

Water Services

Sub Activities:

**Kaikoura Urban Water Supply,
Ocean Ridge Urban Water Supply,
East Coast Rural Water Supply,
Kincaid Rural Water Supply,
Fernleigh Rural Water Supply,
Oaro Rural Water Supply,
Puketa Rural Water Supply**

Goal

To provide water infrastructure that meets the needs of the community, ensures a healthy standard of living, and minimises effects on the environment.





Nature and Scope of Activity

With the development of the new Ocean Ridge urban water supply, there are now seven public water supply systems in the Kaikoura district. Of these water supplies, East Coast and Fernleigh are essentially supplies for stock and irrigation, although these do also supply domestic households. Kincaid is becoming more and more a domestic supply, due to intensive growth and subdivision over that area. The remainder service domestic households and commercial activities.

Council has purchased a secure ground water source of exceptional water quality and reliable quantity, which should provide Kaikoura with sufficient water to meet expected demands for a permanent population of 5,000 and up to 2 million visitors annually. During the 2006/2007 year, upgrading works have been completed both at the new bore, and also at the town's storage reservoir and pump station. This ground water source began supplying the town, taking over from the previous Waimangarara river intake gallery, in September 2006.

Following major works involving the construction of approximately 4.55km of pipeline for the Kincaid water supply scheme, the Kincaid Committee has lifted the ban on the sale of water units thereby alleviating a waiting list that had been in place for many years.

Effects on the Community

Economic		The provision of quality, potable water on demand is essential for many industries within the district to function. Water is vital not only for agriculture, horticulture and fisheries, but also for tourism accommodation and facilities.
Environmental		Water use for irrigation enhances the vitality and splendour of our environment, and Council has continued its leak detection programme to eliminate wastage of this precious resource.
Social		Clean, pure, potable water is fundamental to the health and safety of all residents and visitors.
Cultural		In Kaikoura, much of what is ingrained in our culture is water based, including swimming at the local pool.

Community Outcomes

The following table highlights how Water Services contribute to the achievement of our Community Outcomes.

Community Outcome	How the Water Services Activity Contributes	Performance Measure
Sustainable Development	By providing adequate water and wastewater infrastructure, appropriately funded to meet future development needs.	Ensure Asset Management Plans (AMPs) include 10 year projections of growth
Quality Water and Wastewater Services	<p>Improve water supply quality and reliability, improving alternate supply sources, and increasing storage capacity, to meet the reasonable requirements of each community.</p>	<p><u>Kaikoura Urban</u></p> <p>Achieve a minimum MoH B grade for water source, treatment and reticulation.</p> <p>Reticulation provides sufficient quantity and pressure for fire fighting purposes.</p> <p>Reservoirs provide 24 hours storage.</p> <p><u>Kincaid</u></p> <p>Achieve a minimum MoH B grade for water source, treatment and reticulation.</p> <p>The combined reservoir volume should equate to 24 hours storage at average daily flow.</p> <p><u>East Coast, Oaro and Puketa</u></p> <p>Achieve a minimum MoH C grade for each water source and treatment.</p>
	Provide for the improvement of infrastructural services in small communities, by investigating the provision of water supply systems where the community requests it or the legislation requires it.	Asset Management Plans may be modified according to the results of Council's Assessment of Water and Sanitary Services, and following consultation with each community.

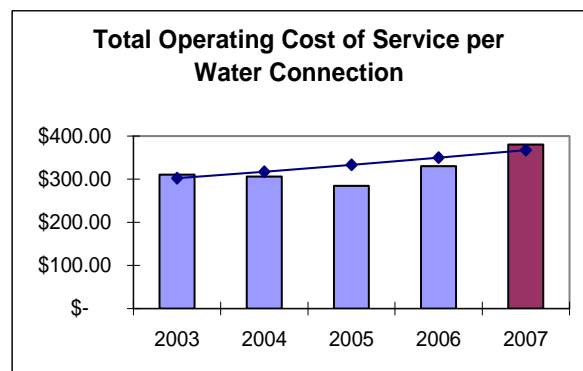
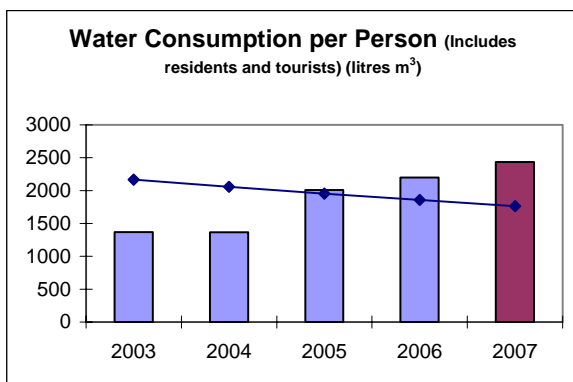
Community Outcome	How the Water Services Activity Contributes	Performance Measure
Quality Standard of Affordable Housing	Ensure that new dwellings have access to a potable water supply, which is provided at an affordable cost.	Total operating cost of service per connection (Kaikoura Urban).
Environmental Protection and Enhancement	Ensure the sustainable management of resources by promoting water conservation	Reduction of water consumption per annum (cubic metres used by each resident and tourist over the whole district)

Report on Performance

Performance Measure	Last Year	Target 2007-2009	Actual Result 2007
Asset Management Plans include 10 year projections of growth	N/A	Projections included in Asset Management Plans	Projections are included in Asset Management Plans
Kaikoura Urban: Achieve a minimum Ministry of Health (MoH) B grade for water source, treatment and reticulation	There is no grading information available from the Ministry of Health. Council is working with the Ministry for provisional grading.	B grade for water source within one year	The urban supply has been assessed and confirmed as secure by the Ministry of Health, however the grading is still outstanding
Kaikoura Urban: Reticulation provides sufficient quantity and pressure for fire fighting purposes	N/A	90-95% of reticulation	Of the fire hydrants assessed, 96% provide sufficient quantity and pressure for fire fighting purposes
Kaikoura Urban: Reservoirs provide 24 hours storage	N/A	11 hours	11 hours
Kincaid: Achieve a minimum MoH B grade for water source, treatment and reticulation	Grading information not available	B grade achieved	The Kincaid supply is yet to be assessed by MoH
Kincaid: Within ten years the combined reservoir volume should equate to 24 hours storage at average daily flow	4 hours	4 hours	4 hours

Performance Measure	Last Year	Target 2007-2009	Actual Result 2007
East Coast, Oaro and Puketa: Achieve a minimum MoH C grade for each water source and treatment	Not graded	Not graded	Not graded
Asset Management Plans may be modified according to the results of Council's Assessment of Water and Sanitary Services, and following consultation with each community	N/A	Implement practical recommendations from Council's assessment of Water Services	Public Health Risk Management Plans have been completed for the rural water supplies, and Asset Management Plans are proposed to be amended to reflect this, following consultation with each community.

KEY: The line in each graph indicates the Councils desired trend, and for 2007 the Actual Target



Level of Achievement

Significant progress has been made in the last 12 months in improving the quality and quantity of water to the Kaikoura Urban, and also the Kincaid Rural and Fernleigh Rural, water supplies.

Council has essentially achieved or exceeded all of the targets set in 2006/2007, with the exception of water consumption per person, which district-wide continues to increase. However consumption is only increasing in the rural area, due to changes in land use, particularly increased dairy farm activity. Urban consumption has actually dropped for the fourth year in a row.

Most pleasing is the confirmation from the Ministry of Health (MoH) that the Kaikoura township's new ground water source is secure. Previously the urban water supply had an E grading, largely due to its reliance on the Waimangarara river intake, which was prone to contamination in periods of heavy rain.

Operating Cost of Service Statement: Water Services

FOR THE YEAR ENDED 30 JUNE 2007

	2007 BUDGET \$	2007 ACTUAL \$	2006 ACTUAL \$
Operating Expenses			
<u>Kaikoura Urban Water Supply</u>			
Operations	307,478	341,891	287,236
Loan Interest	47,850	73,503	46,708
Depreciation	126,936	172,619	156,677
	482,264	588,013	490,621
<u>Rural Water Supplies</u>			
East Coast	85,600	64,442	61,977
Kincaid	58,504	37,432	34,149
Fernleigh	25,739	21,885	20,696
Oaro	25,378	21,212	19,228
Puketa	4,090	5,489	7,240
	199,311	150,460	143,290
Total Operating Expenses	681,575	738,473	633,911
Funded by:			
Targeted Rates & Charges	437,802	435,576	469,701
Water Meter Charges	144,100	117,861	118,054
User Fees & Charges	4,000	115,427	28,282
Development Contributions	232,960	110,282	326,152
	818,862	779,146	942,189
Operating Surplus/(Deficit)	137,287	40,673	308,278

Capital Cost of Service Statement: Water Services

FOR THE YEAR ENDED 30 JUNE 2007

	2007 BUDGET \$	2007 ACTUAL \$	2006 ACTUAL \$
Capital Expenditure			
<u>Kaikoura Urban Water Supply</u>			
New/Upgrade Assets	325,000	390,505	812,225
Renewals	77,000	137,024	73,900
Increasing Levels of Service	-	-	-
	402,000	527,529	886,125
<u>Rural Water Supplies</u>			
New/Upgrade Assets	190,000	157,330	25,283
Renewals	-	-	-
Increasing Levels of Service	-	-	-
	190,000	157,330	25,283
<u>Capital Debt Servicing</u>			
Loan Principal	54,346	74,322	65,555
Total Capital Expenditure	646,346	759,181	976,963
Funded by:			
Transfers from/(to) Reserves	59,840	301,715	134,872
Loans	210,000	166,000	300,000
Depreciation	239,219	250,793	233,813
Operating Surplus/(Deficit)	137,287	40,673	308,278
	646,346	759,181	976,963

Capital Expenditure: Acquisition of Assets

The Kaikoura Township residents now benefit from a new secure ground water source, providing water of exceptional quality to the urban area. As part of the development to change to this new source, Council has installed a booster pump station at Fords reservoir, plus a treatment station at the source itself. While tests have indicated that the water at the new source is pure and does not need treatment, chlorination is still required to eliminate residual contaminants within the reticulation network. The new water supply has been confirmed as secure by the Ministry of Health, therefore Council has been able to defer the requirement to develop a new storage reservoir, and instead replace aging infrastructure that had been identified in the leak detection programme.

With the ground water source fully operational, and additional pipe infrastructure developed Kincaid water supply consumers have been able to access additional water units; plus a telemetry system has been installed plus improved treatment facilities at the Kincaid water supply.

High demand for water units at the Fernleigh water supply has provided sufficient revenues for upgrading of the supply's telemetry and storage facilities without the need to raise loans for the consumer