

STAFF REPORT

TO: Chair and Members, Engineering Services Committee

FROM: Jeff Cuthbertson, Utilities Asset Manager

DATE: 9 September 2009

REFERENCE: W199 and W209

SUBJECT: **MINISTRY OF HEALTH DRINKING WATER SUBSIDY**

1 PURPOSE

The purpose of this report is to report on the status of the Ministry of Health Water Supply subsidy scheme to the Engineering Services Committee and to seek support for an interim way forward.

2 COMMENT

Council has proposed to apply for a government subsidy for two water supply projects at Motueka and Takaka identified in the Ten Year Plan.

3 BACKGROUND

3.1 Motueka Water Supply

Council has advised the Motueka community that it will apply for a government subsidy for the Motueka water supply. It was planned that once confirmation of the subsidy had been received Council would then re-engage with the community before committing to a way forward and any works.

3.2 Takaka Water Supply

Council has agreed with the Takaka community to construct a firefighting reticulation system around the central business district.

A submission from the Golden Bay Board to the Ten Year Plan process requested that staff re-investigate the installation of a drinking water supply to the Takaka township. This installation would be reliant on Council receiving an adequate government subsidy for the installation across the Takaka township.

It was agreed that Council would submit an application to the Ministry of Health for a government subsidy for the water scheme and on receiving confirmation of that subsidy, re-engage in consultation with the community.

4 MINISTRY OF HEALTH – DRINKING WATER SUBSIDY

Council has received a news report (copy attached) issued by the Minister of Health, Hon Tony Ryall stating that the:

“Drinking Water Subsidy Scheme is being put on hold and reviewed”.

In effect this means Council cannot, at this stage, make application for subsidy for either the Motueka or Takaka water supply schemes.

5 WAY FORWARD

The Public Health Risk Management Plans have been completed for both townships. The preliminary design and notices of intent are almost complete. Very little work is required to complete all outstanding work on both applications.

Therefore staff intend to complete both applications for subsidy for the Motueka and Takaka water supply schemes so that we are “ready to go” as soon as applications reopen.

5.1 Motueka

Council has not budgeted any work this year except to gain a water extraction resource consent. This means that we do have a period of several months to wait and see the outcome of the Ministry of Health review.

5.2 Takaka

Takaka has an approved project and funding through new targeted rates to install a firefighting reticulation system in the central business district. The specific design for this project has been on hold while staff and MWH proceed with the subsidy application.

Considerable time will be required to complete the design, resolve property issues and gain resource consent and staff propose the following:

- a) Complete the work on the subsidy application.
- b) Complete the design and preparation of tender documents for the construction of the firefighting reticulation installation.
- c) Report back to Council in March 2010 for final direction on whether to delay the installation of firefighting reticulation or make application for government subsidy for a total township supply.

It is possible to delay until around June 2010 the tender for the installation of the firefighting reticulation and still have it installed in the central business district by October-November prior to the holiday season.

6 RECOMMENDATIONS

- a) **THAT the Engineering Services Committee support staff completing all work on the Motueka and Takaka water supplies pending applications to the Ministry of Health for a subsidy.**
- b) **THAT all design work and documentation be completed for the installation of the Takaka firefighting reticulation but not tendered until either advised by Council or the conclusion of the Ministry of Health subsidy scheme review.**

Jeff Cuthbertson
Utilities Asset Manager