



Future of Ohura Water Supply

Where: Ohura Community Hall

When: 3.30pm, Tuesday 4 February 2014

A further Public Meeting will be held to provide further information on quotes from the Plumbing Contractors and to discuss progress going forward. The Waikato District Health Board will also be present at the meeting.

For further information, please contact Marissa Cairncross at Council on 07 895 8188 extn 254 or email marissa.cairncross@ruapehudc.govt.nz.

Agenda

1. Recap.
2. Census figures for Ohura. (Attachment 1a)
3. Rateable units charged for water in Ohura (Attachment 1b)
4. Total Ohura Community debt. (Attachment 2)
5. Quotes and Plumbing Contractors' responses.
6. The issues to discuss.
7. Process going forward.

Attachment 1a: Ohura Census Statistics: Population, Occupied and Unoccupied Dwellings

	2001	2006	2013
Ward Population	1,296	1,089	951
Population	222	162	129
Occupied Dwellings	84	72	69
Unoccupied dwellings	33	36	33*

* Subject to change due to relocation of homes

Attachment 1b: Rateable units charged for water in Ohura (10 year period)

	2004	2013	2014
Number of Rateable units charged	173	158	147

Attachment 2: Total Ohura Community debt:

	\$000
Internal Loan	398
Account Balance	170
Rate Arrears (bad debt)	170
Total	738



RUAPEHU DISTRICT COUNCIL

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Our Ref: 575556
File: W30-0007

15 January 2014

Dear Ohura Resident

OHURA WATER SUPPLY PROGRESS REPORT NO 2

A follow-up progress report will be presented at the Tuesday 4 February 2014 public meeting in the Ohura Community Hall (see flyer attached).

The following is the text from our letter dated 19 December 2013.

During the Ohura Water Supply public meeting on 12 September 2013, Council undertook to arrange and fund an assessment of six private homes in Ohura, in order to establish a more realistic and independent financial estimate for the installation of water tanks as an alternative to the current water supply system.

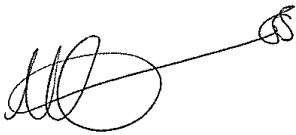
The following is a summary of the two sets of quotes from two independent local plumbing companies.

House	No of People	Items	Costs	Total
1.	2 People	1. Pump and UV Filter Set 2. Plastic Tank and Soak Hole 3. Downpipes	\$3,206 \$6,205 \$3,807	\$13,219
2.	2 People	1. 30,000 litre Tank 2. Stormwater Lines 3. Spouting 4. Ceiling tank 5. UV and Pump	\$4,412 \$2,025 \$1,180 \$1,194 \$3,463	\$12,276
3.	6 People	1. Reroof 2. Spouting 3. Pump and UV 4. 30,000 litre Tank 5. Tank Stand 6. Chimney	\$12,173 \$4,446 \$3,697 \$8,151 \$3,876 \$935	\$ 33,281
4.	2 People	1. 30,000 litre tank 2. Pump and UV Filter System 3. Stormwater drainage 4. Rain catcher filter 5. Water mains and fittings 6. Electrical work 7. Labour and vehicle costs		\$14,373



House	No of People	Items	Costs	Total
5.	2 People	1. 22,500 litre concrete tank 2. Pump and UV Filter System 3. Stormwater drainage 4. Rain catcher filter 5. Water mains and fittings 6. Electrical work 7. Digger hire 8. Installation of: <ul style="list-style-type: none"> ▪ Spouting ▪ Facias ▪ Downpipes ▪ Trimming of roof 		\$22,349.38
6.	4 People (Visitor Accommodation-up to 35 people)	1. 10 30,000 litre tanks 2. Validated UV System 3. Pumping station system 4. Pump and pump shed 5. Stormwater piping		\$80,000- \$100,000

Yours sincerely



Marissa Cairncross
TEAM LEADER POLICY PLANNING

ISSUES FOR DISCUSSION

Capital cost of tanks and repayments

- A \$12,000 loan from Council for the installation of tanks, with repayments similar to the current water services rate (\$1,085) would take 15-16 years to repay with a 4% interest..
- The rate would remain the same over the period of the loan (no increase year on year).
- The higher the repayments, or the lower the cost of the installation, the quicker the loan will be repaid.
- Higher interest rates would result in a longer repayment period (20 years at 5%).
- Alternative is for users to install tanks privately without a loan through Council. This would mean no repayments to council and a reduction in rates (no water rates).

Costs for supplying water to Ohura

The wider community has been subsidising the true cost of supplying water to Ohura.

The community is not currently paying for depreciation (the cost of replacement for the scheme), the bad debts incurred by some ratepayers, the full cost of overheads or the full maintenance and operational costs.

	Current (\$000)	Estimate real costs (\$000)
Maintenance and operations costs	116	200
Depreciation	0	(actual) \$43,763
Overheads	15	100
Interest	0	30

Report to: Council

Meeting Date: 13 December 2013

Subject: Ohura Water Supply Progress Report

Document No: 573866

File: W30-0007



Purpose of Report

- 1.1 The purpose of this Report is to update Council on the progress of the Ohura Water Supply.

Background

- 2.1 The Ohura Water issue was tabled on 28 May 2013, with a report to Council regarding the historic details of the Ohura Water Supply issue. A timeline of major happenings were set out from 2000 – up and until the Drinking Water Assistance Programme (DWAP) funding of \$619,353 for upgrading of the 1957 Ohura Water Treatment Plant in 2010.
- 2.2 A follow-up report to Council on 13 August 2013 detailed the current status quo in Ohura regarding its demographics, water usage and the operating costs of the Water Treatment Plant.
- 2.3 Other issues related to this matter were the current rates, levels of debt and abandoned land.
- 2.4 A final section of the report detailed the four viable options for progression in this matter.
- 2.5 Council resolved to seek out the community's opinions regarding the current status quo of the water supply system by way of a public meeting in Ohura on 13 September 2013.
- 2.6 A summary document, flyers, a letter and a survey document, with the four options, were mailed out to all interested parties and residents.
- 2.7 The survey results narrowed the options to Option 1 –Roof Tanks (54%) and Option 3B – a Flat Water Rate across the District (46%).
- 2.8 Approximately 70 people attended the the public meeting and an introduction into the complexities of the matter was raised by Peter Till.
- 2.9 19 major questions/issues were raised by the community and Council is in the process of collecting information from a variety of sources and interest groups on these issues.

Discussion

- 3.1 Some of the discussions at the community meeting centred on the affordability of the current rates and the alternative of going onto water tanks, as well as a district wide rate for water supply.
- 3.2 Alternative water sources and a contingency plan for a water supply during a drought season were also discussed.

- 3.3 A discussion ensued over Council's proposal of a 20 year loan repayment for homeowners/residents for the installation of the tanks. Some residents felt that they cannot afford the \$10,000-\$13,000 loan and that the proposed \$1,300 loan repayment per year offers no incentive to go over to tanks, even with an end date for the scheme.
- 3.4 Locally sourced knowledge and expertise is not available at the necessary level required to make safe drinking water for the community independently from the current contactors, if the Water Treatment Plan was retained as a Community scheme (similar to Piriaka).
- 3.5 Council urged the residents to form a committee to deal exclusively with this matter and to report any community concerns back to Council.
- 3.6 During the meeting it was suggested that all decisions regarding this matter be deferred until after the local body elections so that the new Council could take ownership of the process and project.
- 3.7 A second decision was to get independent and more accurate assessments of the final/total costs involved in installing water tanks.
- 3.8 With this in mind, staff contracted two local plumbing companies to do full assessments on five homes and one business in Ohura. These quotes are attached (see attachment 1).
- 3.9 The following is a summary chart of the two sets of quotes from two independent local plumbing companies.**

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******These figures are shown as provided by the plumbers.

- 3.10 Based on these estimates, the cost for the community overall would be in excess of \$1million.
- 3.11 There are a number of items in the quotes that increase the price (eg, reroofing and earth works) that may need to be validated.
- 3.12 In terms of legislative compliance and transparency, Ruapehu District Council is also in contact with specific interest groups such as the Waikato District Health Board and the New Zealand Fire Service.
- 3.13 Richard Wall from the Waikato District Health Board has indicated that it will be conducting a Health Impact Assessment and will communicate its findings to Council by February 2014.
- 3.14 The Fire Service statistics for Ohura indicates that it attended to 33 fires in a 60 month period (2008-2013) of which some where nuisance calls and others fell outside of its urban boundaries. Realistically it is estimated that the Fire Service only attend to one fire every 4-6 months.
- 3.15 The Fire Service has requested that water tanks be placed around town and that these are installed and maintained by Council. Our request for information raised policy issues for the Fire Service. They have promised to provide further information in the New Year.
- 3.16 Council and the community will have to make a combined effort to identify all water tank needs in the community as some houses are already fitted with water tanks.
- 3.17 Once Council has collated all the relevant information from the community, interest groups and interested parties, Council will then move forward with a second public meeting in early 2014. The date, venue and time will be confirmed closer to the time.

- 3.18 In a subsequent Ohura community meeting on 20 November 2013, informal feedback to Council staff was that the community will progress with the project to install water tanks on two conditions: Council fully fund the buying and installation of water tanks for all residents in Ohura and Council approves Resource consents for residents to take water from the river during a drought. Clarity in terms of what is Council's responsibility and what will be the homeowner/residents' responsibility will need further discussion.
- 3.19 In light of the above comment and the varied and high assessment quotations received from the local plumbing companies, Ruapehu District Council will have to look further into what is RDC responsibilities and what is the individual homeowner's maintenance/upkeep responsibilities when installing roof tanks. Also necessary is a clear indication of what Council will and can fund, should this project go ahead.
- 3.20 A detailed plan going forward will be presented to Council in the New Year.

Suggested Resolution(s)

That the Report on Ohura Water Supply Progress Report be received.



Pauline Welch
GROUP MANAGER CUSTOMER SERVICES

28 November 2013