

2nd Public Meeting Ohura Water Supply Ohura Community Hall 04 February 2014 3.30pm

Introduction

Opening Welcome - Deputy Mayor Marion Gillard

Blessing

Ken Street to Chair the meeting

History

- ▶ Ruapehu District Council was formed in 1989 and assumed control of the Ohura water supply
- ▶ Capital expenditure was stopped in June 1990.
- ▶ Maintenance was minimised.
- ▶ Depreciation of assets as a charge to the rates was suspended

Recap – Sept meeting

▶ **19 issues were highlighted during the last meeting. The summary is:**

1. Alternative water sources and what to do in a drought
2. Costs of roof tanks
3. Implications of loss of water for the School and Fire Service
4. Usability of the reservoir
5. Reduction of rates
6. True costs of water in Ohura: - Subsidies (from rest of district) and Depreciation costs
7. Legal issues around transfer/closure of a water source (RDC Responsibility)
8. Ohura water will become a District-wide and Annual Planning issue if no agreement can be reached with the Ohura community.

Key issues

- ▶ New Purpose of LG states: "...providing good-quality local infrastructure, local public services and regulatory functions in a manner that is **most cost-effective** for households and businesses"
- ▶ Status quo is economically unsustainable for both the Council and the ratepayers.

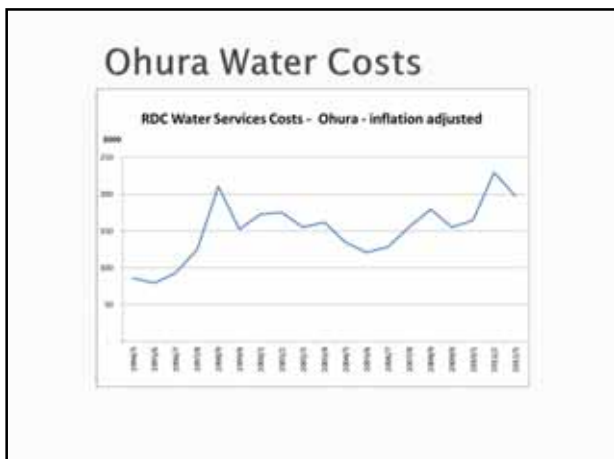
Council's viewpoint – District wide water rate

- ▶ Council reviewed the option of a District-wide flat water rate for the 2009 and 2012 LTP and this was rejected as a viable option by Council.
- ▶ The Waimarino Water Scheme was a major factor in the Council decision. If it goes ahead it will be a multi million dollar supply for Ohakune, Rangataua Raetihi and vegetable growers.
- ▶ As the District-wide Flat water rate did not find favour in the past with Council, it is highly unlikely to get a favourable response now.

Financial Background

- ▶ Existing infrastructure is NOT being depreciated ie no funds are collected for renewals
- ▶ Total current rate arrears are: \$170,313
- ▶ Total Ohura Community debt:

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

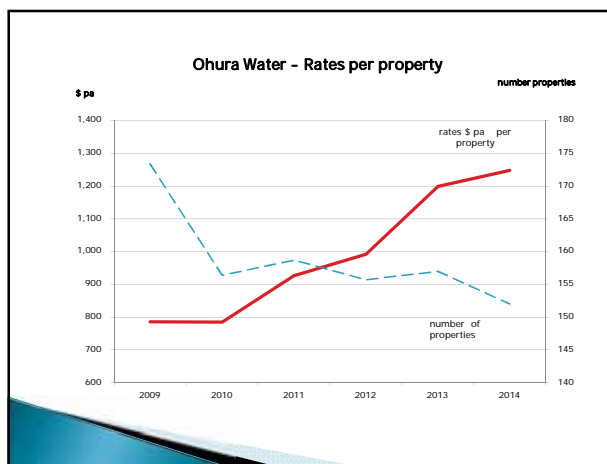
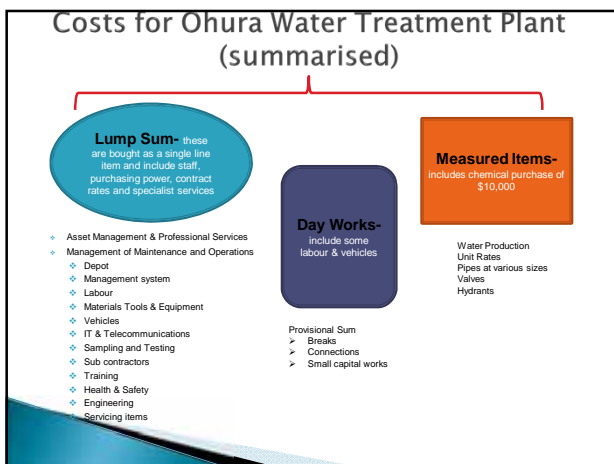


Detail of these costs – last 5 years

Note that depreciation is credited back before the rates are struck

Ohura water supply costs

	2009	2010	2011	2012	2013	Average	
Disposal of Assets				35,257	338	7,119	4%
Interest on Loans	4,410	5,729	10,042	23,700	22,356	13,247	7%
Depreciation	30,392	28,983	36,040	63,330	43,763	40,502	23%
Direct Costs							
- Consultants & Legal Fees				1,200		240	0%
- Insurance	1,039	759	917	6,044	1,666	2,085	1%
- Misc.				10	83	18	0%
- Power	7,578	7,545	7,918	7,359	7,013	7,483	4%
- Rates	3,197	3,125	3,494	3,709	3,641	3,433	2%
- HRC Resource Consents	891	1,651	1,879	892	1,378	1,338	1%
- Veolia	107,035	87,669	85,735	74,094	101,932	91,293	51%
Internal Costs	10,211	11,006	11,477	11,728	15,396	11,963	7%
	164,754	146,466	157,500	227,323	197,565	178,722	100%



Ohura Census stats

	2001	2006	2013
Ward Population	1,296	1,089	951
Population	222	162	129
Dwellings (occupied)	84	72	69
Dwellings (unoccupied)	33	36	33 *

- * Subject to change due to relocation of homes
- Ohura has currently 129 residents, a decrease of 93 from 2001 – a 42% decline.

Ohura Average rates

Ohura Urban	2013/14 \$
CV \$75,000	
Land Transport	96
Capital Value Rate	132
UAGC	485
Water Supply	1,247
RTO	20
Waste Management	34
Total Ohura Urban	2014

Ohura Financial statistics

Ohura Water Properties	% of District Totals
No of Properties with water	1.64%
2014 Rates Charged	1.30%
Number with debt	3.79%
Debt \$ at 1 Jan 2014	6.45%

- Ohura properties which receive water make up 1.64% of the total properties in the district, but only pay 1.3% of the total rates.
- 34 out of the 147 (3.79%) Ohura properties which receive water are in debt, and these properties owe 6.45% of the total debt in the district.
- 23.1% of all Ohura properties which receive water are in debt with Council.

Loan Repayments

- A loan for tanks of \$12,000, with 5% interest, repaid at \$1200 would be paid off in 16 years.

	Loan\$	Interest %	Repayment\$	
1	12,000	5%	600	1,200
2	11,400	5%	570	1,200
3	10,770	5%	539	1,200
4	10,109	5%	505	1,200
5	9,414	5%	471	1,200
6	8,685	5%	434	1,200
7	7,919	5%	396	1,200
8	7,115	5%	356	1,200
9	6,271	5%	314	1,200
10	5,384	5%	269	1,200
11	4,453	5%	223	1,200
12	3,476	5%	174	1,200
13	2,450	5%	122	1,200
14	1,372	5%	69	1,200
15	241	5%	12	1,200

Quotes

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	\$12,133 \$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: • 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

Plumbers' response to their quotes

- Opportunity for the plumbers to answer specific question regarding their quotes.
- Ideas to lower costs:

Timeline

Event	Purpose	Date
Stakeholder Engagement & Consultation	Meet with Ministry of Health, Medical Officer of Health for the District and other identified stakeholders	Started in 2013 and to continue in 2014
Council/Community briefings	Meet with the Ohura Community to outline objectives and get feedback	February 2014
Formal Options Paper	Present an options paper to Council to determine the options to consult on	March 2014
Community Consultation	Special Consultative procedure	1 month - Mid March - Mid April 2014
Referendum	Get a binding decision from residents to proceed	Local Electoral Act 2001 3 month process (April to June 2014)
Council Hearings	Hearing and deliberations on submissions	24 June or 8 July 2014 Council meeting.

Consultation process

- ▶ **Principles of consultation**
- ▶ **(1) Consultation must be undertaken, in accordance with the following principles:**
 - that persons are invited and encouraged to present their views and be given clear information concerning the purpose of the consultation and the scope of the decisions to be taken.
 - that persons who wish to have their views on the decision considered be provided with a reasonable opportunity to present those views.
 - that the views presented should be received by the local authority with an open mind and should be given, due consideration:
 - that the local authority provide affected persons with feedback regarding the relevant decisions and the reasons for those decisions.
- ▶ **(2) A local authority must, in exercising its discretion under subsection (3), have regard to—**
 - the current views and preferences of persons
 - the nature and significance of the decision or matter, including its likely impact; and
 - the costs and benefits of any consultation process or procedure.

The Referendum process

- ▶ **Holding of referendum**
- ▶ (1) A local authority may direct the electoral officer to conduct a **referendum** on
 - ▶ (a) any matter relating to—
 - the **services** that are provided or that may be provided by the local authority – (In this case a Water Service)
 - ▶ (2) Community support is needed to carry this proposal in a **binding referendum** conducted under **section 9** of the Local Electoral Act 2001, to close down a water service, **by 75%** or more of the votes cast.
- ▶ **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.

Consultation Timeline.

- ▶ **2000** - two meetings were held with community 18 submissions were made on the future of the Ohura water scheme.
- ▶ **2001** - the community members present agreed unanimously to carry out the upgrade
- ▶ **2005** - evenly split between support for keeping water supply versus closing it down and putting people on water tanks
- ▶ **Later in 2005** - Council put on hold the community consultation on the Ohura Water Supply while the Drinking Water Assistance Programme (DWAP) was investigated
- ▶ **2008** - Meeting organised by Taranaki District Health Board and RDC. Outcome was to apply for funding to upgrade the Water Supply.
- ▶ **2010** - upgrade of the 1957 Ohura Water Treatment Plant electrical equipment took place. (a **total cost** of \$619,353 of which included \$194,180 DWAP funding). The community contribution to this project was \$32,598.

Recap – Sept meeting

- ▶ **19 issues flagged at the start of the meeting.**
 1. Alternative water sources and what to do in a drought. Springs close to Ohura have been investigated. None appear to be more cost effective. The river is as muddy as the creek.
 2. Costs of roof tanks. Covered in this presentation.
 3. Implications of loss of water for the School and Fire Service. RDC has been in discussions with both organizations
 4. Usability of the reservoir. Can be used until it needs maintenance
 5. Reduction of rates. Rates can reduce by \$1,200 pa.
 6. True costs of water in Ohura: - Subsidies (from rest of district) and Depreciation costs. Covered in presentation
 7. Legal issues around transfer/closure of a water source (RDC Responsibility) Covered in presentation
 8. Ohura water will become a District-wide and Annual Planning issue if no agreement can be reached with the Ohura community. Covered in presentation

Conclusion

- ▶ **This is the communities' decision**
- ▶ **The way forward...**