



Mackenzie

DISTRICT COUNCIL

Notice is given of a Ashwick Opuha Rural Water Supply Ratepayers

Annual General Meeting to be held on:

Date: Wednesday, 22 June 2022

Time: 3.00pm

Location: Council Chambers

Fairlie

AGENDA

Ashwick Opuha Rural Water Supply Ratepayers Annual General Meeting

22 June 2022

Note: This meeting will be digitally recorded by the minute-taker.

Ashwick Opuha Rural Water Supply Ratepayers Committee Membership:

Chris McCarthy
Stephen Whittaker
Brian Tiffen
Graeme Page
Noel McPherson
Steve Gallagher
Chad Steetskamp
Paul Gallagher
Ashley Biggs
Ron Smith
Dan Davies

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1 OPENING

2 APOLOGIES

3 REPORTS

3.1 MINUTES OF ASHWICK OPUHA RURAL WATER SUPPLY RATEPAYERS COMMITTEE MEETING - 6 JULY 2021

Author: Arlene Goss, Governance Advisor

Authoriser:

Attachments: 1. **Minutes of Ashwick Opuha Rural Water Supply Ratepayers Committee Meeting - 6 July 2021**

RECOMMENDATION

1. That the Minutes of the Ashwick Opuha Rural Water Supply Ratepayers Committee Meeting held on Tuesday 6 July 2021 be received and confirmed as an accurate record of the meeting.

**MINUTES OF MACKENZIE DISTRICT COUNCIL
ASHWICK OPUHA RURAL WATER SUPPLY RATEPAYERS ANNUAL GENERAL MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON TUESDAY, 6 JULY 2021 AT 3.30PM**

PRESENT: Chairman Chris McCarthy and 13 other water supply users

1 OPENING

2 APOLOGIES

There were no apologies.

3 REPORTS

3.1 MINUTES OF ASHWICK OPUHA RURAL WATER SUPPLY RATEPAYERS COMMITTEE MEETING - 10 APRIL 2019

The record of the last meeting was accepted.

COMMITTEE RESOLUTION ASH/2021/14

Moved: Member Brian Tiffen

Seconded: Member Steve Gallagher

That the Minutes of the Ashwick Opuha Rural Water Supply Ratepayers Committee Meeting held on Wednesday 10 April 2019 be received and confirmed as an accurate record of the meeting.

CARRIED

3.2 LETTER FROM THE CHAIRMAN

Everyone has read the letter from the chairman here today. Would anyone like to open the discussion?

Beca was engaged to do an initial investigation and then we employed Haydee who is from Albury and an Environmental Consultant to do the major report attached. Hope it is taken as read and understood?

Haydee – Director of Iricon, has lived locally for over 20 years. Has a good understanding of what’s going on here. She took the Beca report, spoke to ECan and assessed options for the group. Looking at the current framework and legislation that’s changing, how they’re operating as farmers and putting into context what the options can be. Important it’s a community discussion and decision.

The water supply is a position where there isn’t a consent It lapsed last year so the supply is operating a bit out of good will with Ecan while we sort out a plan. Requested that they get an official waiver from relying on good will for too long. Something to consider is Plan change 7 due out in July. Huge amounts of work went into that, particularly by Opuha Water but the

unfortunate thing is national policy statement that came out in September; the plan will need to be reviewed and brought into line by 2024.

Option one:

Is longer term consent of 10 -15 years. Ecan look at the new date 2024 plus 5 years, so 2029, which isn't a long time. It will be a huge cost and battle if you haven't got stakeholders on board.

Will be challenging. Health of the waterway comes first so strong arguments on the water quality and when you do shut down a race you will see changes in the environment. Just what that looks like you don't really know until it happens. Don't have as much water going into wetlands etc. but you can see improved water quality too with stock not having access.

Think it will be a costly battle. Chance it will be notified and go through hearing process, the costs start mounting.

The issue that I do see is the wetlands, and they now have such a high standing with the national rules, and Ecan have turned the layers off, since the national policy statement they turned the layers off and consultants can't access. There will be a change of dynamics when it does so it's really important we work with stakeholders and the farmers what decommission looks like if you shut it down.

Option Two:

Short term consent in line with 2024 and with that the discussions with Zella, principle at Ecan, there would be much less expectation for expert reports. Still must deal with minimum flow issues but still an option.

Option Three:

Looking to move to a pipe scheme. Did suggest getting a compliance waiver and while you work through what a decommission plan would look like and getting support from DOC and Iwi and in initial discussions, we know there is support for that.

Really important to understand what people want to do so you know what the demand might be.

Chris - Bit of clarification. Why the short term is in there. We had a meeting with Zella from Ecan and put it to her that if we decided to close the water ways down, can we just carry on the way we are for 5 years which was about a year ago and now down to 4 years and get everything done with decommissioning and just let it wind down and she said yeah, it probably wouldn't be approved you'd probably have to go for a short term consent which wouldn't cost the same as a long term consent. Given we're focussing on a decommissioning plan, less reporting and not the same costs. Since then, Haydee has suggested a compliance waiver and look at where you're going to go long term so we can work out what we're going to do in the interim. An official compliance waiver is maybe 1-2 years, it depends on what the community is directing.

Another reason why Chris said 4-5 years is it gives everyone here the opportunity to get troughs and pipes individually.

Don't think we can decide just yet until we get a decision on Plan change 7 as that will determine minimum flows.

Already have a pretty good handle on what that is. The challenge would be to argue why you wouldn't be on minimum flows when the health of the waterways comes first. When you're dropping it down to 5-10 litres a second you in a much stronger argument to say we're doing all the right things and don't need minimum flows.

Not convinced that it is a hold up, we kind of know what it's going to have and like to think that community water will be excluded.

Geoff Horler:

If you pipe it and anybody takes water and uses it in their house, you will be deemed a community supply and must meet healthy water standards and if you put it in a pipe, it's a community supply. Including cascade and you must meet drinking water standards and that's at point of use and point of treatment so keep that in mind with whatever decision you take. Anyone uses the water for domestic use, you then must comply with the drinking water standards and that is changing in the next 2-3 years.

Haydee:

Other schemes seen the use would only be for stock water only, no domestic and an agreement with users that it won't be used for domestic use.

Mayor:

In a situation now with the government and 3 waters we don't know where it's going to end up. The Minister stopped short of saying whether we have an option to opt in or out. Divided country into four areas and we fit in the Ngai Tahu area which is virtually the whole of the South Island except Nelson and Marlborough. What we don't know is if everyone is going to buy in and our concern is as a small council how do we have a say on this entity? We only have internal debt so all our infrastructure is stranded in the ground. Longer term we will be better off if you believe DIA's figures but short term we lose our ability to control water sewage and storm water in the area.

Geoff Horler:

There is a drinking water regulator in place now and they will have people looking for it and with the ability to prosecute you if you're supplying unsafe water.

Chris:

Talking about a stock water race system. It's not about drinking water and I'd very much doubt whether there'd be anything community coming out of this.

Haven't had a financial report for several months but are yet to see one.

There is one in the report but no balance.

Money spent on consent. \$23,000 for consultancy fees? That money surely could've gone into the Allendale water scheme and cascading scheme?

Geoff Horler:

Some of that money was spent with Beca because some of it was about to expire, we need to move to get a new consent and during covid last year it was indicated that you'd be going for a long-term consent so we were organising to have that executed and we were notified that there as a change of plan by Chris and we halted all works.

Haydee:

The report is valuable and there's a lot of work that goes into it. The time put in and the conversations etc. it costs a fair amount.

Gary:

Fair to say there's approx. \$60,000- in reserve? So, if we're going to move forward as a stock water scheme perhaps we need to ascertain what members want from a stock water scheme, who wants it piped and work out the best course of action.

Given the distances across the region, will it go across the Fairlie basin? Will it go across the gorge? Will it only be used for stock water? The question is who wants it, and who doesn't?

Getting a consent will be challenging, costly. I think it will be difficult. It's the expert reports that go with it. All the experts to do a full consent, the cost of the infrastructure, if you've got to line all the race and efficiency, fish screening and upgraded. It all costs money.

Geoff:

The Beca report didn't even do the ecology report and that will cost a lot of money.

Haydee:

Yes, water quality etc. the shift was to look at a shorter-term consent so you don't need to provide as much reporting because you're looking to shut it down.

Geoff:

Iwi have already agreed to it if you choose to shut it down.

Haydee:

And that's huge. Iwi are supportive.

What are the effects on our wells?

We don't know what the impact will be and whether we will see some less brown water.

The concern is with Plan change 7, we don't know how that will change

Could we do option 3 and get on with it?

Move a motion today to shut down by 2025?

Don't want to do option 1 which is 30 years and not moving together so that's out.

Option 2 is halfway in between.

And option 3 makes a start to what we want to do.

And maybe look as to who would want piped water and then work out a consent?

Allandale scheme is at full capacity but that doesn't mean we can't apply for more water and because it's a community supply, we're more likely to get it. Allandale must look at it because it is a community supply.

If people did want to use Alleadale water, how do we work out what people could get if we went with Option 3?

We were looking to do a model on it and we can apply for more. At the bottom end we have bigger pipes but at the other end we don't know what we can do with those extremities. But with its current allocation it's at capacity for the consent it currently has.

Mayor:

I think you need that discussion with Allandale water, make it a bigger community scheme, one big consent, there will be engineering to fit but longer term it must make sense.

With Fairlie upgrade it could be an opportunity in the future to hook onto the Fairlie upgrade and all properties with water would meet the consent.

Move a motion that the water races have an end date of 31 June 2025 put forward as a motion. 4 years from now. Option 3.

Go for the waiver if we can get one for 4 years. To do so would need a strong decommissioning plan but worth a shot.

Don't need consent to drill if you have a registered driller. Got to work within the permitted realms.

Commitment from Mackenzie District Council that the Allandale scheme would be upgraded. Mayor can't guarantee that we can do that right now, we do have a responsibility but we also have a responsibility that everyone has compliant water, but fair enough to think that MDC can be a part of this too.

Show of hands who wants individual and who wants community water:

Community Piped Scheme: 9

Individual Piped Scheme: 5

Steve moved option decommissioned by 30 June 2024 – years Option 3:

Seconded: Chad

Chad:

Propose a meeting for every shareholder and what they need moving forward. Put a survey out asking whether they're individual or community etc. Go and talk to Allandale and get input.

Stipulate that it is just for stock water at this point. When the survey says piped, they may have other thoughts with their requirements.

The group agreed to form a subcommittee to meet with Haydee the consultant and discuss a way forward. Members of the subcommittee would be Chris McCarthy, Steve Whittaker, Chad and Bigsie.

COMMITTEE RESOLUTION ASH/2021/15

Moved: Member Steve Gallagher

Seconded: Member Chad Steetskamp

That Option 3 including that the water race be decommissioned by 30 June, 2024, is the preferred option.

CARRIED

5.3 FINANCIAL REPORT

This report has been prepared for the committee members to review the financial situation for the year to May, 2021.

COMMITTEE RESOLUTION ASH/2021/16

Moved: Member Steve Gallagher

Seconded: Member Brian Tiffen

That the financial report for the year to May, 2021, be received.

CARRIED

The Meeting closed at 4.55pm.

The minutes of this meeting were confirmed at the Ashwick Opuha Rural Water Supply Ratepayers Annual General Meeting held on June 22, 2022 .

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CHAIRPERSON

3.2 CHAIRPERSON'S REPORT

Author: Arlene Goss, Governance Advisor

Authoriser:

Attachments: Nil

STAFF RECOMMENDATIONS

That the chairman provides a report to the meeting on current activity, and be thanked for his work as chairman over the past year.

3.3 FINANCIAL REPORT AND BUDGET

Author: Sandy Hogg, Manager - Finance

Authoriser: Paul Numan, General Manager Corporate Services

Attachments: 1. Ashwick Opuha Water Supply [↓](#) 

PURPOSE OF REPORT

The report has been prepared for the Committee members to review the forecasted financial report for the year ended 30 June 2022 and determine the budget for the 2022/2023 year.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That the financial report for the year ended 30 June 2022 be adopted.
3. That the budget for 2022/2023 be adopted as presented.
4. That the water supply recommends to Council a rate requirement of \$92.26(GST Incl.) per unit to achieve an income requirement of \$4,060 for the scheme.

INTRODUCTION

The financial statement attached as Appendix 1 has 6 sets of figures, designed to provide comparative data covering 4 consecutive years. Moving left to right:

- The first three columns represent revenue and expenditure for, the 12 months to 30 June 2019, 2020 and 2021.
- The fourth and fifth columns present information on the current year – the budget for the year and the forecasted results to 30 June 2022. For the forecasted results it includes actual results to March and proposed revenue and expenditure for the final three months of the year (April, May, June)
- The final column on the far right hand side of the page represents the draft budget for next year.

FINANCIAL PERFORMANCE

2018/2019 Year

For the year ended 30 June 2019, the Water Supply recorded an operating surplus of \$11,650.

2019/2020 Year

For the year ended 30 June 2020, the Water Supply recorded an operating deficit of \$355. Compared to the 2018/2019 results, main variances were:

- Decrease in income from targeted rates of \$2,270.
- Increase in monitoring costs of \$869.
- Decrease in contractors' costs of \$753.

2020/2021 Year

For the year ended 30 June 2021, the Water Supply recorded an operating deficit of \$20,944. Compared to the 2019/2020 results, main variances were:

- Increase in consultants' costs of \$17,218.
- Decrease in valuation costs of \$384
- Decrease in monitoring costs of \$389.
- Increase in contractors' costs of \$3,016.
- Increase of \$334 for corporate overhead allocation.

2021/2022 Year

For the year ended 30 June 2022, the Water Supply is forecasted to have an operating deficit of \$1,832. This is above the budgeted operating surplus of \$0 and is a result of increases in areas such as consultants and monitoring. Increases to interest earned on the reserve account offsets some of these budget overruns.

Compared to the 2020/2021 results, main variances for 2021/2022 will be:

- Decrease in income from targeted rates of \$5,050.
- Decrease in interest earned on reserve account of \$1,596.
- Increase in income from charges to Allandale water of \$1,334.
- Decrease in consultants' costs of \$24,432.
- Increase in monitoring costs of \$541.
- Decrease in contractors' costs of \$486.

RESERVE BALANCE

This year we are forecasting a transfer of \$1,832 from the reserve account which will result in the reserve having a closing balance of \$60,934 in credit.

BUDGET FOR 2022/2023

There have been very minimal changes over the 2021/22 budget. The income from targeted rates has been budgeted at \$29 lower than that of this year.

It is anticipated that the Ashwick / Opuha Water Supply will produce a cash surplus of \$305 after adding back unfunded depreciation.

The budget is proposing the balance of the reserve at the end of the year to be \$61,238 in credit.

CURRENT CONSUMERS

Total operating costs of \$4,060 (GST incl.) are to be rated for. Based on 44 consumers the rate in the dollar is proposed to be \$92.26.

Valuation Reference	Ratepayer 1	Ratepayer 2	Units
2528019001	Abbott Elizabeth Ruth		1
2528016400	Ashwick Flat Dairy Farms Limited		1
2528018506	Ashwick Flat Dairy Farms Limited		1
2528015110	Ashwick Holdings Limited		1
2528017202	Bennett Stephen Alexander	Bennett Kerry Louise	1
2529010200	Bennett Stephen Alexander	Bennett Kerry Louise	1
2529009400	Biggs Farming Company Limited		1
2528019006	Birss Trevor John	Chan Ann Ni	1
2528019002	Bishop Barry James	Bishop Nicola Anne	1
2528019004	Cartlidge Nicola Jane		1
2528018601	Cascade Creek Limited	Strathdale	1
2528016601	CBW Limited		1
2528016100	Cows 4 Us Limited		1
2528017300	Crampton Geoffrey Charles	Crampton Robyn Maree	1
2528015107	Dainter Clare Louise	Robottom Gary Alan	1
2528018509	Dickson Dean David	List Amanda Jane	1
2528016200	Fox Peak Station Company Limited		1
2528015900	Gallagher Paul Gerald	Gallagher Ngaire Ann	1
2528015200	Gallagher Stephen James	Gallagher Linda Gaye	1
2528018501	Gibson Rhonda Jane	Gibson James Norman	1
2528014702	Giddings David Sansom	Devenish Celia Jane	1
2528018802	Gillies Vivienne Heather	Vincent Robert Howard	1
2529010800	Glenapitea Limited		1
2528018602	Guiney Kieran Joseph	Guiney Leonie Frances	1
2529005801	Hendry Tina Joyce	Hendry John William	1
2529011200	Latta Garry James	Abacus ST 09 Limited	1
2528019005	Loader Luke Edward		1
2528016300	Mackenzie District Council		1
2528016701	Mackenzie District Council		1
2528015000	McCarthy Christopher John	Benson-McCarthy Angela Jane	1
2528016301	Moffatt Ralph Ronald	Richards-Moffatt Sheena	1
2528018402	Mountainview Dairy Farm Limited		1
2528019003	Murray David Mathew	Harland Chloe	1
2529004300	Olds Peter John	Olds Robyn Anne	1
2528017501	OLeary Regan David	OLeary Sarah Lee	1
2528015901	Page Farming Limited		1
2528018510	Reid Aaron Caleb	Goodeve Simon	1
2528016700	Shallow Creek Farms Limited		1
2529010506	Shallow Creek Farms Limited		1
2528018600	Stonebrook Dairy Farm Limited		1
2528015600	Tiffen Brian Kevin	Tiffen Barbara Ann	1
2528015106	Wander Lodge Limited		1
2528017500	Whittaker Stephen David		1
2528017600	Wimborne Dairy Farm Limited		1
			44

**Mackenzie District Council
Ashwick / Opuha Water Supply**

2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	Account	2021/22 Budget	2021/22 Forecast	2022/23 Budget
(11,074)	(8,804)	(8,609)	343105. Separate Rates	(3,559)	(3,559)	(3,530)
(2,571)	(2,581)	(1,910)	343150. Interest earned on Capital Rsv	0	(314)	(305)
(3,207)	(3,288)	(3,360)	343191. Internal Income - Ashwick Water	(4,694)	(4,694)	(4,800)
(16,852)	(14,673)	(13,879)		(8,253)	(8,567)	(8,635)
0	9,310	26,528	343216. Consultants	0	2,096	0
0	400	16	343224. Valuation	0	0	0
910	606	910	343251. Depreciation	910	910	910
1,959	2,367	2,274	343255. Consent Monitoring	1,000	3,000	1,000
20	481	185	343256. Quality Monitoring	1,950	0	2,000
3,223	2,470	5,486	343261. Contractors	5,000	5,000	5,000
0	0	334	343344. Corporate Overhead Allocation	303	303	330
6,112	15,634	35,733		9,163	11,309	9,240
(10,740)	961	21,854	Funding Requirement	910	2,742	605
(910)	(606)	(910)	Unfunded Depreciation - 100%	(910)	(910)	(910)
11,650	(355)	(20,944)	Operating Surplus/(Deficit)	0	(1,832)	305
11,650	(355)	(20,944)	<i>Transfer to / (from) Reserves</i>	0	(1,832)	305
			Ashwick / Opuha Water Supply Reserve			
72,415	84,065	83,710	Balance brought forward	62,766	62,766	60,934
11,650	(355)	(20,944)	Transfer to / (from) Reserves	0	(1,832)	305
84,065	83,710	62,766	Closing Balance	62,766	60,934	61,238

3.4 ELECTION OF CHAIRPERSON AND MEMBERS OF COMMITTEE

Author: Arlene Goss, Governance Advisor

Authoriser:

Attachments: Nil

At each annual general meeting an election is held for the position of chairperson and members of the committee. Traditionally, all those present at the AGM have been made members of the committee, with all having voting rights.

STAFF RECOMMENDATIONS

1. That (name) be elected chairperson of the Ashwick Opuha Rural Water Supply Ratepayers Committee for 2022/23.
2. That the members of the committee for 2022/23 are (names).

3.5 GENERAL BUSINESS

Author: Arlene Goss, Governance Advisor

Authoriser:

Attachments: Nil

STAFF RECOMMENDATIONS

That any issues or matters for action be raised under General Business.