# Service Delivery Committee Agenda

**Time:** 9.00am  
**Date:** Tuesday 18 July 2017  
**Venue:** Council Chambers, Waipa District Council, 101 Bank Street, Te Awamutu

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| Contract Award 27-17-03 Te Awamutu Wastewater Treatment Plant – Wastewater Overflow Pond and Dewatering Facility Upgrade | 12 (circulated separately) |
| Workshops:  
  - Passenger Transport in Region – continued | 12 (no papers) |
AGENDA ITEMS

1 MEMBERS

Chairperson

GRP Webber

Members

His Worship the Mayor JB Mylchreest, EM Andree-Wiltens, JM Bannon, EH Barnes, AW Brown, M Gower, SC O’Regan, SDC Milner, EM Stolwyk, CS St Pierre, BS Thomas, GRP Webber, VT Wilson

2 APOLOGIES

3 DISCLOSURE OF MEMBERS’ INTERESTS

4 VISITORS

5 MINUTES OF PREVIOUS MEETING

Pages: 13 - 18

Recommendation
That the minutes of the Service Delivery Committee meeting held 20 June 2017 be taken as read and confirmed as a true and correct record.

6 LATE ITEMS

7 CONFIRMATION OF ORDER OF MEETING

Recommendation
That the order of the meeting be confirmed.
8 UPDATE PASSENGER TRANSPORT DEVELOPMENTS WITHIN THE REGION

No papers

Representatives from the Waikato Regional Council will be in attendance to make this presentation.

Recommendation
That the information contained in the Waikato Regional Council Presentation on Passenger Transport Developments within the Region, be received.

9 WATER SERVICES QUARTERLY REPORT

Page: 19 - 35

The purpose of the staff report is to provide information on the activities pertaining to the Water Services Team’s Activities for March 2017 to May 2017. The report contains matters that are of a purely administrative nature or information that does not require a decision from Council. As such, the report does not address any matters that are significant in terms of Council’s obligations as set out in the Local Government Act 2002.

Recommendation
That the information contained in the report of Tony Hale, Manager Water Services, (document number 17063709) be received.

10 PROPOSED WATER TARIFF STRUCTURE

Pages 36 - 40

The Universal Water Metering Project involved the installation of water meters across the district and is included in the capital programme for the 2015/25 10 Year Plan. As a result of this project, a review of the water tariff model has been carried out.

The purpose of the staff report is to outline the work carried out under the water tariff review and seek Committee approval on the proposed tariff structure to be applied as part of the mock water bill process. The project team responsible for this work comprised key staff members from the Project Delivery and Finance teams, along with three external consultants.

The objectives of the project were to:
Encourage smart use of water (to reduce the need for more/earlier infrastructure)

Ensure tariffs are fair and equitable (user-pays)

Manage financial risk (revenue uncertainty to Council from introduction of volumetric charges)

Avoid undue tariff fluctuations for ratepayers.

Following an evaluation of 18 possible water pricing structures the project team recommends the following pricing structure:

- 25% of the water tariff charged as a fixed network charge on a per separately used or inhabited part of a rating unit (SUIP) basis; and
- 75% as a single volumetric charge for all water consumers.

This tariff structure is proposed as the basis for the 2018-28 Long Term Plan and the consultation process for that document.

**Recommendation**

*That*

a) The information contained in the report of Kumaren Perumal, Manager Finance (document number 17056531) be received;

b) The proposed water tariff structure being 25 percent of the total water tariff charged as a fixed network charge on a per separately used or inhabited part of a rating unit basis; and 75 percent as a single volumetric charge for all water consumers, be approved for the mock billing process to commence in October 2017.

**11 NOTICE OF MOTION: DINGLE ROAD**

No papers

The following Notice of Motion was received from Cr St Pierre:

“That a seal extension be completed for the remainder of Dingle Rd, to 104 Dingle Rd.”

**Reason for Notice of Motion as provided:**

A seal extension was recently undertaken for Dingle Rd, but the extension ended about 20 m before the end of the road. This leaves one resident with a portion of unsealed road and it seems logical to complete the sealing of the road in its entirety. This is the common-sense outcome I am seeking for the resident concerned, Julie Ferguson who lives at 104 Dingle Rd.
Reasons for not completing the seal have been given as follows:

1. The remainder of the road isn't actually in the road reserve. I have verified that the existing unsealed road is in the road reserve and in fact an unformed/paper road extends well beyond the driveway of the property in question.

2. The property was the subject of a subdivision that required an extension to the unformed part of Dingle Rd. Dingle Rd was unsealed at that portion of the road and the length of the extension equates to the length of the road which has now been left unsealed. At the time of the subdivision for the property, council imposed a condition that the required extension to the existing Dingle Rd be made to connect with the driveway for the new section be formed to a 'right of way' standard. Council could have imposed a higher standard but they did not and therefore it is argued that there is no obligation on council to now upgrade it to an even higher standard. I contend that this standard was on a par with the existing portion of Dingle Rd it was connecting to, and should not be used as a reason to rule out sealing this portion of road now.

Staff provide the following as background information:

1.0 Background

Dingle Road is a short no exit road off Forkert Road just west of Ohaupo village. At 996m long and 6m wide it has a traffic count of approximately 100 vehicles per day and serves mainly dairying properties.

In November 2016 the end (900m to 996m) of Dingle Road was shaped and sealed in conjunction with repair and rescaling work programmed for Dingle Road from Forkert Road to the 900m point. This length of new seal is shown in the photograph below by the red arrow.

Shortly after this work was complete the residents of 104 Dingle Road wrote to Council asking why the extension of the road to their entrance was not sealed at the same time; that part shown with a yellow arrow below. The Council staff reasoning was that only that part of Dingle Road that was officially formed and recorded in Council’s asset database was sealed, and that part beyond this point was a driveway and not entitled to maintenance and sealing.
The property owners have a different view and this can be summarised as follows;

- A 2006 subdivision of the property created a new lot at No 104
- A condition of the subdivision was “That the metal portion of Dingle Road, from the end of the existing seal to a point 10 metres north of the boundary between Lot 1 and Lot 2 be upgraded to Right Of Way standard, and located centrally within the road reserve”. A further condition was payment of a $3,526.00 roading improvement contribution.
- Having formed this right of way on the road reserve Council should now seal it with the rest of the road.
2.0 Discussion

While it appears common sense and a good customer service outcome to seal driveways or other areas beyond Council’s accepted road asset extents, it does pose problems of cost, responsibility and precedent.

In this instance, and as can be seen in the photographs below, would Council seal just the driveway to 104 or would we also seal part of the farm entrance to the left to provide equity to ratepayers? Would Council upgrade the farm entrance to the left to meet the driveway extension at right angles in keeping with our standards so there is clarity over who has right of way? These decisions could add considerably to the cost of the work. As to precedent, there are many instances of driveways extending on unformed roads in the district; would we be happy to provide this service in all instances?
3.0 Financial

The minimal cost to seal only the driveway as requested by the owner would be approximately $10,000. This would leave the adjacent farm entrance untouched. It is assumed Council would then become responsible for future maintenance and sealing. If nothing is done then maintenance costs stay with the owner as at present. Sealing with reconstruction of the farm entrance to meet at right angles would be approximately $20,000.

4.0 Legal

The subdivision process under the RMA should set conditions for property access that are fair and reasonable in line with District Plan and Council’s infrastructure development manual.

As in this case where landowners are represented by professional surveyors, the conditions should be agreed by both parties and understood, otherwise there are processes to challenge conditions and mediate outcomes.

A typical condition where a road is formed and taken over by Council would include forming and sealing to full road standard including dealing with all issues in the road reserve like the adjacent farm entrance in this case. The condition would include as-built plans and vesting of assets.

Not being present in the 2006 discussions and agreement we can only assume the intent of the parties as recorded in subdivision conditions which describe the formation of an unsealed right of way.
5.0 Council Policy and Recommendation

Council policy and practice is outlined in the Procedural Policy Manual July 2017. This seeks to provide, maintain and enhance a safe and appropriate district road network. One policy under this objective is to progress sealing of unsealed roads.

Another policy covers works on unformed road. And this states, “The development of unformed roads will not be permitted without prior Council approval. Any such approval shall be subject to Council standards. Council will not accept any responsibility for maintaining unformed roads unless prior Council approval has been granted.”

In this instance Council has, through the subdivision process, given approval for a right of way on an unformed road. Council has not offered to accept responsibility for on-going maintenance or further enhancement of this right of way.

It is recommended that Council staff formally respond to the owners of 104 Dingle Road, advising that the subdivision conditions as agreed at the time did not envisage Council taking responsibility for maintaining the right of way or an intention to seal it in future.

12 RESOLUTION TO EXCLUDE THE PUBLIC

File: 01-37-01 No papers
(Section 48, Local Government Official Information and Meetings Act 1987)

Recommendation
That the public be excluded from the following part of the proceedings of this meeting:

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Minutes/Report of:</th>
<th>General subject of each matter to be considered</th>
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<tr>
<td>13</td>
<td>Project Engineer</td>
<td>Contract Award 27-16-05 Cambridge Pipe Bridge</td>
<td>Good reason to withhold exists under section 7</td>
<td>Section 48(1)</td>
</tr>
<tr>
<td>14</td>
<td>Manager Project Delivery</td>
<td>Contract Award 28-16-03 Cambridge Pool Design</td>
<td>Good reason to withhold exists under section 7</td>
<td>Section 48(1)</td>
</tr>
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</table>
### Service Delivery Committee Agenda

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<tbody>
<tr>
<td>15</td>
<td>Manager RATA</td>
<td>Contract Award 28-17-03 Bridge &amp; Structures Professional Services Hamilton City Council, Waipa &amp; Waikato District Councils</td>
<td>Good reason to withhold exists under section 7</td>
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<td>Contract Award 27-17-03 Te Awamutu Wastewater Treatment Plant – Wastewater Overflow Pond and Dewatering Facility Upgrade</td>
<td>Good reason to withhold exists under section 7</td>
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</tbody>
</table>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

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<tr>
<td>13, 14, 15, 16</td>
<td>Enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</td>
<td>Section 7(2)(i)</td>
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</table>

### 13 CONTRACT AWARD 27-16-05 CAMBRIDGE PIPE BRIDGE

Circulated separately

This item will be taken with the public excluded.

### 14 CONTRACT AWARD 28-16-03 CAMBRIDGE POOL DESIGN

Circulated separately

This item will be taken with the public excluded.
15  BRIDGE & STRUCTURES PROFESSIONAL SERVICES, HAMILTON CITY COUNCIL, WAIPA AND WAIKATO DISTRICT COUNCILS

Circulated separately

This item will be taken with the public excluded.

16  CONTRACT AWARD 27-17-03 TE AWAUTU WASTEWATER TREATMENT PLANT – WASTEWATER OVERFLOW POND AND DEWATERING FACILITY UPGRADE

Circulated separately

This item will be taken with the public excluded.
Service Delivery Committee Minutes

Time: 9.00am
Date: Tuesday 20 June 2017
Venue: Council Chambers, Waipa District Council, 101 Bank Street, Te Awamutu

1 PRESENT

Chairperson
GRP Webber

Members
His Worship the Mayor JB Mylchreest, EM Andree-Wiltens, JM Bannon, EH Barnes, AW Brown, M Gower, SC O'Regan, SDC Milner, EM Stolwyk, CS St Pierre, BS Thomas, GRP Webber, VT Wilson (until 9.28am)

In attendance
Group Manager Service Delivery B Bergin; RATA Project Manager J Towler; Manager Community Facilities B Airey; Museum Administrator R Millar; Senior Communications Advisor J Tyrell; Water Planner Sarah Pitches; Manager Water Services Tony Hale; Governance Support Senior C Shaw

2 APOLOGIES

RESOLVED
15/17/42
That the apology from Cr St Pierre for non attendance be received.
Cr Stolwyk/Cr Bannon

3 DISCLOSURE OF MEMBERS’ INTERESTS

There were no new disclosures.

4 VISITORS

There were no visitors.
5 MINUTES OF PREVIOUS MEETING

RESOLVED
15/17/43
That the minutes of the Service Delivery Committee meeting held 16 May 2017 be taken as read and confirmed as a true and correct record.

Cr Wilson/Cr Bannon

6 LATE ITEMS

Cr Bannon requested the Cambridge Refuse Station proposed fees be discussed. While this was not accepted as a late item for the meeting, a discussion took place at the conclusion of the meeting and Councillors were advised that staff would investigate and information would be provided in the Friday Roundup.

7 CONFIRMATION OF ORDER OF MEETING

RESOLVED
15/17/44
That the order of the meeting be confirmed.

Cr Milner/Cr Stolwyk

8 COMMUNITY FACILITIES QUARTERLY REPORT

Manager Community Facilities Bruce Airey presented his report and a tribute was made to District Librarian Alison Gordon who was leaving Council to retire to the Hawkes Bay.

In response to questions regarding the Mangahoe stream slips, Mr Airey said the stream is being assessed with regard to fixing the areas that had become eroded.

[Cr Wilson left the meeting at 9.28am]

RESOLVED
15/17/45
That the information contained in the report of Bruce Airey, Manager Community Facilities be received.

Cr Brown/Cr Bannon
9 HERITAGE GRANT & AWARDS

Manager Museums & Heritage Tony Roxburgh and Museums Administrator Rowan Miller presented the report on the Heritage Grant and Awards.

Considerable discussion was held regarding the value of the Awards and the fact that very little was done to help applicants put themselves forward. It was considered that a lot of good work was being carried out throughout the District and there may be a better way to acknowledge this.

Mr Roxburgh suggested that a Heritage Advisory sub-group or Kaitiaki Group be formed to help oversee the Awards and Grants for the District who had the ability to identify areas and projects being carried out in both the Environmental and Built heritage areas.

RESOLVED
15/17/47
That
a) The report of Rowan Miller, Museum Administrator, be received;
b) The Committee determines that the bi-annual Heritage Awards are to continue; and
c) That the responsibility for assessing applications and allocating the Heritage Fund, in the absence of Heritage Committee, becomes the responsibility of Heritage Advisory Sub-Group of the Service Delivery Committee.
d) That Councillors Milner, Barnes and Andree-Wiltens be Council representatives of the Heritage Advisory Sub-group.

[Adjourned for morning tea at 10.03am and reconvened at 10.25am]

10 GROUP MANAGER SERVICE DELIVERY UPDATE

Stage One Report – Government Inquiry into Havelock North Drinking Water

Sarah Pitches, Water Planner, provided the Committee with a summary of the findings and an overview of Waipa’s water supply in regards to the key findings from the inquiry. The water supply contamination in Havelock was the result of Campylobacter contamination. All Waipa District water supplies are chlorinated and therefore unlikely to become contaminated in this way.

In reply to questions regarding the protozoa monitoring and testing at Hicks Road, staff advised that monthly tests would not show any further results that it currently reveals. Protozoa testing requires substantial quantities of water to test for protozoa and results will take 10 days to process. Mr Hale said that the assessment of risks have not changed and therefore would be of no benefit to go to a very costly monthly monitoring regime. Mr Hale commented that one of the findings from the
Havelock enquiry stage 1 findings was that water supplies should be considered on par with aviation and food industry. Mr Hale said a lot of discussion was being held around planning for the risk of a contamination similar to that in Havelock North but considers that the risk mitigation is in place and the likelihood of protozoa contamination is very low but the consequences is very high, given the potential impact on a community the size of Cambridge.

Discussion was held around installation of the ultra violet system or alternatively disconnect the supply. Mr Hale estimated a $500,000 cost to install a UV plant that would be needed only for six to nine months when the Karapiro WTP would be upgraded. Councillors debated the risks of contamination, the mitigation measures currently in place, that previous testing over many years found no protozoa in the supply and that the Hick water supply will be disconnected in six to nine months against the cost of $500,000 for a short term UV treatment to reduce risk. Councillors direction was not to install the temporary UV plant. It was clear that there was an appetite for continued monitoring of the Hicks Road supply with the ability to increase testing if the supply was not terminated or there was any change in the risk assessment.

**RESOLVED**
15/17/48

That the information contained in the Group Manager Service Delivery Update be received.

Cr Thomas/Cr Barnes

11 **ROADS TO RENAME IN THE HINUERA STONE DEVELOPMENT, CAMBRIDGE, DUE TO LAYOUT OF SUBDIVISION**

Group Manager Service Delivery Barry Bergin said a 50 lot residential development being undertaken in Cambridge required changing some existing road names to avoid confusion.

**RESOLVED**
15/17/49

That

a) The report of Murray James, Team Leader Development Engineering be received; and

b) Pursuant to section 319j of the Local Government Act 1974, the Strategic Planning and Policy Committee approve the following roads to be renamed:

(i) Hyatt close be renamed **Kingdon Street**

(ii) The new Cul de sac be named **Hyatt Close**

Cr Webber/Cr Gower
12 RESOLUTION TO EXCLUDE THE PUBLIC

File: 01-37-01 No papers
(Section 48, Local Government Official Information and Meetings Act 1987)

RESOLVED
15/17/50
That the public be excluded from the following part of the proceedings of this meeting:

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Cr Barnes/Mayor Mylchreest

13 BRIDGE AND STRUCTURES PROFESSIONAL SERVICES MATAMATA-PIAKO, WAITOMO AND HAURAKI DISTRICT COUNCILS CONTRACT 28-17-04

This item was taken with the public excluded.

The public were readmitted at 11.40am
There being no further business the meeting closed at 11.40am

CONFIRMED AS A TRUE AND ACCURATE RECORD OF PROCEEDINGS

CHAIRPERSON: ________________________________________________

DATE: ________________________________________________________
Information Only

To: The Chairperson and Members of the Service Delivery Committee
From: Manager Water Services
Subject: Water Services Report
Meeting Date 18 July 2017
File Reference: 200-02-03/1

1 Executive Summary

The purpose of this report is to provide information on the activities pertaining to the Water Services Team’s Activities for March 2017 to May 2017. This report contains matters that are of a purely administrative nature or information that does not require a decision from Council. As such, this report does not address any matters that are significant in terms of Council’s obligations as set out in the Local Government Act 2002.

2 Recommendation

That

a) The information contained in the report of Tony Hale, Manager Water Services, be received.
3 Financials

Reported to Council separately through Finance and Corporate Committee.

4 Demand

4.1 Current Demand – Water Production

![Water Treated - Te Awamutu (excl. Frontier Rd)](chart1.png)

![Water Treated - Frontier Rd](chart2.png)

![Water Treated - Cambridge](chart3.png)

![Water Treated - Kihikihi](chart4.png)

![Water Treated - Pukenimu](chart5.png)
4.1.1 Other Demand Management Activities

Demand Management – Water Management Plans (WMP)
- Kihikihi WMP review is now complete and the final document has been submitted to Waikato Regional Council ahead of the 1 July 2017 condition deadline.
- The Cambridge WMP review has now commenced. Once Cambridge is completed, the reviewing and updating of the Pukerimu WMP will begin as part of the three yearly review period (note these two WMPs aren’t resource consent conditional).

<table>
<thead>
<tr>
<th>WMP</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Te Awamutu</td>
<td>May 2016 – Update completed</td>
</tr>
<tr>
<td>Cambridge</td>
<td>May 2013 – Review underway – on track</td>
</tr>
<tr>
<td>Pukerimu</td>
<td>May 2013 – Review and update now due</td>
</tr>
<tr>
<td>Kihikihi</td>
<td>June 2017 – Update completed</td>
</tr>
</tbody>
</table>

Demand Management – Education Campaign
- Education engagements have increased this financial year with a total of 465 engagements being made with people and students at either a talk, or through a tour of water treatment plants.
- Education curriculums in schools have had a strong water and sustainability focus this past year which complements demand management messages. Talks and tours generally feature the Waipa Water Story, water meter demonstrations, and smart water conservation messaging and activities.
- Feedback received about the tours and talks highlight they are very well received and are informative and interesting. Many are unaware of the process involved in water treatment and tours provide a tangible experience as to why water conservation is important.

Demand Management – Water End Use Study
- Twenty properties each in Te Awamutu and Cambridge continue to be monitored each month for the internal water end use study. The project will continue until quarterly meter reading commences as part of normal business, mid 2017/18.
- BRANZ has approached Waipa to participate in a nation-wide water end use study. Outcomes of the research will be increased water awareness – informing water efficiency programmes, and driving attitudinal changes to water use at home. A total of 35 randomly selected properties have been surveyed using a paper based survey and asks whether they would like to participate in high resolution water end use monitoring. Responses are currently being collated and installation of high-resolution data loggers to those applicable properties will commence late July. BRANZ is organising and running this programme which will conclude mid-2018.
5 Levels of Service & Performance Measures

The CRM based measures shown below are part of the Department of Internal Affairs (DIA) Non-Financial Performance Measures which are being used for the first time.

CRMs – Water Supply

![Water Supply PM3 Urgent Call-Outs CRMs - YTD](chart1)

![Water Supply PM3 Urgent Call Outs - YTD Median Response Time](chart2)

![Water Supply PM3 Urgent Call Outs - YTD Median Resolution Time](chart3)
5.1 CRMs – Wastewater

Wastewater PM1 - Dry Weather Overflows - CRMs - YTD

Wastewater PM1 Dry Weather Overflows - Occurrences (per 1,000 connections)

Wastewater PM3 Response to Overflows - CRMs - YTD

Wastewater PM3 Response to Overflows - Median Response Time

Wastewater PM3 Response to Overflows - Median Resolution Time

Report to Service Delivery Committee – 18 July 2017
Water Services Report
5.2 CRMs – Stormwater

Flooding PM1 - Number of Flooding Events and Habitable Floors Flooded

No Events to date.

Flooding PM2 - Median Response Time to Attend a Flooding Event

No Events to date.
5.3 Compliance – Drinking Water Standards

Water Supply Drinking Water Standards (KPI Measures) – Treatment Plants

<table>
<thead>
<tr>
<th>Treatment Plants</th>
<th>Bacterial Compliance</th>
<th>Protozoa Compliance</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mar 17 – May 17</td>
<td>YTD</td>
<td>Mar 16 – May 17</td>
</tr>
<tr>
<td>Cambridge</td>
<td></td>
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<tr>
<td>Alpha St</td>
<td>Yes</td>
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<td>Yes</td>
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<tr>
<td>Hicks Rd</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Karapiro</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Te Awamutu &amp; Pirongia</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Te Tahi</td>
<td>Yes</td>
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<td>Frontier Road</td>
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<td>Kihikihi</td>
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<td>Rolleston St</td>
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<td>Ohaupo &amp; Pukerimu</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Parallel Rd</td>
<td>Yes</td>
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**Commentary:**

Water Supply Drinking Water Standards (KPI Measures) – Reticulation Zones

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<tr>
<th>Reticulation Zones</th>
<th>Bacterial Compliance</th>
<th>Protozoa Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nov 16 – Feb 17</td>
<td>YTD</td>
</tr>
<tr>
<td>Cambridge</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Karapiro Village</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Kihikihi</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Ohaupo</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pirongia</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pukerimu</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Te Awamutu Township</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Commentary:**

Protozoa monitoring in treated water is not practicable, the DWSNZ deals with this through reporting of the efficiency of their removal through treatment processes such as coagulation and filtration, when properly managed.

**One E. coli detected in November 2016. Despite a healthy chlorine residual being available in the reticulation, there was insufficient evidence to support a cause of the event.**
Wastewater Consent Compliance (KPI Measures)

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abatement Notices</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Infringement Notices</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Enforcement Orders</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Convictions</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Commentary:** Cambridge WWTP issues are ongoing, upgrade project is in place to manage this over time.

Te Awamutu WWTP had a period of non-compliance due to extremely high inflows after the rainfall at the beginning of April. Due to the amount of inflow to the plant a significant amount bypassed into the storage pond which reached capacity and exited via the emergency overflow. With the plant operating at capacity, the combination of the treated effluent discharge and the flow from the emergency overflow was more than the rock filter could cope with and an overflow from the manhole where they join, occurred. The flow from this discharged across land to the corner of the paddock. Waikato Regional Council was alerted at the beginning of this incident and constantly updated on the situation until it ceased.

Te Tahi WTP backwash discharge – Elevated levels of TSS had been discharged. A project giving extra settling time and discharge from the top level of the supernatant has rectified this issue.

Stormwater Consent Compliance (KPI Measures)

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abatement Notices</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Infringement Notices</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Enforcement Orders</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Convictions</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Commentary:** No notices, orders or convictions related to Stormwater consent compliance.

6 Risk Management

6.1 Health & Safety Audits

![H&S Audits of External Contracts](image)
H&S Audits of Networks Team

H&S Audits of Stormwater Contract
Commentary: example of audits and safety issues

- Operator verifying on line operational equipment at a reservoir and safe access in and around bladder reservoir.
- Health and safety of contractor (acting on behalf of the Ministry of Health) sampling at Hicks Springs balance tank.
- Audit of Shared Services sampler, recommendations made around reliability and repeatability of results. No health and safety issues.
- Two reservoirs were audited, recommendations made to improve safe access for one, Cox Road.
- Attended Karapiro Reservoir construction site and prepared induction plan in agreement with contractors and project team. Induction process in place for site visitors in particular, Shared Services. This was prompted by an incident that occurred highlighting induction had not extended to Shared Services staff.

6.2 Health & Safety – Injuries and Incidents

<table>
<thead>
<tr>
<th>H&amp;S Event</th>
<th>YTD Totals</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015/16</td>
<td>2016/17</td>
</tr>
<tr>
<td>Number of LTIs (Lost Time Injury)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Number of LTIs hours:</td>
<td>40</td>
<td>144</td>
</tr>
<tr>
<td>Number of Medical Treatment Injuries</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Number of Minor Incidents</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Number of Near Misses Reported</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

Commentary:
- Return to work plan instigated for team member following suspected stroke.
6.2.1 Risk Mitigation Activities

Asset team
Water Asset Management representative attending monthly Health and Safety Committee meeting.

Network Team
Ongoing toolbox meetings relating to relevant health and safety issues in the workplace. Recent discussions include:
- Flu and opportunity to receive the flu jab
- Recognising stress symptoms
- Hygiene and disinfection procedures while working on water assets
- Winter wellness – being prepared for cold and wet working conditions
- TRAX (electronic health and safety system) training roll-out.

7 Activity Management

7.1 Maintenance & Service Contracts

Stormwater Maintenance Contract (27-15-01)
Stormwater Operations & Maintenance – The Stormwater Maintenance Contract will be rolled over for a period of one year after the initial two year period comes to an end in August 2017. Council has the option of extending the contract for another year term at the conclusion of July 2018.

Scheduled maintenance, including inspections, mowing, pipe flushing, CCTV, and programmed maintenance of structures and devices have progressed well and has met the 100% target for scheduled items.

The Stormwater contract requires 100% of 240km of Rural Board Drains to be inspected annually. The second cycle of Rural Board Drain inspections began in October and though it has taken longer than hoped, where possible the work is being completed. To date roughly 261 km has been inspected and sprayed. Scheduled mechanical cleaning is progressing well, and despite the wet weather conditions 30km of drains have been mechanically cleaned as of June.

There are regular progress meetings, which are formally recorded. To date 67 Notices to Contractor have been issued.
Water Meter Reading Contract (27-15-24)
Since August 2015, Waipa’s water meters have been read by various subcontractors to DATACOL NZ Ltd. This is part of a sub-regional arrangement in conjunction with Hamilton City Council, Waikato District Council and South Waikato District Council. Meters currently read are all commercial/industrial customers and residential customers in Pirongia, Ohaupo and Pukerimu.

There are regular monthly progress meetings, which are formally recorded. To date 12 Notices to Contractor have been issued.

Council Officers are currently negotiating a new reading rate for the universal metering roll out. A Notice to Contractor is to be issued following agreement with Datacol and approval by Council Executive.

7.2 Projects – Renewals

Water
27-15-56 DW Main Replacement and Upgrade – Physical works 100% complete, new pipelines commissioned and in service, Practical Completion issued 3 August 2016 commencing 12 month defects liability period.

27-16-10 District Wide Main Replacement and Upgrade – Criticality 1, the renewal of a portion of Pirongia Road 375mm trunk main has been deferred in order to carry out further investigation of asset condition and infrastructure locations. The revised scope includes upsizing/renewal of aged AC mains on Piquet Hill to improve flows to the Te Aranui subdivision, Factory Road to improve flows to the Taylor’s Hill reservoir, Armstrong and Douglas Avenue to improve flows to Fairview Road. Tender awarded to Waipa Civil with physical works to commence on 3 July on the Factory Road site.

27-16-11 District Wide Ridermain Installation 16/17 – Physical works 100% complete, Practical Completion issued 8 November 2016 commencing 12 month defects liability period.

27-16-51 District Wide Watermain Renewals – measure and value contract awarded to HEB Construction for renewal of trunk mains on Cox and West Roads within the Ohaupo water supply scheme. Variation to contract issued for increased scope to include renewal of 100mm diameter. AC watermain on Whitmore Street, Kihikihi. Physical works have commenced on all sites and current total progress to completion is 80%.

27-17-10 District Wide Ridermain Installation 17/18 - Proposed physical works, measure and value contract, including sites at Balance Street, Kihikihi, and, Bank Street, Te Awamutu. Tender being uploaded to Tenderlink.com on 29 June and submissions closing 19 July 2017.
27-17-16 District Wide Water Sampling Point Renewals & Upgrades - The renewal of existing sampling points, and addition of new points, to demonstrate compliance with the Drinking-water Standards for New Zealand. The objective of this project is to have easily accessible and well managed sampling sites that represent water quality across the whole district. Post sample contamination factors minimised through design of the prefabricated units. A ‘supply only’ contract has been entered into with Pratt Milking Ltd for the supply of suitable prefabricated cabinets. A minor works contract is being tendered to three invited suppliers for the installation of the cabinets and connection to the relevant water supply network. This is to be invited at the earliest opportunity and the tender document is currently in review/approval stage.

Frontier Road Water Monitoring Bore - Proposed minor physical works contract for construction of a water monitoring borehole on Frontier Road. The bore is to satisfy consent conditions for the water take bore on Frontier Road, specifically to determine that the water take bore is not in fact adversely affecting the water aquifer from which it takes. The works are to be invited to three suitably qualified and interested parties. The minor works tender document is currently being prepared and works are planned to commence this calendar year.

**Wastewater**

27-15-35 Te Rahu Road Wastewater Pipe Upgrades – physical works incomplete and contract in suspension due to dispute. Contractor has provided one section of pipe well out of design vertical alignment and claims unforeseen physical conditions. GHD has been engaged to provide engineering support and professional advice through dispute resolution. Further to the ongoing negotiations, the Contractor has submitted a proposal to Council for its consideration, which involves withdrawing their claim for unforeseen ground conditions. Full details of the proposal are being reviewed and an Engineer’s Decision will be provided in due course.

27-15-42 District Wide Sewer Pipe Replacement 15/16 - Physical works 100% complete, all new pipes in service. Practical Completion issued 12 July 2016.

27-16-16 Albert Street Wastewater Pipe Renewal - Physical works 100% complete and defects liability concludes on 31 October 2017.


27-17-20 District Wide Sewer Pipe Replacement 17/18 – Currently being scoped and looking at Alpha Street, Cambridge. Also proposing to include Te Rahu Road completion works following dispute resolution on 27-15-25.
**Stormwater**

27-16-31 Bond Road Stormwater Pipeline Renewal – Physical works 100% complete and defects liability period ending 3 November 2017.

27-17-11 District Wide Stormwater Renewals 17/18 – proposed measure and value contract currently being scoped.

### 7.3 Project delivery update

**PR1901 Water Meters**
The Water Meter project is progressing really well with over 9000 of the 12000 meters installed. Work has been completed confirming the proposed tariff structure and policy implications. A report to Council on the proposed tariff structure is scheduled for July. Investigations on individual installations for cross lease properties continues and this is due to be completed by October and reported to Council in November. It is anticipated that the main water meter installation contract will be completed in August 2017.

**PR2111 Investigation of New Water Sources Te Awamutu**
A Business Case which evaluates future supply options for the Te Awamutu water supply is complete and has been subject to a peer review. The business case encompasses all technical investigations and financial analyses carried out to date. The Business Case will be presented to Council in July.

**Cambridge North Projects**
Physical works are complete on Norfolk Drive/Victoria junction and upper Swayne Road urbanisation. Lower Swayne Road urbanisation and St Kilda Rising main works is complete. There are ongoing negotiations in relation to land purchase for the swale reserve land on the western and north-western side of the development. A minor works contract has been prepared for planting of the Appleby Road pond; it is anticipated that planting will commence on site in August.

**PR1439 Cambridge Pipe Bridge Upgrade**
Design complete, psychical works out for tender. Tender closed in June and it is anticipated that the contract will be awarded in July. Land access agreements have been finalised. Works expected to commence in August.

**PR1806 – TA Wastewater Treatment Plant Consent & Upgrade**
Physical works for oxidation pond earthworks and realignment, new sludge dewatering plant and solids disposal will be awarded in July, with work due to be completed in early 2018. The consent remains on hold whilst discussions continue with Waikeria Prison. The tangata whenua assessment of effects is complete.

**PR1014 Cambridge Hicks Road Water Treatment Plant Upgrade**
Consultation is continuing with rural water supply users. Financial analyses have been completed considering options for setting up and running a rural water supply
scheme, as well as standalone options, such as bore water supply or stream supply (if springs are diverted back into stream). This is to be presented and discussed further with property owners and be presented to Council in August. Design work will commence in July on the installation of a pipeline to supply treated domestic water to the residents.

PR2021 Karapiro Water Treatment Plant 7ML/day Upgrade
Package plant has been procured. Civil and installation works commenced in May 2017 and are due to be completed in June 2018.

PR1395 Karapiro Rising Main
Physical works contract has been awarded with works commenced on site in April and due to be completed in August. There has been a slight delay to the contract due to minor archaeological finds of ceramics, hangi and kumara pits, which have been catalogued and recorded by the site archaeologist.

PR2107 Karapiro Reservoir Assessments
Structure repair works are underway and due to be completed by end of July.

PR1496 Cambridge Wastewater Treatment Plant Upgrade & NIWA Demonstration EPS
A Business Case is being prepared which evaluates options for the future upgrade of the treatment plant, comparing the NIWA enhanced pond system and traditional in-tank mechanical plant. The Business Case encompasses all technical investigations and financial analyses carried out to date. The Business Case will be completed by the end of September and be presented to Council in October. Consent remains on hold pending direction from Council on preferred treatment plant type.

PR2143 District wide sewer replacement - Vogel and Alpha Streets
Works are expected to be complete by July.

8 Shared Services

Waipa District Council has been working with Hamilton City Council and Waikato District Council for a number of years, developing and enhancing the shared service provisions between the partner Councils. There are currently 17 people employed within the Shared Services Team, undertaking activities of Tradewaste, Sampling and Analysis and the Smart Water programme. Areas of focus:

Trade Waste
- 190 Trade Waste Audits undertaken to the end of May 2017 of trade waste customers.
- Proactively contacting all effluent contractors in Waipa. The intention is to get them all consented by the end of September 2017.
Sampling and analysis
 Review/implement BECA sampling and analysis investigation report
 A cloud based document management system that is accessible by Shared Services and Partner Councils has been created. Key process documentation is in the process of being transferred into the cloud based system including:
  o Sampling Site Directories;
  o Health and Safety reporting processes; and
  o Sampling Schedules
 Transfer of all Sampling and Analysis processes into ProMapp is on-going.
 Priority tasks determined and being worked/to be worked on, include:
  o Investigating more effective utilisation of the lab database system, QLIMs
  o Hazard identification and management at new sites
 Investigation into testing Faecal Coliforms, Enterococci bacteria and Pseudomonas aeruginosa testing in house is on-going.
 Investigation into the potential purchase of an analyser for quick/same day nutrient testing has started.

Smart water
 Smart Water Coordinator recruitment completed. The team will be fully staffed in early August 2017
 Update under 4.1.1 Demand Management

Tony Hale
Manager Water Services

Approved by: Barry Bergin
GROUP MANAGER SERVICE DELIVERY
1 EXECUTIVE SUMMARY

The Universal Water Metering Project involved the installation of water meters across the district and is included in the capital programme for the 2015/25 10 Year Plan. As a result of this project, a review of the water tariff model has been carried out.

The purpose of this report is to outline the work carried out under the water tariff review and seek Committee approval on the proposed tariff structure to be applied as part of the mock water bill process. The project team responsible for this work comprised key staff members from the Project Delivery and Finance teams, along with three external consultants.

The objectives of the project were to:

- Encourage smart use of water (to reduce the need for more/earlier infrastructure)
- Ensure tariffs are fair and equitable (user-pays)
- Manage financial risk (revenue uncertainty to Council from introduction of volumetric charges)
- Avoid undue tariff fluctuations for ratepayers.

Following an evaluation of 18 possible water pricing structures the project team recommends the following pricing structure:

- 25% of the water tariff charged as a fixed network charge on a per separately used or inhabited part of a rating unit (SUIP) basis; and
- 75% as a single volumetric charge for all water consumers.

This tariff structure is proposed as the basis for the 2018-28 Long Term Plan and the consultation process for that document.
2 RECOMMENDATION

That

a) The information contained in the report of Kumaren Perumal, Manager Finance be received;

b) The proposed water tariff structure being 25 percent of the total water tariff charged as a fixed network charge on a per separately used or inhabited part of a rating unit basis; and 75 percent as a single volumetric charge for all water consumers, be approved for the mock billing process to commence in October 2017.

3 OPTIONS AND ASSESSMENT

Currently the majority of water users across the district are unmetered which equates to approximately 12,000 households.

Water for unmetered users is rated via a Uniform Annual Charge at an annual rate of $386 (including GST) with no restriction on water use.

Approximately 3,300 properties are presently connected to water meters and charged both a fixed and volumetric rate. The current water pricing structure for metered users is:

- a fixed charge at $140;
- a stepped volumetric charge at $0.98 per m³ for the first 250m³ per year; and
- a $1.42 per m³ for water consumption above 250m³.

The average water rate across residential users who are currently metered is presently $324 per annum.

As part of the water pricing structure review 12 base options were initially investigated. A shortlist of options was arrived at following the application of a clearly defined decision making framework and key assumptions.

The decision making framework comprised the following evaluation criteria:

- water conservation;
- fairness and equity;
- acceptable financial risk level for Council;
- tariff stability;
- pricing impacts for different water consumer groups; and
- administratively efficient.

This was followed by a sensitivity analysis on the shortlisted options resulting in 18 options being considered altogether.

The pricing options explored different methods for charging for water consumption such as:

- setting the fixed portion of the water charge on a:
  - per water connection;
  - per SUIP;
  - land value; or
  - capital value basis;
setting the volumetric charge as a:
   - stepped rate; or
   - flat volumetric rate;
- the use of individual water consumption agreements for large water consumers;
- the setting of differential water rates on a per sector basis; and
- exploring a range of percentage splits between fixed and volumetric charging to arrive at the optimal percentage split that best met project objectives.

Following a series of workshops held to carry out this review the project team arrived at the following proposed option:

- 25% of the water tariff charged as a fixed network charge on a per separately used or inhabited part of a rating unit (SUIP) basis; and
- 75% as a single volumetric charge for all water consumers.

The proposed option best achieves the following project objectives:

- incentivises water conservation;
- minimises exposure to revenue loss to Council via tariff smoothing; and
- reduces short-term price impact on average domestic and large water consumers.

Based on the above analysis, officers recommend the proposed water tariff structure is approved for the mock water bill process to commence in October 2017 and is included in the 2018 10-Year plan consultation.

Kumaren Perumal
MANAGER - FINANCE

Reviewed by Lorraine Kendrick
MANAGER - PROJECT DELIVERY

Approved by Barry Bergin
GROUP MANAGER SERVICE DELIVERY
SUPPORTING INFORMATION: ASSESSMENT OF PROPOSAL

1 Statutory and policy requirements

Network charge and volumetric charges are considered to be targeted rates set under s16 and s19 of the Local Government Rating Act 2002.

LOCAL GOVERNMENT (RATING) ACT 2002

16 Targeted rate

(1) A local authority may set a targeted rate for 1 or more activities or groups of activities if those activities or groups of activities are identified in its funding impact statement as the activities or groups of activities for which the targeted rate is to be set.

(3) A targeted rate may be set in relation to:
   a) all rateable land within the local authority’s district; or
   b) 1 or more categories of rateable land under section 17.

(4) A targeted rate may be set:
   a) on a uniform basis for all rateable land in respect of which the rate is set; or
   b) differentially for different categories of rateable land under section 17.

17 Categories of rateable land for setting targeted rate

For the purposes of section 16(3)(b) and (4)(b), categories of rateable land are categories that:

   (a) are identified in the local authority’s funding impact statement as categories for setting the targeted rate; and
   (b) are defined in terms of 1 or more of the matters listed in Schedule 2. (see below).

18 Calculating liability for targeted rate

(1) The calculation of liability for a targeted rate set under section 16 must utilise only a factor or factors that:

   (a) are identified in the local authority’s funding impact statement as factors that must be used to calculate the liability for the targeted rate; and
   (b) are listed in Schedule 3. (see below).

19 Targeted rate for water supply

(1) A local authority may set a targeted rate in accordance with its funding impact statement for the quantity of water provided by the local authority.

(2) A targeted rate under subsection (1) may be calculated:

   a) as a fixed charge per unit of water consumed or supplied; or
   b) according to a scale of charges.

Schedule 2
Matters that may be used to define categories of rateable land

(5) The provision or availability to the land of a service provided by, or on behalf of, the local authority.

Schedule 3
Factors that may be used in calculating liability for targeted rates

(7) The number of separately used or inhabited parts of the rating unit.

(8) The extent of provision of any service to the rating unit by the local authority, including any limits or conditions that apply to the provision of the service.
(9) The number or nature of connections from the land within each rating unit to any local authority reticulation system.