



Otorohanga District Council

AGENDA

10 May 2011

Members of the Otorohanga District Council

Mr DF Williams (Mayor)
Mr MM Baxter
Mrs S Blackler (Deputy Mayor)
Mr RM Johnson
Mr A Ormsby
Mr KC Phillips
Mrs DM Pilkington
Mr R Prescott

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

OTOROHANGA DISTRICT COUNCIL

10 May 2011

Notice is hereby given that an ordinary meeting of the Otorohanga District Council will be held in the Council Chambers, Maniapoto St, Otorohanga on Tuesday 10 May 2011 commencing at 10.00am.

2 May 2011

DC Clibbery
CHIEF EXECUTIVE

AGENDA

VISITORS ATTENDING THE MEETING:

11.00am Civil Defence Representatives

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PRESENT

OPENING PRAYER

IN ATTENDANCE

APOLOGIES

ITEMS TO BE CONSIDERED IN GENERAL BUSINESS

CONFIRMATION OF MINUTES - 19 APRIL 2011

REPORTS

Item-100 OTOROHANGA COMMUNITY BOARD MINUTES 14 APRIL 2011

**To: His Worship the Mayor and Councillors
 Otorohanga District Council**

From: Governance Supervisor

Date: 10 May 2011

Executive Summary

Minutes of the meeting of the Otorohanga Community Board held on 14 April 2011 as circulated.

Staff Recommendation

It is recommended that:

The minutes of the meeting of the Otorohanga Community Board held on 14 April 2011 be received.

CA Tutty
GOVERNANCE SUPERVISOR

Item-101 ROUTINE ENGINEERING REPORT

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Engineering Manager**

Date: **10 May 2011**

Executive Summary

This is a report on general Engineering matters for February to April 2011

Staff Recommendation

It is recommended that:

The Routine Engineering Report for February to April 2011 be received.

Report Discussion

ITEM 1: ROADS MAINTENANCE ACTIVITIES

Contract 863 – General Maintenance - (Downer - McFall)

The road maintenance contract has continued to run smoothly over the last three months with no significant problems. Both sealed and unsealed roads are generally in good condition district wide.

The stabilising repairs of failures on sealed roads have now finished until next spring / summer with approximately 500 m² completed during March.

Some of the unsealed roads have suffered worse than expected due to heavy traffic for stock movement. Two in particular have been worn down to the base metal and will require metal patching before they are graded. In general though, the unsealed roads have held up better this summer than last partly due to the contractor being able to undertake two rounds of grading following two spells of wet weather over the summer.

The contractor has now completed the 3rd round of roadside mowing. It is intended to carry out a further partial round covering the major sealed through roads during late April to tidy up ahead of winter.

The slumps on Honikiwi, Bush, Barber and Te Raumauku roads caused by the storm over the weekend of 22/23 January have now been repaired however at the time of writing Honikiwi Road has still to be sealed. Honikiwi Road was closed for two months and as part of the repairs two significant sight benches were constructed on corners below Mangamahoe Road to obtain fill material. A number of large poplar trees along the edge of the road in the same area were also removed while the road was closed.

The wind storm on 26 April resulted in a number of trees being damaged or blown over mainly in the north east of the District with Ngahape and Happy Valley Roads being the worst affected. The roads were made safe, in some cases with the help of the property owners and these are now being cleaned up

Over the last two months there has been a blitz on signs with approximately 30-35 signs renewed or upgraded.

One major problem which has risen over the last couple of months is cast iron stormwater sump grates in Otorohanga urban area being stolen. Many of the older style grates are no longer being made and replacements are difficult to find. Therefore the only other option is to replace the whole catch pit grate and frame. To date we have replaced 11 lids. The removal of the lids creates a significant danger to cyclists, pedestrians and motorists, particularly at night.

Contract 873 Roadmarking - (Road Runner Markers)

Following the reseal program the road marking contractor has been through the district twice to tidy up the marking, he still has some work to complete, but overall road marking is fairly well up to date.

Due to a spate of incidents in Te Kawa Street, both intersections have been repainted.

Contract 920 – Street Lighting Maintenance - (The Lines Co)

This Contract has continued to run smoothly with no problems.

Contract 937 – Maintenance Metalling 2009/2012 - (Inframax)

With the arrival of the damper weather the contractor is preparing to commence this years metalling programme with the work to be completed by 30 June.

Contract 938 – Otorohanga Footpath Maintenance & Construction – (Downer – McFall)

The footpaths and kerb & channel maintenance works as scheduled for 2010/11 have been completed. The raising of the existing footpath at the Beattie Home crossing is still to be undertaken and also some access work on the footpath on Otewa Road with a pram crossing being installed near Fare Vue Lane and the ramps at each end of Mangawhero Bridge to be upgraded with concrete. . The two pram crossings at the start of Old Te Kuiti Road are also to be improved.

The new footpath work is due to commence on the new Main North Road footpath between McKenzie Avenue and Bluck Road. The contractor will then construct the new footpath in McKenzie Avenue.

Contract 954 – Pre-reseal Repairs, Second Coat Sealing and Resealing 2010/2012 (Higgins)

The contractor completed all of the pre-reseal repairs and carried out the resealing works during the later part of January, through February and the early part of March. The reseals rates are adjusted to the NZTA sealing index for the month in which the work is undertaken with the base index being that at the time of tender (October 2010). The index rose significantly over those three months being 3.5%, 4.5% and 9.7% respectively above the base index. Most of the sealing was undertaken during February giving an increase of approximately \$45,000 over the tender price. As the tender prices were below estimate, the work was completed within the resealing budget.

Bridges General

No significant bridge maintenance works have been carried out over the past three months. A contractor, JL Connolly, has been engaged to line two large Armco culverts in Kiokio Station and Ranginui Roads with an epoxy coating to reduce rusting and extend their lives. It is proposed that this work will be undertaken the last week of April depending on weather.

Hydroseeding

A contract has been prepared for hydroseeding the batters on this years improvement works, MSP and some minor slip sites. This contract will be let shortly with the work being undertaken in May / June.

ITEM 2: ROAD IMPROVEMENT WORKS

Contract 939 – Area Wide Pavement Treatment 2009/2012 - (Downer - McFall)

The contractor has continued with the works on this contract though it is disappointing that two of the roads were still to be completed near the end of the season. The full programme of works had been provided to the contractor in November 2010. Bayley Road works were undertaken and the road was finally sealed 2 days before the Easter weekend. Kio Kio Station Road drainage works have been completed and at the time of writing the pavement work is in progress. The sealing of this section will depend on the weather but it is proposed this will be completed and sealed by the first week of May.

C957 Rakanui Road USWP – (Emmett Contractors)

The contractor completed all the work on this contract by 10 March and it is now on 3 months maintenance. There will be some minor grading and rolling required before the end of the maintenance period to correct any shape and compact any loose metal when the road has settled down.

With some additional pavement strengthening required where weak subgrade was found during construction the works were completed \$2,000 over the tender price.

C958 Huirimu Road USWP – (Holden Earthmoving)

All the work on this contract was completed at the end of March and it is now on 3 months maintenance. There were no requirements for any contingencies and some quantities were less than estimated resulting in the contract being completed \$30,000 below the tender price.

C959 Te Raumauku Road USWP – (Holden Earthmoving)

Work on this contract has progressed well with earthworks and drainage works generally completed.

The metalling of the pavement is in progress and it is expected that the contract will be completed during May.

ITEM 3: GENERAL ROADING

The roads maintenance contract 863 is due to expire on 30 June 2012. Work has commenced on the updating of schedules and information for preparing a new contract. This contract will need to be advertised by late January to allow for pricing, assessing tenders and a possible new contractor getting established.

An application was received from T & Y Ralph to install a new stock underpass at 1358 Honikiwi Road and this was constructed on 20 April.

In terms with Council's Stock Movement Bylaw there are 3 crossings which are required to convert to an underpass by later this year, two in Rangiatea Road and one in Awatane Road.

ITEM 4: SERVICES

Stormwater

During the past 3 months both the Otorohanga and Kawhia stormwater systems worked well with no significant concerns or complaints being received.

Wastewater (Sewage) Otorohanga

Work is progressing steadily on the new resource consent application. MWH have completed the project scoping report and are working through the Assessment of environmental effects and improvement options. As part of this work, Council staff have carried out a full topographical survey of the pond bed, stopbanks, wetlands and service fittings etc.

The rock discharge bed at the Mangaorongo Stream has been unsatisfactory and the inlet has been excavated to determine its conditions. This appears to be totally clogged and options for an upgrade or replacement are being investigated.

The report of the smoke testing undertaken in the area between Te Kanawa St, Turongo St, Kakamutu Rd and the college has shown a large number of properties where stormwater is being discharged into the sewer system. These properties are being followed up to remedy the problem as excess stormwater in the sewer system reduces the treatment plant effectiveness and adds to pumping costs. This has previously been identified by WRC as a problem we need to address and our progress will no doubt be assessed as part of the consideration of our resource consent renewal. Other areas of the town will also be investigated.

Water

Advice has been received from the Ministry of Health that the application for subsidy for the upgrade of the Otorohanga Water treatment plant has been received and will shortly be assessed. Final approvals on funding will be made by the Minister of Health. We will be informed as soon as possible after a decision has been made but no date has been given.

Documents for an application to upgrade the Kawhia water treatment plant were prepared and submitted prior to 31 March 2011 however we were unable to get the Public Health Risk Management Plan (PHRMP) approved in time for the closing date. Therefore a new application will have to be submitted at the next round of funding.

Enquiries were made with the Waikato DHB on the status of Kawhia water supply and there response was as follows.

"The Health Act 1956 Part 2 sets out the requirements for the Kawhia supply.

The Kawhia supply has a registered population in the Drinking Water Register as 390. This means that is a small drinking-water supply under the Health Act Part 2 "Interpretation" section.

In terms of compliance with the Health Act, under section 69 C (Order 2009 (SR2009/176)); a small drinking-water supply must comply with the relevant sections of the Act on and after 1 July 2015."

This interpretation gives some leeway for the time for completing the treatment plant upgrade.

Rural Water Schemes

The annual meetings of the committees of the four schemes were held during March to discuss the operations of the schemes and approve the budgets for the next financial year.

Work has been carried out on assessing the dosage of the raw water under various conditions at the Tihiroa plant and this has greatly improved the operation of the clarifier. Work is also being undertaken to determine the water usage and quantities through the various meters on the Tihiroa scheme.

Resulting from the Waipa meeting a review of the operation of the pump on the Otewa Road line is being undertaken to see if the flow can be improved to the property at the end of the line.

ITEM 5: SOLID WASTE

The various issues with the change of collection day at Kawhia / Aotea are being worked through with EnviroWaste and the interested parties. Apart from these, the collection and recycle centres have continued to operate well and the recycling appears to be increasing. The dumping of unofficial bags at various locations in the Kawhia area has continued to be a problem.

Work has now commenced on the updating of the refuse collection contracts to incorporate the three existing contracts into one and allow for the various changes that have been made since the contracts began. This document will be used for the approved extended period of the contract and will allow for scope to increase / improve services and recycling from time to time.

ITEM 6: PARKS, RESERVES AND PROPERTIES.

Most of the work in the parks and reserves over the past 3 months has general been routine maintenance and tidying up ahead of winter.

Dianne Tautari has fitted well into her new role and as part of getting to know the position has been reviewing how some of the works are being undertaken. In some areas the responsibilities of the various contractors has over time become blurred. At the present time a 3 year contract is being prepared for Anne Manning for the Kawhia gardens to give her some certainty and to set out clearly what the job covers. Also the weed spraying schedule for work in Kawhia and Otorohanga by Kerry Murphy has been updated.

The paint at each end of the Otorohanga indoor pool had started flaking and it was proposed to repairs these and then for a full repaint be undertaken in 2012/13. When the pool was emptied in January it was found that the side walls were also bubbling and therefore the total pool was repainted which has caused an overspend in the sundry improvement budget.

An inspection of the Kawhia housing for the elderly units has been arranged for May so that the priorities of the kitchen replacements can be determined. Upgrading of the most urgent ones can then be arranged for a start early in the new financial year.

Environment Waikato have now carried out two small areas of rock protection work in the Waipa River, below the SH3 road bridge, where scouring had occurred in October last year.

Kawhia Wharf

Tonkin and Taylor – Engineering consultants have been engaged to carry out a review of the Kawhia wharf. The community Board had requested that this be carried out to help refine depreciation funding in respect of the Kawhia Wharf.

The proposal is that a very brief “broadbrush” investigation be undertaken to determine the expected life and possible future replacement of the wharf and in particular the three points as set out below.

1. Assess the condition and remaining life of the existing wharf structure.
2. Identify and prioritise options for possible replacement structures for a wharf when it reaches the end of its life. specify and prepare preliminary cost estimates for a package of cost-effective sea defence renewal and improvement works considered appropriate to adequately control erosion during at least the next 20 years;
3. Provide estimated costs for the replacement structures identified in 2 above.

Community Max

The second Kawhia community Max scheme is due to finish on 21 May 2011. This has again proved a success with a variety of works and training being undertaken. These works included maintenance of the seawall, construction of the new concrete footpath in Hoturoa Road, constructing a low wall in Waiwera St, tidying and painting the water treatment plant, vegetation clearing in Pouewe St, walls on the Retemeyer St track and many small jobs. As part of their training, 2 passed their learner and 4 passed their restricted drivers licences and all did the site safe course.

Roy Chadwick
ENGINEERING MANAGER

Item-102 ANIMAL CONTROL OFFICERS REPORT JANUARY TO MARCH 2011

**To: His Worship the Mayor and Councillors
 Otorohanga District Council**

From: Environmental Services Manager

Date: 10 May 2011

Executive Summary

A report from the Environmental Services Manager on Dog and Animal Control activities in the District for the period January to March 2011 .

Staff Recommendation

It is recommended that:

The Environmental Services Manager report on Dog and Animal Control for January to March 2011 be received.

Report Discussion

	January	February	March
1. No. of Registration Notices Issued	3	5	3
2. No. of Property visits for Registration checks - Rural	14	28	15
3. No. of Property visits for Registration checks - Urban	40	26	31
4. No. of Property visits for S.O.S.	2	1	3
5. No. of Property visits for Two Dog Permit	1	1	-
6. No. of Complaints - Dogs Actioned	19	18	16
7. No. of Complaints - Stock Actioned	6	2	3
8. No. of Street Patrols Night - Otorohanga	4	5	4
9. No. of Street Patrols Day - Otorohanga/Kawhia	8	3	4
10.. No. of Enquiries - Registration / Dog Control / General	26	18	21
11. No of Dogs Impounded	3	5	6
12. No. Remaining in Pound	-	-	-
13. No. of Stock Impounded	-	-	-
14. No. of Written Warnings - Dog Infringement Notice	-	1	1
15. No. of Infringement Notices Issued	-	1	-
16. No. of Verbal Warnings - Dog Control	15	18	23

AR Loe
ENVIRONMENTAL SERVICES MANAGER

Item-103 OPARAU REFUSE AND RECYCLING MEETING

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Engineering Manager**

Date: **10 May 2011**

Executive Summary

As a result of the deputation by representatives of Oparau and Chief Executives report to Council on 19 April 2011, it was requested that staff meet with a small group of representatives and EnviroWaste to consider options for the refuse and recycling collection at Oparau. This report covers the outcome of that meeting.

Staff Recommendation

It is recommended that:

The report on the Oparau Refuse and Recycling meeting be received.

Report Discussion

Following on from the deputation to Council and discussion on 19 April 2011 concerning the refuse and recycling operations at Oparau Roadhouse, a meeting was held on 28 April to look at options for this facility. The meeting was attended by Bill and Philippa Rogers, Elle Freestone and Linda Cole-Cantwell (Oparau residents), Brett Monkley (EnviroWaste), Cr Deborah Pilkington, Robyn Hodges and Roy Chadwick (staff).

The discussion considered the two separate issues of refuse collection and recycling.

Refuse Collection

As a result of the change back to Monday refuse collections in Kawhia and Aotea, EnviroWaste has set up a small back loading compactor truck in Kawhia to carry out the kerbside collection of the refuse bags and the emptying of the street litter bins. This truck is only suitable for the refuse collection and not for the recycling operation.

EnviroWaste have agreed that they are happy to continue with the collection of refuse from Oparau Roadhouse using this truck. The collection will be at no extra cost to Council provided that the refuse is in the official yellow bags as EnviroWaste receive income from the sale of the bags. They also agreed that the collection day could be made to suit Oparau and not necessarily Mondays.

Points of discussion:

- Would the collection be only for Oparau area residents or for anyone – Difficult to restrict and it was agreed that provided the refuse is in official bags and that the amount does not get out of hand it can be collected. There will be a need to advertise at the site that only official bags can be used and that if necessary they can be obtained from the Roadhouse as visitors / tourists do bring in refuse in other bags.
- Should there be a locked container / cage and should it be in view or behind the store – A locked container would mean that Roadhouse staff would have to leave other duties to open the container when someone wanted to drop off refuse. A container behind the

Roadhouse is not acceptable to the owners as this is private land and they do not want everyone having access to the back of the shop. Bill Rogers advised that he had already organised a space at the front prior to the change of days.

- Should residents take their bag to the store on collection days only – This would be OK if it was only for immediate Oparau residents otherwise this is not really practicable.
- Who would be responsible for dumping of unofficial bags – This has only been a minor issue to date but will need to be monitored and if a problem occurs then further discussions will be needed. With suitable advertising and signs it should be controllable. Both Roadhouse staff and EnviroWaste agreed that they will monitor this and report any concerns to Council.

It was agreed that EnviroWaste staff and Bill will meet on site on Tuesday 2 May to confirm the best location and type / size of container or cage that is needed. EnviroWaste may have a container which will be suitable.

Recycling

Brett advised that with the new collection system at the present time EnviroWaste undertakes the kerbside recycle collection at Kawhia and Aotea with a separate small truck which is set up with fadges to allow for separating recyclable materials as they are collected. This truck travels from Otorohanga to do the collection and any surplus room on the truck is filled with recyclable materials from the Lake Road recycle centre. This is to ensure that the truck travels back to Otorohanga full and also reduce the number of trips needed with larger trucks to remove the recyclables from Lake Road. Therefore there is no surplus capacity to collect recyclables from the Oparau Roadhouse on the way past.

This system has been necessary since the change back to Monday collection to keep EnviroWaste's costs to an acceptable level for them. There would be no problem continuing with a free service if they could use the large purpose built LRV trucks but these are employed elsewhere on Mondays. To continue to collect from the Roadhouse with the present setup would cost them too much and they will have to charge. EnviroWaste have reviewed the cost using the smaller truck and could undertake this for \$210 per pickup which would give them no margins. This is a reduction from the original \$273 which was a best estimate for planning purposes prior to the change to the Kawhia / Aotea collection day back to Mondays.

The Oparau residents are concerned that the people of the Oparau area have become used to having a recycle facility and are now into the habit of recycling. People bring their recyclable in when they come to the shop and it's not always convenient to take them to Lake Road or Ngutunui. To take it away now will probably create additional problems. They advised that some rural residents have said that they will go back to dumping and burning refuse and recyclables on the farm. They also advised that a large amount comes from both Kawhia and Aotea and from places such as Te Waitere.

It was reiterated that the Oparau community need to take ownership and responsibility for the recycling collection at Oparau if they wish it to continue. This would mean supervising and managing the site and the removal of the recyclable materials from the site. This would probably mean taking them to a recycle centre such as Lake Road. It should not just be the responsibility of the Roadhouse staff and a roster of local residents may be needed. It was confirmed that as set out in the Chief Executives report to Council that it would be appropriate for Council to provide some financial support for the cost of establishing the facility.

The possibility of reverting back to Wednesday collection was discussed and the Oparau residents agreed that this would suit them and wish to follow up this option. They propose to prepare a submission to the next Kawhia Community Board meeting on 27 May and request for them to have speaking rights for two representatives to put their case to the Board to see if they will reconsider their decision. EnviroWaste agreed that if this happened they would be happy to continue with the present refuse and recycling services at no cost to Council. They may even be able to enhance the service.

The residents were advised that they still need to look at the Oparau facility as a community facility to be managed by the residents of that area. The representatives are to lobby the local residents to ensure that this happens and that if they do not take ownership they will lose it. Even if the Kawhia / Aotea Community Board does agree that the kerbside collection reverts back to Wednesdays and EnviroWaste can remove the recyclable materials the site still has to be managed and the residents cannot just rely on the Roadhouse staff to do this.

EnviroWaste have agreed to continue to collect the recyclable materials for the Oparau Roadhouse at no charge until 1 June 2011, which allows time for the Kawhia Community Board meeting. After that time, if the present system remains, there will need to be a charge or the service removed. As Council has indicated that they will not fund the operations of this site the residents would have to drop off the recyclables at Lake Road.

While no final solution resulted from the meeting it was beneficial in allowing the parties to discuss the situation and to understand each others concerns. It was agreed that further communication is required to achieve a result that is best for the majority. It is clear that whatever the outcome, not everyone will be completely happy.

Quantities of Recyclables

Since the meeting the following information on quantities of recyclable materials in cubic metres collected from Lake Road, Oparau and Ngutunui has been assembled from EnviroWaste's monthly returns for January to March 2011 and is supplied for Council's information.

Oparau Roadhouse			
Item	Jan 2011	Feb 2011	March 2011
Green Glass	2.4	3.12	1.92
Brown Glass	3.36	6.24	4.32
Clear Glass	1.68	2.16	1.2
Plastic, Tin, Aluminum	5.28	8.8	1.76
Paper & Cardboard	15.75	27	36
TOTALS – m³	28.47	47.32	45.2
Ngutunui Enviro School			
Green Glass	12.75	12	9
Brown Glass	12.75	11	11
Clear Glass	10.75	8	7
Plastic, Tin, Aluminum	13.6	19	13.75
Paper & Cardboard	25.25	19	12
TOTALS – m³	75.10	69	52.75
Kawhia Recycling Centre			
Green Glass	7.68	1.44	3.84
Brown Glass	7.92	2.16	7.44
Clear Glass	5.28	.72	2.40
Plastic, Tin, Aluminum	11.52	2.16	6.48
Paper & Cardboard	8.36	4.84	3.52
TOTALS – m³	40.76	11.32	23.68

Roy Chadwick
Engineering Manager

Item-104 RURAL WATER SUPPLY COMMITTEE MINUTES - MARCH 2011

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Governance Supervisor**

Date: **10 May 2011**

Executive Summary

Attached are the minutes of the meetings of the Tihiroa and Waipa Rural Water Supply Committees held in April 2009, February and March 2010 and March 2011.

Staff Recommendation

It is recommended that:

The minutes of the meetings of the Tihiroa and Waipa Rural Water Supply Committees held in April 2009, February and March 2010 and March 2011 be received.

CA Tutty
GOVERNANCE SUPERVISOR

Attachments

- a. Minutes of the Tihiroa and Waipa Rural Water Supply Committee meetings held in April 2009, March 2010 & March 2011

TIHIROA RURAL WATER SUPPLY COMMITTEE

7 April 2009

Minutes of a meeting of the Tihiroa Rural Water Supply Committee held in the Council Chambers, Maniapoto Street, Otorohanga, on Tuesday 7 April 2009, commencing at 1.32pm.

PRESENT

Messrs P Trubshaw (Chairman), P Empson (attended 1.32pm), D Coull and Mrs M Cowley.

IN ATTENDANCE

Messrs R Chadwick (Engineering Manager), J Stammers (Water Services Engineer), S Mailer (Technical Services Manager), B O'Callaghan (District Accountant) and CA Tutty (Customer Services Team Leader).

The Chairman welcomed those present to the meeting. He referred to the proposed upgrade at the Pumping Station and advised, with tenders being received, they have increased considerably over that estimated. The Water Services Engineer informed members that towards the end of February 2009 the Contract was placed out to tender with specifications as per the Consultant. He advised two tenders had been received. He said out of a budget of \$93,000.00 the estimate for the Contract was \$87,000.00. The Water Services Engineer advised that the two tenders received comprised of \$130,000 and \$140,000.00.

The Engineer outlined various options available to the Committee these being 1) to place the proposed work on hold 2) negotiate with the two Tenderers 3) or place out to open tender 4) modify Council's tender document 5) or place the proposed expenditure over two financial years. The Engineer reported he had discussed the tender received from the highest tenderer and subject to some negotiation they reduced the tender price to \$116,000.00 which was still way outside the budget level. The Engineer queried with Committee members as to where staff go from here and the impact this would have on funding the work.

The Engineering Manager informed Members that the lowest Tenderer had indicated they could also "re-look" at their figures. He outlined discussions that had been held with a third party who were still interested in presenting a tender. In reply to Mr Empson the Engineer reported that the estimate of \$87,000 was considered a reasonably accurate figure, this being looked at by himself, a previous staff member and the Consultants. The Engineer advised that such items as the installation of the meters, price of sand and dosing system made up the \$24,000.00 reduction in the highest Tender price. Members agreed that consideration of the current exchange rate also needs to be taken into account. The Engineering Manager suggested any further negotiations should be held with the lowest Tenderer first if the Committee is to proceed down this path.

The District Accountant then outlined various funding options and the effect these would have on the scheme. Mr Empson queried whether there would be a risk of the proposed work costing more should the proposal be deferred, say six months. The District Accountant replied, less loan money would be required.

Mr Coull expressed the opinion that due to the current financial environment now was an appropriate time to negotiate reduction in the tender prices. Mr Empson suggested an approach be made to the lowest Tenderer highlighting the change in the current exchange and thus producing a reduction in the tender price. In reply to Mr Empson regarding any deadline the Engineer replied that the plant

will be able to keep going, it was necessary for the scheme to comply with the new Drinking Water Standards by 1 July 2013. He said however, it was desirable that the Committee plan for this compliance.

The Engineering Manager advised that by installing UV Plant at the Treatment Station only instead of individual properties the proposed capital figure will reduce, also on-going maintenance costs. Mr Empson queried whether by waiting better options could be available to the scheme. The Engineer replied that staff were only looking at the quality of the water, not bringing this up to the required Drinking Water Standards. He said the Committee could wait but he had doubts if the work could be completed any cheaper than now. He said the sand in the filter now needs attention now and should this not be corrected by a Caustic wash then it will have to be replaced.

Following further discussion it was agreed that –

The Water Services Engineer approach the lowest tenderer of \$130,706.00 to negotiate whether this figure can be reduced to \$100,000.00 or under, if not, staff will re-look at the tender documents and revise these, in order for the contract to be re-tendered.

Mr Empson expressed concern that should the tender price be reduced that the proposed work is not carried out “on the cheap.” It was confirmed to members that with the proposed \$0.08c per metre increase in the water consumption rate from 01 July 2009 this would bring the figure up to \$0.76c per cubic metre. Mr Empson stressed the need for Consumers to be advised of this increase and the reasons why. In reply to Mr Coull regarding any areas of expenditure that could be reduced the Engineering Manager replied that the operations were pretty much fixed and that it was only maintenance items that were variable.

Inspection of Plant

It was agreed that an inspection of the Water Treatment Plant at Tihiroa be carried out on Monday, 20 April 2009 on site at 10.00am. Following the inspection consideration to be given to holding an “open day” for all Consumers.

The meeting closed at 2.30pm.

TIHIROA RURAL WATER SUPPLY COMMITTEE

23 February 2010

Minutes of a meeting of the Tihiroa Rural Water Supply Committee held in the Council Chambers, Maniapoto Street, Otorohanga, on Tuesday 23 February 2010, commencing at 1.32pm.

PRESENT

Messrs P Trubshaw (Chairman), D Coull and Cr S Adam and Mrs M Cowley.

IN ATTENDANCE

Messrs D Clibbery (Chief Executive), R Chadwick (Engineering Manager), J Stammers (Water Services Engineer), B O'Callaghan (District Accountant) and CA Tutty (Governance Supervisor).

APOLOGY

Resolved that the apology received from Mr P Empson be sustained.

Mrs Cowley / Cr Adam

CONFIRMATION OF MINUTES

Resolved that the minutes of the meetings held 15 January, 7 April, 8 May and 26 May 2009 be received and approved as a true and correct record of those meetings and the recommendations contained therein be adopted.

Cr Adam / Mrs Cowley

MATTERS ARISING

Cr Adam referred to Council's Resource Consent Application lodged with Environment Waikato (EW) and expressed some concern as to why this is still 'on hold' after two years. He queried whether the applications were being held pending something happening with Iwi. The Water Services Engineer advised that the Application will be processed in due course however, there did appear to be a huge delay in the processing of Resource Consent Applications concerning water.

WATER SERVICES ENGINEER'S REPORT

The Water Services Engineer presented his report dated 18 February 2010. The Engineer advised that this year's big cost item was the plant upgrade and it was his intention to ensure that everything is running correctly. He said he intended to take Committee Members to the plant and later on Scheme Members to enable them to see what they are receiving for their contribution.

The Engineer referred to the apparent loss of water and said it was the intention to place more bulk meters in the network to try to isolate the area where the water is disappearing. He said this will involve a meter on each of the outlets of the reservoir and also the laterals that have the most connections on them. The Engineer advised there will be a reasonable expense involved, i.e. the purchase of 3-4 bulk meters at approximately \$3,000 each plus installation. He felt however, at the present time the Scheme is costing more by not doing anything. The Engineering Manager suggested three bulk meters could be installed, these would be read followed by the reading of

individual meters to compare the water usage. He said it was intended to obtain a hand held GPS unit in order to plot the scheme on Council's GIS System. He said it is extremely important to identify where the loss of water is occurring. In reply to Mr Coull regarding how these figures compared with previous years, the Engineer replied these were similar to last year and that the variance has occurred during the last two readings. He said he envisaged there was approximately a 40 per cent inaccuracy in the figures which is way above what it should be. The Chief Executive reported some years ago the discrepancy was in the vicinity of 15-20 percent. He said there has

been a substantial increase in this variance. The Engineering Manager reported there was some lost water at the time the liner was replaced in the reservoir however, this was no where near what is currently being lost. The Chairman referred to the discrepancy and felt that if this is from individual farms then it must cover a large area. He expressed the opinion that due to the quantity being lost, he would suggest looking at the main lines. The Engineer reported that part of the line has been walked.

Cr Adam referred to the water consumption figures circulated to Members covering the period from November 2005 to November 2009 and expressed his concern that there were several errors in this information and requested the figures be recalculated. He then queried with staff what was their suggested plan of attack. The Engineer replied he required the authority to commence installing additional bulk meters. Cr Adam felt that the first option would be to walk the mains and queried how long this would take. The Engineer replied it would take a couple of days and that he could request Council's Contractor, McFalls, to carry this out. Cr Adam also requested a copy of the water supply area highlighting the main lines. The Engineer undertook to supply this information.

Mr Coull expressed the opinion there was a better chance of identifying a water leak during the summer period rather than waiting until winter commences. Cr Adam suggested Members be asked why their usage has decreased and what their projected plans are for the property, in any. The Engineering Manager replied it was the intention to send out a questionnaire to this effect.

The Chief Executive circulated information containing graphs to enable Members to help identify the source of the current financial problems on the Scheme. He said there appears to be two primary contributors to the steep upward trend in operation costs, these being -

1. A substantial increase in total cost associated with the separation of power and contract costs in the current Contract and more recently,
2. A substantial increase in power costs that does not correspond with billed water usage or changes in activity unit charges.

The Chief Executive informed Members that there is a very major issue and that at the present rate, the scheme was unsustainable. He suggested Community Max workers be utilised to walk the line. The Engineering Manager advised that the property owners would need to know people will be on their property.

Resolved that

1. Arrangements be put in place to have the main lines walked and for GPS coordinates to be taken to enable it to be placed on Council's GIS System.
2. Should leaks not be identified then staff proceed to install three bulk water meters on the main lines.

Cr Adam / Mr Coull

CAPITAL CONTRIBUTION

Cr Adam referred to the Capital Contribution quoted to an Applicant in January 2010 and queried how this was arrived at. The Engineer replied it is based on three percent of the Capital Value of the individual property plus connection costs. Cr Adam expressed the opinion whether it was worth the Committee considering this Application on Land Value or capacity to buy into the Scheme. The Chairperson said this could be considered by the Committee to enable Staff to go back to the Applicant with a more competitive costing. The Chief Executive advised it would be more desirable

for the Committee to look at revising the current policy rather than negotiating on a case by case basis the Capital Contribution. He further advised that the Committee would need to consider the apportioning of any liability should the Scheme be wound up. He said it would be necessary to have a policy to distribute the debt. Following further discussion it was agreed that staff consider possible policy changes in respect to the Capital Costs to connect to the Scheme, for consideration at a future meeting.

Resolved that the Water Services Engineer's report dated 18 February 2010 be received.

Cr Adam / Mrs Cowley

FINANCIAL STATEMENTS AND BUDGETS

The District Accountant presented the Financial Statement in respect to the Maintenance Account highlighting the 2009/10 Estimated Actual and 2010/11 Estimates.

The District Accountant suggested Members leave consideration of the Water Consumption Rate to be effective from 1 July 2010 until such time as any results have been received from the loss of water investigation. Cr Adam said he would like to receive more accurate Estimates once the results of the water loss have been obtained.

Members agreed the first line of action was to locate the source of the water loss then for the Committee to meet again.

Resolved that a letter be forwarded to Members of the Scheme requesting advice as to their perception of the Scheme, any proposed changes they envisage for their property, etc and to advise property owners that work will be carried out along the Scheme on their property.

Mr Coull / Cr Adam

Resolved that the Financial Statement in respect to the Maintenance Account detailing the 2008/09 Estimates through to the 2018/19 Estimates be received.

Mrs Cowley / Cr Adam

The meeting closed at 3.10pm.

TIHIROA RURAL WATER SUPPLY COMMITTEE

31 March 2010

Minutes of a meeting of the Tihiroa Rural Water Supply Committee held in the Tihiroa Hall, on Thursday 31 March 2010, commencing at 1.08pm.

PRESENT

Messrs P Trubshaw (Chairman), D Coull, P Empson, T Collinson-Smith and Mrs M Cowley.

IN ATTENDANCE

His Worship the Mayor, Messrs D Clibbery (Chief Executive), R Chadwick (Engineering Manager), J Stammers (Water Services Engineer) and Mrs A Burdon (Executive Assistant).

APOLOGIES

The following apologies were noted from Messrs Bruce Collinson-Smith and Andrew Moir.

WATER SUPPLY ISSUES

The Chief Executive presented his report and highlighted the fact that there was a huge discrepancy between the volume of water the treatment plant was producing daily, and that which was being billed, in the vicinity of 400m³ per day. He said these figures are supported by the increased power costs and activity operations costs. He then outlined the various options to identify where this quantity of water could be going. These being -

1. Continue to look for leaks. The Water Services Manager had walked the entire length of the supply line but failed to find any leaks of this magnitude. Further investigations of potential leaks or illegal connections were continuing.
2. Purchase additional meters to place on lines to identify which line was recording the greatest use, then to narrow it down to a single line. The Water Services Manager advised that once in place a meter would remain there, so additional meters would need to be purchased for each line monitored.

The Chief Executive advised this amount of unbilled water is creating a deficit of more than \$40,000 per annum at the current cost of 78c per m³, making the scheme unsustainable. He advised that at this rate water charges would have to increase by approximately 50 percent to approximately \$1.15 per m³. But, he advised, this could have a fatal 'downward spiral' for the Scheme with consumers choosing to use alternative water sources. The Chief Executive said the emphasis must be placed on identifying and rectifying the current water loss or another alternative would be to limit the supply to 'stock water only'. He advised it was critical for anyone who became aware of any causes of the water loss, to inform Council staff immediately.

The Chief Executive queried if any Members were aware of any changes to water use on farms. Mr Empson advised his only change was to use 'dirty water' for washing the yard. Other Members advised their use was the same.

In reply to His Worship's query regarding people dropping off the Scheme, Mr Trubshaw said no-one had. The Water Services Manager said a survey of Scheme Members would be a helpful tool to identify issues.

Mr Empson queried why consumption had dropped between 1998 and 2002. The Chief Executive

replied that possibly people left the Scheme.

His Worship advised that as a Committee, they were the owners of the Scheme and it was up to them to advise Council what they wanted Council to do to rectify the matter.

Mr Coull said that with a 40 percent increase in water production, charging more wasn't the solution. He commented that a potential new consumer had decided not to connect because it was not economical because the connection charge was on the 'ratable value' of his land. Mr Coull queried the 'slippage' on other Schemes and what caused it. The Chief Executive advised the rate was between 15-30 percent and was caused by friction and low flows on the meters and that even a new meter would not be less than 10 percent.

Mr Empson expressed the opinion the meters should be purchased immediately and read monthly then to target the identified line. The Water Services Manager advised the cost of reading each of the 48 meters was \$100 per meter however, with the change from Contractors to 'in house' service deliver, the cost would only be for the time it took.

His Worship advised, in his opinion, the issue was urgent because spiralling deficit could not be sustain by the Scheme.

The Chief Executive said information should be sent to Scheme Members to advise them of the issues the Scheme is facing. His Worship said he did not think 'scare tactics' to Members was the best way to address the matter.

The Water Services Manager advised the cheapest price per meter he had found so far was for Deko meters at \$4,500 but he was still looking as he was aware an Arthur D Riley meter cost approximately \$2,800. Mr Empson expressed the opinion that cheapest was not necessarily best for quality but to purchase the cheapest but best value meter. He suggested time was of the essence, to identify the best value meter and to move quickly. The Water Services Manager agreed to obtain further prices for meters, to advise the Committee Chair, who would then advise the Committee. He said readings would be taken in April, May and June or until something was identified. Mr Empson suggested meter readings could be taken weekly to speed the process up. The Water Services Manager advised he had taken GSP readings of the line when he walked it recently but would take GPS readings of meters next time. He said he was happy to undertake meter readings himself on weekends for only the cost of his fuel.

The Chief Executive suggested a further Committee meeting in July when metered data should be available.

His Worship left the meeting at 1.50pm.

Mr Collinson-Smith queried why more Scheme Members had not attended the meeting. Mr Coull said Committee Members need to visit Scheme Members to outline the issues, advise the date of the next meeting and to stress the need for them to attend.

ELECTION OF CHAIRMAN & COMMITTEE

It was queried whether there was a quorum in attendance to conduct elections. The Chief Executive advised that there was a quorum with four Members.

Mr Trubshaw advised that he would not be seeking re-election to the Committee nor would Mr Harry Snell. Mrs Cowley also advised she would not be seeking re-election either.

Mr Empson nominated Mr Coull as Chairman, seconded by Mr Collinson-Smith. There being no further nominations, Mr Coull was duly elected as Chairman.

In his absence but producing a signed Nomination Form, Mr Empson nominated Mr John Neill to the Committee, seconded by Mr Coull. Mr Neill was duly elected to the Committee.

Mr Trubshaw advised Messrs Bruce Collinson-Smith and Andrew Moir had put their names forward for the Committee. Mr Tony Collinson-Smith then nominated Mr Collinson-Smith, seconded by Mr Coull. Mr Trubshaw nominated Mr Moir, seconded by Mr Coull. Both Mr Collinson-Smith and Mr

Moir were duly elected to the Committee subject to signed Nomination Forms being received.

Mr Trubshaw thanked Mrs Cowley for her commitment and hard work on behalf of the Committee over a number of years. The Water Services Manager thanked Mr Trubshaw for his role as Chairman. Mr Coull expressed the Committees sincere thanks to Mr Trubshaw for his tireless work, passion for and desire to progress the Scheme over a very long period of time and that he had constantly kept Committee Members informed and reminded of meetings.

Mr Trubshaw stepped down and Mr Coull took the chair.

ENGINEERS REPORT

The Water Services Manager presented his report and advised there was no changes since his last report in February. He advised that he had received an enquiry last year for the cost to join the Scheme. With the current system, he said it was going to cost in excess of \$60,000 and he had not heard anything further.

Mr Empson suggested that the new Committee should review the connection fee system and for the inquiry to possibly be followed up.

The Water Services Manager advised he had recently spoken to the Drinking Water Assessors, who indicated there was no hint of financial assistance from the Government being re-instated.

FINANCIAL STATEMENTS AND BUDGETS

As there was no change from the previous financials provided at the previous meeting, no discussion took place.

GENERAL

There being no general business it was agreed the next meeting of the Committee should be in late May or early June.

The meeting closed at 2.16pm.

TIHIROA RURAL WATER SUPPLY COMMITTEE

21 March 2011

Minutes of a meeting of the Tihiroa Rural Water Supply Committee held in the Council Chambers, Maniapoto Street, Otorohanga, on Monday 21 March 2011, commencing at 1.33pm.

PRESENT

Messrs D Coull (Chairman), J Neill, B Collinson-Smith, A Moir and P Empson.

IN ATTENDANCE

Messrs D Clibbery (Chief Executive), R Chadwick (Engineering Manager), S Mailer (Technical Services Manager), B O'Callaghan (District Accountant) and CA Tutty (Governance Supervisor).

The Chairman declared the meeting open and welcomed those present, with a special welcome to new Committee Members.

CONFIRMATION OF MINUTES

Resolved that the minutes of the meetings held on 23 February and 31 March 2010 be received and approved as a true and correct record of those meetings and the recommendations contained therein be adopted.

Mr Empson / Chair

MATTERS ARISING

WATER LEAKS

The Chair reported since the Committee meeting held on 31 March 2010 he is disappointed with the lack of dialogue from Council staff. He said he was keen to know what was happening in regards to the loss of water from the scheme.

ENGINEER'S REPORT

The Technical Services Manager presented an Engineer's report and informed Members he has been involved with the scheme since July 2010 when Council's Water Supply Engineer resigned. He referred to the 'boil water' notice issued last year and said this now is not applicable. He outlined recent maintenance to the sand filter and reported that the lack of sand filtration may have influenced the water meters. He said following sand bed removal, the nozzles were found to be blocked with silt however, the cleaning of these by water blasting them individually has appeared to improve the percolation of the water through the system substantially.

With regard to water losses the Technical Services Manager advised it had been agreed to choose one of leg of the scheme and to concentrate on this in an effort to highlight any losses.

The Technical Services Manager informed Members of the in house Water Services Team which was established from 1 July 2010 involving three staff members. He then outlined their experience.

The Technical Services Manager referred to consumer water meter readings for the past six months and advised that to-date this totalled 111,122m³ however, he said the readings were inconsistent.

He said similar faults appear in the bulk meter readings. In reply to the Chair the Technical Services Manager advised that the Consumer meter readings totalled approximately 50 percent of the Bulk meter readings. He informed Members that the 'workings' of meters are mostly made of plastic and are not durable. The Chief Executive advised that this is an unusual situation the typical variance being between 15-30 percent maximum. The Engineering Manager advised that the Tihiroa Scheme has stood out however, six bulk meters have been installed and the various legs checked. He referred to a break down on Cannon Road, just past the swamp area, which the result has been repaired and has made a difference. The Chief Executive reported that the meter readings for the second half of the year caught up on the yearly consumption. Mr Empson said there may be a change in farming patterns. The Technical Services Manager reported that some small branches may have missed out in the bulk meter readings and for staff to examine the bulk meter locations and the fact that there may be a two way flow of water that gives rise to the meter going backwards. This needs further investigation to see if it is the case. He said the whole of the network needs to be looked at again and for staff to concentrate on one line. Members were informed that should there be a malfunction of a meter at the Consumer end these are easily replaced and/or cleaned out on site. Members were advised that there are 45 Consumer meters on the scheme. Mr Empson queried whether it was the Committee's policy that meters be replaced every two/three years. The Engineering Manager advised that the sand filter did require replacing and recent work on the plant has improved the situation. He said previously the Contractor should have checked the 'roses' however they did not. The Engineering Manager reported that testing on the amount of chemicals placed in the water which was based on historical practices however, now changed and a better water flow obtained.

Members were advised that a better control of the scheme takes place now since the activity has been carried out in-house. Mr Empson queried whether staff have considered engaging a more local person. The Engineering Manager outlined the reasons why the current outside help has been engaged. The Chief Executive advised that as Council employs the staff it now has continuity. The Technical Services Manager reported that the water supply standards are improving substantially. He referred to the Ministry of Health's legislation in regards to the Drinking Water Standards. He said this places high demands on Council in regards to the quality of water. He reported that the Tihiroa scheme is very unlikely to receive any assistance. He said the scheme is required to meet the standards by 2015. In order to achieve a high treatment of raw water the scheme will require a substantial upgrade of the plant. The Technical Services Manager referred to the proposed costs in respect of the upgrade of the Otorohanga Water Treatment Plant at an excess of \$2M.

Resolved that the Engineer's report dated 21 March 2011 be received

Mr Empson / Mr Collinson-Smith

FINANCIAL STATEMENTS AND BUDGETS

The District Accountant presented the Financial Statement in respect to the Maintenance Account.

Mr Empson queried the cost of power consumption. The Chief Executive replied this is still sitting very high however, compared with another scheme per m³ of water both have increased in equal proportions. He said he is still concerned with this cost and suggested to Trust Power that they check their meter. The Chair reported that by the year 2013/14 the increase in the rate of consumption must be by 30 percent in order to break even. The Chief Executive advised that the scheme cannot continue at a 50 percent variance between the Consumer and bulk meter readings. He said however, the scheme must continue on until it is ascertained where the water is going to. Mr Neal queried whether there is any other technology available to assist in this matter. The Technical Services Manager suggested that staff start afresh from the beginning and to investigate every leg of the network and for this to continue perhaps over the next six month period.

Resolved that the scheme continue under current monitoring for up to six months and then once the information has been collated a meeting of the Committee be re-convened,.

Mr Neill / Chair

In reply to Mr Neill, the District Accountant advised that the loan initially undertaken when the scheme commenced finished in the 2007/8 year.

Resolved that it be recommended to the Otorohanga District Council that the Financial Statement, as presented, be approved and that the water consumption rate increase to 80c/m3 (GST inclusive) for the 2011/12 year.

Mr Empson / Mr Neill

GENERAL

The Chair requested that staff keep the lines of communication open and to liaise with him, who in turn will inform other Members.

Mr Empson referred to graphs as at 31 March 2010 and requested these be updated.

The meeting closed at 2.55pm.

WAIPA RURAL WATER SUPPLY COMMITTEE

23 February 2010

Minutes of a meeting of the Waipa Rural Water Supply Committee held in the Council Chambers, Maniapoto Street, Otorohanga on Tuesday 23 February 2010, commencing at 10.30am.

PRESENT

Messrs TM Wall (Chairman), J Hogg, C Murphy, N Muller, B Knutson Cr S Blackler.

IN ATTENDANCE

Messrs R Chadwick (Engineering Manager), J Stammers (Water Services Engineer), B O'Callaghan (District Accountant) and CA Tutty (Governance Supervisor).

The Chairperson declared the meeting open and welcomed those present.

APOLOGY

Resolved that the apology received from Mr H Rawlings be sustained

Mr Knutson / Mr Murphy

CONFIRMATION OF MINUTES

Resolved that the minutes of the meeting held 15 January 2009 be received, and the recommendations contained therein adopted.

Mr Hogg / Mr Murphy

MATTERS ARISING

In reply to Mr Hogg regarding the identification of valves, the Water Services Engineer replied that the Contractor, McFalls, have been working through the system progressively marking where valves are situated. He said it was intended to obtain a hand-held GPS unit in order to place the identified valves on Council's GIS system.

In reply to the Engineer, Mr Murphy suggested that any identification peg must be appropriately substantial and with bright coloured markings. It had been suggested that a second hand concrete post would be ideal. The Chairperson reported that many valves are identified on the boundary fences. Following further discussion on ways of allocating any costs incurred it was agreed that the Engineer have discussions with the Contractor to obtain a simple solution.

WATER SERVICES ENGINEER'S REPORT

The Water Services Engineer presented his report dated 18 February 2010.

The Engineer referred to the big cost item of upgrading the reservoir roof on Malcolm's reservoir and reported this was carried out by a local company, Dairy Systems, at a total cost of \$14,000 compared with an estimated cost of \$32,000 provided by the Reservoir Manufacturers.

The Engineer referred to the matter of low water pressure at the bottom end of Otewa Rd and queried whether the Booster pump should be re-instated. The Chairperson reported, originally it was thought this would be required however, he understands it has since been turned off. He queried with Members whether the Committee wished to have this re-instated. In reply to Mr Knutson the Engineer reported that during this summer the problem has arisen with the particularly dry period. Mr Knutson expressed the opinion that should the Booster pump be re-instated then there will be plenty of water all of the time. The Engineer advised that should the Booster pump be re-instated it will most likely require some maintenance. Mr Wall queried whether the Booster pump should be run for a set period say from mid-December through to mid-March. The Engineer

suggested that a bulk water meter be installed just past the booster pump to record the water consumption.

Resolved that the Otewa Rd Booster pump be re-connected for a trial period to ascertain the outcome and that any maintenance work required be undertaken to the pump with a new bulk water meter being installed just past the pump.

Mr Knutson / Mr Murphy

NEW WATER LEGISLATION

The Engineer advised Members that an estimated price to carry out the new legislation work has been put into the hands of the District Health Board in preparation for when subsidy Applications re-open.

WATER CONSUMPTION

The Engineer circulated to Members a summary of water consumption from November 2005 through to November 2009. He referred to the proposed budget and suggested the water consumption be budgeted at a slightly lower figure than previously, which will accordingly lower the income budget. He said at the present time he was not aware of any major works to be undertaken, only routine maintenance.

Cr Blackler queried why it was felt the current economic climate had a bearing on what the stock drunk. The Engineer replied that all of the schemes have encountered a water consumption drop during this period. It was felt that due to the economic climate people are being more conscious of their costs.

Resolved that the Water Services Engineer's report dated 18 February 2010 be received.

Mr Muller / Mr Knutson

FINANCIAL STATEMENTS & BUDGETS

The District Accountant presented the Financial Statement in respect to the maintenance account highlighting the 2009/10 Estimated Actual and 2010/11 Estimates. He reported that the re-evaluation of the infrastructure had had an effect on depreciation.

The District Accountant suggested that the 2010/11 water charges income estimate be reduced from \$142,000 to approximately \$125,000.

Members referred to the proposed reservoir liner replacement in the 2012/13 year and were advised that the Malcolm's Reservoir was replaced approximately two years ago.

The District Accountant advised that he was not suggesting an increase in the water consumption rate for this coming year. The Chairperson felt consideration be given to this when the legislative upgrade is commenced. In reply to Mr Murphy, the District Accountant suggested that any rate increase be considered for the 2011/12 year. Mr Murphy expressed the opinion he would prefer interim small increases rather than one large increase when necessary.

It was agreed that a letter informing Members of this be forwarded to the property owners with a note that the onus is on the property owners to forward this on to the Sharemilkers if appropriate.

Resolved that it be recommended to the Otorohanga District Council that the Financial Statement, as presented, be approved and that the Water Consumption Rate remain at 58c per m3 (GST inclusive) for the 2010/11 year.

Mr Knutson / Mr Murphy

The Chairperson thanked Members for their attendance.

The meeting closed at 11.10am.

WAIPA RURAL WATER SUPPLY COMMITTEE

21 March 2011

Minutes of a meeting of the Waipa Rural Water Supply Committee held in the Council Chambers, Maniapoto Street, Otorohanga on Monday 21 March 2011, commencing at 10.30am.

PRESENT

Messrs TM Wall (Chairman), A Hogg, J Hogg, B Knutson, C Murphy, N Muller (attended 10.37am) and Cr Johnson.

IN ATTENDANCE

Messrs R Chadwick (Engineering Manager), S Mailer (Technical Services Manager), B O'Callaghan (District Accountant) and CA Tutty (Governance Supervisor).

The Chairman declared the meeting open and thanked Members for their attendance.

The Chairman referred to the recent death of Mr Harcourt Rawlings whom he said was an instigator of the scheme and Members were here today, due to his perseverance. Members observed a minutes silence as a mark of respect.

CONFIRMATION OF MINUTES

Resolved that the minutes of the meeting held 23 February 2010 be received as a true and correct record of the meeting, and the recommendations contained therein adopted.

Mr Knutson / Mr Muller

MATTERS ARISING

Booster Pump - Otewa Road

Members were informed that the booster pump was not functional at the present time. Council's Technical Services Manager introduced himself and said he had taken over supervising in the scheme since the Water Services Manager resigned in July 2010.

Members were made aware that a Craig Foote, a 50/50 Sharemilker has water pressure problems however, it was still to be ascertained which property this referred to. It was suggested that the property could be connected directly to the main line.

The Chair said that the booster pump was supposed to be connected. The Technical Services Manager replied that this was carried out for a trial period however, it appeared to make no difference to the water supply. Members were informed that the pump is situated on the Johnson property. The Chair reported that the water consumption had increased on that property and that the pump may be needed. Cr Johnson reported he had spoken to Mr Foote however, it was difficult to understand what the problem is. He queried whether the problem is a farming one or a water supply one.

HIS WORSHIP

His Worship attended the meeting at 10.40am.

Members agreed they needed to know the status of the booster pump. The Technical Services Manager advised that the booster pump was looked at after the meeting of February 2010 and the trial period undertaken. He said he will have to consult with the Water Services Team as to its current condition. The Engineering Manager also confirmed that the trial period was undertaken however, at that time he was not advised of the condition of the pump. He confirmed that the trial period made no difference. The Chair said the booster pump was installed for a purpose originally. Mr Murphy agreed that the pump does need to be looked as it may require upgrading. The Technical Services Manager undertook to investigate the condition of the booster pump in order to update Members. The Chair suggested that discussions be held with Mr Foote to ascertain that the Committee is doing what it should be.

Mr Muller referred to a new cowshed on the property and queried whether this had a restrictor installed and whether water was getting up to the end of the line.

It was agreed that the Technical Services Manager update the Chair on any information.

ENGINEER'S REPORT

The Technical Services Manager presented his report dated 21 March 2011. He confirmed that the water consumption had fallen slightly however, it was reasonably consistent.

The Technical Services Manager referred to meter problems and said a comparison will be carried out between the Consumer consumption and the bulk meters. He advised that all Council's water supply plants do not meet modern requirements. He said very large requirements have been demanded by Central Government. The Technical Services Manager confirmed that the total forecast project cost to upgrade the Otorohanga Treatment Plant is around \$2M and it was hoped to obtain 85 percent of this cost from Central Government. He advised that the deadline in respect to the Community Treatment Plan is 2013. Cr Johnson referred to the apportionment of cost and he was advised that the Waipa scheme would contribute 30 percent of the total Community contribution amounting to approximately \$50,000. The Engineering Manager reported that the final figure was difficult to predict as the Waipa part of the scheme may not be eligible for assistance. He confirmed however an application has been made for Drinking Water Supply Assistance Programme Subsidy for the full amount. He advised that the result of the application is hoped to be known by 31 May 2011.

Resolved that the Technical Services Manager's report be received.

Mr Muller /Mr Knutson

The Technical Services Manager advised that the deadline to comply with the new Standards, for Rural Water Supply Schemes is 2015.

Mr Hogg referred to the water consumption records and requested that if possible this be carried out by road rather than alphabetically.

FINANCIAL STATEMENTS & BUDGETS

The District Accountant presented the financial statements detailing the 2009/10 Actual, 2010/11 Estimated and Estimated Actual, and Estimates 2011/12 year through to 2020/21 year. He informed Members that in regards to the upgrade proposal the figures used in the schedule were the worse case scenario, that no funding be available.

The District Accountant suggested the Committee could give consideration to increasing the water user charges or introducing a separate rate for interest on the loan. He said however, the Committee could wait until clearer figures are obtained.

The District Accountant confirmed that the current water consumption rate is 58cm³ (GST inc) plus

availability charge of \$100 per meter. The Chairman suggested that the status quo remain for a further year. Mr Knutson referred to the number of farmers connected to the scheme that are not using the supply. Mr Murphy suggested that a newsletter be sent to all scheme members informing them of the legislative changes and the fact that the Committee will need to increase the water consumption rate in the future. He suggested Members be informed that the water consumption rate could increase now or in 12 months time however this will depend on the result of the Application.

Resolved that it be recommended to the Otorohanga District Council that the Financial Statement, as presented, be approved and that the Water Consumption Rate remain at 58c per m³ (GST inclusive) for the 2011/12 year.

Mr Murphy / Cr Johnson

GENERAL

Mr Hogg reported that this would be his last meeting as a Member of the Committee and as he wished to have a quorum present at the next meeting, he suggested attempts be made to find new Members. Mr Hogg reported he had attempted to approach one or two possible new Members and highlighted the possibility of another in the Puketawai area. Members agreed that the personal approach would be more beneficial. Mr Knutson suggested an article be placed in the forthcoming newsletter encouraging younger members to be part of the Committee.

Mr Murphy nominated Mr Alistair Hogg to the Committee.

This was seconded by Mr Muller.

There being no further nominations Mr Alistair Hogg was declared elected Member of the Committee.

It was agreed that a copy of this meetings minutes be circulated with the forthcoming newsletter.

Mr Knutson referred to Sircombe's property on Old Te Kuiti Road and advised that he had been approached by the new owner regarding being charged \$1,000. He said he had spoken to a Council Officer some time ago however, no response has been received. The District Accountant undertook to look into the matter.

The meeting closed at 11.41am.

Item-105 DRAFT MANAGEMENT ACCOUNTS TO 31 MARCH 2011

**To: His Worship the Mayor and Councillors
 Otorohanga District Council**

From: District Accountant

Date: 10 May 2011

Executive Summary

The Draft Management Accounts for the period ended 31 March 2011 are attached under separate cover.

Staff Recommendation

It is recommended that:

The Draft Management Accounts for the year ended 31 March 2011 be received.

Brendan O'Callaghan
DISTRICT ACCOUNTANT

**Item-106 PROPOSED DISTRICT PLAN - APPOINTMENT OF HEARINGS
PANEL & COMMISSIONER**

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Policy Manager**

Date: **10 May 2011**

Executive Summary

Submissions and Further Submissions to the Proposed District Plan have been received and progress is being made towards the Hearings Stage as part of the 1st Schedule process of the Resource Management Act 1991. As such Council is required to appoint a Hearings Panel to hear submissions and to make recommendations to Council as to an Operative Otorohanga District Plan.

Staff Recommendation

It is recommended that:

1. Council appoint a Hearing Panel for the purpose of hearing submissions and providing Council with a recommended Operative Otorohanga District Plan.
2. Council appoint the following as the Otorohanga Proposed District Plan Hearing Panel;
 - a. Mayor – Dale Williams
 - b. Deputy Mayor - Sue Blackler
 - c. Councillor – Deborah Pilkington
 - d. Commissioner – Greg Hill

Report Discussion

The Hearings Panel will be charged with representing Council in considering the submissions, further submissions and the staff report drafted to respond to submissions regarding the Otorohanga District Proposed District Plan. This will include the consideration of information provided at the Proposed District Plan Hearings.

It is important that the consideration given and recommendations made to matters raised by submitters are reflective of the district community, therefore it is recommended the Hearings Panel is to be made up of; His Worship the Mayor – Dale Williams, Deputy Mayor – Sue Blackler and Kawhia Ward Councillor Deborah Pilkington. It is felt that this pan-district representation should be supported by an independent external Commissioner which will add a degree of objectivity, specialist expertise and knowledge to the Hearing Panel. As such it is recommended that Mr. Greg Hill be appointed to the Hearings Panel as an Independent Commissioner.

Greg Hill has a planning background and has been engaged by a number of local authorities as an Independent Commissioner on a range of Plan and Consent hearing matters including the review of the Hauraki Gulf Islands Plan (former Auckland City Council).

Reginald Proffit
POLICY MANAGER

Item-107 PROPOSED PARTICIPATION IN LOCAL GOVERNMENT FUNDING AGENCY

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Chief Executive**

Date: **10 May 2011**

Executive Summary

A proposal is presented for Council to participate, as a shareholder, in the forthcoming NZ Local Government Funding Agency, which is intended to provide loan finance to local authorities at lower rates of interest than are available from commercial lenders.

Staff Recommendation

It is recommended that:

1. The report be received, and:
2. The report - as Statement of Proposal (including a Summary of Information) - be approved for public consultation (using the Special Consultative Procedure of the Local Government Act 2002) in respect of a proposal for Council to participate in the forthcoming Local Government Funding Agency as a Principal Shareholder, investing \$100,000 of equity.

Report Discussion

Proposed Local Government Funding Agency

During the last two years a group comprising representatives of a number of large local authorities, Local Government New Zealand and Central Government, together with appointed consultants, have been working towards the establishment of a structure that can enable participating local authorities to borrow at lower interest margins than they would otherwise pay. In essence this structure is a 'local government bond bank' that exists for the sole purpose of providing loans to local government.

Comment has been frequently made - including by staff and elected members of this Council - that interest rates paid on Council borrowings appear excessive given the very high level of security that local authorities can provide through its rating powers, which include the legislated ability to recover unpaid rates through claims against properties and mortgagees. Examples of individuals obtaining lower interest rates on their borrowings than Council have been cited on a number of occasions, suggesting that Councils are being treated badly by lenders.

This current unsatisfactory situation is probably the result of a combination of factors, including the limited range of available local debt sources (local authorities are precluded by regulation from accessing offshore capital markets) and fragmentation of borrowing amongst the numerous local authorities which reduce potential for economies of scale and limit the effective use of alternative funding mechanisms such as the issue of bonds.

The proposed new structure is called the New Zealand Local Government Funding Agency, which will be referred to as the LGFA.

The initial work to research and develop the LGFA proposal has been driven and funded (at a cost of \$100,000 each) by 9 large Councils, these being the Auckland, Christchurch, Hamilton, Wellington City, Tauranga, Whangarei, Western BOP, Tasman and Wellington Regional Council. These Councils together have more than 60% of the debt that exists in the local government sector.

The proposed LGFA would be a Council Controlled Trading Organisation (CCTO) whose function is to enable local government to borrow at lower interest margins.

The LGFA itself would have limited direct operational involvement in the financial activities required to achieve its objective. These operational activities would instead be outsourced to central government's Debt Management Office (DMO) which is tasked with managing the national debt and therefore has significant relevant experience and capability.

It is envisaged that the local government bonds or similar securities offered by the LGFA through the DMO will be very attractive to overseas investors, because of the very high level of security (probably even higher than that based on sovereign debt) associated with the strength of rates recovery mechanisms.

Funding of LGFA Equity

In order to support the necessary credit rating process and to reinforce central government's willingness to support the LGFA, the initial group of 9 local authorities (the 'establishment shareholders') has signed letters of intent that they will become Principal Shareholders, utilise the LGFA and become guarantors of the provided loans.

A process (including public consultation) is now largely completed that will formalise this commitment of the establishment shareholders, which will ensure that the establishment of the LGFA proceeds. To achieve the desired credit rating for the LGFA a minimum initial shareholder equity of \$25 million is required. Central government has indicated that it will provide 20% of this equity, but the remaining 80% (\$20 million) must come from local government. The 9 establishment shareholders have indicated that they will if necessary underwrite provision of all the required equity, but other Councils are now also being invited to become Principal Shareholders in the LGFA to increase the level of equity and strengthen the base of the scheme. It is proposed that ideally the distribution of equity would be central government 20%, the 9 establishment shareholders 50%, and other TLAs 30%.

Participation in the LGFA

Four reasonably practicable options are available to Councils in respect of its participation in the LGFA, which are as follows:

1. Participate in the LGFA Scheme as a Principal Shareholding Local Authority.
2. Participate in the LGFA Scheme as a Guaranteeing Local Authority (party to guarantees of borrowings, but not a Principal Shareholding Local Authority)
3. Participate in the LGFA Scheme as purely a borrower, without being a Principal Shareholding Local Authority or as a formal Guaranteeing Local Authority.
4. Not participate in the LGFA Scheme.

There are varying levels of risk and benefit associated with participating at each of these levels.

The risks are primarily associated with the potential default on loans by borrowers. The strong powers of local government to set and recover Rates, combined with the potentially extensive shareholder equity base are considered to limit the extent of such risks to a very acceptable level.

The primary benefit is in terms of lower borrowing rates, with the lowest rates being provided to participants who have accepted the highest levels of commitment and risk.

It is suggested that Otorohanga District Council should participate in the LGFA Scheme at the highest level (as a Principal Shareholding Local Authority) because the benefits of lower interest rates are likely to outweigh the associated costs and risks.

Benefits of Shareholding

There are a number of benefits associated with being a Principal Shareholder of the LGFA, which include:

- Lower loan rates: The lowest borrowing rates (for a given risk profile of a particular local authority) will be provided to shareholding members who both provide equity and are party to the guarantee of loans. A next higher tier of rates will be provided to borrowers that are not shareholders, but are formal guarantors, and a final (highest) tier of rates will be provided to borrowers who are neither shareholders or formal guarantors. At this stage the extent of the loan rate margins between these tiers is not known, and is not likely to be known until the LGFA has been established and operated for an extended period.
- Demonstration of sector solidarity: This is considered the most important reason of all for high-level participation. A high level and extent of commitment to the LGFA by local government is likely to be effective in preventing it being undermined by banks and other private sector lenders.
- Potential for dividends: Shareholders will potentially receive financial dividends from the profitable operation of the LGFA.

Risks of Shareholding

The Principal Shareholding Local Authorities will be required to enter into guarantees in favour of LGFA and other local authorities, but this also applies (to a lesser degree) to any local authorities borrowing from LGFA, even at the lowest level of participation.

Principal Shareholding Local Authorities will also be required to meet a certain proportion of their borrowing needs through LGFA Scheme for an initial period.

Should the LGFA fail, the equity of shareholders will be at risk.

The probability associated with all of the above risks is however considered to be low.

Cost of Shareholding

If shareholdings were determined on a population basis, then it would be expected that if only a few Councils participated in addition to the 9 establishment shareholders, then the required \$20 million local government equity would be spread over a population of something over 2 million, which on a pro-rata basis would require a Council such as Otorohanga to contribute a little less than \$100,000 of this equity. If however all of the Councils in NZ were to participate, the equity would be spread over a population approximately 4 million, for which ODC's pro-rata share would be in the order of \$50,000.

It has however been recently stated by the establishment shareholders that a minimum shareholding of \$100,000 will be required from any Council participating, and hence that is suggested as the appropriate level of shareholding for ODC.

Such levels of contribution are relatively modest in relation to the debt servicing costs of ODC, which currently has more than \$13 million of debt. With interest rates expected to be reduced by at least 0.5% pa by the creation of the LGFA (and even significantly larger reductions potentially possible) resultant long term savings to Council of at least \$50,000 per annum would be expected once the term of all of Council's existing bank debt expires, and this debt is replaced with loans from the LGFA at lower rates of interest.

As such it would be expected that a full payback of a \$100,000 equity investment in the LGFA would be achieved within less than 5 years.

Need for Strong Support of LGFA

The establishment of the LGFA represents a unique opportunity to overcome a factor that has seriously disadvantaged the local government sector and its ratepayers for many years.

Not surprisingly there has been strong opposition to the establishment of the LGFA by other lenders, which will only have been driven by the self interest of these profit making organisations.

Even though the LGFA is not yet functioning, the prospect of its establishment appears to have already caused private sector lenders to offer more favourable terms to local authorities. It is considered vitally important that Councils are not lured by these apparently attractive terms, as they are only being offered with the intention of undermining local government support for the LGFA, in the hope that it might fail, and would almost certainly not continue to be offered if the LGFA was not in place.

To ensure that cost saving benefits to ratepayers are maximised and retained in the long term it is therefore considered very important that the support of the local government sector for the LGFA is maximised, and hence it is strongly recommended that Council has the highest level of participation in the LGFA, which is as a Principal Shareholder.

Funding of ODC Shareholding in LGFA

It would be possible and appropriate to fund a Council shareholding of \$100,000 in the LGA from the existing District General Reserve Funds, avoiding the need for any increase of rates.

Required Policy Amendments

Council's Investment Policy will need to be amended to make it clear that the Council's investment activity includes participating as a Principal Shareholder in LGFA. There will be a direct return on this investment, but this may be less than might be achieved by alternative investments. The magnitude of such differences in return is however likely to be small.

There are no consequential changes to any other provisions in the Long Term Plan, though there is a related change to the Liability Management Policy discussed below.

The Liability Management Policy will be amended to make it clear that the Council may participate in the LGFA Scheme, including borrowing from the LGFA and entering into the transactions relating to that borrowing.

Timing of ODC Participation in LGFA

Two 'windows of opportunity' have been provided to Councils to become Principal Shareholders of the LGFA. The first of these is before the end of the current financial year to be included in with those involved in the initial establishment of the LGFA, and is orientated towards those Councils which have incorporated such shareholding in their 2011/12 Annual Plan. A further opportunity for other Councils to become shareholders will be provided in late 2011, and it is envisaged that ODC would join the scheme at that later time.

LGFA Governance

It is proposed that the LGFA will be governed by a Board of 5 directors, of which two are local government representatives, 1 is a central government representative, and 2 are independent directors.

Statutory Considerations

Section 56 of the Local Government Act 2002 provides that a proposal to establish a council controlled organisation (which includes a CCTO) must be adopted by Special Consultative Procedure before a local authority may establish or become a shareholder in the CCO.

Section 102(6) of the LGA 2002 requires any amendment to a liability management policy or investment policy to be by way of an amendment to the Long Term Plan. Both of these provisions are relevant in the present case. Council's involvement in the LGFA as a Principal Shareholding Local Authority is not provided for in the Investment Policy, and specifics of the debt raising arrangements with the LGFA go beyond what is currently provided in the Liability Management Policy (particularly the guarantee commitments). It is therefore appropriate to amend these

policies (by amending the LTP) using the same special consultation procedure required to comply with section 56. (Section 83A of the LGA 2002 expressly authorises combined special consultative procedures).

Use of Special Consultative Procedure

Should Council wish to pursue participation in the LGFA as a shareholder or guaranteeing Council then it will be necessary, as indicated previously, to follow the Special Consultative Procedure in accordance with sections 83 and 156 of the Local Government Act 2002, for which this report, in its entirety, is the Statement of Proposal.

The summary of information contained in the Statement of Proposal, that will be used for advertising purposes will be as follows (in italics):

STATEMENT OF PROPOSAL AND SUMMARY OF INFORMATION:

Proposed Council Shareholding Participation in Local Government Funding Agency

A combined initiative of Local and Central Government has led to a proposal to establish the New Zealand Local Government Funding Agency ('LGFA'), which is a Council Controlled Trading Organisation ('CCTO'), the purpose of which is to provide loans to local government at lower rates of interest than those offered by commercial lenders.

It is proposed that Otorohanga District Council will become a shareholder of the LGFA, making an equity investment of \$100,000 in the scheme. It is believed that the lower loan interest rates obtainable through the LGFA have the potential to reduce Council costs by at least \$50,000 per year.

Legislation requires that public consultation is undertaken in respect of Councils taking shareholdings in CCTOs and hence this consultation is being undertaken in accordance with the Special Consultative Procedure of the Local Government Act 2002.

A more detailed statement of proposal can be inspected at the offices and public libraries of Council, or copies will be provided on request.

Written submissions on this proposal are invited, and should be addressed to:

*The Chief Executive
Otorohanga District Council
PO Box 11
OTOROHANGA 3940*

Submissions must be received by Council by not later than 13 June 2011, 4.00pm.

Other relevant dates in respect of the Special Consultative Procedure are as follows:

- Publication of Summary of Information & invitation for submissions - 12 May 2011
- Closing date for submissions - 13 June 2011
- Submissions heard by Council, and decision on participation made - 21 June 2011

Dave Clibbery
CHIEF EXECUTIVE

Item-108 RECEIPT AND ADOPTION OF COMMUNITY BOARD MINUTES

To: His Worship the Mayor and Councillors
 Otorohanga District Council

From: Chief Executive

Date: 10 May 2011

Executive Summary

Responses are proposed to an identified problem associated with Council's previous practice of receiving and adopting unconfirmed minutes of Community Boards.

Staff Recommendation

It is recommended that:

1. Council adopts the recommendations contained in the confirmed minutes of meetings of the Otorohanga Community Board on 10 June 2010, 8 July 2010, 12 August 2010, 9 September 2010, 28 October 2010, 11 November 2010, 9 December 2010, and 10 February 2011, and meetings of the Kawhia Community Board on 26 March 2010, 28 May 2010, 30 July 2010, 24 September 2010, 29 October 2010, 17 December 2010 and 28 January 2011.
2. In future when the unconfirmed minutes of a Community Board meeting are first presented to Council, the resolution of Council will be *'that the unconfirmed minutes are received, and the recommendations therein adopted'*.

When the Community Board minutes are again presented to Council after being confirmed by the relevant Board, the resolution of Council shall be *'that the confirmed minutes are received'*.
3. That in every case the full and exact detail of Board recommendations are presented and agreed at the Board meetings prior to voting, to reduce potential for error in the recommendations presented to Council.

Report Discussion

At the meeting of the Kawhia Community Board on 26 March 2010 concern was expressed by Board members that unconfirmed minutes of their meetings were being adopted by Council, and it was requested that the minutes should instead only be received by Council as being unconfirmed, to be confirmed by the Board at their next meeting.

This practice has subsequently been adopted for both the Kawhia and Otorohanga Boards, but an associated problem has been created in that by changing the previous wording in the Council agendas from:

'The minutes of the meeting of the (Location) Community Board held on (Date) be received and the recommendations contained therein adopted'

to:

'The unconfirmed minutes of the meeting of the (Location) Community Board held on (Date) be received'

The effect of making this change has however, been that Council has not given effect to the subsequent recommendations of the Boards.

To overcome this, it is proposed that Council now resolves as follows:

That Council adopts the recommendations contained in the confirmed minutes of meetings of the Otorohanga Community Board on 10 June 2010, 8 July 2010, 12 August 2010, 9 September 2010, 28 October 2010, 11 November 2010, 9 December 2010, and 10 February 2011, and meetings of the Kawhia Community Board on 26 March 2010, 28 May 2010, 30 July 2010, 24 September 2010, 29 October 2010, 17 December 2010 and 28 January 2011.

Such retrospective 'bulk' adoption of Board recommendations is however, far from satisfactory, as there may be situations where legally binding decisions need to be made within relatively short time frames. The current schedule of KCB meetings at two month intervals does however, mean that even if minutes are confirmed by the KCB at the earliest opportunity, almost three months may elapse before a decision is made by the KCB, the minutes are confirmed and the associated recommendation adopted at a subsequent meeting of Council. This cannot be considered satisfactory.

There appears to be only one means by which this problem can be addressed, other than resorting to the previous practice of Council adopting unconfirmed minutes. This alternative approach would be to continue the current presentation of unconfirmed minutes to Council (which might be followed by receipt of confirmed minutes at a later meeting of Council) but to adopt any formal recommendations contained in those minutes when they are first presented (unconfirmed) to Council.

It is believed that if there are errors in the minutes of meetings they are generally in relation to the record of discussion within the meeting, rather than in the formal recommendations resolved. Errors in relation to recommendations can however, be made when the wording of recommendations is made (or adjusted) in haste during the meeting. Such potential for errors could be reduced if it is required that in every instance the full text of the recommendation is prepared, read and agreed prior to the Board voting upon it.

If such a process is followed, it would be expected that it would be practicable for Council to adopt a process as follows in relation to the minutes of the Boards:

- When the unconfirmed minutes of the Board are first presented to Council, Council resolves *'that the unconfirmed minutes are received, and the recommendations therein adopted'*
- When the minutes of the Board are again presented to Council (after having been confirmed) *'that the confirmed minutes are received'*.

It is therefore proposed that in future such a process be adopted.

Dave Clibbery
CHIEF EXECUTIVE

**Item-109 WAIKATO CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP
PRESENTATION**

**To: His Worship the Mayor and Councillors
Otorohanga District Council**

From: Environmental Services Manager

Date: 10 May 2011

Executive Summary

Messrs Langley Cavers (Coordinating Executive Group Chair) and Adam Munro (Group Emergency Management Office Manager) will attend Council at 11.00am to give a presentation.

Staff Recommendation

It is recommended that:

The Waikato Civil Defence Emergency Management Group presentation be received.

AR Loe
ENVIRONMENTAL SERVICES MANAGER

Item-110 ODC MATTERS REFERRED FROM 19 APRIL 2011

**To: His Worship the Mayor and Councillors
Otorohanga District Council**

From: Governance Supervisor

Date: 10 May 2011

Executive Summary

1. CHIEF EXECUTIVE

19 April 2011

- i. To discuss with designer David Walmsley discreet changes to the existing district Logo as highlighted in the discussion held on this matter.

2. ENGINEERING MANAGER

19 April 2011

- i. To arrange for Councillors to visit Otorohanga's Sewerage and Water Treatment facilities.
- ii. To follow through on the petition received from Property Owners along KioKio Station Road to introduce a speed restriction on this or part of this road.

CA Tutty

GOVERNANCE SUPERVISOR

GENERAL

