

We're starting to make some great progress narrowing down the options after several Community Working Group meetings and some valuable discussion and feedback from the community during our November round of public meetings.

We are still targeting a March 2013 deadline to get a preferred option to the Waikato Regional Council.

Four options out - two options remain

Welcome to our third newsletter for the Thames Valley Water Project. The purpose of this update is to let you know what options have fallen out of contention since we last presented the full suite of options and what options are still on the table!

If you need a refresher on the background to the project, the challenges we are facing and the options we originally started this journey with, turn over a couple of pages and read up about the water schemes and what this project is all about.

Please also visit www.tcdc.govt.nz/thamesvalleywater for more detailed information and background.

Out

1. Find new groundwater and surface water sources to complement existing sources

This option has been discarded because:

- The water is not a good quality - it is high in iron and dissolved metals
- The option is too expensive for a limited supply of water (\$7M)
- The option has no support from the community
- We think we can use our own local water (off the hills) more effectively and more sustainably

2. Supply from the Kerepehi Water Treatment Plant

This option has been discarded because:

- The water from HDC is more expensive than our water charges (because it is treated to drinking water standards)
- HDC may have to upgrade their treatment plant and apply for more water take with a new consent (\$10-12M)
- The option has little support from the community
- We think we can use our own local water (off the hills) more effectively and more sustainably
- Information that we currently have shows that this is unlikely to be an option

3. More self-sufficiency for residents and hand back scheme to farmers

This option has been discarded because:

- There is little support from farmers to take this system over given the responsibilities required in managing the operations collectively
- There has been some support for water tanks for residential dwellings, but more on a voluntary basis - this option will be considered further alongside the "retain and enhance" existing operations
- There was much concern about the ability for residents to find room for water tanks and concern about the on-going costs to maintain individual systems
- The option wasn't seen as affordable for farmers or most residents (\$7.1M)
- We think we can use our own local water (off the hills) more effectively and more sustainably
- The community saw this as a step backwards from a fully reticulated supply

4. Connect the three Thames Valley schemes to the Thames Town supply

This option has been discarded because:

- ▶ Unaffordable: The Thames Water Treatment plant would need upgrading, pipes would need upgrading and potentially a new resource consent required to increase water take (all up \$10M +)
- ▶ Communities not convinced as to the requirement for drinking water quality
- ▶ We think we can use our own local water (off the hills) more effectively and more sustainably

In

These options are still 'in' and are now being worked on by TCDC staff and the Community Working Group in more detail.

Doing nothing is not an option, as the status quo isn't sustainable or won't be legal! We have very old infrastructure and regional council resource consents expiring (we won't achieve consent without reducing demand), so we need to invest. We need to continue monitoring the health of the streams to assess the effect we are currently having on them. Previous assessments have shown the water takes are having an adverse effect on the health of the streams.

The question is what option is affordable, practical and will future-proof us?

1. Optimise and retain existing operations

This option includes the following:

- ▶ Retain the existing intakes and water schemes (including the Apakura)
- ▶ Connect the Puriri and Matatoki schemes (they aren't connected at the moment - this will reduce the take required on the Matatoki stream)
- ▶ Renewal of the existing pipelines to reduce leaks and breakages (undertaken as a 25 year programme)
- ▶ Reduce intake volumes over time as losses are reduced because of new pipes being installed
- ▶ Potential to install Chlorine dosing at each intake - to limit organic growth inside pipe.
- ▶ Upgrades to the intake infrastructure (screens etc) to improve quality
- ▶ Water meters and water charges for all users (farms and residential) to over-time, reduce water demand
- ▶ **From community feedback:** Add a voluntary scheme (a loan from Council) for residential properties to have water tanks installed to capture and store rain water thereby reducing or eliminating future water usage charges (by meter)
- ▶ **From community feedback:** Negotiate with Regional Council and Hauraki District Council to take over the consent from Apakura Stream and take more of this water after HDC don't need it anymore once the Kerepehi Water Treatment Plant is fully operational
- ▶ Investigate further the requirement for reservoirs to smooth out daily demands
- ▶ \$5.3M over 10 years (not including water tank scheme loans)

How much would this option cost me on my rates?

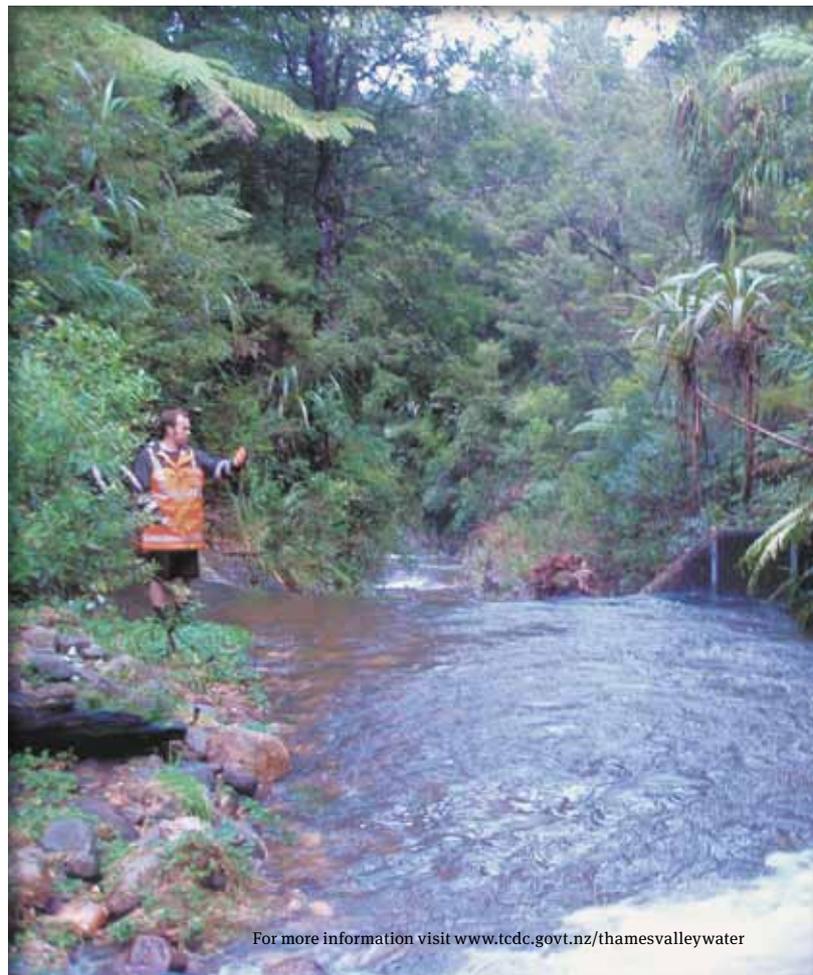
We'd need to collect approximately twice the amount of water rates we are collecting from the Thames Valley for water. Work is ongoing, investigating the options available for funding the project that is sustainable for the communities.

2. Supply all water from the Puriri

Residents still want this option explored some more.

This option includes the following:

- ▶ Apply for a new consent & intake on the Puriri River
- ▶ Build a new pump-station
- ▶ Renew and upgrade reticulation to stop leaks and breakages
- ▶ Investigate further the requirement for reservoirs to smooth out daily demands
- ▶ Minor treatment (solids & colour only)
- ▶ Connect the Puriri and Matatoki schemes (they aren't connected at the moment)
- ▶ Cost: \$12.6M over 10 years - this might come down once we do further investigation



More feedback & information from November's public meetings

- A priority should be to connect the Matatoki and Puriri Schemes to better manage demand and supply
- There was concern about the cost of water tanks and filters for residential properties and not having room to place tanks on a section
- Not that happy about costs to hook up to Thames water supply and added chemicals like fluoride
- Some residents like the idea of water tanks as a supplement to the town supply during summer
- Water meters will be on all 4ha+ properties by the end of the month
- Regional Council's standards are very challenging to meet- we're all looking for a sustainable compromise because the status quo isn't an option
- All supplies now have working filters installed so residents should see an improvement in quality over time to their water
- Even if people installed water tanks, if the pipes run past your property you'll still get charged an "availability charge", but limited savings could be made from not using water "through the meter"
- Whatever the option chosen, the pipes still need to be replaced
- Low dose of chlorine to reduce organic growth in pipes is planned in upgrades and improve water quality

Project Plan - Major milestones

Here's a high level summary of the next steps in the project:

December: Based on feedback from November's public meeting, continue to work with the community and the Working Group to narrow down the options and do more detailed work on remaining options

17 December: Public meetings: Present back to the community a more detailed investigation of final options - and receive feedback on refined options

February 2013: Take the communities preferred option to the Thames-Coromandel District Council for approval and begin process to amend Council's Ten Year Plan

March 2013: Present the Waikato Regional Council with the communities and TCDC's preferred option

April 2013: Apply for new consents

May 2013: Continue renewals and work programme

A Refresher Course: Thames Valley Water Project

Just for a refresher, here's a backgrounder in all things Thames Valley water, including the project plan, information about the current water schemes and the objectives and challenges we need to meet and overcome.

Our objectives

- To select and implement the communities preferred option to future-proof and upgrade the Thames Valley Water supply
- To reduce the water we are taking from the environment to a more sustainable level
- To achieve new resource consents (for taking water) from the Waikato Regional Council

Project Background

The Thames Valley water supply upgrade project has been identified in our plans for a number of years for the following reasons:

- The water supply pipes are very old (in some places well over 60 or 70 years) and they need replacing
- We need to apply for new resource consents from the Regional Council to take water from the Omahu, Apakura and Matatoki streams. The Regional Council have told us that we can't take as much water from these streams in the future. This means a new source of water could be required or we have to reduce our take from the current sources and conserve more water

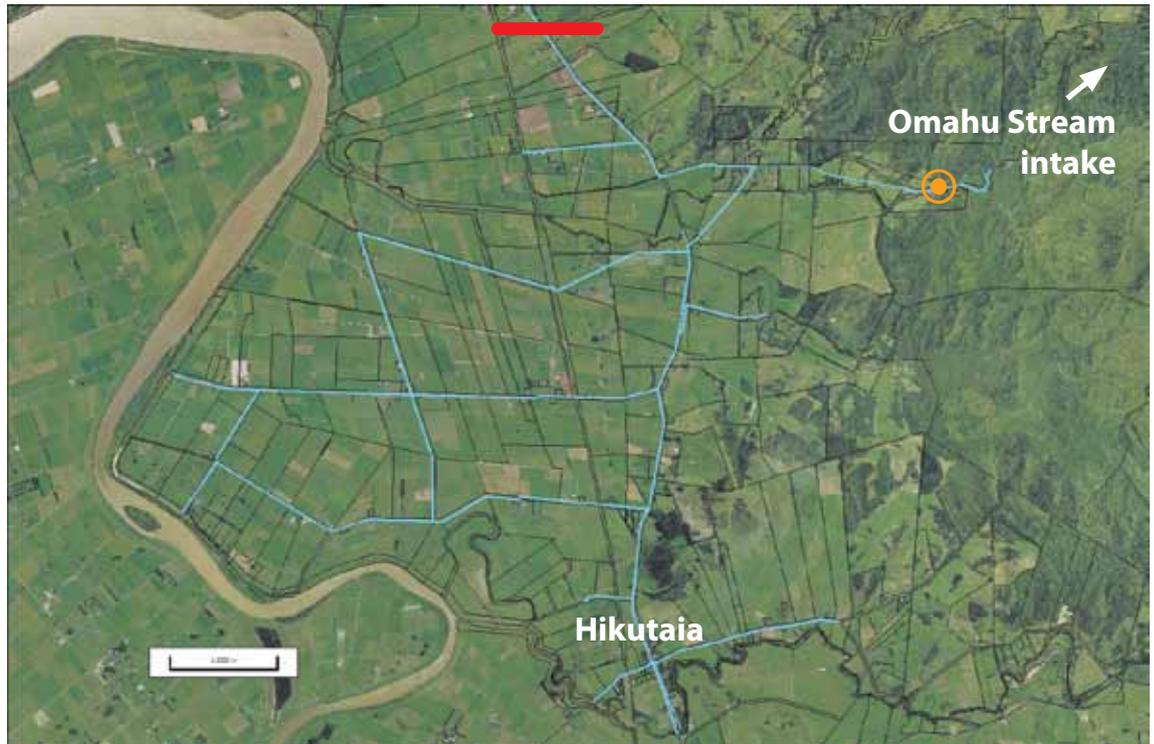
The Water Schemes

The Thames Valley Water Project covers the following settlements and three separate water supplies:

- Hikutaia and Omahu - supplied by the Omahu Stream
- Puriri, the village and the rural community, is supplied from a Hauraki District Council owned intake on the Apakura stream (which is a tributary to the Puriri Stream)
- Matatoki - supplied by the Matatoki Stream

Hikutaia Water Scheme

- Hikutaia and the surrounding rural communities (e.g. Omaha) are supplied from an intake on the Omaha Stream
- This supply is not treated other than the new water filter and does not currently meet Drinking Water Standards (DWS)
- The Puriri scheme is connected to the Hikutaia scheme. (While the two schemes are joined they are normally kept separate with the valve remaining closed unless more water is needed by one scheme)

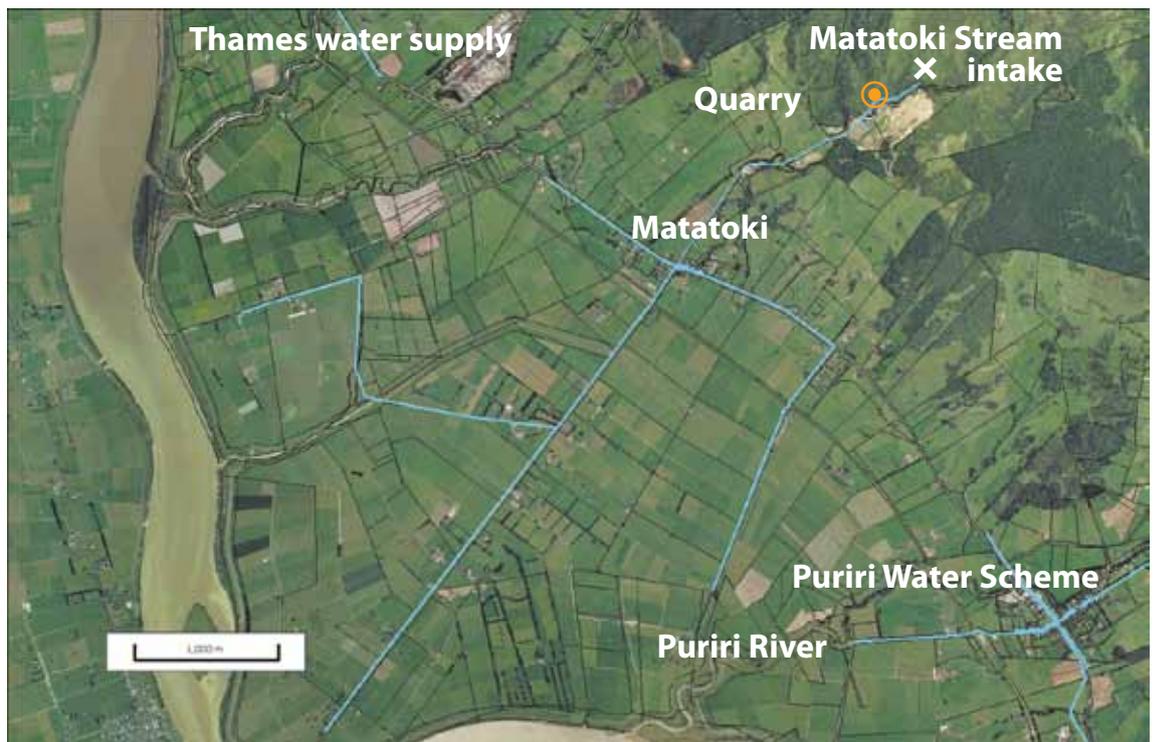


KEY

- Water pipes
- Valve between Puriri scheme and Hikutaia Scheme
- Water filter (new)

Matatoki Water Scheme

- The water for Matatoki is supplied to us from the Matatoki Stream with the intake located adjacent to the Quarry (see map below)
- The water is treated with chlorine and 130 micron disc filter, it is recommended consumers install onsite systems to treat the water
- This supply does not currently meet Drinking Water Standards (DWS)
- The Matatoki scheme is not connected to the Thames town supply or to the Puriri scheme



KEY

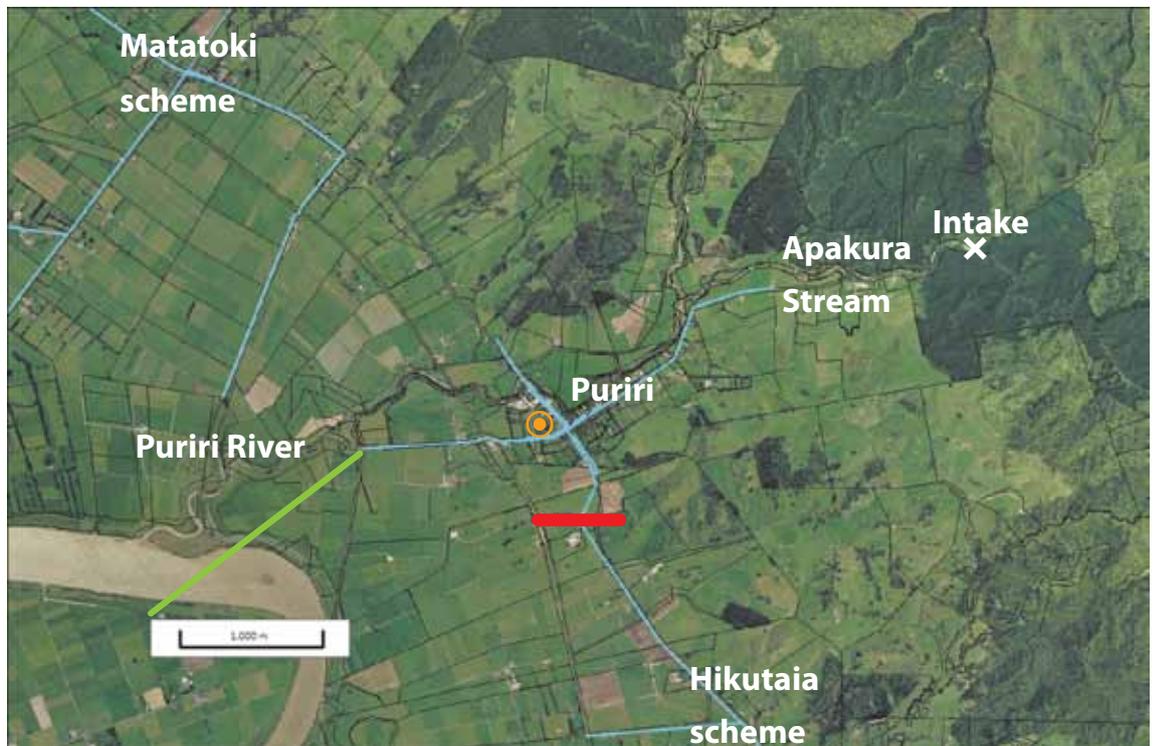
- Water pipes
- Water filter (new)

Puriri Water Scheme

- Puriri, the village and the rural community, is supplied from a Hauraki District Council owned intake on the Apakura stream (which is a tributary to the Puriri Stream)
- This supply is not treated and does not currently meet Drinking Water Standards (DWS)
- The Puriri scheme is not connected to the Matatoki scheme
- The Puriri scheme is connected to the Hikutaia scheme. (However, while the two schemes are joined they are normally kept separate with the valve remaining closed unless more water is needed by one scheme.)

NB: The Hauraki District Council (HDC) may retire their intake and give up their consent at the Apakura River once the upgrade to their Kerepehi Water Treatment Plant is completed later this year.

The Regional Council have told us that this water take at current volumes is not going to be able to be given to TCDC if HDC give up their consent (the Regional Council believe there is too much water being taken by both councils so they will reduce the take when HDC stop their supply from this stream).



Challenges

The project has to deal with a few challenges at once, including 3 separate water schemes, requiring 3 new Regional Council resource consents soon (requiring reduced water takes), ageing infrastructure, increasing demand for water and the government's drinking water standards which are forcing many communities to upgrade or install water treatment facilities.

The Thames Valley water project needs to face all of these challenges and design upgraded water schemes that:

- Achieve new resource consents from the Regional Council
- Reduces demand or finds new water sources to achieve consent
- Deals with replacing old pipes and leaks (which will also help reduce water demand)
- Manages issues around the government's drinking water standards

Challenge #1:

Resource consents and water demand

To take water from rivers and streams, district councils need to get resource consents from the Regional Council. It's their job to make sure the water being taken from these sources is sustainable and doesn't have a negative effect on the environment downstream.

The issue: Our resource consents are expiring soon and we need to apply for new ones, but the current supplies and the way the schemes are set up will make this a challenge without significant investment in upgrading the schemes and reducing our water take or finding new water sources to supplement the reduction of our water take from the current sources.

The facts:

- Obtaining resource consents for water supplies on the Coromandel Peninsula is often difficult due to the small capacity of most Coromandel streams
- Challenges have been faced over a number of years, in Matatoki in particular, due to the low flows in the streams during the summer period

Our water demand below shows we are taking too much water:

Catchment	Design Demand During Peak Summer Period (m ³ /day)	"Regional Council Policy" 10% of Q.5 (m ³ /day) low flow
Matatoki	1,150	86.4
Omahu and Hikutaia	1,860	302.4
Apakura	> 3500 (HDC) 800 (TCDC)	432

1 cubic meter of water (m³) = 1000 litres of water.
10% of Q.5 (low flow) is the default allocable flow set by the Regional Council

- ▶ Waikato Regional Council (WRC) have confirmed that our water takes are not a sustainable for TCDC in the long term
- ▶ Matatoki consent expires in 2016
- ▶ Hikutaia expires in 2019
- ▶ Puriri (HDC) consent expires in 2015
- ▶ We need to have a plan of action submitted to the Regional Council by the end of March 2013, which shows how we are going to reduce the take from the streams or make the schemes more environmentally sustainable



Some examples of installed water meters.

Water Meters

All agricultural users and those living on lifestyle blocks greater than 4 hectares will be getting water meters installed by the end of November, 90% of these properties already have these installed.

Water meters encourage water savings because people have to pay for what they actually use so are motivated to use less, which will ultimately help us reduce the amount of water we take from our streams and will make it easier to get new resource consents.

We think user-pays is a fairer way to charge for water.

Making better use of water may also reduce the need to find new water sources in the future, which will save ratepayers money as well.

So in the end, once the water meter system is helping us all to better manage water demand, our use of water from existing sources may become much more sustainable.

Here's a few questions and answers about meters.

Why are you installing water meters?

- ▶ To encourage users to conserve water by moving to a user-pays charging model. The less you use, the less you pay
- ▶ To fully understand how much water is being used and how much may be leaking

How are you going to stop the meters being blocked by debris?

The pipes in the various schemes are old and often full of debris, also our intakes also let in bits and pieces too.

We're installing large self-cleaning filters at the Hikutaia and Matatoki schemes (Puriri has had one for a few years), which will come on line in November (refer to the scheme maps for their locations).

As part of this project, we have also put on screens at the intakes to help reduce the chance for blockages.

When will you start charging for water?

We are currently working through the details of the charging structure that will be implemented. The details of this will be communicated once completed and prior to any water rates notices being sent.

Challenge #2:

The pipes are getting old

The water pipes are over 60+ years old and were originally installed by the farming community, so parts of the network have come to the end of their useful life and large scale replacements are required.

The facts:

- ▶ Regardless of what options are selected to improve the schemes, renewal of pipes will be required
- ▶ We also know we're losing water from leaks, which if fixed, will reduce our take from the streams and make getting resource consents easier (because we need less water)



Challenge #3: Government Drinking Water Standards

Our current schemes do not comply with the Government's Drinking Water Standards.

The Facts:

- As part of our 2012 Ten Year Plan, the decision was made not to pursue water treatment due to the cost, the uncertainty around the draft standards and the fact that this is a mainly rural/agricultural supply (this is why the budget for the project dropped from \$12M to just over \$5M - yes that's right, a water treatment plant would cost the community about \$7M)
- Good news: The latest indications from the Government are that the Drinking Water Standards should be applied only where practicable (i.e. only if it's affordable), so this issue might not be a major challenge after all!
- The Drinking Water Standards will be finalised in 2015-16 (this is when we will know for sure about the rules for treatment around rural water schemes), in the meantime we think our position to not treat the water is a sensible one, however the community at large may have a different point of view

**We don't
have all the
ideas**

While we've done much work in the past on the various options, it's important the community are involved in the way forward. Also, we don't have exclusive rights for generating good ideas, so there may also be other solutions out there we've completely missed!

Council and the community also need to be united when it comes to approaching the Regional Council for new consents, so we need to work together to find solutions that the majority agree with (we're never going to get 100% support for everything).

A community working group has formed to start working through the options and will be in touch via community meetings to discuss work-in-progress.

Community Working Group Membership

Feel free to contact your community working group members

- Deputy Mayor and Thames Councillor **Peter French**
- Thames Community Board member **Mark Bridgman**
- Thames Community Board member **Lester Yates**
- Brian Revell**
- Lynne Kingsbury**
- Michael Price**
- Paul Bax**
- Warner Hunter**
- Barry Akehurst**
- Simon Marriott**
- Iwi Representative **Craig Reidy**

Contact your Community Working Group

Please feel free to make contact with members of your Community Working Group to discuss the options and your ideas and make sure you book in your diary to come to the next residents and ratepayers meeting.

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Final Residents and Ratepayers Meeting for 2012

We've had a couple of public meetings in October and November, we have a final series set up for December to further refine the preferred option(s) and take feedback on the work of the Community Working Group.

December Meeting

- Where : Puriri Hall
When : Monday 17th December 2012
Time : 12pm and 6pm (repeats - just choose one to attend)

Need more information?

Please visit our website www.tcdc.govt.nz/thamesvalleywater
or email us rodney.clark@tcdc.govt.nz or ben.day@tcdc.govt.nz
or phone **868-0200**.

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