



Network Services Group

WHAT ARE NETWORK SERVICES?

Network Services are often referred to as infrastructural assets and have generally been seen to be Council's core activities.

WHICH ACTIVITIES ARE INCLUDED IN THE NETWORK SERVICES GROUP?

- Roading
- Water
- Wastewater
- Land Drainage
- Stormwater
- Solid Waste

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WHY ARE THESE ACTIVITIES INCLUDED?

The Network Services Group activities deliver services which the community needs to function comfortably on a day to day basis and collectively must meet standards that provide a high level of community health and safety.

These activities operate on a network basis across the District, or in specific areas of the District, and all assets associated with these services have a lifecycle maintenance and renewal programme.

RATIONALE OF NETWORK SERVICES

ROADING

Primary rationale: Roads provide essential infrastructure that supports safety and community cohesion. Council develops the local roading network to ensure that people have access to and contribute to a healthy, connected community. The community expects that Council will provide the local roading network.

WATER SUPPLY

Primary rationale: Water is an essential need for individuals and stock. The Council provides sufficient quantities of potable water for public amenity and to avoid the risk of water borne diseases affecting public health. Council provides water to enable livestock farming on dry land to have adequate water supplies. There is a community expectation that safe water will be provided, and Council undertakes this activity because of statutory obligation and public demand.

WASTEWATER

Rationale: The Council provides reticulated sewerage treatment and disposal systems to achieve high quality public health and to minimise adverse effects on the receiving environment. There is a community expectation that high environmental standards will be met. Council undertakes this activity because of statutory obligations and public demand.

LAND DRAINAGE

Primary rationale: Council provides drainage systems to achieve high quality public health, protect property, drain excess water from roads and minimise adverse effects on the receiving environment. There is a community demand and expectation that high environmental standards will be met. These systems also support farming activities in the rural areas.

STORMWATER

Primary rationale: Council aims to ensure the efficient, safe and continuous removal of stormwater to minimise the effects of flooding to property and risks to human life. There is a community expectation that adequate stormwater will be provided. Council is seen to be the most appropriate to provide this service and it is consistent with the rural land drainage function. Council also has a statutory obligation to provide stormwater services in some areas.

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SOLID WASTE

Primary rationale: Refuse collection and waste disposal services and facilities enable waste minimisation, and are provided for health reasons and to keep the District looking tidy.

Existing demand is for Council to provide this service in urban areas.

WHAT COMMUNITY OUTCOMES DOES NETWORK SERVICES CONTRIBUTE TO?

Community Outcomes	Roading	Water Supply	Wastewater	Land drainage	Stormwater	Solid waste
Vibrant and sustainable businesses and business economies in our district.	Implementer	Implementer	Implementer	Implementer	Implementer	Implementer
Integrated provision of quality health and social services throughout our district.	Partner Advocate	Partner Advocate	Partner Advocate	Partner Advocate	Partner Advocate	Partner Advocate
Maintain and protect the vibrancy of rural communities within our district.				Implementer	Implementer	
Cultural values of the Tangata Whenua throughout the district be respected and supported through further development of consultation, participation and partnerships.		Partner Advocate	Partner Advocate			Partner Advocate
Hauraki District Residents be given the opportunity to participate in educational and training programmes.	Advocate			Advocate		Advocate
Management of our Natural and Physical environment in a sustainable manner.	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor
Long Term Planning to ensure that our future infrastructure requirements meet the growth and development opportunities of our district.	Leader Partner	Leader Partner	Leader Partner	Leader Partner	Leader Partner	Leader

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Council provides the infrastructure for the delivery of these Network Services and manages and monitors their maintenance, renewal, replacement and expansion.

Generally only the user of the service pays and this is normally through user charges, general rates and targeted rates.

The operational cost to deliver Network Services is the most significant area of Councils expenditure and this is reflected also in the level of capital works required to renew and expand these services. The Hauraki Community Plan 2006-16 allows for \$81 million for capital work on Network Services.

CURRENT PLANS AND STRATEGIES

Infrastructural Asset Management plans

The investment made by ratepayers in the Network Services infrastructure that allows the delivery of Network Services is currently valued at \$351 million. Each year, two thirds of rates are spent on maintaining, renewing or constructing Network Services.

This level of commitment clearly requires Council to ensure it is planning for these services well into the future.

Council has developed Asset Management Plans for all Council's infrastructural assets. These plans detail the systems in place for managing, monitoring and reporting on the performance of these assets. The plans itemise and categorise assets and detail the maintenance renewal and capital expenditure programs over a 10 year period. They also identify measurement issues of asset performance and define areas where further information is required.

Asset Management Plans are working documents, which are reviewed annually. They will incorporate identified Community Outcomes.

Council has adopted a programme for improvements to these plans that will see the planning for all assets covering their projected life.

Council's Asset Management Plans for infrastructural assets also concentrate on asset maintenance and renewals to ensure that presently agreed levels of service and security can be maintained.

Further details on asset management planning can be found in the Future Directions section of the Hauraki Community Plan.

STRATEGIC ISSUES

LEGISLATION

Because of the importance that Network Services have to the health, safety and physical well-being of the public, their provision is subject to a number of legislative and regulatory controls.

INFRASTRUCTURAL PLANNING

The Community Outcomes process identified the community's desire to ensure planning for infrastructure maintenance was kept at least to the present level and that renewal of assets and planning for growth in demand for infrastructural assets in the future was a priority.

ASSET VALUATIONS AND DEPRECIATION

Council must revalue its assets every three years to assess total network values and to recalculate depreciation based on the new values to ensure adequate allowance is being made for replacement and renewal of assets.

This depreciation to be funded is called "Decline in Service Potential" and is commonly referred to as DISP.

There have been some significant increases in asset valuations as a result of the 2005 revaluation. The causes have been two fold:

- New assets added to valuation, being new work since the last valuation or assets not previously identified or valued;
- Cost increases in replacing assets over the three years between revaluations.

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The annual DISP amount has increased by the following approximate amounts -

- Drainage 3%
- Roothing 7%
- Wastewater 26%
- Water 41%
- Stormwater 65%

Naturally this will have an impact on the total operating expenditure for each activity as DISP is classified as an operating cost. Council is required to fully fund its operating costs so these increases in DISP may have an impact on funding levels.

The potential rating impact of these increases while not at the levels noted above is still of concern.

The estimated impact on rating levels for these activities is -

- Drainage 1%
- Roothing 2%
- Wastewater 9%
- Water 10%
- Stormwater 27%

The actual rates changes may be more or less than the figures noted above. These rates figures are dependant on a number of other factors beyond DISP.

PROVISION AND FUNDING OF NETWORK SERVICE ASSETS

There are five major works categories associated with the provision of all infrastructural assets.

These are broadly categorised as:

- Maintenance - The work undertaken to keep the current asset functioning by repairing or otherwise maintaining the asset;
- Renewal - The process by which a part of an asset is maintained by replacement rather than by repair;
- Replacement - An asset or part of an asset that is replaced in total as it has reached the end of its affective operational life;
- New works for capacity/consumption - Where an asset is added to or expanded because demand for or consumption of the asset requires expansion to the network;
- New works for increased service levels - Where an asset is added to or expanded because Council agrees to improve the level of service being provided by that asset or the Council is required to improve service levels because of legislative requirements.

CAPITAL WORKS

All Capital Works are detailed in Volume 2 of the Hauraki Community Plan.

This schedule lists all Capital Works and their drivers of demand/ consumption, levels of service and renewals.

The Capital Works for the Network Services Group, summarised by driver, are detailed in the table following these descriptions.

SERVICE LEVELS

Council measures service levels provided by its infrastructural assets through:

- Reviewing all legislative and consent requirements;
- Triennial community surveys;
- Submissions to Council;
- Monitoring of service requests and complaints;
- Monitoring of best practice through the development of Asset Management Plans.

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Regardless of Council's slow growth projections, the supply of all infrastructural services is subject to the need to comply with legislative and consent conditions which also establish service levels. These can alter at any time and Council must respond appropriately.

At present there are new national public drinking water standards to comply with, three landfills subject to closure consents, resource consent and renewals required for some water supply consents. These issues are detailed in the individual activities. Council not only plans to meet these requirements but to do so in a cost effective manner.

Council can and does plan ahead for consent renewals as part of its asset management planning process and has an on-going relationship with Environment Waikato to ensure it is familiar with proposed and changing requirements.

Changes in government legislation and regulations have less certainty but generally sufficient time is available to prepare and respond accordingly.

DEMAND/ CONSUMPTION - CHANGES

Growth projections for the Hauraki District Council (as detailed in the Future Directions section of the Hauraki Community Plan) indicate a minimal level in population growth over the next ten years. Generally Council's infrastructural assets have sufficient capacity to cater for current levels of service and a medium level of population growth without needing to provide significant additional capacity except for aspects of water supplies and roading.

Council monitors the demand on, and the demand for its infrastructural services networks with:

- A programme of monitoring the performance of all infrastructural assets;
- Monitoring of demands on existing systems and networks;
- Regular consultation with users of assets;
- Triennial community surveys;
- Submissions to Council.

PROVISION OF ADDITIONAL ASSET CAPACITY

Additional asset capacity, as shown in the following table and itemised in the Capital Works schedule in Volume 2 of the Hauraki Community Plan, is all provided by contracts awarded subject to Council's purchasing policy with all contracts over \$100,000 having to be awarded through a full Competitive Pricing Process (CPP). This system ensures that the most competitive tender from appropriately experienced contractors is accepted.

Council monitors and audits all contracts to ensure contractors are delivering the appropriate service.

FUNDING OF ADDITIONAL ASSET CAPACITY

The cost of provision of additional asset capacity, whether it has a consequence of changes in demand or in levels of service, will initially be funded by borrowing. This borrowing is generally in the form of internal borrowing. (External borrowing is only done to manage Council's cashflow requirements).

Costs of servicing the loan (i.e. interest), will be funded in accordance with Council's policy on funding operating expenditure (interest is an operating cost) for that activity as detailed in Council's Revenue and Financing Policy.

In the case of subsidised roading expenditure, some capital expenditure may qualify for subsidy and this will be used to partially fund the additional capacity acquired.

Additionally developer contributions may be received through subdivision conditions or by mutual agreement and used for the acquisition of additional asset capacity.

Debt will be retired from depreciation reserves.

ASSET MAINTENANCE, RENEWAL AND REPLACEMENT

All asset maintenance, renewals and replacement are subject to competitive tender as detailed in Council's purchasing policy.

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For maintenance purposes a number of longer term contracts have been established in the areas of:

- Roading maintenance;
- Community facility and reserves maintenance;
- Repairs and maintenance to infrastructural networks.

For other network maintenance contracts are let on an individual or annual basis. Examples include:

- Roading reseals;
- Road marking;
- Drain and canal spraying;
- Sign maintenance;
- Sportfields spraying and turf maintenance.

FUNDING OF RENEWALS AND OPERATIONAL / MAINTENANCE EXPENSES

Renewals:

- The funding of renewal or replacement of assets will generally be by way of internal borrowing. In the case of subsidised roading expenditure, or other subsidised renewal expenditure, (e.g. reseals) may qualify for subsidy and this will be used to partially fund the renewal of the asset. The balance would be funded by way of internal borrowing. Internal borrowing would be repaid by use of depreciation reserves. Interest cost associated with any borrowings is an operational cost and will be funded according to the operational funding per the Revenue and Financing Policy for that activity.

Operational/Maintenance Expenses:

- Maintenance costs are funded according to Council's Revenue and Financing Policy. Generally this requires that maintenance is funded by way of general or targeted rates with either fees and charges or subsidy offsetting the amount required;
- Generally the operating expenditure in any year will be funded by the income for that particular year. However Council may make

exceptions to this where a long life asset/activity past or future years' surpluses may be used to offset deficit funding in any one year or group of years. This is usually done where there is a spike in expenditure or a sudden change in levels of expenditure and Council considers that the deficit funding in any year will not compromise the ongoing operational effectiveness of the assets used in the activity or lead to long term changes in level of service.

OTHER RELEVANT ISSUES

The capital and renewal works for Network Services are influenced by a number of factors outside the control of the Hauraki District Council. These factors include obtaining resource consents, tender prices, weather conditions, natural disasters, changes in community expectations and legislative requirements. Capital Works programmes show specific years for undertaking the work, but actual timing may vary as a result of any of the above factors.

During 2006-08 Council will be reviewing its policy on Development and Financial Contributions to ensure inter-generational equity issues are addressed and that subdividers contribute towards costs of demand /expansion effects on the existing capital assets. This review is detailed in Volume 2 of the Hauraki Community Plan.

WHAT ARE THE NEGATIVE EFFECTS?

The provision of Network Services significantly contributes to the health, safety and well-being of the community and enhances the quality of life for residents.

However, Network Services can have negative effects on the environment; the principle effects being:

- Stormwater runoff from roads and land contains contaminants and sediments which eventually reach waterways, potentially affecting water quality;
- Wastewater, although treated to a high standard, can affect the receiving environment into which it is discharged. Disposal of solid waste from the treatment process presents a longer term environmental issue;
- Although recycling is increasing, the majority of solid waste is still disposed of into sanitary landfills;
- The road accident toll is a strong negative effect. Road network influence on this effect is reduced by attention to safety in design and by ongoing safety improvements;
- Disposal of solid waste from water treatment plants could potentially affect water quality of waterways.

More specific negative effects for the Network Services Group are described under each activity statement.

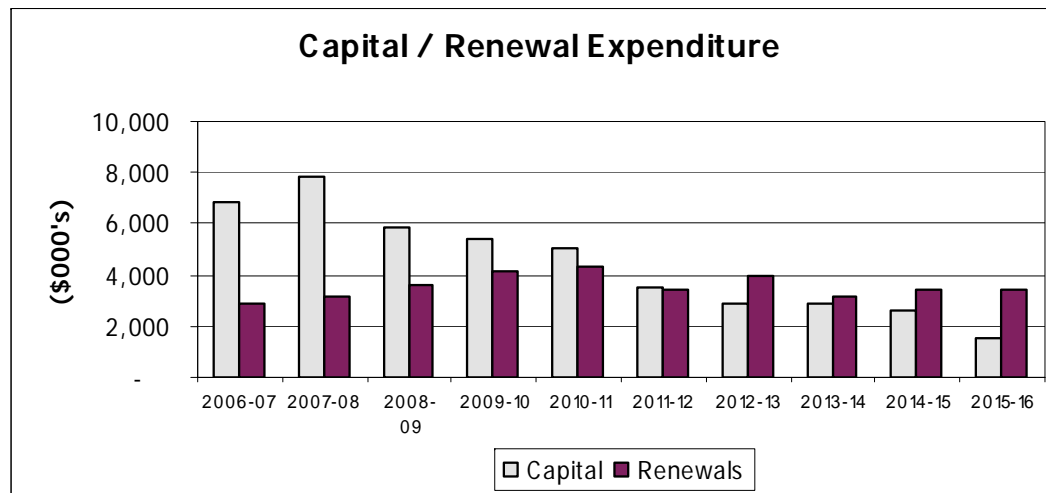
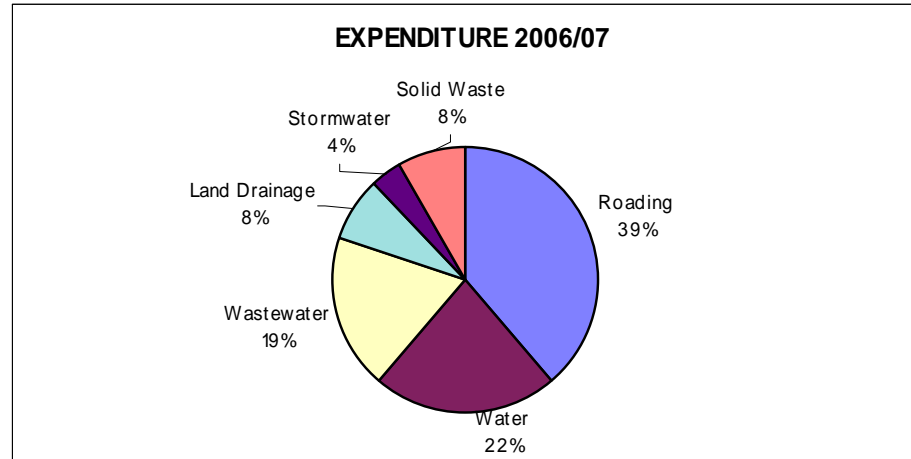
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WHAT IS THE COST OF OPERATING NETWORK SERVICES?

	Budget 2006-07 \$000's	Budget 2007-08 \$000's	Budget 2008-09 \$000's	Budget 2009-10 \$000's	Budget 2010-11 \$000's	Budget 2011-12 \$000's	Budget 2012-13 \$000's	Budget 2013-14 \$000's	Budget 2014-15 \$000's	Budget 2015-16 \$000's
OPERATING EXPENDITURE										
Roading	5,705	5,917	6,168	6,382	6,514	6,781	6,915	7,003	7,426	7,525
Water	3,304	3,450	3,831	4,132	4,400	4,825	4,887	4,917	5,015	4,977
Wastewater	2,813	2,861	3,073	3,120	3,147	3,299	3,310	3,291	3,332	3,291
Land Drainage	1,189	1,196	1,323	1,339	1,341	1,395	1,392	1,385	1,414	1,399
Stormwater	534	577	599	608	613	635	648	650	671	681
Solid Waste	1,235	1,236	1,271	1,311	1,365	1,368	1,400	1,438	1,453	1,481
	14,780	15,237	16,265	16,892	17,380	18,303	18,552	18,684	19,311	19,354
LESS OPERATING REVENUE										
Fees and Charges	639	657	676	694	710	726	742	755	767	780
External Subsidies	3,386	3,713	3,522	3,775	3,680	3,691	4,081	3,791	3,854	3,615
Targeted Rates	8,701	9,025	9,352	9,723	10,012	10,349	10,670	10,986	11,304	11,628
General Rates	1,539	1,668	1,784	1,900	2,046	2,099	2,143	2,231	2,434	2,479
	14,265	15,063	15,334	16,092	16,448	16,865	17,636	17,763	18,359	18,502
OPERATING SURPLUS/(DEFICIT)	(515)	(174)	(931)	(800)	(932)	(1,438)	(916)	(921)	(952)	(852)
FUNDED BY										
Transfers to/(from) Water Reserve	590	570	317	181	31	(254)	(186)	(90)	(63)	101
Transfers to/(from) Wastewater Reserve	(370)	(310)	(411)	(345)	(258)	(294)	(186)	(46)	38	206
Transfers to/(from) Land Drainage Reserves	110	139	49	72	108	103	148	198	213	274
Transfers to/(from) Stormwater Reserves	(21)	(19)	(14)	13	16	4	8	15	3	8
Transfers to/(from) General Reserve	659	863	559	695	547	426	737	425	262	(22)
Other General Funding	(1,483)	(1,417)	(1,431)	(1,416)	(1,376)	(1,423)	(1,437)	(1,423)	(1,405)	(1,419)
	(515)	(174)	(931)	(800)	(932)	(1,438)	(916)	(921)	(952)	(852)

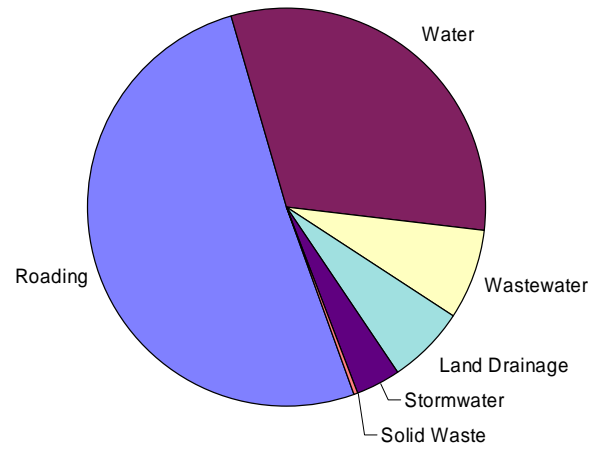
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	Budget 2006-07 \$000's	Budget 2007-08 \$000's	Budget 2008-09 \$000's	Budget 2009-10 \$000's	Budget 2010-11 \$000's	Budget 2011-12 \$000's	Budget 2012-13 \$000's	Budget 2013-14 \$000's	Budget 2014-15 \$000's	Budget 2015-16 \$000's
CAPITAL EXPENDITURE										
Property, Plant and Equipment										
Renewals	2,842	3,182	3,626	4,114	4,303	3,401	3,938	3,133	3,420	3,457
Level of Service Increases	6,169	7,731	5,760	5,434	5,071	3,543	2,874	2,849	2,459	1,491
Capacity Demand Increases	635	78	82	0	0	0	0	0	119	0
	9,646	10,991	9,468	9,548	9,374	6,944	6,812	5,982	5,998	4,948
Internal/External Loan Repayments	0	0	0	283	270	600	1326	1876	2035	3048
Landfill Liability Reductions	202	247	423	434	342	0	0	0	10	0
CAPITAL FUNDING REQUIRED	9,848	11,238	9,891	10,265	9,986	7,544	8,138	7,858	8,043	7,996
FUNDED BY										
Depreciation	4,801	4,843	5,439	5,560	5,685	6,224	6,311	6,377	6,831	6,898
Internal/External Borrowing	2,830	3,638	2,565	2,552	2,166	426	-	103	-	-
Transfers from/(to) Community Facilities Reserves	(9)	9	3	5	6	8	9	11	(13)	(48)
Transfers from/(to) Water Reserve	590	570	317	181	31	(254)	(186)	(90)	(63)	101
Transfers from/(to) Wastewater Reserve	(370)	(310)	(411)	(345)	(258)	(294)	(186)	(46)	38	206
Transfers from/(to) Land Drainage Reserves	110	139	49	72	108	103	148	198	213	274
Transfers from/(to) Stormwater Reserves	(21)	(19)	(14)	13	16	4	8	15	3	8
Transfers from General Reserve	1,917	2,368	1,943	2,227	2,232	1,327	2,034	1,290	1,034	557
	9,848	11,238	9,891	10,265	9,986	7,544	8,138	7,858	8,043	7,996

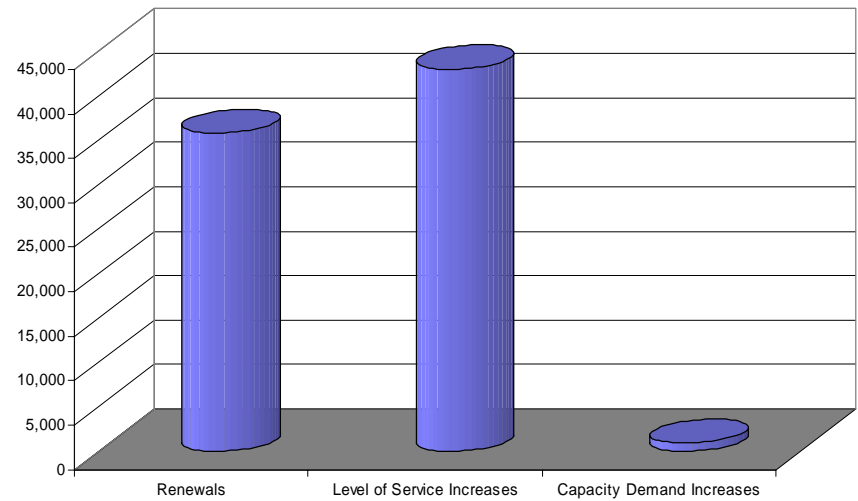


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Network Services Capital by Activity - Total for 10 Year Period



Network Services Capital by Driver - Total for 10 Year Period



Roading Services

3-04-05
The Kopu Bridge in the Future

In the future I would like the Kopu bridge to have two lanes, because in the holidays there are heaps of cars and it takes a very long time just to go into town, and do some shopping. I think that more people would go on holiday in the Coromandel because they won't have to wait in the huge line every holiday weekend. The bridge should be sound so if there is an earthquake or big flood, it won't fall down, a shoulder for cars that break down, it should also open or be high enough for big boats to go under. The speed limit should be under 80ph to prevent car crashes.

*Brandon Ransfield
Age 11, Turua School*

Council provides a network of local roads with their associated services throughout the District. Major through routes are designated state highways which are owned and managed by Transit New Zealand.

Delivery of a comprehensive roading service by Council involves a number of related service delivery activities that address safety and amenity issues:

- Road pavements;
- Stormwater;
- Street and amenity lighting;
- Kerb and channel;
- Road marking;
- Street and road signs;
- Footpaths;
- Culverts;
- Safety railings;
- Bridges.

CURRENT LEVELS OF SERVICE

Council undertakes this work to a set of agreed standards utilising a combination of short, medium and long-term contracts. Contract structures vary depending on the service being provided and these range from maintenance of street signs, through to major pavement rehabilitation.

Section 12 of the Land Transport Management Act 2003 requires every local authority that recommends any activities or activity classes included in a National Land Transport Programme, to prepare a Land Transport Programme for the next financial year.

Council has prepared the programme for 2006/07 and this has been provisionally approved by Land Transport New Zealand. It will be confirmed by Land Transport New Zealand following Council's consideration and adoption of the Hauraki Community Plan.

Council also undertakes improvements and extensions to the roading network over a period of time. Council currently has an on-going programme for seal extension in the District based on priority needs.

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Roading Services

As part of the Land Transport Programme, Council is working alongside Land Transport New Zealand and the NZ Police to reduce the number and severity of accidents in the Hauraki District. This is in response to community expectations and the need for Council to provide a governance and leadership role. Additionally, the Crown provides funds for road safety initiatives that can be brought to the District with Council in this facilitator role.

This activity provides for the delivery, co-ordination and facilitation of road safety programmes and initiatives in the District. Council employs a part time Road Safety Co-ordinator in conjunction with Thames-Coromandel and Matamata-Piako District Councils to co-ordinate, facilitate and manage sub-regional and local efforts to address identified road safety problems.

Council is part of a committee for local road safety where representatives of Council, NZ Police, Transit New Zealand, Accident Compensation Corporation and Environment Waikato, review and approve Council's minor safety programmes.

Examples of programmes in operation are *Safe with Age*, *Seat Belts*, *Safe Driving* and *Kids Safe*.

Council has developed a Safety Management System and District Road Safety Strategy. This outlines key issues in terms of road safety in the District, who will be involved, and how. This involves community groups, government agencies and Environment Waikato.

Council is now in the process of implementing the strategy and system in the three years leading up to 2009.

Each year specific resources are agreed upon between Land Transport New Zealand, the NZ Police, and Council for delivery of the services (identified below) at the local level.

NZ POLICE

For all roads in the District, both highway and local roads:

- Speed control;
- Drink or drug driver enforcement;
- Seatbelt use and education;
- Visible road safety enforcement,

Network-wide road policing:

- Commercial vehicle investigation and road user charges;
- Crash attendance and investigation;
- Traffic management.

General road policing support:

- Police community services;
- School road safety education.

LAND TRANSPORT NEW ZEALAND

- Policy advice,
- Safety information and promotion,
- Driver licensing,
- Subsidy on Council's roading network costs,
- Safety auditing,
- Vehicle impoundment.

Hauraki District Council co-operates with Transit N.Z, Land Transport New Zealand, Environment Waikato, neighbouring district councils, Accident Compensation Corporation and various other agencies in delivering roading network services to the District.

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Roading Services

FUNDING

Funding of Roading is divided into two categories:

SUBSIDISED WORKS

These works consist of maintenance upgrading and renewal of carriageway assets including roads, bridges, drainage, culverts, road marking, lighting and signage.

The programme for subsidised work is agreed with Land Transport New Zealand who administers government subsidy payments. The current subsidy rate is 54% for maintenance and 64% for new construction.

NON-SUBSIDISED WORKS

Generally these are works outside the scope of the government subsidy that Council and the community agree to undertake. They include seal extensions, street cleaning, new and replacement footpaths, maintenance of car parks and walkways connecting local roads.

The level of non-subsidised works to be undertaken each year is agreed with Council's Ward Committees triennially prior to the release of the Hauraki Community Plan.

OPERATION

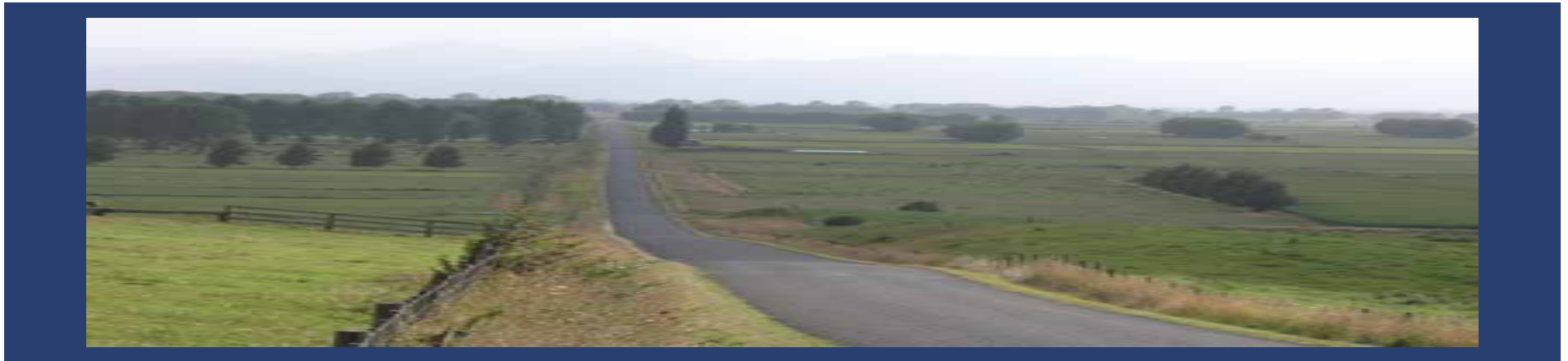
Council has three major tendered contracts that cover a three year term which expires on 30th June, 2007, renewable for a further two years. These contracts are for:

- Road maintenance (including pavement marking and signage);
- Street light maintenance;
- Roading Professional services.

Each year Council awards individual annual contracts for:

- Reseals;
- Reconstruction;
- Area wide pavement treatments;
- Minor safety improvements.

Capital Works are generally grouped on a geographical basis where this could provide more attractive work packages.

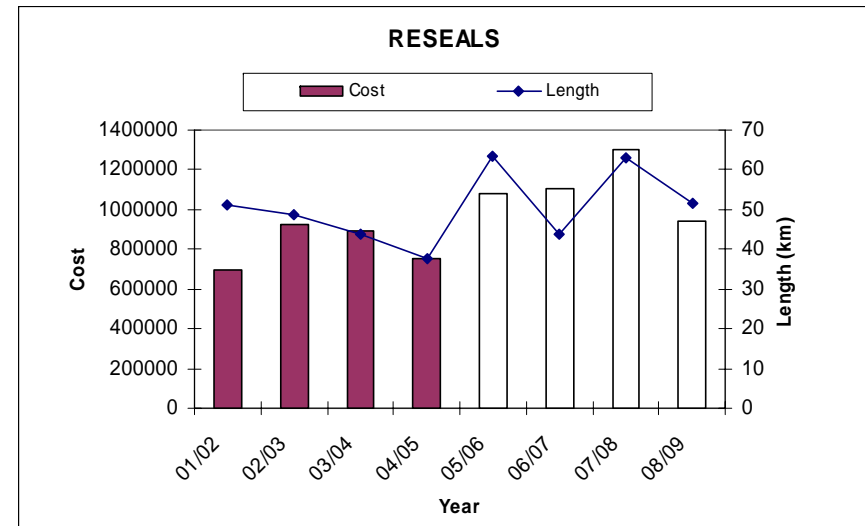
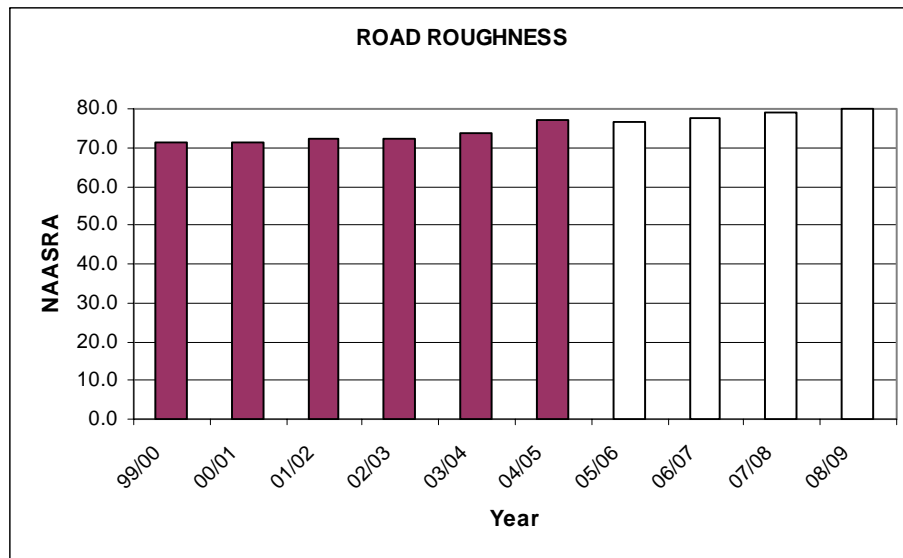


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Roading Services

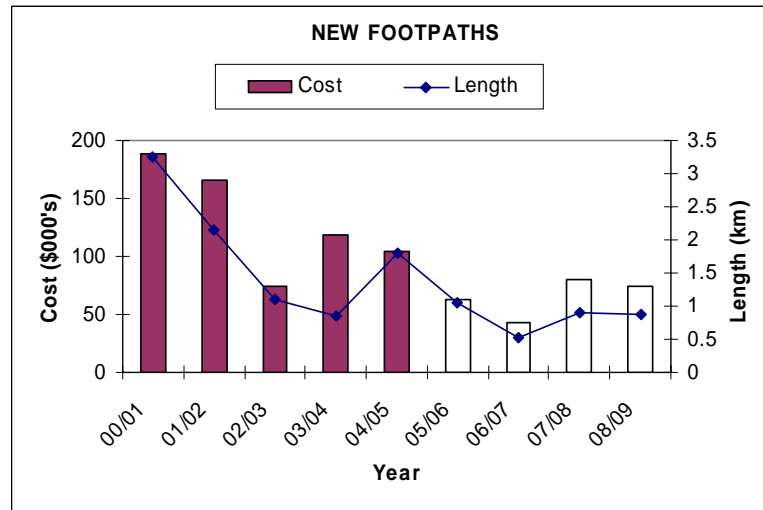
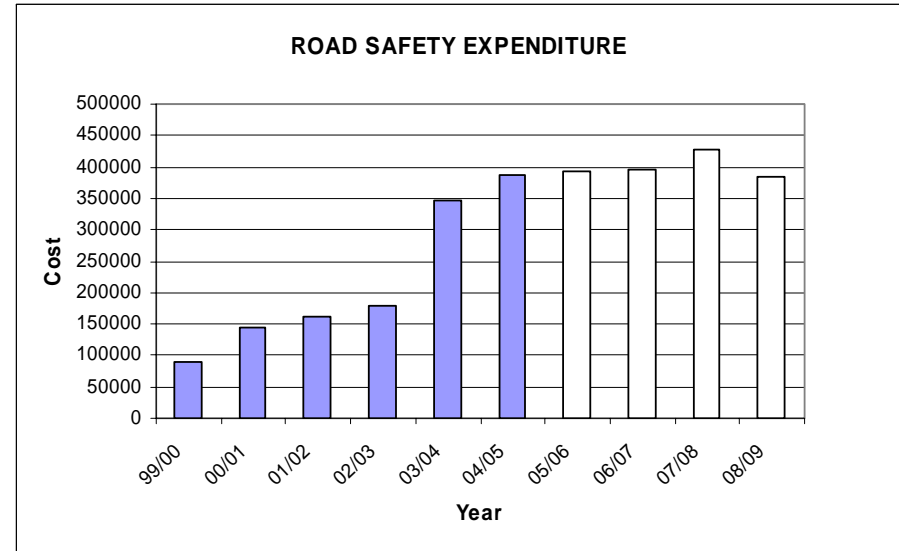
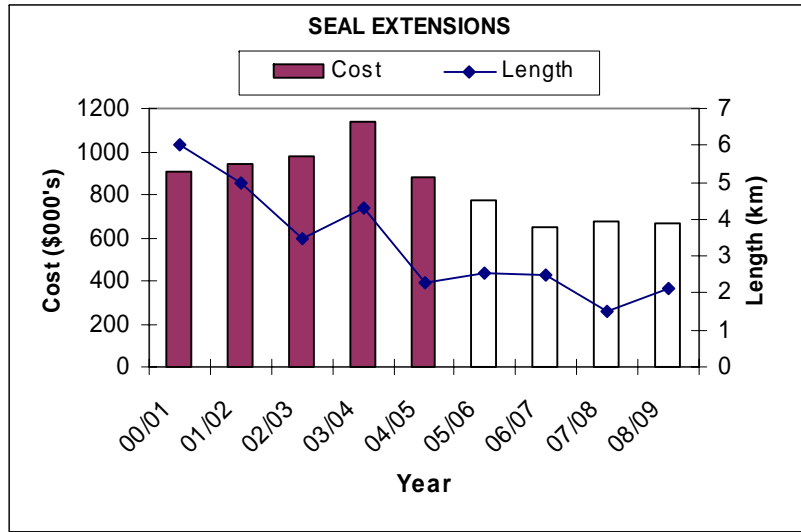
HAURAKI DISTRICT ROADING ASSETS

Area	Length Sealed (km)	Length Unsealed (km)	No of Bridges	Length of Bridges (km)	Length of Footpath (km)	Length of Kerb and Channel (km)	Culvert Length (km)	No of Signs
Waihi Rural	86.9	32.9	35	0.44	-	3.1	7.9	558
Waihi Urban	56.8	1.7	11	0.13	45.1	41.0	2.7	774
	143.7	34.6	46	0.57	45.1	44.1	10.6	1332
Paeroa Rural	74.3	30.0	25	0.48	0.1	1.6	4.8	288
Paeroa Urban	29.2	1.4	6	0.02	28.0	40.9	1.3	367
	103.5	31.4	31	0.50	28.1	42.6	6.1	655
Plains Rural	207.8	51.8	45	0.72	1.4	6.2	9.0	642
Plains Urban	17.2	0.3	3	0.03	19.4	20.8	2.0	351
	225.0	52.1	48	0.75	20.8	27.0	11.0	993
TOTALS	472.2	118.1	125	1.82	94.0	113.7	27.7	2980



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Roading Services



SIGNALLING POSSIBLE CHANGE IN LEVELS OF SERVICE

Land Transport New Zealand reviews the level of subsidy it pays each year. The level has not varied by more than one 1% in the last five years. A change could lead to a need for Council to review its works programmes accordingly. The priority for subsidy funding of roading projects is determined by:

- A formula for benefit/cost that is applied nationally;
- Contribution to strategic objectives of Land Transport Management Act 2003;
- Priorities within national, regional and local land transport plans. Considerations could include congestion, sustainability, benefit/cost ratio, grouping of projects;
- Willingness to fund local unsubsidised projects.

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Roading Services

Seal extensions are a significant discretionary activity for the Council, and Council may from time to time reconsider the amount allocated to this activity.

In the 2006-09 period, Council must re-tender existing contracts for streetlight maintenance, routine road maintenance and professional services.

Changes in contracts have the potential to change contract prices and subsequently may affect the estimates for Capital Works that have been included in this plan.

In this Hauraki Community Plan, Council proposed a reduced seal extension programme from the previous plan's \$750,000 per annum. This will result in an acceleration of the annual provision of new kerb and channel in the urban areas.

A seal extension programme of \$750,000 annually would add 1.1% to the General Rate percentage each year. For comparative purposes a \$750,000 annual level of expenditure on a kerb and channel programme would add 0.8% to the General Rates percentage each year.

Individual communities fund a number of unsubsidised works. The level of funding committed by the communities determines the extent of work undertaken.

WHAT WILL SUCCESS LOOK LIKE?

Current levels of service	Measure	Method of Measuring Target	Baseline	2006-09 Target	2009-16 Target	Contribution to Community Outcomes
Delivery of a roading network that addresses safety and amenity issues.	Reduction in the number of reported crashes per 100 million vehicle kilometres travelled on local roads in the Hauraki District.	Land Transport Road Safety Report.	Rolling five year average (2000-2004). Urban 29 Rural 18	Rolling five year average <29 for urban local roads and < 18 for rural local roads.	Decrease rolling five year averages.	We value the provision of well-managed infrastructure services
	An up to date Road Safety Management System is maintained and implemented.	Annual Report to road safety committee on implementation of the System.	New measure	To adopt the Road Safety Management System in 2006/07. To implement the Road Safety Management System internally in Council by 30 June 2007/08. To implement the Road Safety Management System to contractors by 2008/09.		

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Roading Services

Current levels of service	Measure	Method of Measuring Target	Baseline	2006-09 Target	2009-16 Target	Contribution to Community Outcomes
Provide access to the network of local roads.	Time for the access to be made to communities in a 1 in 10 climatic year event.	Length of time access unavailable.	New measure	100% of Arterials, collectors and local roads providing access to communities within 24 hours. All other roads 72 hours.	100% of Arterials, collectors and local roads access to communities within 24 hours. All other roads 72 hours.	
	Satisfaction about how the roading network is operated from Council's Triennial Residents' Survey.	Triennial Residents' Survey results.	77% in 2004	>80%	Increasing	We want to have a say in our Districts future.
	Extend pavement life of sealed roads.	Contract documents.	2002/03: 59km reseals 2003/04: 44km reseals 2004/05: 39km reseals Average: 47 reseals	Reseal an average of 40 km of sealed roads per year over a three year rolling average.	Reseal an average of 40 km of sealed roads per year over a three year rolling average.	We value the provision of well-managed infrastructure services. Protecting the viability of our land for primary production.
Delivery of a roading network that addresses safety and amenity issues.	Rural sealed roads are maintained smoother than a NAASRA value of 80 (nationally accepted values for smooth roads).	Bi-Annual Survey.	70	The bi-annual survey of Councils rural roading network results in a NAASRA value of 80.	The bi-annual survey of Councils rural roading network results in a NAASRA value of 80.	We value the provision of well-managed infrastructure services.
			104	The bi-annual survey of Councils urban roading network results in a NAASRA value of 110.	The bi-annual survey of Councils urban roading network results in a NAASRA value of 110.	We value the provision of well-managed infrastructure services.

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COUNCIL'S PROPOSED STRATEGIES

Council has long term maintenance, renewal and capital expenditure strategies in place for both subsidised and non-subsidised roading works, which are reviewed on a regular basis as part of the roading asset management programme.

Council:

- Plans to extend the sealed road network in accordance with an approved five year programme;
- Has a 5 year programme to replace and extend street lighting to meet the New Zealand Standards (NZS 1158);
- Has allocated approximately \$100,000 per annum for new and replacement footpaths;
- Has increased its works programme to meet the funding available for road safety initiatives;
- Has accelerated a programme of kerbing and channeling provision in the District urban areas, funded by a reduction in the seal extension programme .

Council is seeking opportunities for alliance/partnership with Transit NZ and neighbouring local authorities to deliver roading services.

There is a hierarchy of Land Transport Plans required by the Land Transport Management Act 2003 which seek to implement the goals established in the National Land Transport Plan. They are:

- National Land Transport Plan;
- Regional Land Transport Plan;
- District Land Transport Plan.

These plans co-ordinate the involvement of all agencies involved in land transport.

The current focus is on safety and the reduction in the road toll through:

- Education;
- Engineering;
- Enforcement.

A draft Walking and Cycling Strategy is also in the process of being prepared which once adopted may impact on the Roothing activity level of service. The draft Walking and Cycling Strategy will be presented for consultation once available.

MAJOR CAPITAL EXPENDITURE

Project	2006/07 (\$'000)	2007/08 (\$'000)	2008/09 (\$'000)	2009-16 (\$'000)
Resurfacing	938	1,275	1,053	8,158
Major Drainage Control	220	251	236	1609
Kerb and Channel	663	680	696	4,155
Area Wide Pavement Treatment	790	1,052	908	6,556
Minor Safety Works	224	263	246	583
Subs-Reconstruction	194			
Seal Extensions – subsidised	170	174	179	1,347
Seal Extensions – non subsidised	330	339	347	2612
Walking physical work	25	5		91
Cycling physical work	10	21		
Bridge Replacements				565
Footpath Replacements	39	35	36	233
Footpaths Additional	60	72	74	480

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Roading Services

WHAT ARE THE NEGATIVE EFFECTS?

Negative effects associated with the roading activity include:

- During construction physical works will generate dust, noise, vibration and inconvenience by delays to travel times;

WHAT IS THE COST OF OPERATING THE ROADING ACTIVITY?

OPERATING EXPENDITURE

Pavement Maintenance	1,380	1,447	1,449	1,547	1,577	1,596	1,610	1,611	1,807	1,820
Amenity Maintenance	350	359	368	376	383	391	397	403	408	414
Professional Services	387	397	406	416	424	432	439	445	451	457
Other Subsidised	813	867	872	901	910	924	957	952	974	986
Administration	295	302	312	319	322	330	335	340	348	351
Depreciation	2,038	2,091	2,303	2,361	2,419	2,627	2,688	2,748	2,935	2,987
Non-Subsidised Works	442	454	458	462	479	481	489	504	503	510
	5,705	5,917	6,168	6,382	6,514	6,781	6,915	7,003	7,426	7,525

LESS OPERATING REVENUE

External Subsidies	3,386	3,713	3,522	3,775	3,680	3,691	4,081	3,791	3,854	3,615
Targeted Rates	451	458	477	487	497	516	524	532	549	557
General Rates	1,043	1,191	1,297	1,399	1,508	1,578	1,610	1,683	1,880	1,911
	4,880	5,362	5,296	5,661	5,685	5,785	6,215	6,006	6,283	6,083

OPERATING SURPLUS/(DEFICIT)	(825)	(555)	(872)	(721)	(829)	(996)	(700)	(997)	(1,143)	(1,442)
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FUNDED BY

Transfers to/(from) General Reserve	658	862	559	695	547	427	737	426	262	(23)
Other General Funding *	(1,483)	(1,417)	(1,431)	(1,416)	(1,376)	(1,423)	(1,437)	(1,423)	(1,405)	(1,419)
	(825)	(555)	(872)	(721)	(829)	(996)	(700)	(997)	(1,143)	(1,442)

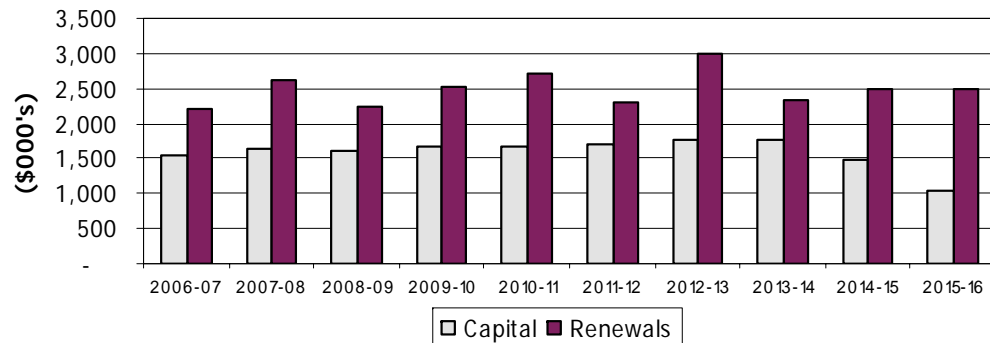
* Other General Funding is principally Quarry surpluses and internal interest credits. This funding is not used solely to fund the Roothing activity but is instead used to reduce the total General Rates payable. The funding from these sources has been included in Roothing as this activity has the largest portion of General Rates funding.

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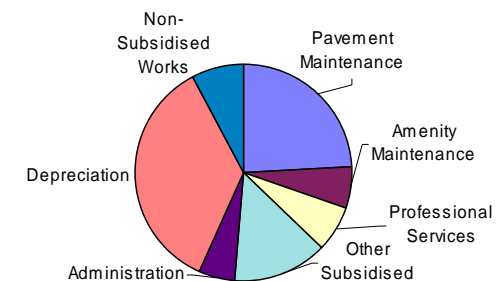
Roading Services

	Budget 2006-07 \$000's	Budget 2007-08 \$000's	Budget 2008-09 \$000's	Budget 2009-10 \$000's	Budget 2010-11 \$000's	Budget 2011-12 \$000's	Budget 2012-13 \$000's	Budget 2013-14 \$000's	Budget 2014-15 \$000's	Budget 2015-16 \$000's
CAPITAL EXPENDITURE										
Property, Plant and Equipment										
Renewals	2,198	2,630	2,251	2,536	2,702	2,294	2,986	2,336	2,501	2,481
Level of Service Increases	1,533	1,626	1,616	1,665	1,685	1,712	1,767	1,765	1,491	1,041
Capacity Demand Increases	0	0	0	0	0	0	0	0	0	0
CAPITAL FUNDING REQUIRED	3,731	4,256	3,867	4,201	4,387	4,006	4,753	4,101	3,992	3,522
FUNDED BY										
Depreciation	2,038	2,091	2,303	2,361	2,419	2,627	2,688	2,748	2,935	2,987
Transfers from/(to) Community Facilities Reserves	(9)	9	3	5	6	8	9	11	(13)	(48)
Transfers from General Reserve	1,702	2,156	1,561	1,835	1,962	1,371	2,056	1,342	1,070	583
	3,731	4,256	3,867	4,201	4,387	4,006	4,753	4,101	3,992	3,522

Capital / Renewal Expenditure



EXPENDITURE 2006/07



Water Supply Services



Ohinemuri Water Supply

Hauraki District Council owns and operates eight water supply networks, to which there are approximately 7,500 water connections.

Water Supplies service the main urban communities of Paeroa, Waihi and Ngatea, the smaller communities Karangahake, Ohinemuri, Kaimanawa, Mackaytown, Waikino, Kerepehi, Waitakaruru and Turua, and the rural areas of the Hauraki Plains. The supplies have varying degrees of treatment and water quality as indicated below.

Approximately 2,700 people obtain domestic water from rainwater tanks and private bores. Hauraki District Council is currently aware of 15 small reticulated supplies serving a variety of schools, clubs and industrial premises.

CURRENT LEVELS OF SERVICE

The level of service for water supplies has been developed considering a range of community expectations, legislative requirements, sustainable environmental and health outcomes and affordability. The levels of service are described in the Asset Management Plan and are to be reviewed every three years. The next review is 2009.

The Ministry of Health has graded community water supplies, shown in the table on the following page.

The Ministry of Health introduced a new grading specification in 2003. Where grading in terms of the new specification has not yet been completed supplies which were formerly graded have been shown as “Ungraded” in the table, pending regrading. Public health gradings are only done for communities with 500 or more people.

There are some issues relating to Council's smaller water supplies. The addressing of these issues is detailed in ‘Council’s Proposed Strategies’ for the water supply activity.

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Water Supply Services

Community	Gradings as at 31/12/05	Water Supply Grading		Length of Reticulation (km)	Number of Connections	Annual Water Production m ³ (04-05)	Production Per Connection m ³ / Year	Average Daily Demand m ³ / Day	Level of Treatment		Water Storage	
		Current Grade	Future Target						Type of Treatment	Quality Measured	Volume m ³	Location
Kaimanawa	u	Un	Cb	16.8	88	204,926	2,328	561	Filtration, Chlorination	Bacteria Chlorine	Nil	-
Karangahake	Dd	Un	Cb	5.3	66	15,104	229	41	Chlorination, pH adjusted	Bacteria Chlorine pH	20%	Dominion Dr
Mackaytown	De	Un	Cb	4.7	78	27,967	359	77	Filtration, Chlorination	Bacteria Chlorine	Nil	-
Ohinemuri	Ed	D	Cb	47	354	598,450	1,691	1,640	Filtration, Chlorination	Bacteria Chlorine	Nil	-
Paeroa	Cb	Un	Cb	47.6	1,851	539,993	292	1,479	pH adjusted Filtration, Chlorination	Bacteria Chlorine pH	9,000	Bennett St
Plains												
-West Supply Plant/Source	Db	Un	Cb						Clarification Filtration, pH Adjusted Chlorination	Bacteria Chlorine pH	3,490	Kerepehi Main Rd & Waitakaruru SH 25
-East Supply Plant/Source	D		C	373.5	2,584	3,739,038	1,447	10,243				
-Kerepehi Plant/Source	Dc	Un	Cc									
	C		C									
	Db	Un	Cb									
	C		C									
Waihi	Ba	Un	Ba	69	2,296	513,714	224	1,407	pH adjusted Filtration, Chlorination	Bacteria Chlorine pH	6,000	Bulltown Rd
Waikino	Dd	Un	Bb	9.4	149	42,621	353	144	Filtration, Chlorination	Bacteria Chlorine	90	Farrelly Rd
TOTAL				573.3	7,466	5,691,813	762 (Average)	1,949 (Average)			18,580	

Source & Treatment Plant Grading		Distribution System Grading
A1	Completely satisfactory. Very low level of risk. Demonstrably high quality.	
A	Completely satisfactory. Very low level of risk.	a
B	Satisfactory. Low level of risk.	b

Source & Treatment Plant Grading		Distribution System Grading
C	Marginal. Moderate level of risk.	c
D	Unsatisfactory. High level of risk.	d
E	Completely unsatisfactory. Very high level of risk.	e
U	Ungraded	Un

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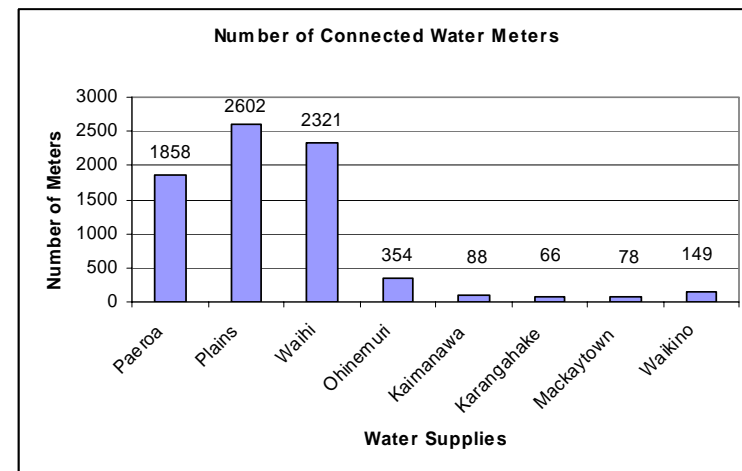
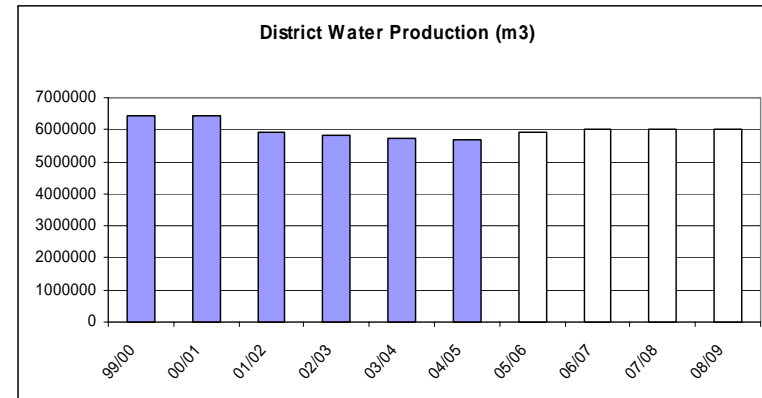
Water Supply Services

Levels of service for the water supply systems address issues relating to public health, system performance, customer demands and service delivery. Appropriate quality or quantity related levels of service are indicated by legislative requirements, public health considerations, customer expectations, effects on the environment and affordability. Quality issues in most instances, have been set by the Department of Health for each supply. Quantity issues involve a balance between customer expectation and affordability. Customer satisfaction with water supplies is measured on a regular basis through surveys and the Hauraki Community Plan submission process.

The Waihi, Waikino, Paeroa, Karangahake and Mackaytown supplies are on-demand supplies where it is expected that water will be continually supplied at a reasonable pressure. The Plains supply provides a 24 hour water requirement, but not necessarily on-demand and all consumers are required to have 24-hour on-site storage. The level of service for Ohinemuri and Kaimanawa has not been determined. Council is not intending to provide on demand storage to Ohinemuri and Kaimanawa. These supplies are predominantly rural supplies and have historically been developed to support agricultural production.

Fire fighting capability for the protection of public safety is not adequately provided for in some isolated areas in Waihi, Paeroa and the other urban areas where the targets of the NZ Fire Service Code of Practice are not met. Hauraki District Council has programmed these areas into the Capital Works Programme for water mains replacement to allow for these issues to be resolved.

To ensure the quality and safety of drinking water is maintained, all water supplies are monitored regularly for detection of bacteria, chlorine levels and pH by Council staff and independent contractors. The four main water treatment plants, Paeroa, Waihi, Kerepehi and Waitakaruru are monitored continuously via telemetry.



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Water Supply Services

SIGNALLING POSSIBLE CHANGE IN LEVELS OF SERVICE

New legislation under the Health Act and the Drinking Water Amendment Bill may require a number of changes to the standards of the supply of water for public consumption. These issues will be addressed as they arise and may result in alterations to the 10 year Capital Work Programme.

Once Council's water supplies are graded by the Ministry of Health, Council may need to reassess the Capital Works Programme for the water supply activity. This assessment will be dependant on the extent of change of the public health gradings as to what they were as at 31st December, 2005.

WHAT WILL SUCCESS LOOK LIKE?

Current Level of Service	Measure	Method of Measuring Target	Baseline	2006-09 Target	2009-16 Target	Contribution to Outcomes
Provide quality water systems compliant with all statutory requirements and Council policies and standards.	Percentage of urban areas that comply with the NZ Fire Service Code of Practice standards.	A program of pressure and delivery measurements and use of a computer model.	60% 2006	75%	90%	We value the provision of well-managed infrastructural services in our District.
	The number of confirmed complaints about the odour and taste of water.	Complaint records	65 2004/05	35	35	
	Compliance with Resource Consent conditions.	Environment Waikato Compliance Report.	New measure	Substantial Compliance	Substantial Compliance	
	A completely satisfactory grading is obtained for the water distribution system in Paeroa.	Public Health Gradings.	Cb	Cb	Ba	
	A completely satisfactory grading is obtained for the water distribution system in Waihi.		Ba	Ba	Ba	
	A completely satisfactory grading is obtained for the water distribution system in Kerepehi.		Db	Cb	Cb	
Treated water capacity is achieved for the Plains water supply	Storage availability.	6 hours.	Incremental increase towards 24 hours.	24 hour storage.		
To continually improve Councils water reticulation network.	Number of water breaks.	Service requests.	304 2004/05	275	Reducing	
Provide a safe, healthy and efficient water supply system which meets the reasonable needs of urban and commercial customers.	Implement high priority recommendations, identified in the Public Health Risk Management Plans.	Public Health Risk Management Plans.	New measure	75% of high priority recommendations implemented.	90% of high priority recommendations implemented.	
	Water asset failures responded to within 8 hours.	Service request database.	New measure	90%	Increasing	

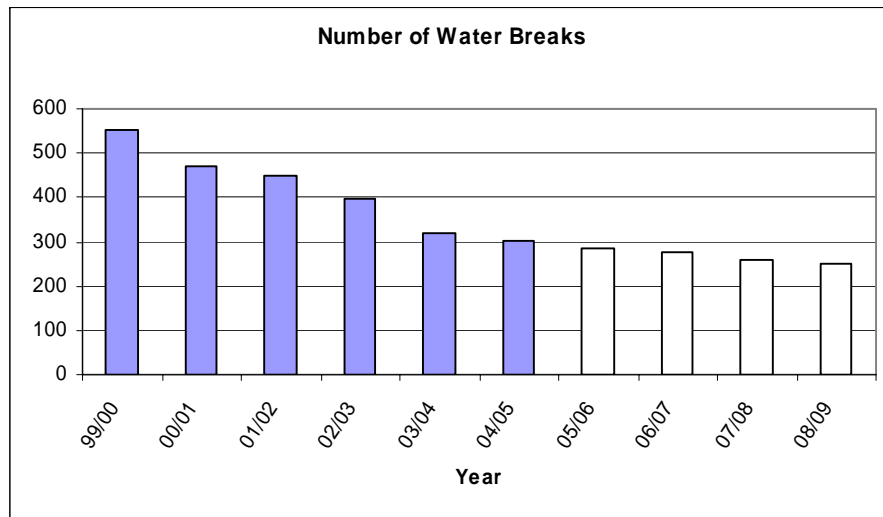
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Water Supply Services

Current Level of Service	Measure	Method of Measuring Target	Baseline	2006-09 Target	2009-16 Target	Contribution to Outcomes
Quality customer communication, consultation and service provided.	Minimum 48 hours notification given of planned interruptions to supply.	Notifications	100%	100%	100%	
	Satisfaction with water supply services in Council's Triennial Residents' Satisfaction survey.	Triennial Survey results.	74% 2004	>75%	Increasing	We want to have our say on our District's future.

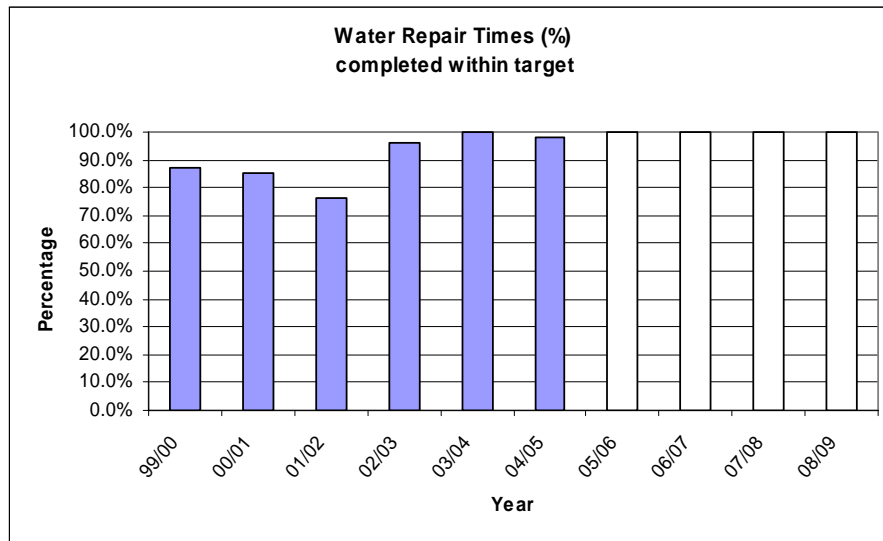
FUTURE DEMAND

The following tables illustrate projected change to district wide water supply demand and service level requirements over the next three years.



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Water Supply Services



Council's water supply capital works programme for 2006-16 is aimed at meeting the new standards and requirements for water quality; addressing security of supply issues and providing for capacity expansion.

Capital provision made for upgrades of the large treatment works at Waihi, Paeroa, Kerepehi and Waitakaruru is to address water quality requirements as well as security of supply and capacity expansion issues. Capacity expansion of the Waihi plant will meet the demand currently being supplied from the smaller water take at Waikino. Paeroa plant will supply the present small takes at Mackaytown and Karangahake and possibly Kaimanawa. Kerepehi plant capacity has to be increased to meet the demand currently supplied from the Puriri take via Huirau Road.

Capital provision is also made for the significant upgrading and replacement programme for main water supply pipelines needed to connect the larger treatment plants with the areas presently served by the small water takes, as well as replacement of mains to meet serviceability and security of supply requirements.

Raw water storage development is provided for at Waitakaruru, Kerepehi and Waihi, aimed at securing the raw water supply within the constraints of take limitations in consent conditions and weather and tide fluctuations.

Treated water storage development is provided for at Kaimanawa, Kerepehi, Karangahake and Waitakaruru to improve the security of supply of treated water by having cover against the risk of plant breakdown.

COUNCIL'S PROPOSED STRATEGIES

- Council has sufficient access to source water for current demand, but it is not necessarily accessible to the areas requiring it. Storage of treated water will be needed to ensure that demands can be met.
- Extensions to water supplies will be considered where there is proven demand and tangible benefits can be expected for the community.
- The long term strategy for smaller supplies is to provide their requirements from higher quality supplies from larger water treatment plants. Ohinemuri, Karangahake and Mackaytown will be served by the Paeroa Water Treatment Plant. Waikino Township will be linked to the Waihi supply.
- The result of the current grading process for the Kaimanawa water supply is expected to be similar to that of Waikino. It is therefore the Council's plan to supply Kaimanawa from either the Paeroa or Kerepehi supply.
- Plains water supply is programmed for an improved treatment process with the inclusion of upgraded treatment and raw water storage.
- Improvements to water supply services to meet more stringent new standards are planned and programmed and a renewal strategy has been developed. Actual timing of the expenditure may vary from the programme to take account of statutory time requirements. The short term renewal of some resource consents may be necessary to achieve capital expenditure timing benefits.

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Water Supply Services

DEMAND MANAGEMENT

With the planned Capital Works Programme for 2006–16 Council's water supplies will not only meet current demands but will have adequate capacity for growth demands over the life of this plan.

Current population projections suggest a stable or declining population but Council's view is that there will be a small growth in population over the next 10 years. The capacity of Council's water supplies will cater for this growth if it occurs.

The rural supplies on the Plains currently provide for a minimum amount of water to be delivered over any given 24 hour period. Many properties connected to this supply have on site water storage for security of supply purposes to ensure water availability to households and stock.

This policy has been agreed in the past with users of the Plains supply but demand for a higher level of service may occur over the life of this Plan. Council will consider such requests by assessing the affects on the four well-beings balanced with cost.

MAJOR CAPITAL EXPENDITURE

The most significant new Capital Works that are anticipated to be provided during the next ten years follows.

	2006/07 (\$'000)	2007/08 (\$'000)	2008/09 (\$'000)	2009-16 (\$'000)
Kaimanawa - Connect to Kerepehi/Paeroa				590
Kaimanawa - Treated Water Reservoir				569
Karangahake -Connect to Paeroa		63		459
Karangahake - Treated Water Storage				96
Mains Upgrades				156
Treatment Upgrade			759	562
Raw Water Main Replacement			491	340
Plains - Mains Upgrades				400
SH2 from Kerepehi Main Road intersection to Bush Street intersection.	850			

	2006/07 (\$'000)	2007/08 (\$'000)	2008/09 (\$'000)	2009-16 (\$'000)
Orchard East Rd				370
Bush Road section 1 (Orchard East to Piako)			671	
Bush Road section 2 (Piako to Pipiroa Pump)				805
SH25 from Bush Road intersection towards Kopu				195
West end of Fisher Road to Netherton				263
Kerepehi Waitakaruru Feeder				1,280
Hopai West				341
Mains Trunk Hauraki; Wharepoa to SH2				363
Mains Trunk; Kerepehi to Huirau				553
Treatment Minor Upgrades	615	10	11	11
Kerepehi Sludge Option	100			
Kerepehi Treated Storage			542	562
Kerepehi Treatment Upgrade	1,900	1,980		
Waitakaruru decommission Steen Road Dam				153
Waitakaruru Raw Water Storage		1,563	705	
Waitakaruru Treated Water Storage				1,042
Waitakaruru Treatment Upgrade				1,017
Waihi Raw Water Source Storage	300			
Waihi Water Treatment Plant Upgrade			379	337
Waikino - New Main Connecting to Waihi			295	227

RENEWAL OF RESOURCE CONSENTS

Council currently holds resource consents for all its water supplies that allow for the taking of source water. The following resource consents will be required to be renewed in the next three years and applications are currently in progress:

- Waikino, Mangakara Stream Take 590032, (01/10/2001);
- Waihi, Waitete Stream Take 590034, (01/10/2001);

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- Ohinemuri, Tarariki Stream Take 590035, (01/10/2001);
- Kerepehi, Waihou River Take 940271, (01/05/2005);

WHAT ARE THE NEGATIVE EFFECTS?

The negative effects associated with the water supply activity include:

- There can be conflict between use of the resource and cultural values;
- Water treatment system components can contain health risks. An example is the water supply fitting plumb solvency issue;

Coming Back

It had been ten years since I had last been here, but not much had changed. A couple of new houses had gone in and that was about it. I know the walkway off by heart and the messages I had wrote in the tunnel were still there. Karangahake School was almost the same, but small improvements had gone in here and there. I went for a swim later. The river was a lot cleaner. It wasn't as green and when you opened your eyes under water it wasn't as yellow. My house was owned by someone else who must like native plants since they had not ripped them out yet. At night I sat down and watched a beautiful sunset until the stars came out. While I was outside I saw a shooting star and do you know what I wished for? I wished that Karangahake would stay the same as it always had been.



*Rana Sciascia
Age 12, Karangahake School*

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Water Supply Services

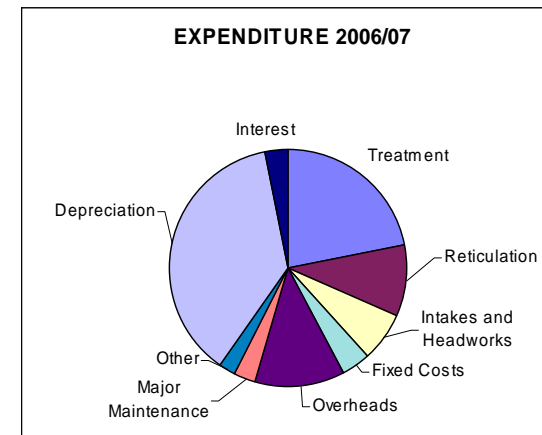
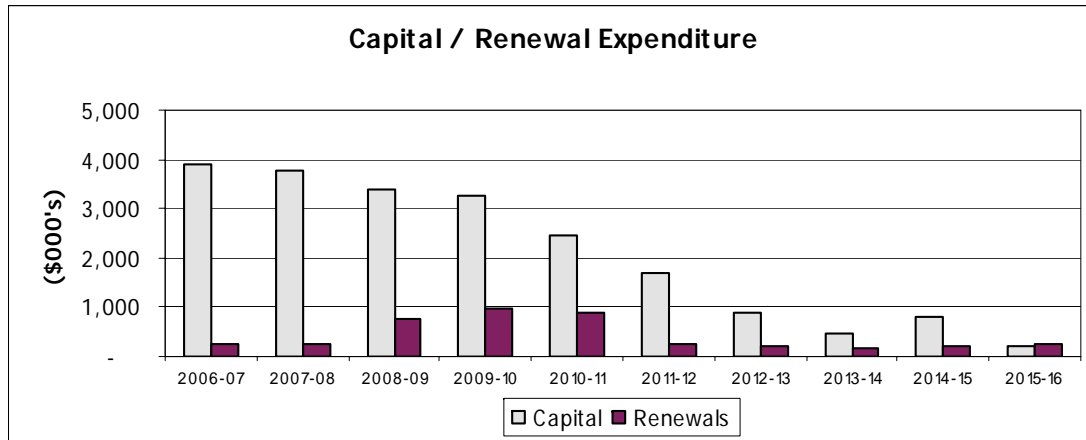
WHAT IS THE COST OF OPERATING THE WATER SUPPLY ACTIVITY?

	Budget 2006-07 \$000's	Budget 2007-08 \$000's	Budget 2008-09 \$000's	Budget 2009-10 \$000's	Budget 2010-11 \$000's	Budget 2011-12 \$000's	Budget 2012-13 \$000's	Budget 2013-14 \$000's	Budget 2014-15 \$000's	Budget 2015-16 \$000's
OPERATING EXPENDITURE										
Treatment	724	695	681	705	710	713	732	750	767	784
Reticulation	325	338	352	365	377	389	400	411	420	429
Intakes and Headworks	221	208	208	244	238	242	248	255	260	266
Fixed Costs	128	133	138	143	148	153	157	161	165	169
Overheads	400	405	418	424	429	439	446	452	461	465
Major Maintenance	99	93	54	44	57	88	60	87	64	52
Other	73	50	55	54	56	61	59	60	66	63
Depreciation	1,237	1,248	1,470	1,509	1,537	1,751	1,762	1,759	1,911	1,914
Interest	97	280	455	644	848	989	1,023	982	901	835
	3,304	3,450	3,831	4,132	4,400	4,825	4,887	4,917	5,015	4,977
LESS OPERATING REVENUE										
Water Meter Targeted Rate	3,894	4,020	4,148	4,313	4,431	4,571	4,701	4,827	4,952	5,078
OPERATING SURPLUS/(DEFICIT)	590	570	317	181	31	(254)	(186)	(90)	(63)	101
FUNDED BY										
Transfers to/(from) Water Reserve	590	570	317	181	31	(254)	(186)	(90)	(63)	101
	590	570	317	181	31	(254)	(186)	(90)	(63)	101

Network Services Group

Water Supply Services

	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
CAPITAL EXPENDITURE										
Property, Plant and Equipment										
Renewals	245	252	767	973	871	249	194	188	223	272
Level of Service Increases	3,580	3,755	3,378	3,269	2,458	1,674	870	470	796	223
Capacity Demand Increases	300	0	0	0	0	0	0	0	0	0
	4,125	4,007	4,145	4,242	3,329	1,923	1,064	658	1,019	495
Internal/External Loan Repayments	0	0	0	0	0	0	512	1011	829	1520
CAPITAL FUNDING REQUIRED	4,125	4,007	4,145	4,242	3,329	1,923	1,576	1,669	1,848	2,015
FUNDED BY										
Depreciation	1,237	1,248	1,470	1,509	1,537	1,751	1,762	1,759	1,911	1,914
Internal/External Borrowing	2,298	2,189	2,358	2,552	1,761	426	-	-	-	-
Transfers from Water Reserve	590	570	317	181	31	(254)	(186)	(90)	(63)	101
	4,125	4,007	4,145	4,242	3,329	1,923	1,576	1,669	1,848	2,015



Wastewater Services

Hauraki District Council provides and operates wastewater reticulation and treatment schemes for seven urban areas and ensures that sewage collection, treatment and disposal is in a manner that complies with Public Health Standards and specific Resource Consent conditions. Information in the table below details the seven wastewater systems, their location and type of treatment used.



Waihi Oxidation Ponds

Area	Average System Capacity Design per Day	Resource Consents Capacity (per day)	Location of Treatment Plant	No. of Connections			Treatment scheme
				Reticulation Length (Km)	Connected Properties	Unconnected Properties	
Turua	80 m ³	250m ³	Abattoir Rd	4.3	193	27	Wastewater is treated in a single cell oxidation pond and then discharged to the Waihou River. A second maturation pond is to be installed 2006.
Ngatea	260 m ³	6050m ³	Phillips Rd	17.5	562	75	Wastewater is treated in a single cell oxidation pond, and drip feed onto two gravel beds prior to being aerated and discharged to the Piako River.
Kerepehi	100m ³	834 m ³	Ferry Rd	7.0	230	35	Wastewater is treated in two cell oxidation ponds and then discharged to Awaiti Canal.
Waitakaruru	42 m ³	42 m ³	SH25, Waitakaruru	3.0	24 (further 20 in 2006)	22	Wastewater is treated in a trickling fabric filter following pressured reticulation system, and then discharged to the Maukoro Canal.
Paeroa	2134 m ³	6000 m ³ (treated)	Irwin Rd	48.9	1987	272	Wastewater is treated in three aerated lagoons drip fed onto eight gravel beds and then discharged via UV disinfection into the Waihou River.
Waihi	1370 m ³	4000 m ³	Frankton Rd	49.2	2056	269	Wastewater is treated in a two-stage oxidation pond, prior to phosphate removal in tertiary plant then discharged via UV disinfection to the Ohinemuri River.
Whiritoa	60 m ³	392 m ³	SH 25, Whiritoa	8.5	390	49	Wastewater is treated in a facultative aerated pond, aerated, followed by a storage pond for spray irrigation onto an 8ha Eucalyptus plantation.

Network Services Group

Wastewater Services

CURRENT LEVELS OF SERVICE

Council has a regular maintenance programme for all seven treatment plants, 42 pump stations and reticulation networks.

Currently, four Wastewater Treatment Plants (WWTP) and 29 pumping stations are remotely monitored using a telemetry system that contacts operating staff in the event of a plant or pump station malfunction, allowing it to be attended to before the level of service is affected.

Paeroa, with the oldest network in the District, has a significant issue of old glazed earthenware pipelines. Flow monitoring and closed circuit television investigations are in progress to guide a priority replacement programme for these pipes.

The relatively new Waihi network (25 years old), has an issue of inflow and infiltration of stormwater into the system during significant rainfall events. This in turn causes sewerage overflows into stormwater systems. Council is undertaking flow monitoring and closed circuit television surveys to identify problem areas and prioritise remedial work. The recently completed tertiary treatment plant is achieving its treatment requirements which are conditions of the current consent. Construction costs were within budget.

Ngatea treatment plant upgrade is successfully meeting the new resource consent conditions.

Waitakaruru WWTP is in the process of installation, the initial 24 properties including the Waitakaruru School were connected by June 2005. It is anticipated that a further 22 properties west of Waitakaruru School will be connected in 2006/07.

Upgrading the Turua treatment plant to meet consent requirements will be complete June 2006. Additional pond capacity and improved flow routing are provided for.

Provision is made for anticipated upgrading of the Kerepehi treatment works to meet requirements of the renewed resource consent now in process.

The Waihi Wastewater Treatment Plant upgrade was completed and operational by the end of June 2005. The project was completed within budget and is operating satisfactorily, with chemical consumption figures at least as good as forecast.

SIGNALLING POSSIBLE CHANGE IN LEVELS OF SERVICE

There is no current programme to provide un-reticulated communities with reticulated wastewater systems. Changing economic, environmental or health considerations could raise the need for a future programme.

WHAT WILL SUCCESS LOOK LIKE?

Current Levels of Service	Measure	Method of Measuring Target	Baseline	Target 2006-09	Target 2009-16	Contribution to Community Outcomes
Provide efficient reliable wastewater system to meet the reasonable needs of the urban and commercial communities.	Number of dry weather service overflows as a result of blockages or failure of the public wastewater system each year.	Overflow register.	2004/05: 10 2003/04: 15	No more than 15.	No more than 12.	We value the provision of well-managed infrastructural services in our District.
	Develop a Trade Waste Bylaw and a Wastewater Bylaw.	Council resolution.	New measure	By 30 June 2008.	Review in 2013.	

Network Services Group

Wastewater Services

Current Levels of Service	Measure	Method of Measuring Target	Baseline	Target 2006-09	Target 2009-16	Contribution to Community Outcomes
	Compliance with trade waste consent conditions will be monitored and enforced.	Monitoring programme.	New measure	All trade waste consents granted are monitored for compliance with conditions of consent by 30 June each year from 1 July 2008.	All trade waste consents granted are monitored for compliance with conditions of consent by 30 June each year.	
	Comply with the Resource consent conditions.	Environment Waikato Compliance Report.	New measure	Substantial compliance	Substantial compliance	
Quality customer communication, consultation and service provided.	Incidents of noise and odour complaints within a 1km radius of pump station recorded.	Complaints register	New measure	<5 complaints	<5 complaints	We want to have our say on our District's future; We value the provision of well-managed infrastructural services in our District.

COUNCIL'S PROPOSED STRATEGIES

The quality and condition of the present wastewater systems will be maintained at least to their existing level.

Significant expenditure is provided for over the next ten year period to meet the expected costs of resource consent renewal. Provision is also made for the renewal of ageing infrastructure. Development of a Water and Wastewater Renewal Strategy is proceeding, leading to a prioritised programme for replacement of mains infrastructure.

Council is currently developing a programme aimed at reducing the frequency and intensity of overflow events to acceptable levels for the Paeroa scheme.

The new resource consent for Turua issued in December 2003 for the discharge of wastewater into the Waihou River led to a requirement to upgrade the treatment plant. The work, carried out under contract, is programmed for completion June 2006.

An investigation has been undertaken into the reticulation, treatment and irrigation capacities of the Whiritoa wastewater system, which has confirmed that with active management the systems capacities are expected to meet foreseen community needs.

A number of urban properties within the Hauraki District still use septic tanks. It is planned to include as many of these properties as possible in future extensions to the urban reticulation. The investigation and installation programme currently targets Waihi East and Paeroa North-East areas.

The reduction of stormwater inflow and infiltration into the sewer systems district wide is currently under investigation. Peak flow monitoring during rainfall events has been undertaken in Paeroa and Waihi and will include Kerepehi and Ngatea. Data collected will be used in conjunction with an assessment of pipe and manhole condition using video camera inspection, to quantify and prioritise a programme of remedial and replacement work.

Network Services Group

Wastewater Services

For a number of small communities in the District, package collection and treatment plants based on the Waitakaruru model may be an attractive option as septic tanks fail on economic, environmental or health grounds.

DEMAND MANAGEMENT

Council has recently completed a major programme of consent renewals and upgrading of wastewater treatment plants at Paeroa, Waihi, Ngatea and Turua and installing a wastewater collection and treatment system at Waitakaruru.

These upgrades ensure that Council's wastewater systems are able to cope with any increased demands caused by even the most optimistic growth forecasts over the next 10 years.

PLANNED CAPITAL WORKS

The Kerepehi Wastewater Treatment Plant resource consent to discharge treated effluent in Awaiti Canal, which expired in April 2005, is currently in the process of being renewed.

MAJOR CAPITAL EXPENDITURE

Project	2006/07 (\$'000)	2007/08 (\$'000)	2008/09 (\$'000)	2009-16 (\$'000)
Kerepehi treatment upgrades		125	206	
Kerepehi aerator replacement				52
Kerepehi pond de sludge			22	
Kerepehi upgrade rising main from Domain P/S	5			235
Ngatea reticulation mains replacement				316
Ngatea WWTP slag replacement				59
Paeroa infiltration/mains replacement/extension	40	42	33	149
Paeroa replacement lines from			109	1310

Project	2006/07 (\$'000)	2007/08 (\$'000)	2008/09 (\$'000)	2009-16 (\$'000)
investigation/monitoring programme.				
Paeroa septage facility	160			
Paeroa reticulation extensions	40		55	119
Paeroa new sludge disposal option				60
Waihi Victoria Street rising main construction		313	108	
Waihi Victoria Street pump replacement	80			
Waihi East End extensions; Council Share	25	26	27	
Waitakaruru extend reticulation	120	52		
Whiritoa coppicing	35	36		148
Whiritoa WWTP forest irrigation extension				337
Whiritoa inlet screens at WWTP				45

The wastewater per pan charge is forecast to increase to \$475 from 2006/07 onwards. Despite this increase, deficits are still forecast from 2006/07 to 2013/14. The principal factor driving these increases is increased costs from recent and forecast capital and renewal work such as the Paeroa, Ngatea, Waihi and Waitakaruru Treatment upgrades.

WHAT ARE THE NEGATIVE EFFECTS?

The negative effects related to the wastewater activity include:

- Negative effects could occur as a result of non-compliance with consent conditions such as spills or natural disasters.

WHERE DO OPERATING FUNDS COME FROM?

Activity	General Rates District	Targeted Rates	User Charges & Fees
Wastewater		100%	

Network Services Group

Wastewater Services

WHAT IS THE COST OF OPERATING THE WASTEWATER ACTIVITY?

	Budget 2006-07 \$000's	Budget 2007-08 \$000's	Budget 2008-09 \$000's	Budget 2009-10 \$000's	Budget 2010-11 \$000's	Budget 2011-12 \$000's	Budget 2012-13 \$000's	Budget 2013-14 \$000's	Budget 2014-15 \$000's	Budget 2015-16 \$000's
OPERATING EXPENDITURE										
Treatment	444	473	498	521	535	554	569	582	598	609
Reticulation	304	322	338	346	350	360	370	372	384	395
Fixed Costs	69	72	75	78	80	83	85	87	89	91
Overheads	248	250	259	262	265	271	276	279	285	287
Major Maintenance	39	40	42	39	40	41	48	49	12	12
Other	50	26	31	29	30	34	31	32	37	34
Depreciation	905	911	1,055	1,066	1,070	1,199	1,200	1,200	1,304	1,306
Interest	754	767	775	779	777	757	731	690	623	557
	2,813	2,861	3,073	3,120	3,147	3,299	3,310	3,291	3,332	3,291
LESS OPERATING REVENUE										
Fees and Charges	2	2	2	2	2	2	2	2	2	2
Targeted Rates	2,441	2,549	2,660	2,773	2,887	3,003	3,122	3,243	3,368	3,495
	2,443	2,551	2,662	2,775	2,889	3,005	3,124	3,245	3,370	3,497
OPERATING SURPLUS/(DEFICIT)	(370)	(310)	(411)	(345)	(258)	(294)	(186)	(46)	38	206
FUNDED BY										
Transfers to/(from) Wastewater Reserve	(370)	(310)	(411)	(345)	(258)	(294)	(186)	(46)	38	206
	(370)	(310)	(411)	(345)	(258)	(294)	(186)	(46)	38	206

Network Services Group

Wastewater Services

	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
CAPITAL EXPENDITURE										
Property, Plant and Equipment										
Renewals	201	117	247	342	279	577	446	313	393	372
Level of Service Increases	312	508	363	352	287	0	55	0	0	44
Capacity Demand Increases	185	78	82	0	0	0	0	0	119	0
	<u>698</u>	<u>703</u>	<u>692</u>	<u>694</u>	<u>566</u>	<u>577</u>	<u>501</u>	<u>313</u>	<u>512</u>	<u>416</u>
Internal/External Loan Repayments	0	0	0	27	246	328	513	841	830	1096
CAPITAL FUNDING REQUIRED	698	703	692	721	812	905	1,014	1,154	1,342	1,512
FUNDED BY										
Depreciation	905	911	1,055	1,066	1,070	1,199	1,200	1,200	1,304	1,306
Internal/External Borrowing	163	102	48	-	-	-	-	-	-	-
Transfers from Wastewater Reserve	(370)	(310)	(411)	(345)	(258)	(294)	(186)	(46)	38	206
	<u>698</u>	<u>703</u>	<u>692</u>	<u>721</u>	<u>812</u>	<u>905</u>	<u>1,014</u>	<u>1,154</u>	<u>1,342</u>	<u>1,512</u>

