

STAFF REPORT

TO: Chair and Members, Engineering Services Committee

FROM: Jeff Cuthbertson, Utilities Asset Manager

REFERENCE: W209

SUBJECT: **Motueka Water Supply – Ministry of Health Drinking Water Subsidy Application – RESC-11-02-09-DEC**
Report prepared for meeting of 3 February 2011

1 PURPOSE

- 1.1 The purpose of this report is to seek approval for the Engineering Services Committee and the Motueka Community Board to make application to the Ministry of Health's Drinking Water Subsidy Scheme

2 BACKGROUND

- 2.1 Motueka is only partially reticulated by a public pressurised water supply. Almost 75% of the township relies on private shallow bores to obtain their drinking water. In this area of the township there is no pressurised firefighting water supply. The NZ Fire Service relies on a series of wells/fore bores for fire truck water extraction.
- 2.2 Council included funding for the reticulation of the remaining section of Motueka township in the 2009-2019 Long Term Plan.
- 2.3 Following public consultation Council agreed that unless a satisfactory central government subsidy for the installation of the Motueka water reticulation scheme was achieved, then it would not be installed.
- 2.4 For the purposes of Council's 2008 application to the Ministry of Health for subsidy the township was split in two. The area where Motueka is already reticulation was referred to as "Motueka Coastal Water Supply Area". The area where there was no reticulation was referred to as "Motueka Plains Water Supply Area" (refer attached plans (Appendices 1 and 2)).

3 MINISTRY OF HEALTH – DRINKING WATER SUBSIDY

- 3.1 Council prepared an application to the Ministry of Health, Drinking Water Subsidy Programme for the Motueka water reticulation in 2008-2009.
- 3.2 Following the national election in 2009 the Government placed the drinking water subsidy programme on hold in order to conduct a review of the eligibility criteria.
- 3.3 In December 2010 the Ministry of Health announced that it would again seek applications for drinking water subsidies.

3.4 The criteria for gaining a drinking water subsidy under the December 2010 announcement have been altered in comparison to the original scheme. Some of the changes are, but not limited to:

- Communities with a maximum population up to 5000 would be eligible for subsidy.
- The proposed scheme must be owned and operated by a local authority or community for the benefit of that community.
- Subsidy is capped at \$1000 per eligible person.
- The subsidy funding pool is limited to \$10 million per year across New Zealand.
- Deprivation index less than 7 will not be considered.
- The application must demonstrate that there is community support for the water supply plan and there is a clear public health need.
- Applications close on 30 March 2011.

4 MOTUEKA WATER SUBSIDY APPLICATION

4.1 Motueka is one of the largest (if not the largest) communities in New Zealand without a fully reticulated public drinking water supply. This fact is accepted by the Ministry of Health.

4.2 Over the past few years staff have held many meetings with Ministry of Health staff who have supported Council's intention to make an application for the drinking water subsidy for Motueka.

4.3 Council is now in a position to make an application to the Ministry of Health for a Drinking Water Subsidy for the Motueka Plains Water Supply Area.

4.4 The Motueka Plains Water Supply Area has a deprivation index of 7.3. The population that will form the basis of the application is between 4000 and 4500. This deprivation index and based upon the population maximum, a subsidy rate of 50-55% is achievable. people.

4.5 If the application is based on 4000 people Council will only gain funding of \$4 million (based on a maximum subsidy rate of \$1000 per person).

4.6 Based on the risk calculation (the existing water source is based on "shallow groundwater/springs that are less than 10 metres deep), the value of the risk of health score is +15.

4.7 Motueka's ranking score is 22.3. The calculation of this ranking is:

Deprivation Index plus Risk to Health Score = Ranking Score.

The highest ranking score is believed to be 30.

4.8 In its application, Council must be able to show that it has community support. To gain this element of the application it is intended to table this report to the Motueka Community Board. If the Community Board gives written support to the application for a drinking water subsidy it is believed that this will satisfy the Ministry of Health. Obviously if the Community Board does not support the application then Council will need to reconsider whether to apply for the subsidy at this time.

5 RECOMMENDATIONS

- 5.1 THAT the Engineering Services Committee receives this report RESC-11-02-09.**
- 5.2 THAT the Engineering Services Committee supports the application to the Ministry of Health for a Drinking Water Subsidy for the Motueka Plains Water Supply Area as outlined in this report, RESC-11-02-09.**
- 5.3 THAT staff submit this report to the Motueka Community Board requesting their written support for the Motueka Plains Water Supply Area to have a fully reticulated water supply including Council's intention to make application to the Ministry of Health for a Drinking Water Subsidy outlined in this report RESC-11-02 -09.**

Jeff Cuthbertson
Utilities Asset Manager