unfavourable variance of \$1,035k predominantly due to:
 - a. Salary savings of \$114k due to vacancies during the year.
 - b. External services and contract work annual are showing a combined unfavourable variance of \$550k,
 - c. Bad debt provisions exceeded budget by \$617k due to increased penalty charges.
6. Capital expenditure is showing a favourable variance of \$3,617k predominantly due to delays in the commencement of projects.

Key Capital Projects

FOR THE YEAR ENDED 30 JUNE 2014

	ACTUAL 2014 \$000s	COUNCIL BUDGET 2014 \$000s	VARIANCE \$000s
NEW WORKS			
Water schemes	499	4,190	3,692
Total new works	499	4,190	3,692
RENEWALS			
Water schemes	1,051	975	(75)
Total renewals	1,051	975	(75)

Significant Acquisitions or Replacements of Assets for 2013/14

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:

WATER TREATMENT, STORAGE AND SUPPLY NETWORK	BUDGET 2014 \$000s	ACTUAL 2014 \$000s
WATER SCHEMES		
Kaitaia new source		
Proposed new water source for Kaitaia – Sweetwater project	3,000	2
Kaitaia AC pipe replacement	300	325
Opononi Raw Water Main Replacement	208	0
Kaikohe Taraire Dam	208	0

Variance To The Annual Plan 2013/14

- Kaitaia new source.
Progressing significant work on the Sweetwater project was deferred pending the outcome of an investigation into contractual arrangements. Subsequently, certain matters were referred by Council to the Serious Fraud Office and the outcome of that investigation is not yet known.