



Ōtorohanga District Council

AGENDA

25 JUNE 2020

10am

Members of the Ōtorohanga District Council

His Worship the Mayor MM Baxter
Councillor K Christison
Councillor B Ferguson
Councillor R Johnson
Councillor K Jeffries
Councillor RA Klos
Councillor A Williams

Meeting Secretary: Mr. CA Tutty (Governance Supervisor)

ŌTOROHANGA DISTRICT COUNCIL

25 June 2020

Notice is hereby given that an ordinary meeting of the Ōtorohanga District Council will be held in the Council Chamber, 17 Maniapoto Street, Ōtorohanga commencing at 10am.

Tanya Winter
CHIEF EXECUTIVE

22 JUNE 2020

ORDER OF BUSINESS:

PRESENT

IN ATTENDANCE

APOLOGIES

REFLECTION / PRAYER / WORDS OF WISDOM (HIS WORSHIP THE MAYOR)

DECLARATION OF CONFLICTS OF INTEREST

PUBLIC FORUM

CONFIRMATION OF MINUTES ŌTOROHANGA DISTRICT COUNCIL 16 JUNE 2020

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ITEM 82 HIS WORSHIP THE MAYOR VERBAL REPORT

ITEM 83 CHIEF EXECUTIVE REPORT 26 MAY – 24 JUNE 2020

**TO: HIS WORSHIP THE MAYOR AND COUNCILLORS
 ŌTOROHANGA DISTRICT COUNCIL**

FROM: CHIEF EXECUTIVE

DATE: 25 JUNE 2020

Relevant Community Outcomes

- Ensure services and facilities meet the needs of the Community
 - Foster an involved and engaged Community
-

Executive Summary

The purpose of this report is to inform Council of the key focus areas for the Chief Executive in the last month and signal anything of note coming up in the next month.

Recommendation

It is recommended that the report is received.

1. Coronavirus (COVID-19)

During the month the government moved the country from Alert Level 2 to 1. This effectively meant that everyone was able to return to the office, and the transition back has been seamless with minimal impact on service levels to our community. Staff are enjoying being back in the office again, and a full de-brief is being organised to capture “the good, the bad and the ugly” regarding what we learned through the pandemic and lockdown period.

Seven “pulse surveys” were conducted over lockdown with the flexibility of being able to work from home as well as the office being highlighted as something we should continue. At the time of writing this report we were undertaking our consultation on Flexible Working Arrangements Guidelines with staff. All indications are that these Guidelines will be adopted as our “new norm.”

The use of technology over lockdown was significant, and I have previously commented on how we managed to transition almost all of our 50 staff from working in the office to working from home in the space of less than 48 hours when we were put into Alert Level 4. In keeping with our pre-lockdown vision of a flexible workspace, the use of technology is central to this, and we will continue to upgrade our meeting rooms, the Council Chamber and workspaces so that staff, elected members and our community have a range of tools at their fingertips to enable us to work more efficiently and engage with our community like never before.

2. Long Term Plan 2021

The Project Team have continued to work on preparing our LTP through lockdown, with the following pieces of work underway:

- Environmental Scan
- District Profile
- Infrastructure Strategy
- Asset Management Plans
- Financial Strategy and associated policies
- Early engagement plan
- Branding

A strategic direction workshop was held with Council on 16 June with Steven Finlay from LGNZ EquiP facilitating. The ideas put forward by elected members at this session will form the basis of our early engagement with the community. This will start in mid-July.

3. Service Agreements

Discussion on Service Agreements with both Sport Waikato and the Ōtorohanga District Development Board are ongoing, with the aim to have these in place early in the new financial year. Sport Waikato will continue to provide centralised support to our district until a new model is in place. The Service Agreement with the ODDB is drafted and has been sent to the Board Chair for feedback.

4. Regional Sports Facilities Plan

This month I have taken part in two meetings that have focused on a review of the regional sports facilities plan. If there is one thing that has stood out for me it's the emphasis we are now placing on facilities that encourage accessing our natural environment. The current facilities plan is heavily focused on built infrastructure: pools, the velodrome, sports centres/halls, sportsfields, courts, etc. While they are still needed and must be planned for as the region grows, I suspect that tracks, trails, shared pathways, etc will have equal if not more emphasis in the new plan. The COVID-19 lockdown has had an impact on just how much value we place on our own "backyards". People had time to get out with their families, and the movement restrictions meant they had to stay close to home and be grateful for what was nearby. It will be interesting to see how the plan develops. I think we have seen with our own Stopbank Pathway just how much the community values these assets.

5. Professional Development

In June I was nominated by two Waikato Chief Executives to take on the role of the Midlands Branch representative on the SOLGM Executive. With support from Council I was successfully elected and I commence my role on 1 July 2020. The Midlands branch has 142 members across 19 councils from Waikato-BOP-East Coast. Ōtorohanga District Council is the smallest council represented on the Executive, so I hope to bring a unique perspective of the challenges facing smaller rural councils, as well as crowing about the fantastic work we are doing! I will also be putting forth the views of our region, and the wider Midlands branch.

6. Other Meetings/Activities

- Te Puna Oranga Iwi Ltd – animal products processing plant
- Beattie Home
- Combined Council-Community Board workshop
- PERT meetings
- Hanging basket planting
- Waikeria Prison monthly meeting
- Waikato CE Forum
- Sport NZ briefing on post-COVID-19 support
- Dennis O'Callaghan and CE Performance Review Committee
- Creative Communities Assessment Committee
- Provincial Development Unit – funding opportunities

Tanya Winter

CHIEF EXECUTIVE

ITEM 84 **ŌTOROHANGA KIWI HOUSE LOAN AGREEMENT**

TO: **HIS WORSHIP THE MAYOR AND COUNCILLORS**
ŌTOROHANGA DISTRICT COUNCIL

FROM: **GROUP MANAGER CORPORATE**

DATE: **25 JUNE 2020**

Relevant Community Outcomes

- Ensure services and facilities meet the needs of the Community
- Provide for the unique history and culture of the District
- Foster an involved and engaged Community

Executive Summary

Council received submissions on a \$2M loan to the Ōtorohanga Kiwi House at its meeting of 16th June. 17 submissions were received with 16 in support of the loan and 1 submission indicating that the loan should be deferred until there is more certainty around international tourism as a result of the COVID-19 pandemic. Council indicated that they were in support of advancing a \$2m loan to the Kiwi House now and this report relates to the approval and conditions of the loan.

Recommendations

It is recommended that:

- 1) After consideration of submissions received Council resolves to support the proposed redevelopment of the Ōtorohanga Kiwi House with a \$2 million Loan
- 2) The loan terms and conditions be adopted as follows;

Ōtorohanga Kiwi House Loan Agreement Terms

Item	Term	Comment
Entity	Ōtorohanga Kiwi House Charitable Trust (OKH)	
Amount	\$2M	
Term	10 years from first draw down (expected 2 July 2020)	Draw down to repay Ōtorohanga Zoological Society (OZS) BNZ loan and remove guarantee
Interest Rate	2.95% per annum	
Repayment	Start 1 July 2022, interest and principle as scheduled	First 2 years no payments. Loan Schedule with repayment dates for 8 years will be attached to the Loan Agreement.
Security	None	The assets are all on council reserve land and would have little value if business fails. The leases (when updated – but currently) have no rights of transfer without council’s approval. Until assets transfer From OZS then OKH have no assets.

Ranking	This loan ranks behind a loan of up to \$1 million pledged by The Ōtorohanga Charitable Trust.	This is in the event of the business failing. There is no security anyway. Both loans would be paid as per scheduled otherwise.
Loan to BNZ and Guarantee	OZS BNZ loan guaranteed by Council to be repaid on 2 July 2020 and Council's Guarantee extinguished.	Note funds must be paid to OKH first. May need separate MOU to ensure that OKH repay OZS loan.
Use of funds	The loan may only be used for the capital costs of the redevelopment as outlined in the Kiwi House Business Case dated May 2020.	The funds must not be used for operational costs
Drawdowns	Funds will only be released quarterly based on capital estimates for the forthcoming 3 months.	
Accountability Clauses		
Transfer of Assets	Formal confirmation that the assets and liabilities of OZS have transferred to OKH and any assets or liabilities remaining in OZS.	
Quarterly report to The Chief Executive	<ol style="list-style-type: none"> 1. Provide an income and expenditure update on the capital expenditure, grants, loans and other funding available to the Redevelopment project compared to forecast - within 10 working days of each Quarter starting for the Quarter ended 30 September 2020 2. Updated forecast of income and capital expenditure for next Quarter. - within 10 working days of each Quarter 3. Income and expenditure statement on operating income and expenditure - within 10 working days of each Quarter 4. Analysis of visitor numbers for the quarter compared to projected for that quarter, and the same period of the previous year - within 10 working days of each Quarter 	<p>This information would be reviewed by GM Corporate.</p> <p>This information might be commercial and confidential, subject to LGOIMA.</p> <p>Public statements / reports on the performance of the OKH by Council should be available to the OKH 5 days prior to becoming public.</p>
Audited Financial Statements	Presented by OKH to Council Annually no later than 30 June of each year in Public meeting. (Assume March balance date)	

Background

At its ordinary meeting of 16th June Council considered submissions on a Statement of Proposal to lend \$2 million dollars to the Ōtorohanga Kiwi House. 17 submissions were received with 16 in support of the loan and 1 submission indicating that the loan should be deferred until there is more certainty around international tourism as a result of the COVID-19 pandemic. Council indicated that they were in support of advancing a \$2m loan to the Kiwi House now. After consultation with the Ōtorohanga Kiwi House around the requirements of the loan, staff have prepared a set of conditions.

One submitter wanted Council to consider some options around the Kiwi House Governance structure and whether Council or an independent person reporting back to Council should have a presence on the Board. The Ōtorohanga Kiwi House Charitable Trust Deed stipulates how trustees are elected, therefore any changes would need to be made in consultation with the Ōtorohanga Kiwi House Board.

Considerations

Significance and Engagement

The proposed loan to the Ōtorohanga Kiwi House was considered significant and a full Statement of Proposal was prepared for community consultation. The Statement of Proposal presented 3 options and outlined the risks involved with each. While the previous decisions on this matter have been reversible, once Council decides to advance a loan to the Kiwi House, the reversibility of that decision becomes more difficult. The only reason to reverse the decision beyond this point would be if the Kiwi House were unable to meet the terms and conditions of the loan. For this reason, and due to the quantum of funds involved this decision is assessed to be of high significance.

Policy and Plans

The impact on Council policies and plans were included in the Statement of Proposal and previous reports to Council on the \$2 million loan.

Legal

All legal implications were included in the Statement of Proposal and previous reports to Council on the \$2 million loan.

Financial

The general terms and conditions of the loan were included in the Statement of Proposal. These conditions align with the request for funding from the Kiwi House and are included in their forecast financials which were published as part of the consultation process. Council will mitigate their interest rate exposure by raising a \$2 million loan with the LGFA. In order for Council to raise this loan in the 2020/21 financial year a Council resolution will need to be passed at the July meeting. We will then need to indicate to the LGFA that we wish to participate in the August Bond tender to raise \$2 million of debt.

Iwi

There is no particular requirement to engage with Iwi.

Options:

Option 1: Support the Loan to the Kiwi House with the proposed conditions

Advantages:

- This will provide the Kiwi House with greater certainty around their redevelopment plans
- Gives the Kiwi House the greatest opportunity to access Post-Covid 19 recovery funds
- Places the Kiwi House in a better position to grow when the tourists return leading to more jobs and wider community benefit.
- This meets the forecasted financial requirement of the Kiwi House.
- If the conditions are met will have no rates impact

Disadvantages:

- External funding is not guaranteed
- Council is relying on Kiwi House financial forecasts and has limited opportunity to undertake its own due diligence
- There is a high level of uncertainty on future revenue from tourism
- If the loan is unable to be re-paid then ratepayers will have to fund the shortfall
- Council has more debt capacity should more projects require support or unplanned events occur

Option 2: Support the Loan to the Kiwi House with conditions that are more favourable to the Kiwi House

Advantages:

- Option 2 has the same advantages as Option 1; plus
- Making the conditions more favourable to the Kiwi House may assist them in meeting forecast financial commitments

Disadvantages:

- Option 2 has the same disadvantages as Option 1; plus
- If the conditions are more favourable to the Kiwi House there would be a cost to Council that would need to be funded from rates.

Option 3: Don't support the loan

Advantages:

- Council has more debt capacity should more projects require support or unplanned events occur.

Disadvantages:

- The Kiwi House has advised that no community contribution would lead to the permanent closure of the Kiwi House
- Permanent closure would lead to loss of jobs work for some trades and flow over to other businesses.
- Council would probably have to re-instate the reserve land

Assessment of Options

In assessing the options Council has indicated at their meeting of 16th June that they support the loan. The terms and conditions of the loan have been based on the requirements that were advised by the Kiwi House. The interest rate has been set at 2.95% over a 10 year term with no repayments over the first 2 years. Council will raise a corresponding loan for 10 years with the LGFA at an interest rate of approximately 1.6%. The loan offer to the Kiwi House is on a reducing principal table loan and the LGFA loan the Council will raise is interest only. Council could potentially reinvest the funds received from the Kiwi House over the 10 years. If the Kiwi House repay the loan within the agreed terms and conditions there will be no additional rates requirement. See table below.

Interest Income from Kiwi House – Table Loan @ 2.95% over 8 years	247,720
Interest Expense to LGFA – Interest Only @ 1.6% over 10 years	320,000
Deficit	(72,280)
ODC Interest Income – Estimate on re-investing principal @ 1% over 8 years	86,909

Council has already incurred Consultants and Legal Costs of approximately \$15,000 in preparing the Statement of Proposal. This excludes any staff time. There will be additional legal costs in uplifting the LGFA loan plus ongoing costs with Covenant Financial Trust and also Computershare.

If Council was to alter the conditions of the loan and reduce the interest rate from 2.95%, there would be an overall rates impact to the community. For every 0.5% reduction in interest rate this would equate to a cost to Council of approximately \$4,300pa or \$43,000 over the life of the loan.

Preferred Option and Reason

The preferred option is option 1, That Council supports the Loan to the Kiwi House with the proposed conditions. Council is undertaking substantial risk with the proposed loan and under normal circumstances would be building a risk component into the interest rate. Council is recognizing the iconic nature of the Kiwi House and the value it has to the district. This was also the overwhelming theme in the submissions received. By adopting conditions that are acceptable to the Kiwi House and will have minimal rates impact if the requirements of the loan are met gives good balance for both parties. The conditions of the loan include an accountability requirement for the Kiwi House to report back to Council on financial and non-financial information. This will give Council confidence that their Investment is being utilized in manner commensurate with good financial practice.

Graham Bunn

GROUP MANAGER CORPORATE

ITEM 85 **ANNUAL PLAN 2020-21**
TO: **HIS WORSHIP THE MAYOR AND COUNCILLORS**
 ŌTOROHANGA DISTRICT COUNCIL
FROM: **GROUP MANAGER CORPORATE**
DATE: **25 JUNE 2020**

Relevant Community Outcomes

- Foster an involved and engaged community
 - Ensure services and facilities meet the needs of the Community
 - Manage the natural and physical environment in a sustainable manner
 - Protect the special character of our harbours and their catchments
-

Executive Summary

The Annual Plan 2020-21 has been compiled and is presented for adoption by Council.

Staff Recommendation

It is recommended:

That the Annual Plan 2020-21 be adopted.

Report Discussion

The Annual Plan has been circulated under separate cover.

Graham Bunn
GROUP MANAGER CORPORATE

ITEM 86 **RATES RESOLUTION 2020/21**

TO: **HIS WORSHIP THE MAYOR AND COUNCILLORS
ŌTOROHANGA DISTRICT COUNCIL**

FROM: **GROUP MANAGER CORPORATE**

DATE: **25 JUNE 2020**

Executive Summary

The proposed 2020/21 Rates Resolution is presented.

Staff Recommendation

It is recommended:

That the Ōtorohanga District Council sets the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing 1 July 2020 and ending on 30 June 2021.

All rates and amounts are plus GST at the prevailing rate. (The prevailing rate is currently 15%)

1. ŌTOROHANGA DISTRICT

a. General Rate

A General Rate set under section 13 of the Local Government (Rating) Act 2002 of 0.0005989 cents in the dollar on the capital value of all rating units.

b. Uniform Annual General Charge

A Uniform Annual General Charge of \$399.87000 per rating unit, set under section 15 of the Local Government (Rating) Act 2002.

2. ŌTOROHANGA RURAL

a. Rural Targeted Rate

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of 0.0000340 cents in the dollar on the capital value of all rating units within the Ōtorohanga District with the exception of the Ōtorohanga Community and Kawhia Community areas.

b. Separate Uniform Targeted Rate

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$170.13000 per rating unit on all rating units within the Ōtorohanga District with the exception of the Ōtorohanga and Kawhia Community areas.

3. ŌTOROHANGA COMMUNITY

a. Ōtorohanga Community Targeted Rate

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the Ōtorohanga Community area, assessed on a differential basis as described below:

- i. a rate of 0.0005864 cents in the dollar of capital value on every rating unit in the “commercial” category.
- ii. a rate of 0.0002346 cents in the dollar of capital value on every rating unit in the “residential” category.

b. Ōtorohanga Community Uniform Targeted Rate

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$207.61000 per rating unit on all rating units within the Ōtorohanga Community area

4. KAWHIA COMMUNITY

a. Kawhia Community Targeted Rate

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of 0.0003643 cents in the dollar of capital value on all rating units within the Kawhia Community area.

b. Kawhia Community Uniform Targeted Rate

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$117.16000 per rating unit on all rating units within the Kawhia Community area

5. TARGETED LOAN RATES

a. Ōtorohanga Sewage Treatment Loan Rate

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the Ōtorohanga Community area, assessed on a differential basis as described below:

- i. a rate of 0.0002105 cents in the dollar of capital value on every rating unit in the “commercial” category.
- ii. a rate of 0.0000842 cents in the dollar of capital value on every rating unit in the “residential” category.

b. Ōtorohanga Water Supply Loan Rate

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the Ōtorohanga Community area, assessed on a differential basis as described below:

- i. a rate of 0.0000211 cents in the dollar of capital value on every rating unit in the “commercial” category.
- ii. a rate of 0.0000105 cents in the dollar of capital value on every rating unit in the “residential” category.

c. Kawhia Water Supply

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of 0.0000794 cents in the dollar of capital value on all rating units within the Kawhia Community area.

d. Arohena Rural Water Supply

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of 0.0000538 cents in the dollar of capital value on all rating units within the Arohena Rural Water Supply Area.

e. Aotea Erosion Protection

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$367.71000 per rating unit on all rating units within the Aotea Community.

6. TARGETED RATES

a. **Roading**

- i. A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 made of 0.0007330 cents in the dollar of capital value on all rating units within the Ōtorohanga District.
- ii. A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$322.63000 per rating unit on all rating units within the Ōtorohanga District.

b. **Security Patrol**

- i. A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of 0.0006493 cents in the dollar of capital value on all rating units within the “Security Patrol Area” in the Ōtorohanga Community.
- ii. A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$379.70000 per rating unit on all rating units within the “Security Patrol Area” in the Ōtorohanga Community.

c. **Ōtorohanga CBD Development Rate**

- i. A Targeted Rate of 0.0000941 cents in the dollar on the capital value of all rating units in the “commercial” category of the Ōtorohanga Community.
- ii. A Uniform Targeted Rate of \$181.62000 per rating unit on each rating unit in the “commercial” category of the Ōtorohanga Community.

d. **Aotea Erosion Targeted Rate**

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$85.02000 per rating unit on all rating units within the Aotea Community.

e. **District Halls**

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 for all rating units within the defined hall areas as follows:

HALL SEPARATE RATING DISTRICT	RATE IN \$	RATING SYSTEM	UNIFORM ANNUAL CHARGE	
Arohena	0.0000050	capital value	\$45.00	Per rating unit
Kio Kio	0.0000090	capital value	\$20.00	Per rating unit
Tokanui Crossroads	-		\$20.00	Per rating unit
Puketotara/ Ngutunui	0.0000030	capital value	\$9.00	Per rating unit
Otewa	-		\$18.00	Per rating unit
Honikiwi	0.0000130	capital value	-	

7. TARGETED REFUSE RATES

Ōtorohanga Community

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$106.29000 per separately used or inhabited part on all rating units within the Ōtorohanga Refuse Collection Area.

Kawhia Community

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$230.59000 in respect of each separately used or inhabited part of a rating unit in the Kawhia Refuse Collection Area.

8. TARGETED WATER RATES

Kawhia Community

- c. A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$447.50000 on every separately used or inhabited part of a rating unit, which receives an ordinary supply of water within the Kawhia Community.

9. TARGETED SEWERAGE RATES

A Targeted Rate set under section 16 of the Local Government (Rating) Act 2002 of \$320.49000 for the first water closet or urinal and \$0 for the second to fourth, \$44.44000 for subsequent closets or urinals, on every separately used or inhabited part of a rating unit connected, either directly or through a private drain to the Ōtorohanga Community Sewerage Scheme.

10. TARGETED RATES FOR EXTRAORDINARY WATER SUPPLY

Ōtorohanga Community

- a. A targeted rate for water supply, set under section 19 of the Local Government (Rating) Act 2002, of \$1.50 per cubic metre of water consumed, for each rateable rating unit connected to the Ōtorohanga Community Water Supply.
- b. A targeted rate for water supply, set under section 16 of the Local Government (Rating) Act 2002, of \$100.00 per meter for each separate rating unit whether rateable or non-rateable receiving a supply from the Ōtorohanga Community Water Supply.

Kawhia Community

- a. A targeted rate for water supply, set under section 19 of the Local Government (Rating) Act 2002, of \$1.01 cents per cubic metre of water consumed in excess of 220 cubic metres, for each rating unit, whether rateable or non-rateable, within the Kawhia Community on a metered supply.
- b. A targeted rate for water supply, set under section 19 of the Local Government (Rating) Act 2002, of \$1.01 cents per cubic metre of water consumed in excess of 220 cubic metres, for each rating unit, whether rateable or non-rateable, outside the Kawhia Community on a metered supply, with a minimum charge of \$447.50.
- c. A targeted rate for water supply, set under section 16 of the Local Government (Rating) Act 2002, of \$102.22 per meter for each separate rating unit whether rateable or non-rateable receiving an extraordinary supply from the Kawhia Community Water Supply.
- d. A targeted rate for water supply, set under section 19 of the Local Government (Rating) Act 2002, of \$10.22 cents per cubic metre of water consumed between the period of 20 December 2020 and 20 February 2021, for each rating unit meeting the Peak Season Metered Water Charges criteria, within the Kawhia Community on a metered supply.

11. RURAL WATER SUPPLIES

- a. A targeted rate for water supply, set under section 19 of the Local Government (Rating) Act 2002, of \$0.65 cents per cubic metre of water consumed, whether rateable or non-rateable, within the Arohena Rural Water Supply Area.
- b. A targeted rate for water supply, set under section 16 of the Local Government (Rating) Act 2002, of \$595.18 per meter within the Arohena Rural Water Supply Area.
- c. A targeted rate for water supply, set under section 19 of the Local Government (Rating) Act 2002, of \$0.48 cents per cubic metre of water consumed, whether rateable or non-rateable, within the Ranginui Rural Water Supply Area.
- d. A targeted rate for water supply, set under section 16 of the Local Government (Rating) Act 2002, of \$1,800.00 for the first meter per property within the Ranginui Rural Water Supply Area.

- e. A targeted rate for water supply, set under section 19 of the Local Government (Rating) Act 2002, of \$1.29 per cubic metre of water consumed, whether rateable or non-rateable, within the Tihiroa Rural Water Supply Area.
- f. A targeted rate for water supply, set under section 16 of the Local Government (Rating) Act 2002, of \$500.00 per meter within the Tihiroa Rural Water Supply Area.
- g. A targeted rate for water supply, set under section 19 of the Local Government (Rating) Act 2002, of \$0.80 cents per cubic metre of water consumed, whether rateable or non-rateable, within the Waipa Rural Water Supply Area.
- h. A targeted rate for water supply, set under section 16 of the Local Government (Rating) Act 2002, of \$200.00 per meter within the Waipa Rural Water Supply Area

That the Council adopt the definitions for its differential categories set out in the funding impact statement contained in the 2020/21 Annual Plan as its differential rating categories for the year.

That with the exception of water by meter charges for those connected to the Ōtorohanga Community Water Supply, all rates will be payable in two equal instalments with the due dates for payment being:

Instalment One	28 August 2020
Instalment Two	29 January 2021

That water by meter charges for those connected to the Ōtorohanga Community Water Supply, will be payable in four instalments with the due dates for payment being:

Instalment One	20 November 2020
Instalment Two	20 February 2021
Instalment Three	20 May 2021
Instalment Four	20 August 2021

That the Council apply the following penalties as follows:

- a. A charge of 5 percent on so much of any instalment, excluding metered water charges, that has been assessed after 1 July 2020 and which is unpaid after the due dates below:

Instalment One	25 September 2020
Instalment Two	26 February 2021

- b. A charge of 5 percent on so much of any metered water charges, excluding for those connected to the Ōtorohanga Community Water Supply, that have been assessed after 1 July 2020 and which is unpaid after the due dates below:

Instalment One	25 September 2020
Instalment Two	26 February 2021

- c. A charge of 5 percent on so much of any metered water charges for those connected to the Ōtorohanga Community Water Supply, that have been assessed after 1 July 2020 and which is unpaid after the due dates below:

Instalment One	20 November 2020
Instalment Two	20 February 2021
Instalment Three	20 May 2021
Instalment Four	20 August 2021

- d. A charge of 5 percent on so much of any rates, excluding metered water charges, assessed before 1 July 2020 that remain unpaid on 1 August 2020

- e. A further amount of 5 percent on any rates, excluding metered water charges, to which a penalty has been added under (d) if rates remain unpaid on 1 February 2021.

That rates shall be payable at any of the following places:

- a. The council offices, 17 Maniapoto Street, Ōtorohanga
- b. Using online banking or direct debit facilities established by the Council

Graham Bunn

GROUP MANAGER CORPORATE

ITEM 87 **KAWHIA WATER SUPPLY FUTURE PROOFING - AQUIFER ASSESSMENT**
TO: **HIS WORSHIP THE MAYOR AND COUNCILLORS**
 ŌTOROHANGA DISTRICT COUNCIL
FROM: **GROUP MANAGER ENGINEERING**
DATE: **25 JUNE 2020**

Relevant Community Outcomes

- The Ōtorohanga District is a safe place to live
 - Ensure services and facilities meet the needs of the Community
 - Promote the local economy and opportunities for sustainable economic development
 - Manage the natural and physical environment in a sustainable manner
-

Executive Summary

Tainui Kawhia Incorporated (TKI) are exploring some commercial investments in and around Kawhia and the availability of water is a key factor to enable these investments. TKI wish to support the sustainability of the Kawhia community and ensure the ongoing supply of drinking water to the township. To this end TKI approached Council with a request to work with Council by increasing the scope of work of the aquifer assessment and for Council to make a contribution to the additional cost of this work. TKI Council would then share the results and work collaboratively with Council.

Recommendation(s)

It is recommended that

1. Council approve funding 25% of the cost of the aquifer assessment of the Kawhia and surrounding aquifers being the amount of \$17 840.75 allocated to the cost center for the Kawhia Water Supply.
2. Council notes that this expenditure is not budgeted for however there is a surplus of \$100,000 in the Kawhia Water Supply account that this would be funded from.

Background

The Kawhia township drinking water supply is gravity fed from a natural spring above the treatment plant. In the past a ground water pumping system was built to boost supply during high use times and unfortunately this had the effect of a temporary increase over a short period after which the system had taken all the ground water available and also reduced to flow from the springs which resulted in no net gain. The system is therefore no longer in use.

Council staff have expressed concerns that the amount of water flowing from the springs has shown a small but noticeable decline recently. This raises the question about the long term sustainability of the natural spring as a water source for Kawhia. It is likely that Council would have had to undertake our own assessment of water availability in Kawhia at some stage in the near future, and while this is not in Council's current Long Term Plan, security of water supply is a significant issue for communities.

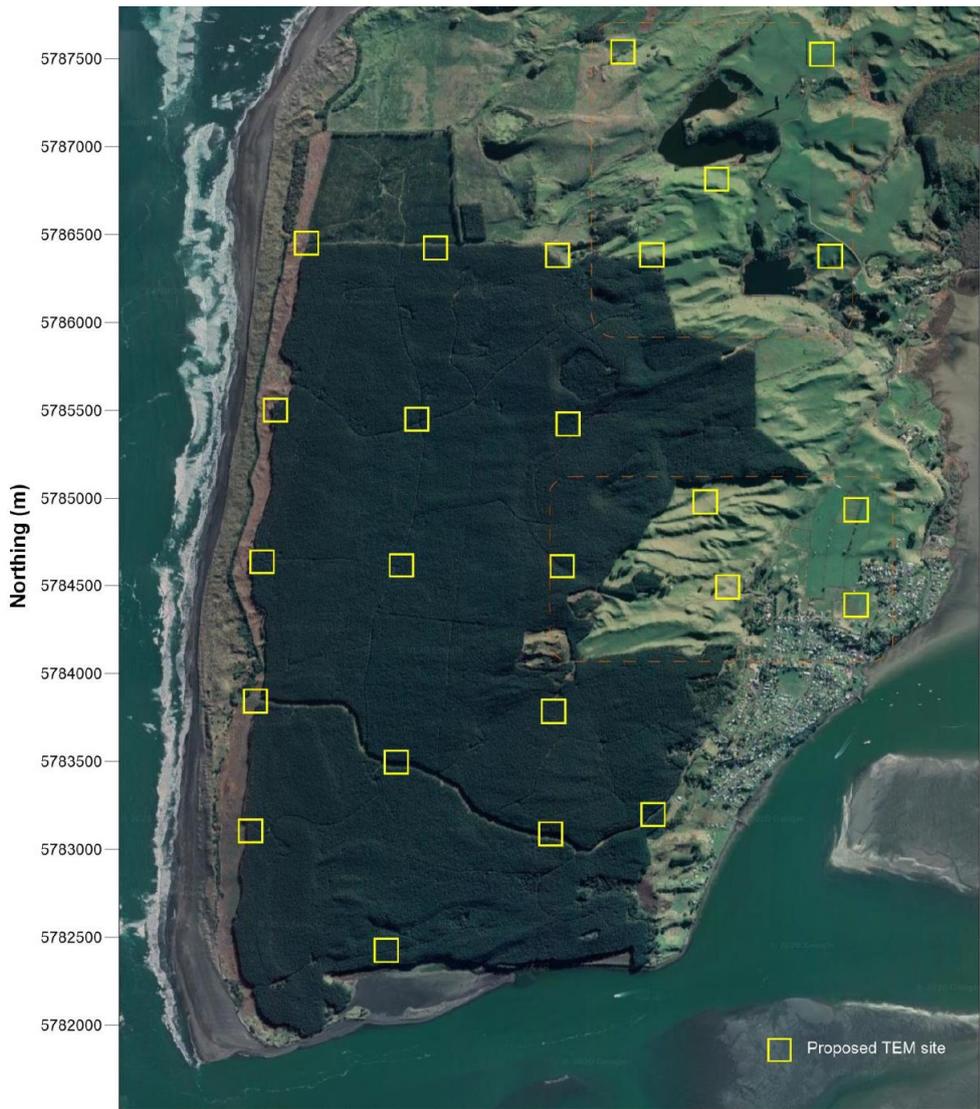
The Group Manager Engineering has built up a good working relationship with the Chair of TKI, who approached Council recently with their plans to invest in Kawhia and the need for water is a key requirement.

Current Situation

TKI have received a proposal from Geothermal Scientific Investigations Ltd to carry out a transient electromagnetic survey of the aquifers around Kawhia. The study will provide many cross sections of the geological resistivity of the land. From this information if aquifers are within the land they will be identified and by the law of gravity therefore the flow path of the water within the aquifers will be deduced. The location of the test sites is shown below.

TKI have been pro-active in approaching Council and understand the need to ensure any water taken for commercial activities must not compromise the supply of drinking water for Kawhia and have increased the scope of the survey area to assist with this outcome.

The cost of the work is relatively small and falls within staff delegations however there is currently no budget allocated for this work, hence the report to Council.



Options and Options Assessment

Option 1

Council to contribute to \$17 840.75 to the funding of the aquifer assessment of the area around Kawhia.

Advantages

1. Council gain access to the information to inform the ongoing supply of drinking water to Kawhia.
2. That the scope of the investigation has been expanded to provide information on the area most adjacent to the Kawhia water treatment plant.
3. The information will be provided to Council whether or not TKI continue with their business development plans.
4. The cost to council is significantly less and the results provided significantly more useful than any independent work Council are likely to carry out in the near future.
5. As Council moves into the next long term plan cycle the timing of this investigation is perfect to be able to inform the Long Term Plan.
6. Such collaboration with TKI is a very positive step in the relationship between the parties and to continue the building of high-trust functional relationships with Iwi is seen as a key consideration in the sustainable development of the District.

Disadvantages

1. There is currently no budget allocated to this exercise.
2. There is no guarantee that having this information will provide a solution to the concerns about the spring feeding Kawhia water supply.

Option 2

Council to contribute as lesser amount to the funding of the aquifer assessment of the area around Kawhia.

Advantages (with the reference to Option 1)

1. There is a lesser cost to Council whilst the information is still made available.

Disadvantages (with the reference to Option 1)

1. In negotiations with Council Staff TKI have agreed to pay 75% of the cost which was a lot more than TKI's original proposal. In essence asking TKI to pay more could be seen as inequitable.
2. TKI may decide to change the scope of work to reduce the cost which is likely to reduce the amount of information received relevant to the needs to Council.
3. An opportunity to further build on a meaningful working relationship with TKI may be compromised.

Option 3

Council do not contribute the cost of the aquifer assessment.

Advantages

1. No cost to Council.

Disadvantages

1. Council do not gain access to the information to inform the ongoing supply of drinking water to Kawhia.
2. That the scope of the investigation to inform Council's needs is likely to be lost.
3. Council misses the opportunity to better inform the Long Term Plan.
4. A failure to collaborate with TKI may be seen as a negative step in building the relationship between the parties.

Considerations

1. Significance and Engagement

The Kawhia Water Treatment and supply is a significant activity and water assets are listed as strategic assets in Council's current LTP.

It is not deemed necessary to engage with the community in relation to work for the following reasons:-

1. The purpose of this work is to provide information to inform a core council activity and the nature of the work does not have any significant environmental impact. Should the investigation lead to further work being required, this could be consulted on as part of the 2021 Long Term Plan.
2. The work being done is in collaboration with Tainui Kawhia Incorporated and will take place on land that is in their ownership and therefore recognises Māori culture values and their relationship to land and water.
3. The cost of the work is not significant.

2. Policy and Plans

There are no internal policies or plans relevant to this work.

3. Legal

There are no legal considerations to this work taking place.

4. Financial

The cost of this work is \$17 840.75 and is assessed as an operating cost although it could possibly be allocated to capital improvements should some physical works transpire as a result of the assessment.

Overall the Kawhia water operating accounts for the 2020 financial year are tracking well for the year and look like they will come in on or around the budget figures and there is an projected overall surplus in this account of \$100,000 which will decrease by this amount.

5. Iwi

This work is being done in collaboration with Tainui Kawhia Incorporated.

Preferred Option and Reasons

Option 1 is the preferred option due to the weight of advantages in favour of this option as outlined above.

Roger Brady

GROUP MANAGER ENGINEERING

ITEM 88 PLANNING REPORT FOR JANUARY TO MARCH 2020

**TO: HIS WORSHIP THE MAYOR & COUNCILLORS
 ŌTOROHANGA DISTRICT COUNCIL**

FROM: GROUP MANAGER ENVIRONMENT

DATE: 25 JUNE 2020

Relevant Community Outcomes

- Manage the natural and physical environment in a sustainable manner
 - Protect the special character of our harbours and their catchments
 - Recognise the importance of the Districts rural character
-

Executive Summary

Reporting on Resource Consents and planning approvals granted during the period 1 January to 31 March 2020.

Staff Recommendation

It is recommended that:

The Planning Report for January to March 2020 be received.

Consent Decisions

During this quarter 19 non-notified applications (9 Land use, 7 Subdivision) and 3 permitted boundary activities (PBA) were approved. Further details of these applications are provided in the table below and in the attached list of approvals. These approvals compare with 13 non-notified applications (6 Land use, 7 Subdivision) and three permitted boundary activities granted in the same period last year.

Decisions by Ward

	Land Use	Subdivision	PBA
Wharepungua	2	1	0
Kio Kio Korakonui	0	3	1
Waipa	0	1	0
Ōtorohanga	1	1	2
Kawhia Tihiroa	6	1	0
Total	9	7	3

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GROUP MANAGER ENVIRONMENT

Attachment: Resource Consent Decisions – 1 January to 31 March 2020

RESOURCE CONSENT DECISIONS - 1 JANUARY TO 31 MARCH 2020

No	Applicant/Location/Proposal	O/S	Decision
200004	Department of Corrections Waikeria Road. Alteration of Designation D55	LDE PS G	30/01/20
190071	OTC Timber Company Limited Factory Drive. Timber manufacturing and storage warehouse	LU PS G	7/01/20
200002	Transpower NZ Ltd Grice Road. Replace two power poles on the Arapuni - Ongarue A transmission line	LU PS G	21/01/20
200003	KN Belfield 113 Te Wetini Roore Place Building/Earthworks within 100m of Archaeological Site.	LU PS G	30/01/20
200006	RJ Barnett 469 Waiwera Street. Construction of sleepout	LU PS G	18/02/20
190065	JA Kanawa and GJ Harvey 643 Hoturoa St. Build a shed within 100 metres of an archaeological site	LU PS G	13/03/20
200012	Te Puna Oranga Iwi 415 Tapuae Road. Bovine processing and harvesting activity	LU PS G	19/03/20
200015	MG and MK Gerrits 94 Kevlor Place. Site a Dwelling within 100m of Archaeological Site	LU PS G	19/03/20
200014	L C Coleman 5416 Kawhia Rd. Construct a garage within 100m of an archaeological site	LU PS G	20/03/20
TOTAL FOR LAND USE		9 CONSENTS	
200011	W Clarke 307 Old Te Kuiti Road. Shed encroaching neighbouring boundary	PB PS G	3/03/20
200013	J Poole & C Vera 678B Mangaorongo Rd. Boundary encroachment for fibre glass swimming pool	PB PS G	3/03/20
200016	D Rowe & K Taylforth 2A Te Kawa Street. Garage within 3m yard setback	PB PS G	3/03/20
TOTAL FOR PERMITTED BOUNDARY ACTIVITIES		3 CONSENTS	
190080	GK and K Singh 241 Happy Valley Rd. Create one additional Lot	SB PS G	15/01/20
190077	Linmar Trust 55 Mangawhero Road. Create one additional lot	SB PS G	17/01/20
190073	Thomson Pastoral Limited 246 248 Awatane Road. S127 to change conditions of RM180082	SB PS GDA	23/01/20

ITEM 89 ANIMAL CONTROL OFFICERS REPORT FOR JANUARY TO MARCH 2020

**TO: HIS WORSHIP THE MAYOR & COUNCILLORS
ŌTOROHANGA DISTRICT COUNCIL**

FROM: GROUP MANAGER ENVIRONMENT

DATE: 25 JUNE 2020

Relevant Community Outcomes

- The Ōtorohanga District is a safe place to live
 - Ensure services and facilities meet the needs of the Community
 - Recognise the importance of the Districts rural character
-

Executive Summary

A report from the Environmental Services Manager on Dog and Animal Control activities in the District for the period January to March 2020.

Staff Recommendation

It is recommended that:

The report submitted by the Group Manager Environment on Dog and Animal Control activities for the third quarter of the 2019/2020 financial year be received.

Report Discussion

	January	February	March
1. No. of Registration Notices issued	9	9	12
2. No. of Property visits for Registration Checks - Rural	8	15	9
3. No. of Property visits for Registration Checks – Urban	11	17	11
4. No. of Property visits for SOS	1	2	0
5. No. of Property visits for Two Dog Permit	0	0	0
6. No. of Complaints – Dogs Actioned	27	22	12
7. No. of Complaints – Stock Actioned	5	4	3
8. No. of Street Patrols Night – Ōtorohanga	4	4	4
9. No. of Street Patrols Day – Ōtorohanga/Kawhia	28	36	22
10. No. of Enquiries – Registration/Dog Control/General	32	22	15
11. No. of Dogs Impounded	10	4	4
12. No. of Stock Impounded	0	0	0
13. No. of Written and Verbal Warnings	20	14	3
14. No. of Infringement Notices Issued	6	4	0
15. No. of Call Outs	4	7	3

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GROUP MANAGER ENVIRONMENT

COUNCILLOR UPDATE