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**Report No. 01.303**

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Report to the Utility Services Committee  
from David Benham, Divisional Manager, Utility Services

## **Divisional Report**

### **1. Purpose**

- To comment on the Utility Services Division's financial performance for the nine months ended 31 March 2001.
- To outline various other relevant areas of interest or activity.
- To receive the attached activity reports to 31 March 2001 (Attachment 1).

### **2. Divisional Performance for 9 Months Ended 31 March 2001**

#### **Water Supply**

Operationally the last quarter has seen the system perform very well over a long and sustained period of high demand. Whilst not reaching the peaks of previous years, the treatment plants have coped well.

The overall financial position continues to improve and after nine months shows a better than budget performance of \$800,000. It should be noted that this excludes the accounting generated surplus from Hutt City Council's contribution to de-fluoridating Petone's water. It is pleasing also to record that operating expenditure, as well as financial costs, are tracking under last year for the nine months to date.

The capital expenditure forecast shows that pretty well all projects will be completed within time. Savings on completed projects included in our original 2000/01 budget are expected to be \$462,000. In addition, projects worth \$298,000 have been deferred for various reasons.

The detailed quarterly review documentation is due to be considered by the Council on 29 May 2001.

## Plantation Forestry

A good quarter has resulted in a reduction in the deficit at December of \$231,000 to a deficit of \$94,000 at March. However, a considerable weakening of the market since then will mean we will not meet our revised December break-even target by year-end. We are now forecasting a year-end deficit position of \$246,000. The Managers' detailed report will traverse the various issues.

Last Year to Date		Year to Date Actual \$000s	Year to Date Budget \$000s	Year End Forecast \$000s	Year End Budget \$000s
<b>Water Supply</b>					
23,780	Income	23,336	22,755	31,038	30,339
21,237	Expenditure	20,889	21,392	27,932	28,588
<b>2,543</b>	<b>Operating Surplus</b>	<b>2,447</b>	<b>1,363</b>	<b>3,106</b>	<b>1,751</b>
504	Operations Wholesale	431	-	576	-
(86)	Operations Network	118	30	100	38
166	Strategy and Asset	479	-	558	-
1,774	Support Services	1,301	1,301	1,723	1,674
144	Engineering Consultancy	70	28	93	36
41	Laboratory Services	48	4	56	3
<b>2,543</b>	<b>Operating Surplus/(Deficit)</b>	<b>2,447</b>	<b>1,363</b>	<b>3,106</b>	<b>1,751</b>
<b>Plantation Forestry</b>					
3,260	Income	2,369	4,160	2,948	5,546
3,007	Expenditure	2,463	3,952	3,194	5,271
<b>253</b>	<b>Operating Surplus/(Deficit)</b>	<b>(94)</b>	<b>208</b>	<b>(246)</b>	<b>275</b>

### 3. Water Integration

Period of formal public consultation ended on 30<sup>th</sup> April, with hearings to take place over 9/10/11 May. The expectation is that the Councils formal consideration of the proposal is likely to be in June.

### 4. Water to Kapiti

At the request of Councillor Turver, the attached material (Attachment 2) was prepared for him and circulated to all councillors. An outcome of that has been that a Kapiti Coast District Council (KCDC) Committee has held a special meeting and recommended to a full KCDC meeting that the WRC be approached to "... confirm the costs to enable progress to be made with the investigation of the feasibility of this project."

As at the date of preparing this report the full KCDC has not met. As things stand at

this point in time, we have simply said that we are happy to discuss and develop with KCDC, if asked, any options that may enable water to be supplied to the Kapiti Coast from the Wellington system. As a matter of courtesy I have written to our four city customers informing them that these discussions with KCDC may take place.

**5. Recommendation**

*That the report is received and the information noted.*

DAVID BENHAM  
Divisional Manager, Utility Services

Attachment 1: Utility Services Division's Activity Reports to 31 March 2001  
Attachment 2: Memo to Councillor Turver re: Options for supplying Water to Kapiti Coast