



December 2015

Your water supply upgrade

This newsletter is to update you on what's happening with the Hampden-Moeraki and Herbert-Waianakarua water supply upgrades, which will begin soon. It provides some background on what has been decided and why, and how you will benefit from the upgrade. We will provide more updates as the upgrade progresses, including information on any important decisions that may affect you.

Background

Last year we asked everyone connected to the Herbert-Waianakarua and Hampden-Moeraki water supplies to tell us how they would prefer their water supply to be upgraded to meet the Government's Drinking Water Standards.

A range of upgrade options were presented that had been investigated, along with the costs for these.

More than 60 percent of those who responded said

they wanted to be connected to the Oamaru water supply.

The Council agreed in February 2015 to go ahead with connecting the supplies to Oamaru and work will begin early in the New Year to lay the pipework. It's expected your supply will be connected to Oamaru within the next two years.

Will other options still be considered?

When the decision was made in February, it was also agreed that if any other cost-effective options were identified by the Herbert-Waianakarua and Hampden-Moeraki Water Supply Sub-Committees before work commenced, we would consider them.

Other options brought forward by the committees did have a lower total cost – but they would have required

a bigger increase in rates to pay for them, due to economies of scale.

The alternative options considered were less reliable, and there was also concern about how well they would deal with flood and drought issues and whether the water would be good enough to meet the Government's requirements.

Why must the upgrade be done?

Since the Government's drinking water standards became law in 2007, the Council has been required to upgrade several water supplies throughout Waitaki. This has mostly been done by joining neighbouring ones together and using a common water intake and treatment plant, with some supplies being connected to the Oamaru supply - including Weston, Enfield and Kakanui.

As a result of the upgrades, more than 17,000 Waitaki residents now receive clean, continually available, safe water that meets the Government's requirements.

The largest outstanding population in the district yet to receive upgraded water is the Hampden-Moeraki and Herbert-Waianakarua supply areas, which have a population of almost 1,200 - or around half of the remaining users on non-upgraded supplies.

Issues with the Herbert-Waianakarua and Hampden Moeraki supplies

The Hampden-Moeraki supply draws its water directly from Big Kuri Creek. The Herbert-Waianakarua supply draws its water directly from the Waianakarua River (north branch).

These water intakes are similar - both are relatively small, steep, tussock and bush covered catchments that respond rapidly and significantly to heavy rainfall. The supplies quickly get dirty when it rains and the water becomes un-drinkable, meaning we often need to turn them off for days on end.

The water intakes also sometimes block up, freeze or run dry. In summer we usually have to take all the water from Big Kuri Creek and still don't have enough water for people on the supply. There is no capacity to

supply more water for new users in the future.

Our water supply operators work hard to keep the water flowing under these conditions.

Both of the river sources have a degree of contamination from wild animal droppings, and Cyanobacteria has been confirmed as being present in the Wajanakarua River.

All of these issues - flood, freezing, bug contamination, drought, and dirty, discoloured water - need to be addressed when considering upgrade options.

This adds to the complexity and cost of any localised treatment plant, while reducing certainty that it will always work.

Herbert-Waianakarua water supply intake (Waianakarua River)



Above: The Herbert-Waianakarua Water Supply intake on the Waianakarua River in normal conditions.



Above: The Waianakarua River in flood.

Below: The Waianakarua River freezing around the intake during winter.



Hampden-Moeraki water supply intake (Big Kuri Creek)



Above: The Hampden-Moeraki Water Supply intake on Big Kuri Creek getting low.

Why Council decided to connect these supplies to Oamaru

We thoroughly investigated a wide range of options for upgrading the supplies - including upgrading the treatment at the existing intakes. In making the decision, we considered the following questions for each option:

- Is it proven and reliable over the long term (that is, will it allow us to meet the Government's standards)?
- · Is it an easily accessed, abundant and good quality source of water?
- Does it reduce the risk of contamination?
- Is it easy to build and run?
- Is it affordable for ratepayers?

We also considered the feedback from the community. It became clear that connecting to Oamaru was the best and most affordable option overall.

The benefits you will get from being part of the Oamaru supply

The Oamaru water supply treatment plant was upgraded in 2008 to meet the Drinking Water Standards. The Oamaru plant is a state of the art membrane treatment complimented with odour and taste removal and bug treatment. The plant supplies very high quality water to residents and their satisfaction levels with the supply have increased significantly since 2008.

The Oamaru upgrade addressed not only the taste and clarity of the water, it also ensured that the Government's requirements for safe drinking water were met by vastly improving the treatment standard, process and reliability.

The Oamaru water supply has sufficient capacity to provide reliable, safe drinking water to current and future users throughout both the Hampden-Moeraki and Herbert-Waianakarua supply areas.

In summary, connecting to Oamaru will:

- Provide you with clean, safe and reliable drinking water that meets the Government's standards
- Stop disruptions to your drinking water supply during floods or droughts
- Have the least impact on your rates bill out of all of the options considered





Above: The Oamaru Water Supply Treatment Plant.

Above: The Oamaru Water Supply Treatment Plant in operation.

Why connecting to Oamaru costs more – but will cost you less

Connecting to Oamaru is not the cheapest option available. It requires more than 30 kilometres of pipework to be installed between the supplies and Oamaru, and other pipework is going to be upgraded.

The total cost of completing the upgrade is going to be around \$5million.

Funding for the water supply upgrades is complex. Essentially, consumers connected to the supplies must pay for the cost of the upgrade through existing reserve funds and rates - it cannot be funded from other ratepayers in the district who are already paying for their own water supplies.

The difference in funding between a local treatment solution and connecting to Oamaru is, in summary:

Funding a local solution (eg treating the existing water by upgrading the existing intakes and treatment plants)

There are very limited reserve and renewal funds available for the Hampden-Moeraki and Herbert-Waianakarua water supplies because there aren't many ratepayers on the supplies and there is minimal growth in these areas.

Even though a local solution might be cheaper overall, without much in the way of reserve funds available to contribute to the upgrade, we will have to raise a large loan to pay the difference.

The cost of servicing this loan would have to be met by you as ratepayers - which would mean a bigger rates rise following the upgrade.

Funding the connection to Oamaru

By making the Herbert-Waianakaru and Hampden Moeraki supplies part of the Oamaru supply, we will be able to access a larger pool of reserve and renewal funds to pay for a bigger proportion of the upgrade costs.

This means we will not have to raise such a big loan to pay the difference - so the rates rise will be less than it would be for a local upgrade solution.

You will be getting the financial benefit of being part of a bigger water supply with more contributing ratepayers (Oamaru water supply ratepayers will be contributing to the upgrade because you'll be ratepayers on their supply).

If you have any questions regarding the upgrade, please get in touch using the contact details below.



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