

The Mayor and Councillors

WAIMAKARIRI DISTRICT COUNCIL

SUPPLEMENTARY AGENDA for a meeting of the WAIMAKARIRI DISTRICT COUNCIL to be held in the COUNCIL CHAMBER, 215 HIGH STREET, RANGIORA at 9.00am TUESDAY 30 MAY AND at 8:30am on WEDNESDAY 31 MAY 2023, for the purpose of deliberating the Draft Annual Plan 2023-2024.

Sarah Nichols
GOVERNANCE MANAGER

Recommendations in reports are not to be construed as Council policy until adopted by the Council

Adoption of the 2023-24 Annual Plan is scheduled for Tuesday 20 June 2023 at 1pm

In addition to this agenda, members laptops have the following information for the meeting:

- **Draft Annual Plan 2023-24**
- **Copy of all submissions received**
- **Summary of submissions by topic and officers comments** (this is also provided to members in hard copy form).

BUSINESS

1.1 Water Supply Staff Submission to Annual Plan 2023-2024 – G Cleary (General Manager Utilities and Roading), K Simpson (3 Waters Manager) and C Roxburgh (Project Deliver Manager)

RECOMMENDATION

3 - 9

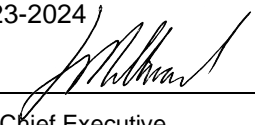
THAT the Council:

- (a) **Receives** Report No. 230426058081.
- (b) **Approves** the following changes to capital budgets for water supply, as a result of the budget review process that has been undertaken:

Item	Current Allowance	Recommended Change	Reasons	Rating Impact
Rangiora Woodend Road Booster Main (Woodend Water Supply)	\$619,000 budget in 2024/25 to upgrade trunk main on Rangiora Woodend Road to facilitate growth on scheme.	Reallocate \$50,000 of this budget in 2023/24 and reduce 2024/25 amount to \$569,000 to allow design to commence in 2023/24	Ensure project is deliverable in 2024/25 by starting design earlier.	Negligible as there is an existing budget that is growth funded so no impact to existing ratepayers.
Peraki Street Roof Replacement (Kaiapoi Water Supply)	Nil	Allocate an \$80,000 capital renewal budget in 2023/24 in the Kaiapoi water supply cost centre	Address recently identified deficiency in headworks roof.	No change to 2023/24 rates, as increased loan takes effect from

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		for the replacement of the Peraki Street water headworks roof replacement.		2024/25. As it is renewals funded and there is surplus in the account, no rating impact.
View Hill Reservoir Repairs (Oxford Rural No.1 Water Supply).	Nil	Allocate a \$120,000 capital level of service budget in 2023/24 for sealing and repairs of the View Hill Reservoir on the Oxford Rural No.1 scheme.	Address deficiencies identified through recent inspection.	No change to 2023/24 rates, as increased loan takes effect from 2024/25. Repayments on new loan forecast to increase rates by \$4.74 per unit per year from 2024/25 (approximately 1% increase).
Kings Ave Water Headworks Building Improvements	Nil	Allocate \$50,000 capital level of service budget for 2023/24 for improvements to the building to improve the overall site safety.	Address issues identified through recent investigations into the wider site from a combined roading, wastewater, drainage and water supply point of view.	No change to 2023/24 rates, as increased loan takes effect from 2024/25. Forecast increase is \$6 per UAC, which equates to a 1.3% increase to the Waikuku Beach water rate.
Merton Road and Priors Road Water Servicing:	\$300,000 in 23/24 \$1,345,000 in 24/25 \$nil in 25/26	\$360,000 in 23/24 \$1,581,000 in 24/25 \$651,000 in 25/26	Ensures budget matches scope required to be delivered, and timing matches developer expectations.	Nil as project funded by beneficiaries (existing landowners and developer).

- (c) **Notes** that the combined value of the above 2023/24 increase (\$360,000) has been assessed against the full capital programme and deemed to be within the overall contingency allowance made when the deliverability of the programme was assessed, and therefore are deemed to be deliverable.
- (d) **Circulates** this report to the Community Boards for their information.

WAIMAKARIRI DISTRICT COUNCIL**REPORT FOR DECISION****FILE NO and TRIM NO:** LTC-03-19 / 230426058081**REPORT TO:** COUNCIL**DATE OF MEETING:** 30 - 31 May 2023**AUTHOR(S):**
Colin Roxburgh, Project Delivery Manager
Kalley Simpson, 3 Waters Manager
Gerard Cleary, Manager Utilities and Roothing**SUBJECT:** Water Supply Staff Submission to Annual Plan 2023-2024**ENDORSED BY:**
(for Reports to Council,
Committees or Boards)_____
Department Manager

Chief Executive**1. SUMMARY**

1.1. This report is to request amendments to the 2023-24 Annual Plan in light of new information obtained in the months following the Draft 2023-24 Annual Plan being prepared and put out for public consultation.

1.2. The following key items where changes are sought are outlined below:

- Rangiora Woodend Road Booster Main. This is currently budgeted for 2024/25, however it is proposed for \$50,000 of design budget to be brought forward into 2023/24 to ensure sufficient time is allowed for the design, tendering and construction of this project.
- Peraki Street Roof Replacement: The identification of defects at this site has led to the conclusion the roof is in need of replacement. A budgetary allowance of \$80,000 is recommended to facilitate this.
- Oxford Rural No.1 Reservoir Repairs: A recent inspection has identified the need to undertake reservoir repairs to achieve 'demonstrably safe' status. A budget of \$120,000 is expected to be required.
- Kings Ave Water Headworks Safety Improvements: Recent investigations have identified a need to improve the site around the Kings Avenue water and wastewater headworks which is located in the road reserve and in close proximity to driveways at Waikuku Beach. \$50,000 is recommended to be funded by water, in addition to contributions from wastewater and drainage budgets.
- Merton Road and Priors Road Water Servicing: Recent investigations and discussions with stakeholders have identified the need to extend out the timeframe for this project, and increase the overall budget. The 2023/24 budget is proposed to increase from \$300,000 to \$360,000, with the 2024/25 budget increasing from \$1,345,000 to \$1,581,000 and a new budget in 2025/26 of \$650,000. It is noted that these budgets are to be funded from a combination of developer funding, the Lehmans Road Holiday Park, and the Rangiora airfield, so will not have any impact on the Rangiora water rates.

1.3. The items above have a combined value of \$360,000 of additional budget for 2023/24, equating to 3.4% of the total value of the 2023/24 work programme for water supply, which is currently at \$10,786,000 prior to this additional budget.

Attachments:

i. Nil

2. RECOMMENDATION**THAT** the Council:

- (a) **Receives** Report No. 230426058081.
- (b) **Approves** the following changes to capital budgets for water supply, as a result of the budget review process that has been undertaken:

Item	Current Allowance	Recommended Change	Reasons	Rating Impact
Rangiora Woodend Road Booster Main (Woodend Water Supply)	\$619,000 budget in 2024/25 to upgrade trunk main on Rangiora Woodend Road to facilitate growth on scheme.	Reallocate \$50,000 of this budget in 2023/24 and reduce 2024/25 amount to \$569,000 to allow design to commence in 2023/24	Ensure project is deliverable in 2024/25 by starting design earlier.	Negligible as there is an existing budget that is growth funded so no impact to existing ratepayers.
Peraki Street Roof Replacement (Kaiapoi Water Supply)	Nil	Allocate an \$80,000 capital renewal budget in 2023/24 in the Kaiapoi water supply cost centre for the replacement of the Peraki Street water headworks roof replacement.	Address recently identified deficiency in headworks roof.	No change to 2023/24 rates, as increased loan takes effect from 2024/25. As it is renewals funded and there is surplus in the account, no rating impact.
View Hill Reservoir Repairs (Oxford Rural No.1 Water Supply).	Nil	Allocate a \$120,000 capital level of service budget in 2023/24 for sealing and repairs of the View Hill Reservoir on the Oxford Rural No.1 scheme.	Address deficiencies identified through recent inspection.	No change to 2023/24 rates, as increased loan takes effect from 2024/25. Repayments on new loan forecast to increase rates by \$4.74 per unit per year from 2024/25 (approximately 1% increase).
Kings Ave Water Headworks Building Improvements	Nil	Allocate \$50,000 capital level of service budget for 2023/24 for improvements to the building to improve the overall site safety.	Address issues identified through recent investigations into the wider site from a combined roading, wastewater, drainage and water supply point of view.	No change to 2023/24 rates, as increased loan takes effect from 2024/25. Forecast increase is \$6 per UAC, which equates to a 1.3% increase to the Waikuku Beach water rate.
Merton Road and Priors Road Water Servicing:	\$300,000 in 23/24 \$1,345,000 in 24/25 \$nil in 25/26	\$360,000 in 23/24 \$1,581,000 in 24/25 \$651,000 in 25/26	Ensures budget matches scope required to be delivered, and	Nil as project funded by beneficiaries (existing

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			timing matches developer expectations.	landowners and developer).

(c) **Notes** that the combined value of the above 2023/24 increase (\$360,000) has been assessed against the full capital programme and deemed to be within the overall contingency allowance made when the deliverability of the programme was assessed, and therefore are deemed to be deliverable.

(d) **Circulates** this report to the Community Boards for their information.

3. **BACKGROUND**

3.1. Following the preparation of the 2023/24 Annual Plan budgets, there has been some new information obtained which has identified the need for some projects that had not been identified at the time the Draft 2023/24 Annual Plan was prepared. This has led to the requests for additional budget, as outlined in this report.

4. **ISSUES AND OPTIONS**

4.1. The following table outlines the proposed changes to budget following the preparation of the Draft 2023/24 Annual Plan, and the reasons for these changes.

Table 1: Summary of Proposed Changes and Reasons

Item	Current Allowance	Recommended Change	Reasons
Rangiora Woodend Road Booster Main	\$619,000 budget in 2024/25 to upgrade trunk main on Rangiora Woodend Road to facilitate growth on scheme.	Reallocate \$50,000 of this budget in 2023/24 and reduce 2024/25 amount to \$569,000 to allow design to commence in 2023/24	As part of looking ahead and assessing the deliverability of the 2024/25 programme it was identified that design budget should be allowed for in 2023/24 rather than delivering the entire project in 2024/25.
Peraki Street Roof Replacement	Nil	Allocate an \$80,000 capital renewal budget in 2023/24 in the Kaiapoi water supply cost centre for the replacement of the Peraki Street water headworks roof replacement.	The roof at the Peraki Street water headworks has recently been identified as leaking, and following assessments by two building companies, is deemed to need full replacement.
View Hill Reservoir Repairs	Nil	Allocate a \$120,000 capital level of service budget in 2023/24 for sealing and repairs of the View Hill Reservoir on the Oxford Rural No.1 scheme.	The final large reservoir to have a 'demonstrably safe' inspection carried out on it was the View Hill Reservoir on the Oxford Rural No.1 water supply. This was prioritised lower than the other large reservoirs due to the others being part of residual disinfection exemption applications. Preliminary reports suggest that a significant number of improvements are recommended. As this item is related to water safety and security, it is recommended that this work be undertaken in the following financial year (2023/24), rather than forming part of the Long Term Plan.
Kings Ave Water	Nil	Allocate \$50,000 capital level of service budget for	Address issues identified through recent investigations into the wider

Item	Current Allowance	Recommended Change	Reasons
Headworks Building Improvements		2023/24 for improvements to the building to improve the overall site safety.	site from a combined roading, wastewater, drainage and water supply point of view.
Merton Road and Priors Road Water Servicing:	\$300,000 in 23/24 \$1,345,000 in 24/25 \$nil in 25/26	\$360,000 in 23/24 \$1,581,000 in 24/25 \$651,000 in 25/26	Recent investigations and discussions with stakeholders have identified the need to extend out the timeframe for this project, and increase the overall budget. This is due to additional work being undertaken, informed by more recent construction rates. It is noted that these budgets are to be funded from a combination of developer funding, the Lehmans Road Holiday Park, and the Rangiora airfield, so will not have any impact on the Rangiora water rates. Note agreements with stakeholders are being finalised at present and will be confirmed prior to making substantial financial commitments.

4.2. The three items above have a combined value of \$300,000 of additional budget for 2023/24, equating to 2.8% of the total value of the 2023/24 work programme for water supply, which is currently at \$10,786,000 prior to this additional budget.

4.3. In each of the above proposals for additional budget, the alternative option would be to not assign the additional budget, and proceed with only those budgets included within the Draft Annual Plan. In each case, the implications of this decision would be:

- **Rangiora Woodend Road Booster Main:** It may be challenging to undertake the design, tendering and construction of this project within a 12 month period. This could lead to the project not being delivered on time, impacting on the Council's capital programme delivery for the 2024/25 financial year, as well as meaning that there could be lower than target pressure which can be a result of growth driven projects not being completed in line with the growth occurring.
- **Peraki Street Roof Replacement:** Currently there is evidence of leaking from the roof during rain events into the building. This could over time lead to damage to equipment within the building if not addressed.
- **View Hill Reservoir Repairs:** Defects were identified during a detailed inspection of the View Hill Reservoir. Each defect presents an opportunity for contaminants to enter the supply. This risk is managed to some degree with the use of chlorine within the system, however this site is still below the required standard. The longer the system is left with unattended defects, the greater the risk of this leading to a water safety event.
- **Kings Ave Water Headworks Building Improvements:** Some issues were identified with the combined water and wastewater site, and investigations have identified some improvements that are required due to the close proximity of the

headworks building and associated sewer wet well to the road and driveways. General site upgrades are recommended to address the deficiencies identified.

- **Merton Road and Priors Road Water Servicing:** Without amendments to the budget in this case, it is unlikely the full scope would be able to be delivered. This would affect the overall viability of the project, as the full scope must be achieved in order to recover the costs from the benefiting parties. This would mean that the areas that water servicing is proposed to be extended to would not receive a potable water source, and would need to establish or upgrade their own supplies.

Implications for Community Wellbeing

There are implications on community wellbeing by the issues and options that are the subject matter of this report. In particular:

- The Rangiora Woodend Road Booster Main helps facilitate growth on the scheme while maintaining required levels of service in terms of flow and pressure.
 - The Peraki Street Roof Replacement helps ensure the reliability of the Kaiapoi water supply by managing the risk of damage to the headworks if the leak is allowed to deteriorate further.
 - The View Hill Reservoir Repairs help ensure the ongoing safety of the Oxford Rural No.1 water supply.
 - Kings Ave Water Headworks Building Improvements will help ensure the safety of the wider public using this area, and improve the resilience of the water supply by minimising risk of accidental damage to the building.
 - The Merton Road and Priors Road water servicing projects improves the overall wellbeing of people that would be serviced by this new main, by providing a safe and reliable water source.
- 4.4. Collectively the above projects help ensure the ongoing reliable and safe supply of drinking water, which is important to the wider community's overall wellbeing.
- 4.5. The Management Team has reviewed this report and support the recommendations.

5. COMMUNITY VIEWS

5.1. Mana whenua

Te Ngāi Tūāhuriri hapū are unlikely to be affected by, or have an interest in the subject matter of this report. These projects are not assessed as having a significant cultural impact.

5.2. Groups and Organisations

There are not groups and organisations likely to be significantly affected by, or to have an interest in the subject matter of this report.

5.3. Wider Community

The wider community is not likely to be affected by, or to have an interest in the subject matter of this report.

6. OTHER IMPLICATIONS AND RISK MANAGEMENT

6.1. Financial Implications

There are minor financial implications of the decisions sought by this report. The following points can be made with respect to the financial implications of the proposals within this report:

- The proposed increase in budget of \$360,000 represents approximately 3.4% of the total capital spend for water supply in 2023/24, so in terms of the overall spend this not represent a substantial change.
- The rating impact on the Rangiora Booster Main project is non-existent, as this budget is already allowed for (in a different financial year) and is growth funded therefore does not have an impact.
- The Peraki Street roof replacement does not have a rating impact as this is to be funded from the scheme's renewals account.
- The View Hill Reservoir Repairs are proposed to be loan funded, and will have an approximate \$4.74 per unit per year rating impact from 2024/25, which represents about a 1% increase to the Oxford Rural No.1 water rate.
- The Kings Ave Water Headworks Building Improvements are proposed to be loan funded, and will have a \$6 per UAC rating impact from 2024/25 which equates to 1.3% of the Waikuku Beach water rate. There is not forecast to be any resulting change to the 2023/24 rate.
- The Mertons Road and Priors Road water servicing budget is to be fully recovered from developers and existing landowners / stakeholders. This increase will therefore not impact on the Rangiora water rate.

6.2. **Sustainability and Climate Change Impacts**

The recommendations in this report do not have direct sustainability and/or climate change impacts. The tendering of physical works however does generally consider sustainable practices of the parties proposing to undertake works, so this is factored in through this mechanism.

6.3 **Risk Management**

There are risks arising from the adoption/implementation of the recommendations in this report. The proposed budgets are intended to mitigate risks of not completing these additional works, whether this be the risk of growth not adequately be accounted for, or the risk of damage to a critical headworks if the roof is not replaced, or the risk of contamination of a water supply if reservoir repairs are not completed as required.

With the Mertons and Priors Road project, there is a risk that a funding agreement may not be reached. While this is actively being worked on, if this risk eventuates, staff will report back to the Council to re-evaluate options and scope of the project.

6.3 **Health and Safety**

There are not health and safety risks arising from the adoption/implementation of the recommendations in this report.

7. **CONTEXT**

7.1. **Consistency with Policy**

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

7.2. **Authorising Legislation**

The Water Services Act and Local Government Act are relevant in the subject matter of this report.

7.3. Consistency with Community Outcomes

The Council's community outcomes are relevant to the actions arising from recommendations in this report. In particular:

- Core utility services are sustainable, resilient, affordable, and provided in a timely manner.

7.4. Authorising Delegations

The Council has the authority to make amendments to budgets.