



Our Ref: 567829  
File:W30-0007

19 August 2013

Dear Ohura Resident/Ratepayer

## OHURA WATER - CONSULTATION AND QUESTIONNAIRE

Council wishes to inform Ohura community residents and ratepayers of the latest developments towards a long term solution for the Ohura Water Supply. While no decision will be made without community involvement, Council is committed to investigating all possible solutions. As such, Council would like to involve the Ohura community in its consultation process.

Council acknowledges that this is a tough issue for residents and, at the same time, realises that water rates have become unaffordable for the majority of residents.

Council is interested in your opinion as a resident of Ohura and water ratepayer and would like to get your input before the public meeting on 12 September 2013.

Included with this letter is a research paper on the Ohura Water issue, discussing all the sustainable and viable options as well as a questionnaire, listing the available options. Please complete the hard copy and mail it back to Council using the postage paid envelope enclosed or have your say online at [www.ruapehudc.govt.nz](http://www.ruapehudc.govt.nz).

It is important to fill in the questionnaire so that Council has some idea about the community's ideas and can come to the meeting better prepared.

- Public Meeting - 12 September 2013 at 3.30pm in the Ohura Hall.
- Pre-meeting tour of Water Plant to be arranged for interested parties.  
Please call Marissa Cairncross on 07 895 8188, if you are interested.

Yours sincerely

Pauline Welch  
**GROUP MANAGER CUSTOMER SERVICES**

PMW:ci

Attachments



## SUMMARY OF OHURA WATER

This is a summary of the main points from the Report. It is strongly suggested that the Report and the attachments are all read to fully understand the issues.

### History

Ruapehu District Council took control of the Ohura Water Supply in 1989. Capital expenditure was stopped, maintenance minimised and depreciation of assets was suspended in June 1990.

In April 2010, a \$619,353 financial assistance grant was received from Central Government's Drinking Water Assistance Programme (DWAP). It was used to upgrade the 1957 Ohura Water Treatment Plant's electrical equipment. The community contribution was \$32,598.

### Population and People

- 2001 - Ohura had 222 people living in the township.
- 2013 - 141 people living permanently in Ohura.
- There are approximately 70 occupied houses.
- 77% of people aged 15 and over in Ohura have an annual income of \$20,000 or less.
- Since 2008, 27 properties have been sold through the Abandoned Land system.
- Approximately 33% of rates levied on local residents are not paid
- Total rates arrears were \$189,517 in 2012 (six years of arrears)
- Council has not allocated all of the costs of the water scheme to Ohura users. The water rates should probably be higher, approximately \$2,000 per year.
- The maintenance costs are estimated to be \$204,400 in 2013/14 which is \$2,900 per occupied house.

### Water Supply

The Ohura Water Supply comes from the Mangaparare Stream. There is 9.8km of water mains and currently 127 connections. The replacement value is \$1.5m and the depreciated value is \$0.7m. This equates to over \$600 every year for each occupied house to replace the system over 50 years.

The community has suggested several alternate water sources at various meetings over the years. The old Railway dam has been suggested. It was dry during the 2013 drought and has been dry on several other occasions since 2005.

### Public Meetings

In 2000, two meetings were held with community members and those present agreed unanimously to carry out the upgrade at an estimated cost of \$200,000.

Two further community meetings were held in Ohura during 2005. An informal count of residents who attended the meeting showed that the support for keeping the reticulated water supply system versus closing it down and putting people on water tanks was evenly split.

Another public meeting was held on 14 August 2008, with no conclusive result.

### Options

#### **Option 1: Roof Tanks**

The estimated cost per house will be \$10,045 (without the replacement spouting) and \$13,751 with spouting (figures include GST).

These are large tanks (either 22,500 litre concrete or 25,000 litre plastic) to collect rain water from the roof via spouting into free standing tanks on ground-level. Included in the quote will be the pump and the UV Filter Set.

The annual cost for a finance package at 7% repaid over 20 years would be approximately \$1,300 per annum, a sum very close to the present rates.

It is likely that cost will be lower than this if all the work is done at the same time.

#### **Option 2: Community Operation (See Attachment 5a and 5b for Full Legal Explanation)**

Under this option, the community would operate the scheme in a similar manner to the recent handover in Piriaka.

Because the water is sourced from a very small stream that is often muddy, local community operation will require several people prepared to study and obtain water operators certification. They would operate the equipment that treats the water to make it drinkable.

The community would then develop a draft Management Plan, under which the group would maintain and operate the water source.

The cost with local labour input would be likely to be similar to that in Option 1 because pipes will still have to be upgraded, chemicals purchased, power paid for and qualifications kept up to date.

#### **Option 3: Alternative Rating Method**

***These options will require the agreement of the ratepayers in the remainder of the District. If residents wish to advocate for them they will need to lobby Councillors and make submissions to the next Exceptions Annual Plan when the rates are set.***

#### **Option 3a: Explicit Subsidy**

This could be placed on a more formal basis and incorporated into Council's rating system. An example could be that 30% of Ohura water costs would be paid by the General Rate, on the assumption that it is to the greater good of the total District that there is potable water everywhere. There are precedents for subsidising particular community water supplies for a transitional period, eg, National Park water supply was subsidised for 20 years. If the community wanted a longer term subsidy this would need to include an end date (ie, be a fixed term subsidy).

#### **Option 3b: Flat Water Rate Across the District**

Another method of reducing the impact of water rates on Ohura ratepayers would be to establish a District-wide uniform charge on water. This change would need to be roughly \$580 - Taumarunui would see a \$10 increase, Ohango a \$70 increase and Ohakune a \$130 increase. Every other location would see a rates decrease (see Attachment 6).

This rating approach is used by a number of Councils.



# RUAPEHU DISTRICT COUNCIL

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## PREFERRED OPTION SURVEY

Council has investigated the options for the supply of drinking water in Ohura and is committed to making a final decision on its future supply.

Please read the supporting report and send your preferred option in the prepaid reply envelope to be received by Council no later than 30 August 2013.

Note: You can answer the survey online via [www.ruapehudc.govt.nz](http://www.ruapehudc.govt.nz).

Please ✓ your preferred option.

The options are:

- Option 1 – Roof Tanks
- Option 2 – Community Operation
- Option 3A – Explicit Subsidy
- Option 3B – Flat Water Rate Across the District

***Any Comments?***

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## PUBLIC MEETING

Please ensure you attend the public meeting on this issue.

**Ohura Community Hall**  
**Thursday, 12 September 2013 at 3.30pm**

If you have any questions on the survey or the public meeting, please call Marissa Cairncross on 07 895 8188.

## Report to: Council

**Meeting Date:** 13 August 2013

**Subject:** Ohura Water

**Document No:** 566094

**File:** W30-0007



### Purpose of Report

- 1.1 The purpose of this Report is to discuss with Council the future of the Ohura Water supply.

### Background

- 2.1 The Ruapehu District Council was formed in 1989 and assumed control of the Ohura water supply. After due consideration capital expenditure was stopped in June 1990, maintenance was minimised and depreciation of assets was suspended.
- 2.2 By 2001, Ohura had 222 people living in the township. This declined in 2006 to 165 people and currently there are only around 141 people living permanently in Ohura. The Ohura Prison was the biggest user on the water supply, but closed down in November 2005.
- 2.3 The number of houses that receive water and are occupied by "locals" varies as people move and properties are bought and sold, but is around 70, ie we believe there are approximately 70 occupied houses. (See attachment 1)
- 2.4 The Ohura water supply is sourced from the Mangaparare Stream and consists of 9.8km of water mains and currently has 127 connections.
- 2.5 Infrastructure investment in Ohura was held in abeyance as it was believed that, when the prison tenure was completed, the water supply scheme would become unsustainable.
- 2.6 In 2000 two meetings were held with community members, where 18 submissions were made on the future of Ohura water scheme. (See attachment 2 for submission breakdown).
- 2.7 In 2000, a public meeting was held in the Ohura Memorial Hall and all community members present agreed unanimously to carry out the upgrade at an estimated \$200,000, but to offset the cost with a contribution of up to \$50,000 from the Mayoral Relief Fund. At this meeting it was resolved to carry out the upgrade with the Mayoral Relief Fund contribution. These works were carried out.
- 2.8 Two further community meetings were held in Ohura during 2005. An informal count of residents who attended the meeting, showed that the support for keeping the reticulated water supply system versus closing it down and putting people on water tanks was evenly split.
- 2.9 Another public meeting was held on 14 August 2008 with no conclusive result. It was attended by 15 members of the Ohura community.

- 2.10 In April 2010, a \$619,353 financial assistance grant was received from Central Government's Drinking Water Assistance Programme (DWAP). It was used to upgrade the 1957 Ohura Treatment Plant's electrical equipment. The community contribution was \$32,598.

## 2.11 Usage

- 2.11.1 Historically the supply use has been extremely high, but has tapered down in recent years. Currently, usage per day is 110m<sup>3</sup>, around 866 litres per connection. With an average of three people per household, usage per person is estimated at around 289 litres per day, well within the 250-300 national average, and well down from the 750 litres per day per person previously recorded in Ohura.
- 2.11.2 The high percentage of water leakage (up to 80% of the prepared/treated water) has been brought under control by disconnections and maintenance. Estimated leakage is down to between 5 and 15% (according to Veolia).
- 2.11.3 Anecdotal evidence suggests that the wider community of Ohura utilises the drinking water supply to supplement their water tanks and springs in times of drought. Potentially the resilience and robustness of the larger community depends on this supply, but not all are contributing to its costs. (Staff has been told the Fire Service takes water and uses this as a fund raising initiative).

## 2.12 Operating Costs

- 2.12.1 The maintenance budget for the Ohura water treatment plant for 2012/13 (LTP) is \$204,400, which is \$2,900 per occupied house. A breakdown of the costs is below.

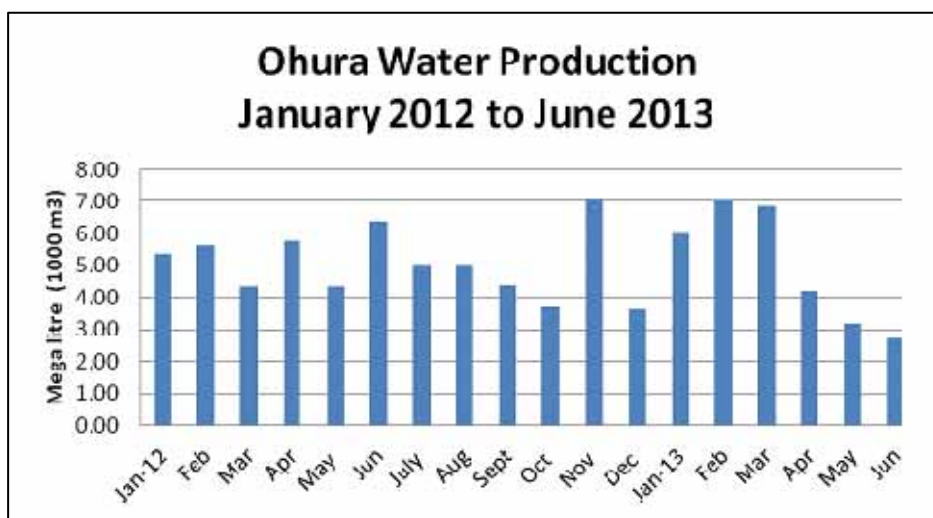
	Item	Costs
1	All Maintenance - includes operating the plant and pipe repairs	\$91,000
2	Insurance	\$5,000
3	Miscellaneous Expenses	\$8,000
4	Power	\$13,000
5	Rates	\$4,000
6	Horizons Regional Council Resource Consents	\$2,000
7	Finance costs - Internal	\$22,300
8	Depreciation*	\$43,700
9	Internal Allocations	\$15,400
	<b>TOTAL</b>	<b>\$204,400</b>

Chemical costs are included in Maintenance and estimated at \$61.07 per 1,000m<sup>3</sup> or \$4,000pa approximately.

\*Depreciation is only on the upgrade that was completed from the funding (CAPS) received from the Ministry of Health. Existing infrastructure is not being depreciated.

- 2.12.2 The main reasons why the cost of supply is high are:
- The quality of the incoming water is low, which means it requires a lot of treatment and a lot of expertise (Item 1).
  - The pipes are old and require repair. This affects replacements (Depreciation) and finance costs (for previous loans to work on pipes) (Items 7 and 8).
  - Power is required to run the treatment system. (Both TLC and KCE) (Item 4).
  - The overheads involved with any Council run system (Item 9).

2.12.3 Graph 1: Ohura Water Production from January 2013 to June 2013:



2.12.4 Ruapehu District Council pays on contract for water produced and can affect savings if less water is used and/or leaks are effectively managed and repaired.

2.12.5 Whilst Ruapehu District Council is currently looking at possible ways of reducing the operating costs of the plant, it is not likely that this will result in substantial cost reductions.

## Discussion

3.1 This Report is to provoke thoughts and discussion. The estimated figures are included to inform the debate and further work will be required once Council's preferences are known.

3.2 Background to the community:

- The average Land Valuation in urban Ohura is \$10,170. The Capital Value is around \$57,442. Typical water rates are \$1,300 per annum.
- The unemployment rate in Ohura is 9.1%. Ohura has the lowest income per head in New Zealand, with the median income for people 15 years and older of only \$11,500. Deprivation scale 10/10.
- 77% of people aged 15 and over in Ohura have an annual income of \$20,000 or less.
- For the majority of residents on very low or fixed incomes, the high cost related to water supply is unsustainable resulting in people walking away from their land.

3.2.1 There are a few holiday homes and "gold collar" workers based in Ohura. Their income figures may not be part of the averages referred to above. Presumably they can afford the costs.

### 3.3 Rates and Debt

- The current situation in Ohura is as follows: 147 residents, with 244 rateable properties, of which 167 are classified as water rateable properties.
- The 244 rateable properties are owned by 101 individual ratepayers. 120 rateable properties belong to Out-of-District ratepayers.
- In 2012, the total rates charged were \$293,625. Of the \$293,625, \$208,374 was water rates alone. This ratio of water charges to total rates is unique and illustrates the unsustainable nature of the issues.
- Of the total rates charged (\$293,625), the rates paid by outside organisations are a significant part of the total, eg, school, church, Fire Service and Council. Of the rates

paid by residents, approximately 1/3 is not paid, ie, for every \$1 of rates levied in Ohura to be paid by Ohura residents, 30 cents becomes a bad debt.

- Total rates arrears were \$189,517 in 2012. Current arrears (2013) are \$181,158. Great strides have been made by Council to collect outstanding debt. Note that rates arrears older than six years have to be written off under the Local Government Rating Act 2002. These arrears are around 30% of the rates written off since 1989.

### 3.4 Ohura Debt

3.4.1 The total Ohura community “debt” is as follows:

	<b>\$000</b>
Internal Loan	398
Account Balance	170
Rate Arrears (bad debt)	182
Total	750

- 3.4.2 Internal Loans are also maintained. These loans reflect the funding required to carry out capital projects. Interest is charged each year and there is also provision for loan repayments. Internal loans for the Ohura Water Supply are \$398,000. Annual debt servicing costs are around \$19,000 or \$275 for each of the active households in Ohura.
- 3.4.3 Ruapehu District Council maintains an “account balance” for each of its water supplies – the “account balance” reflects the accumulated result of operating surplus/deficit. For Ohura Water Supply this deficit is \$170,000.
- 3.4.4 This is a separate figure from the unpaid rates. The accounting system assumes that all rates are paid or are “bad debts”. These rate debts are only for the previous six years, as under the Local Government Act 2002, rate debts have to be written off every six years.
- 3.4.5 The total rate arrears for Ohura is \$182,000.
- 3.4.6 The cost of operating the Ohura Water Supply relative to the number of ratepayers has the effect of relatively high water rates. The fact that the number of ratepayers has declined over time has made this situation worse. In the past, depreciation has not been charged as a cost in order to minimise impact on rates. This, however, had the effect that no funds have been set aside for capital projects. In addition, in some years the Ohura Water Supply has been allowed to operate with an operational deficit.
- 3.4.7 Because the rates are so high, Council has tended to moderate water rates over a long time, ie. it has not allocated all of the costs to Ohura or have allowed an operating deficit to occur. This has given rise to a steadily rising “account balance” by Ohura to the rest of the rate payers in the District. The real rates should probably be higher.
- 3.4.8 The total owed by the Ohura scheme to the District is the sum of the rates arrears and the carried forward over expenditure and internal loans or \$750,000. This has become Ruapehu District Council hard core debt. The annual costs of this loan are around \$54,000 or \$770 for each of the 70 active households in Ohura.
- 3.4.9 If these unallocated costs were added to the \$1,300 per annum currently levied then the actual rates would be approximately \$2,000 per annum.
- 3.4.10 Total valuation of the Ohura water Treatment Plan is \$1.5 million.

### **3.5 Abandoned Land**

- 3.5.1 Since 2008, 27 properties have been sold through the Abandoned Land system. These have been mainly empty sections which have been purchased by adjacent owners. Under the contiguous rating remission rules, this has the effect of reducing the number of ratepayers in the town.
- 3.5.2 27 properties represent more than 10% of the rateable properties.
- 3.5.3 Six sections in Ohura are currently deemed to be Abandoned Land and two are Maori Land with arrears.
- 3.5.4 Abandoned Land arrears were \$72,997 and Maori land arrears totalled \$10,774.

### **3.6 Water Sources**

- 3.6.1 Because the stream used at present requires such a high level of treatment it adds significantly to the cost of the supply. The community has suggested several alternate water sources at various meetings over the years.
- 3.6.2 The old Railway dam has been suggested. It is a better quality of water (less polluted). Knowing that this has been suggested in the past as a possible source, staff have checked its reliability under drought conditions. It was dry during the 2013 drought and has been dry on several other occasions since 2005.
- 3.6.3 Subterranean water is probably available under the ground in Ohura. Drilling is a relatively expensive operation and the results are by no means certain. Other bores in the vicinity produce water which is very rich in iron. It is not suitable for drinking unless treated to remove the iron. Another issue is that the iron sticks to the inside of pipes and they block very quickly. Shallow bores for other supplies have cost at least \$15,000 to sink. Sometimes they have yielded no useable water at all. Bores are an expensive gamble and have not been further considered.

### **3.7 Options**

- (a) Ruapehu District Council has investigated a number of more or less sustainable/viable options for the future of Ohura water supply. These are:

#### **3.7.1 Option 1: Roof Tanks**

- (a) Council received estimates in 2013 for the supply and instalment of tanks (see Attachment 4). Individual tanks would replace the water supply plant. The community would need to have a 75% agreement to this option for it to be legal, if Council intended to supply the tanks and “walk away”. The other option is for Council to “retain” ownership of the tanks, and this would require a 50% buy-in from the community.
- (b) The estimated cost per unit will be \$10,045 (without the replacement spouting) and \$13,751 including GST and the installation of spouting and downpipes per housing unit. These figures include some contingency amount and can probably be reduced if purchases are done in bulk.
- (c) The annual cost for a finance package at 7% repaid over 20 years for this package would be approximately \$1,300 per annum, a sum very close to the present rates.
- (d) If Council were to advance loans to houses for a package such as this there would be likely to be some associated maintenance liability.



- (e) Full replacement and installation costs of \$13,751 per dwelling would result in a total of **\$962,570** to purchase and install water tanks in Ohura.
- (f) An analysis of the strengths, weaknesses, opportunities and threats of the option is:
- (g) Around 40% of the District currently takes its water from roof tanks in various ways. The systems and maintenance requirements are well known.

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Long-run it will be cheaper to maintain, comparatively easy to implement, known and finite costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Variable quality</li> <li>▪ Significant capital cost</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Lower rates, easier water supply system</li> </ul>	<ul style="list-style-type: none"> <li>▪ Costs involved, loans to buy tanks and pumps</li> </ul>

### 3.7.2 Option 2: Community Operation (See attachment 5a and 5b for full legal explanation)

- (a) Under this option the community would operate the scheme in a similar manner to the recent handover in Piriaka. The ownership would be a community ownership but the day to day operation would be by local people.
- (b) The difference between Ohura and Piriaka is that the spring fed water source in Piriaka required little treatment and so the expertise and attention to operations was not critical.
- (c) In Ohura the water source is dosed with Aluminium salts and run through a sophisticated flock blanket to remove the mud and other contaminants. It is then dosed with Chlorine which is a very dangerous chemical if badly administered. The operation of this type of equipment to produce publically used potable water requires appropriate training and certification. Traditionally this type of system demanded 24/7 operators. Automation has to some extent supplanted this but a high level of operations is still required.
- (d) If the Community is to operate the equipment it must develop a draft management plan under which the entity representative of the community would maintain and operate the water source.
- (e) This plan should include the likely future capital and operating costs of the entity representative of the community to operate and maintain the water service.
- (f) The plan must assess the ability of the entity representative of the community to maintain and operate the water service satisfactorily.
- (g) One of the advantages of this option would be greater community respect for the water supply and the wider community would be more likely to contribute to its on-going maintenance if there is community buy-in re the running of the scheme.
- (h) The Ministry of Health has long-standing strong reservations about communities running a water supply in any territorial authority. This will be an issue in any handover.
- (i) An analysis of the strengths weaknesses opportunities and threats of the option is:

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Ownership and buy-in.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Absentee home owners , getting people to turn up and run the scheme, lack of skills and knowledge, bad debts ie defaulters</li> <li>▪ Continued high costs.</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Upskill person(s) in community, job creation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Culture, long-term planning involved (Operational, Management and Emergency plans).</li> <li>▪ The Ministry of Health's attitude.</li> </ul>

### 3.7.3 Option 3: Alternative Rating Method

- (a) The reality of the funding of this scheme over the last 23 years is that the wider Ruapehu community has been paying a significant part of the costs, estimated to be up to a third of the costs in any particular year.

### 3.7.4 Option 3a: Explicit Subsidy

- (a) This could be placed a on a more formal basis and incorporated into our rating system. An example could be that 30% of Ohura water costs would be paid by the general rate on the assumption that it is to the greater good of the total District that there is potable water everywhere. This would not be a rate rise because it would merely recognise the reality of the present arrangements. Bad debts and carried forward balances would reduce markedly. There are precedents for subsidising particular community water supplies for a transitional period, eg. National Park water supply was subsidised for 20 years.

### 3.7.5 Option 3b: Flat Water Rate across the District

- (a) Another method of reducing the impact the water rates on Ohura ratepayers would be to establish a District-wide uniform charge on water. This change would need to be roughly \$580. Taumarunui would see a \$10 increase, Owhango a \$70 increase and Ohakune a \$130 increase. Every other location would see a rates decrease (see Attachment 6).
- (b) This rating approach is used by a number of Councils, notably Auckland.
- (c) An analysis of the strengths weaknesses opportunities and threats of these options are:

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Equitable charge for water for all residents</li> </ul>	<ul style="list-style-type: none"> <li>▪ It shifts the burden of unsustainable water supply scheme onto rest of district</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Rate relief for Ohura residents, collect necessary funding to do proper upgrades/renewals etc. Lower rates might induce more people to start paying their rates in Ohura.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Politically unpopular – residents of Owhango, Taumarunui and Ohakune will subsidise Ohura ratepayers.</li> </ul>

## 3.8 Veolia Options

3.8.1 As Veolia is Council's source of expertise in matters of water supply, it was requested to provide its opinion as to the most practical way forward.

- Option A: Hand over of scheme to another party who would become the supplier.
- Option B Move to "point of use" supply, eg, rainwater tanks and hand back to consumer.
- Option C: Upgrade of the treatment facilities (Veolia to supply a quote of immediate/future maintenance).
- Option D: Continue "as is".

3.8.2 Veolia's concerns and salient points are:

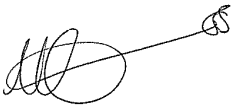
- (a) Life-expectancy of mechanical/electrical componentry is 15 years and the small network has a life-expectancy of between 80 – 100 years.
- (b) A filter at residential tap could assist.
- (c) They doubt whether Council can legally supply untreated water to Ohura residents.
- (d) Flood assistance money may be available.
- (e) They can help with Maintenance, Operational, Upgrading and Emergency Plans.
- (f) Ownership of the assets should remain ultimately with the Community and Council is the last resort.
- (g) If there is replacement then the question as to who should qualify for tanks will require a door-to door assessment.

### 3.9 Summary

	Option 1 Tanks	Option 2: Community Operation	Option 3 Status Quo with Change of Rating Method
Legislation	Complies	Complex - See attachment 5a and 5b	Complies
Treatment Required	Existing expertise available.	Full training and up-skilling required	Maintenance and basic treatment – existing operators competent
Reticulation	Not required	Existing but will require replacement progressively	Existing but will require replacement progressively
Quantity of water	Droughts will be a problem	Not an issue if well run	Not an issue if well run
Future Flexibility	Defined by footprint of house	Flexible	Flexible
Social Culture	Personal liability/ responsibility for own assets	Requires good community spirit	Most seem happy with Council taking responsibility
Management fee	Not applicable	Not applicable	Significant Overheads
Volunteers required	No	Yes	No
Capital Cost and Depreciation (replacements)	Significant first up investment - \$1m	On-going renewals of the order of \$30,000 pa.	Ongoing renewals of the order of \$30,000 pa
Operation and Maintenance cost	Lowest	Significant	Highest
Annual Cost per water customer / ratepayer	\$1,000-\$1,300pa	\$500 pa - \$800 pa	\$1,300 existing subsidy \$600 pa higher subsidy by flat rate
Credit Control issues	Not an issue once tanks are paid for	Community levies can cause issues	Council takes care of them.
Pinch points	1 who gets a tank 2 droughts 3 maintenance	1 Health Department 2 Expertise 3 Supply of volunteers	1 Political will

#### Suggested Resolutions

- 1 That the Report on Ohura Water be received.
- 2 That Council send all Ohura water supply ratepayers a copy of this Ohura Water Report.
- 3 That a public meeting in Ohura be organised for 12 September 2013 to discuss the issues.



Marissa Cairncross  
**TEAM LEADER POLICY PLANNING**

17 July 2013

- Attachment 1 Aerial map of Ohura
- Attachment 2 Community Consultation submissions breakdown
- Attachment 3 Extract from Water Supply Asset Management Plan
- Attachment 4 Tanks Quote
- Attachment 5a Transfer of a water supply - Legal explanations (LGA02)
- Attachment 5b List of actions to take before hand-over
- Attachment 6 District-wide uniform water charge breakdown



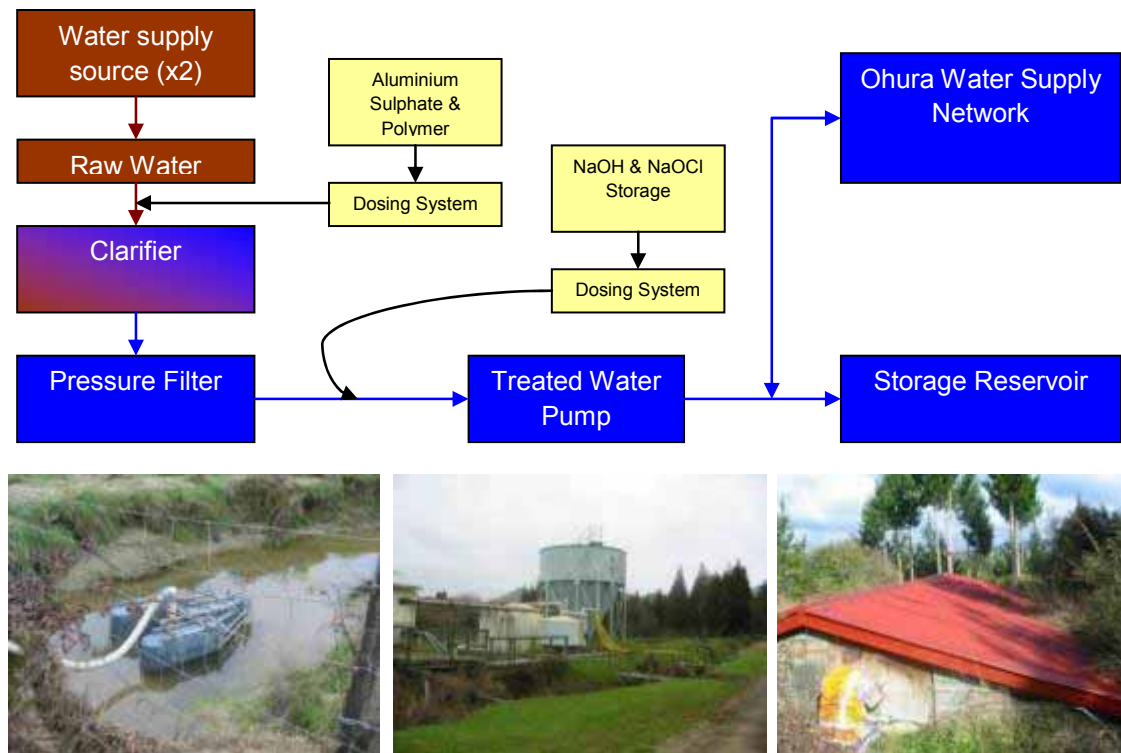
**Attachment 2 – Community Consultation Submissions Breakdown**

New Water Treatment Plant	7
Making Use of Railway Dam	7
Water Tanks	6
Point of Use Treatment	

### Attachment 3 – Extract from Water Supply Asset Management Plan

#### B.3 Ohura

B.3.1 The Ohura water supply system provides potable water to 156 connected rated properties within the Ohura community. A schematic of the Ohura water supply is shown below, together with photographs of select assets within the Ohura water supply system.



Mangaparare Stream intake (left), Ohura WTP (middle), reservoir (right)

#### B.3.2 Headworks and Treatment

- Source: Water for the Ohura Township is extracted from the Mangaparare Stream immediately upstream of the Taranui Street culvert or from an artificial tributary on Hihi Street. Abstraction from the Hihi Street artificial tributary is undertaken only when the Mangaparare Stream is in flood with high turbidity. The assets for both water supply sources include two intake structures, isolation valves and pipework for the abstraction pumps located at the Ohura WTP.
- Treatment: Water treatment is undertaken at the Ohura Water Treatment Plant. Treatment consists of coagulation, clarification, filtration, pH correction and chlorination.
- The principal treatment assets comprise raw water abstraction pumps, polymer dosing equipment, clarifier, filter, pH correction and chlorine dosing equipment, treated water pumps, on-line pH, turbidity and chlorine monitoring equipment, SCADA, pipework, valves and the WTP building.

#### B.3.3 Pump Station and Storage

- Storage reservoir: Potable water storage is provided via a 225m<sup>3</sup> below ground lined reservoir with galvanised iron roof. Water from the WTP is pumped to the reservoir. The reservoir comprises concrete wall, galvanised iron roof, internal tank and roof liner and has associated flow level monitoring equipment, pipework and valves.



40.7% of the network.

- (c) Hydrants: Fire fighting water is available via 23 hydrants within the Ohura water supply network. These hydrants are however predominantly supplied off 50mm diameter water mains.
- (d) Valves: 47 valves dispersed across the Ohura water supply network provide for isolation of the network.



## Attachment 4 – Quotation for Tanks

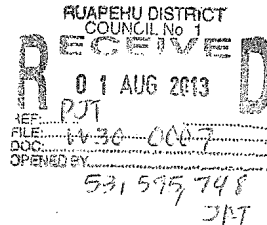


29 July 2013

Attention: Peter Till  
 Ruapehu District Council  
 Private Bag 1001  
 TAUMARUNUI 3946

## Taumarunui Plumbing Ltd

P O BOX 249 □ KATARINA STREET □ TAUMARUNUI □ NEW ZEALAND  
 Phone 07 895 7023 □ Fax 07 896 6660  
 E-Mail □ taum.plumbing@xtra.co.nz



Dear Peter,

### GUIDELINE ONLY – ONE ONLY HOUSEHOLD IN OHURA – TANK, PUMP, SPOUTING AND UV FILTER

Thank you for giving us the opportunity to give you a guideline price towards the required work requested.

#### Item 1 – Plastic Tank

##### Option 1 – 25,000 litre Plastic Tank

Our price to supply one plastic tank to Ohura is,

**\$3,143.53 - GST Inclusive**

#### Item 1 – Concrete Tank

##### Option 2 – 22,500 litre Concrete Tank

Our price to supply one concrete tank to Ohura is,

**\$4,199.28 - GST Inclusive**

Please note the above prices include one hours labour for a plumber to be onsite to supervise placement of the tank.

#### Item 2 – Pump

Our price to supply and install one Grundfos household pump, to pump water from the new tank to the existing inlet water connector of the house is,

**\$1,953.53 - GST Inclusive**

Please note this price does not include the services of an electrician to wire in an outside waterproof plug.

#### Item 3 – Connect from Spouting to Tank

Our price to connect the existing spouting to the new tank with an overflow is,

**\$2,295.98 - GST Inclusive**

Please note this price:

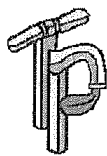
- Includes 90 metres of 90mm PVC Pipe
- Does not include soakage or an outfall



*Taumarunui Plumbing* is proud to have been servicing our community for over 14 years. With such a long history and 100% satisfaction guaranteed you can be assured we are always doing our best for you. And for extra piece of mind all our work is covered by the Master Plumbers Guarantee. It doesn't get much better than that.

-More than just a Plumber-

Farm Water Supply, Fire Installation, General Plumbing, Pumps, Roofing, Septic Tanks, etc



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### Item 4 – UV Filter

Our price to supply and install a UV Filter Set is,

**\$1,659.27 – GST Inclusive**

Please note this price does not include the services of an electrician to wire in an outside waterproof plug.

### Item 5 – Electrician

Our price to wire in the UV Filter and the household pump is,

**\$993.60 – GST Inclusive**

### Item 6 – Replace Spouting

Our price to supply and install spouting and downpipes to one house is,

**\$3,705.90 – GST Inclusive**

Please note this price includes 60 metres of spouting and 15 metres of downpipe.

### Item 7 – Fire Fighter Tank

Our price to supply only one 30,000 litre fire fighter plastic tank complete with a fire fighting kit is,

**\$4,946.46 - GST Inclusive**

**Please Note: This was not requested but we suggest it be done so if there is a fire they have a quick source to a town tank to get water from in an emergency.**

This proposal remains valid for 30 days from the date of issue of this letter, subject to Supplier's Price changes. A revised proposal may be necessary.

Please do not hesitate to contact us if you have any further enquiries.

Yours Faithfully

  
 CORAL STEPHENS  
 DIRECTOR

These prices were prepared by: Paul - Ref: J11566,11745-49,52/JEST1622-29



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**Attachment 5a – Transfer of a Water Supply – Legal Explanations  
(Local Government Act 2002)**

**LGA02: Closure or transfer of small water services**

131 Power to close down or transfer small water services

- (1) Despite section 130(2), a local government organisation may, in relation to a water service that it is no longer appropriate to maintain,—
  - (a) close down the water service; or
  - **(b) transfer the water service to an entity representative of the community for which the service is operated.**

(2) A local government organisation must not close down or transfer a water service unless—

- (a) **there are 200 or fewer persons** to whom the water service is delivered and who are ordinarily resident in the district, region, or other subdivision; and
- (b) **it has consulted on the proposal with the Medical Officer of Health for the district;** and
- (c) it has made publicly available in a balanced and timely manner—
  - (i) the views of the Medical Officer of Health; and
  - (ii) the information it has received in the course of—
    - (A) undertaking a review, assessment, and comparison under section 134(a) and (b); or
    - (B) preparing a management plan and making assessments under section 135(a), (b), and (c); and
- (d) **the proposal is supported, in a binding referendum** conducted under section 9 of the Local Electoral Act 2001 using the First Past the Post electoral system,—
  - (i) in the case of a proposal to close down a water service, by 75% or more of the votes cast in accordance with subsection (3); and
  - **(ii) in the case of a proposal to transfer a water service, by more than 50% of the votes cast in accordance with section 132.**

(3) For the purpose of subsection (2)(a), a certificate signed by the chief executive of the local government organisation as to the number of persons to whom the water service is delivered in the district, region, or other subdivision at any date is conclusive evidence of that number.

**132 Eligibility to vote in referendum**

- A person is eligible to vote in a referendum conducted under section 131(2)(d) if the person is qualified as either—
  - (a) **a residential elector** under section 23 of the Local Electoral Act 2001 and the address in respect of which the person is registered as a parliamentary elector is a property serviced by the water service that is the subject of the referendum; or

- (b) a **ratepayer elector** under section 24 of the Local Electoral Act 2001 and the property, for the purposes of section 24(1)(a) or (b) of that Act, is a property serviced by the water service that is the subject of the referendum.

### 133 Responsibility for conduct of referendum

- (1) **The territorial authority that is responsible for conducting a referendum** under section 131(2)(d) is the territorial authority in whose district the majority of persons eligible to vote in that referendum is on the roll of electors of that territorial authority.

(2) The electoral officer of a territorial authority responsible for conducting a referendum under subsection (1) must prepare a special roll of the persons eligible to vote under section 132.

(3) The provisions of the Local Electoral Act 2001 apply, with any necessary modifications, to the conduct of a referendum under section 131(2)(d).

### 135 Criteria for transfer of water service

- A local government organisation may only transfer a water service under section 131(1)(b) if it has first—
  - (a) **developed a draft management plan** under which the entity representative of the community would maintain and operate the water service; and
  - (b) **assessed the likely future capital and operating costs of the entity** representative of the community to maintain and operate the water service; and
  - (c) **assessed the ability of the entity representative of the community to maintain and operate the water service satisfactorily.**

<b>Attachment 5b – List of Actions to Take Before Handover</b>
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A number of actions need to happen before the Water Supply can be handed back to the Ohura Community.

The following is a draft process towards this. Some of these actions will happen simultaneously.

- Table the resolution at the Council meeting
- Council resolution

Letters to :XX

Legal opinion clarified for land

Medical Officer of Health	Referendum	Ohura Community and RDC
<ul style="list-style-type: none"> <li>• Write a letter to the Medical Officer of Health informing her of the resolution and requesting a meeting (including the Community representatives)</li> <li>• Information produced for the Medical Officer of Health (Management and Health Plans)</li> <li>• Meet with the MOH with all the information necessary for her</li> <li>• Obtaining an 'opinion' from the MOH which needs to form part of the referendum</li> </ul>	<ul style="list-style-type: none"> <li>• Send letter to all residents and ratepayers informing them of what's happening and reminding them to get on the electoral roll for the referendum.</li> <li>• Information produced for the Referendum (including Management and Health Plans, summary of the issue, pros and cons, estimated costs, etc)</li> <li>• Set up referendum (this process has legal timelines that will take 9 -10 weeks from when it starts)</li> </ul>	<ul style="list-style-type: none"> <li>• Discuss and come to an agreement to the financial position and details of transfer with the Society</li> <li>• Signed agreement with the Society detailing the conditions agreed to</li> </ul>

<b>Attachment 6 – District-Wide Uniform Water Charge Breakdown</b>
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<b>Area</b>	<b>Current Charge (inc GST)</b>	<b>Difference</b>
Taumarunui	\$570.40	\$9.60
Owhango	\$512.90	\$67.10
National Park	\$900.45	-\$320.45
Raetihi	\$612.95	-\$32.95
Ohakune	\$451.95	\$128.05
Ohura	\$1,199.45	-\$619.45
Waiouru	\$630.20	-\$50.20
District Wide Charge	\$580.00	