

## 6. WATER SUPPLY

### 6.1. What is water supply

Council provides potable (drinkable) water to homes and businesses in our urban areas (Tokoroa, Putāruru, Tīrau and Arapuni) and to the rural communities of Athol and Lichfield. The water is treated to ensure that it is safe for drinking.

### 6.2. Why do we do water supply?

Safe drinking water is essential for the health of our residents. It is also important for many businesses. Generally it is more cost efficient for our rural residents to provide their own water supply, rather than for Council to provide it. A stable supply of water is essential in supporting our existing businesses and encouraging new businesses to our district.

The water supply activity contributes to the following outcomes and strategies:

Council Outcome	Council Strategy
<b>Growth</b>	Service provision: Water supply is an essential contribution to economic growth and increased quality of life.
<b>Resilience</b>	Growth: An inevitable consequence of urban growth is an increased demand for water supply. Council will continue to assess the need for service extensions to areas of growth.  Financial sustainability: Council will ensure adequate revenue is available to provide the required capacity or service level improvements in advance of development demand. Significant purchases will maintain a level that is viable for the current economic and population climate.
<b>Relationships</b>	Engagement: Council will maintain relationships with Iwi regarding water supply activities, such as Te Waihou.

### 6.3. What is planned for water supply?

Over the next 10 years, Council has the following major projects (over \$100,000) planned for water supply:

Activity	Major Project	Year/s delivered	Cost \$000	Type of work
<b>Water - Tokoroa</b>	Capital Component of Maintenance	2019-2028	167	Renewal
<b>Water - Tokoroa</b>	Water Plant & Equipment Replacement	2019-2028	402	Renewal
<b>Water - Tokoroa</b>	Reticulation Replacements	2019-2028	4,802	Renewal
<b>Water - Putāruru</b>	Minor Improvements	2019-2028	167	Renewal
<b>Water - Putāruru</b>	Water Plant & Equipment Replacement	2019-2028	600	Renewal
<b>Water - Putāruru</b>	Reticulation Replacements	2019-2028	618	Renewal
<b>Water - Putāruru</b>	Putāruru drinking water disinfection	2019	700	Level of Service
<b>Water - Putāruru</b>	Putāruru Water - Te Waihou Screen	2019	105	Renewal
<b>Water - Tīrau</b>	Minor Improvements	2019-2028	162	Renewal
<b>Water - Tīrau</b>	Water Plant & Equipment Replacement	2019-2028	199	Renewal

Activity	Major Project	Year/s delivered	Cost \$000	Type of work
<b>Water – Tirau</b>	Reticulation Replacements	2019-2028	446	Renewal
<b>Water - Arapuni</b>	Arapuni Reticulation Renewal	2019-2028	312	Renewal
<b>Water - Arapuni</b>	Arapuni Bore Replacement	2021-2022	162	Renewal
<b>Water - District</b>	Health & Safety improvements	2019-2028	335	Level of Service

For more in-depth discussion on the topics above please refer to the following sections of the LTP Chapter 1: Section 2.4 Key Issues for the Long Term Plan 2018-28 and Section 2.6.6.5 Major Infrastructure Projects.

#### 6.4. Significant negative effects

The water supply activities have the potential to impact negatively on our community and environment. These potential effects, and how Council mitigates them are described below.

Potential negative effect	How it will be mitigated
<b>If treatment systems fail then it may cause illness</b>	Water is regularly tested for microorganisms, chemical imbalances or contamination to ensure that it meets Council and the New Zealand Drinking Water Standards.
<b>The taking of water may result in adverse effects on aquifers and/or surface water</b>	Council is required to obtain resource consents from the Waikato Regional Council for the water that it takes for water supplies. The Waikato Regional Council imposes conditions on the resource consents which include: limits on the amount of water that Council can take and the requirement for Council to undertake regular monitoring.
<b>Some users may waste water</b>	High users of water (such as some industrial users) are charged for the volume of water that they take which is an incentive to reduce unnecessary use.  When water use across the district's water supply networks is higher than normal, Council introduces water restrictions.
<b>Negative environmental impact from water extraction activities</b>	Council will analyse potential environmental impacts and consider options that are economically viable and environmentally prudent
<b>Differences in worldviews can challenge relationships with Iwi</b>	Relationships with Iwi are a key priority for Council. Councillors and staff will endeavour to maintain successful co-production and co-governance partnerships with Iwi.

#### 6.5. How is water supply funded?

Rates	69%
Subsidies & Grants	0%
User Charges	7%
Reserves	24%

## 6.6. What you can expect from us

This section describes what level of service you can expect Council to deliver and how we are going to measure our performance. Unfortunately no baseline data for our performance measures is included in this Long Term Plan because most of our performance measures have been updated and we do not hold any baseline data. We will report on our performance towards achieving these standards in upcoming Annual Reports and Annual Plans.

### 6.6.1. Drinking water treatment and distribution

#### Level of service

Council operates and maintains four urban and two rural water supplies. This includes 10 reservoirs, 10 bore water pumps and 228 km of pipes. We ensure that residents who are serviced by Council's water supply have high-quality water available at all times for drinking and to meet other household and business needs. Council is responsible for looking after the network and making sure all statutory requirements and environmental standards are met.

## 6.7. How you can measure our performance

The Following Key Performance Indicators (KPIs) relate to the Water supply team and are applicable for the 10 years of this LTP:

- Water supply: the average amount of water consumed per resident per day is 500 litres.
- Water supply: drinking water treatment and distribution – At least 97% of tests for E.coli carried out on treated reticulated water will indicate a level of E.coli of less than one per 100ml.
- Water supply: drinking water treatment and distribution – Council will treat unsecure water sources as prescribed in Part 5 of the Drinking Water Standards to treat protozoa and/or comply with section 69 V of the Health Amendment Act 2007.
- Water supply: drinking water treatment and distribution – Council will ensure the water loss from Council's reticulation network will be no more than 20%.
- Water supply: drinking water treatment and distribution – The median response times for call-outs in response to a fault or interruption to Council's water reticulation system does not exceed one hour of notice.
- Water supply: drinking water treatment and distribution – Total complaints received by Council regarding water supply for the following issues: clarity, taste, odour, pressure or flow, continuity of supply and response times to any of the above issues with its water supply system, does not exceed one complaint per 1,000 connections.

**From Year 2 onwards, we will introduce a resolution KPI: this will capture when service requests were completed and closed.**

- Water supply: Water (Network reliability) – 90% of disruptions to Council's urban water supply network will be remedied within twelve hours of notice.

## 6.8. The financials

Funding Impact Statement - Water supply  
For the year commencing 1 July

Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	
2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
Targeted Rates	2,166	2,820	2,964	3,115	3,126	3,198	3,329	3,404	3,458	3,647	3,696
<b>Other Revenue:</b>											
Fees, charges & targeted rates for water supply	389	307	381	389	398	408	417	428	439	450	463
Internal charges & overheads recovered	2,868	2,753	2,810	2,857	2,909	2,965	3,036	3,100	3,171	3,251	3,328
<b>TOTAL OPERATING FUNDING (A)</b>	<b>5,423</b>	<b>5,880</b>	<b>6,155</b>	<b>6,361</b>	<b>6,433</b>	<b>6,571</b>	<b>6,782</b>	<b>6,932</b>	<b>7,068</b>	<b>7,348</b>	<b>7,487</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	1,026	1,439	1,351	1,400	1,408	1,458	1,466	1,521	1,530	1,586	1,595
Finance Costs	-	18	46	49	48	48	49	48	49	49	49
Internal charges & overheads applied	3,551	3,528	3,671	3,758	3,822	3,879	3,988	4,067	4,161	4,277	4,375
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>4,577</b>	<b>4,985</b>	<b>5,068</b>	<b>5,207</b>	<b>5,278</b>	<b>5,385</b>	<b>5,503</b>	<b>5,636</b>	<b>5,740</b>	<b>5,912</b>	<b>6,019</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>846</b>	<b>895</b>	<b>1,087</b>	<b>1,154</b>	<b>1,155</b>	<b>1,186</b>	<b>1,279</b>	<b>1,296</b>	<b>1,328</b>	<b>1,436</b>	<b>1,468</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Increase (decrease) in debt	-	843	83	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>-</b>	<b>843</b>	<b>83</b>	<b>(47)</b>	<b>(47)</b>	<b>(47)</b>	<b>(47)</b>	<b>(47)</b>	<b>(47)</b>	<b>(47)</b>	<b>(47)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to improve the level of services	-	40	-	-	-	-	-	-	-	-	-
- to replace existing assets	725	1,646	736	679	899	973	806	804	926	943	1,110
Increase (decrease) in reserves	(818)	(961)	(599)	(666)	(885)	(957)	(788)	(785)	(905)	(919)	(1,084)
Increase (decrease) in investments	939	1,013	1,033	1,094	1,094	1,123	1,214	1,230	1,260	1,365	1,395
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>846</b>	<b>1,738</b>	<b>1,170</b>	<b>1,107</b>	<b>1,108</b>	<b>1,139</b>	<b>1,232</b>	<b>1,249</b>	<b>1,281</b>	<b>1,389</b>	<b>1,421</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(846)</b>	<b>(895)</b>	<b>(1,087)</b>	<b>(1,154)</b>	<b>(1,155)</b>	<b>(1,186)</b>	<b>(1,279)</b>	<b>(1,296)</b>	<b>(1,328)</b>	<b>(1,436)</b>	<b>(1,468)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>