

MINUTES

**Downlands Water Supply Committee
Meeting**

Monday, 15 June 2020

**Minutes of Timaru District Council
Downlands Water Supply Committee Meeting
Held in the Meeting Room 1, District Council Building, King George Place, Timaru
on Monday, 15 June 2020 1.00pm**

Present: Cr Richard Lyon, Mr John McDonald, Cr Sally Parker, Mayor Nigel Bowen, Cr Paddy O'Reilly, Cr Sandy McAlwee, Cr Stuart Barwood, Cr Bill Wright

In Attendance: Drainage & Water Manager (Grant Hall), Chief Financial Officer (David Codyre), Communications Manager (Stephen Doran) and Downlands Secretary (Kate Walkinshaw)

1 Apologies

Nil

2 Identification of Items of Urgent Business

There were no matters of urgent business identified.

3 Identification of Matters of a Minor Nature

There were no matters of a minor nature identified.

4 Declaration of Conflicts of Interest

Nil

5 Chairperson's Report

The Chairperson had nothing substantial to report.

6 Confirmation of Minutes

6.1 Minutes of the Downlands Water Supply Committee Meeting held on 2 December 2019

Committee Recommendation

Moved: Mayor Nigel Bowen

Seconded: Cr Sally Parker

That the Minutes of the Downlands Water Supply Committee Meeting held on 2 December 2019 be confirmed as a true and correct record of that meeting.

7 Reports

7.1 Water Infrastructure Asset Revaluation

- 1 The purpose of the report is for the Committee to consider the revaluation of its Water infrastructure assets at fair value from 1 July 2019.

The committee considered a report on the proposed change to the method of valuating the Downlands Water scheme infrastructure from Deemed Cost to Fair Value.

The Chief Financial Officer explained the difference between the deemed cost method and the fair value measurement method. The committee agreed to adopt the fair value method but wanted to discuss the program and frequency of the valuation at the November meeting. The Chief Financial Officer will provide the board with a recommendation.

Committee Recommendation

Moved: Cr Sally Parker

Seconded: Cr Bill Wright

That the Committee

1. Note and receive the report, and
2. Adopt the fair value method of measuring assets for water infrastructure assets from 1 July 2019

7.2 Draft Budget 20/21

- 1 The Committee considered a report by the Drainage & Water Manager in regards to the draft budget for 2020/21.

The draft budget is very much in line with year 3 of the Long Term Plan. There is a significant increase from last year's budget, due to an increase of unit and service charges, of 21%. The operational cost difference between the current and proposed years is due to a new water sampling program being implemented as required by the updated drinking water standards. There is also an increase in regards to operational electricity. Everything else is generally the same.

Total capital is correct. The interest may change if government funding comes through for shovel ready projects. The Te Ana Wai project is currently in the list of 800 projects in line for funding. If not, a loan will be required.

Committee Recommendation

Moved: Mayor Nigel Bowen

Seconded: Mr John McDonald

That the Downlands Joint Standing Committee adopt the 2020/2021 draft budget.

7.3 Verbal Report on Te Ana Wai Water Supply Upgrade

1 A verbal report on Te Ana Wai Water Supply Upgrade.

The Drainage & Water manager provided a verbal update on the Te Ana Wai Water supply. Timaru District Council has applied for the government shovel ready programme for funding.

Trunk main renewal – Davidson Road to Cave – The contract has been let to Hadlee & Brunton. Sanitary liner to that section of pipe. Programmed to commence work in July. They will use fabricated steel as opposed to cast iron due to major delays caused by Covid-19 and international shipping and supply.

Cave to Water Treatment Plant – Richardson Road – is in final design stage. Working with Mayor of Mackenzie in regards to the location of pipe. Proposal to progress to Stage 2 to tender in August/September.

Intake – site visit with Arowhenua and they are fine with proposed works. The final documents are currently under review. Proposing to go to tender within the month. Construction commencement date is unsure at this stage due to lambing and fish movement, as discussed with Arowhenua.

Raw water reservoir contract been awarded to Rooney Earthmoving Limited. The site is fenced and the contractor is ready to go. There are issues around the designation of the site. Some land owners are refusing to sign the affected parties paperwork. Mackenzie District Council have been asked to confirm, via commissioner, whether they are an affected party or not. If they are, a limited notification hearing would need to proceed and their concerns heard, via commissioner. The Drainage & Water Manager tabled some visuals in regards to the effect on the party which is very minimal.

Water Treatment Plant – negotiations underway with Marshall Projects Consortium with the final proposal due this week. Review will commence the following week. Report to Tender & Procurement with design and build in next month.

Treated water reservoir – ready to be tendered next month.

Communications Manager discussed communications around Downlands. Now is the time to increase communication with the scheme users around the projects commencing and 21% rates increase. There was talk of a newsletter drop to all Downlands consumers with an option of signing up to an e-newsletter. All communications to be sent to the Downlands Joint Standing Committee prior to being sent to the consumers.

Committee Recommendation

Moved: Mr John McDonald

Seconded: Cr Stuart Barwood

That the update be received.

8 Consideration of Urgent Business Items

There were no matters of urgent business.

9 Consideration of Minor Nature Matters

There were no matters of a minor nature.

The Meeting closed at 2:33pm.

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Chairperson