
Greater Wellington Water

October 2003

Operations Group

October 2003

Operations Group

Review of Operations for the Period Ended 31 October 2003

1. Items of Note

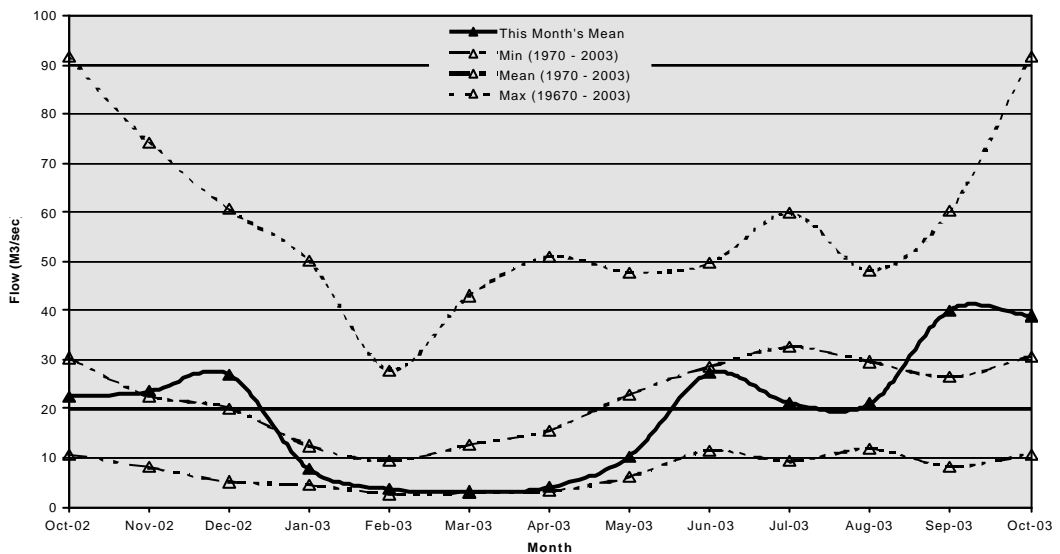
- The high numbers of algae (non-toxic) in lake 2 remain. Fortunately the weather has been such that the need to use the lakes has been minimal.
- Barry Castle retired at the end of October after over 32 years service at Wainuiomata.
- Operations staff continue to provide support to Masterton District Council in relation to operating the Masterton treatment plant.

2. Supply Situation

The Stuart Macaskill lakes are now full. There have been no issues with supply for the period.

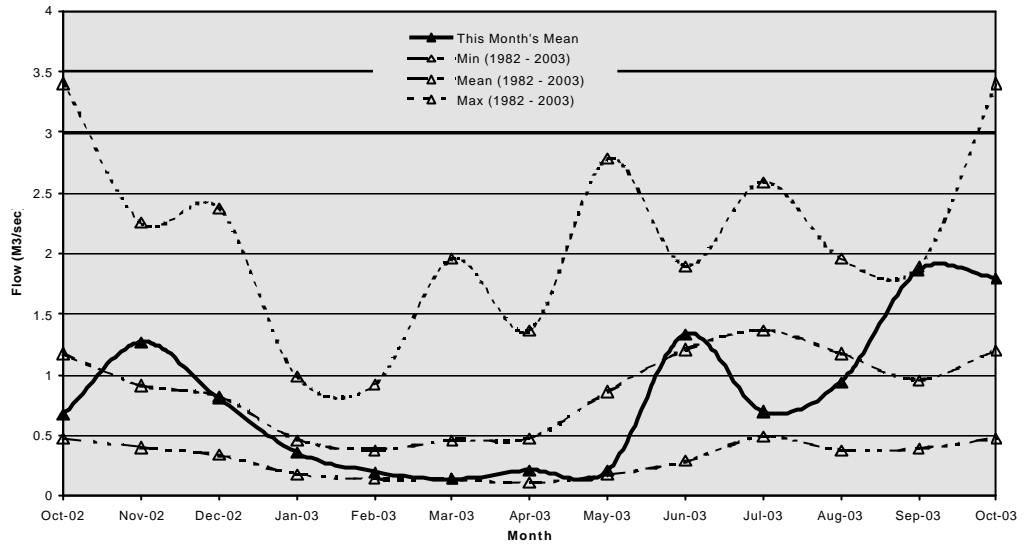
Hutt River Flows

The mean monthly flows in the Hutt River for the period was above average.



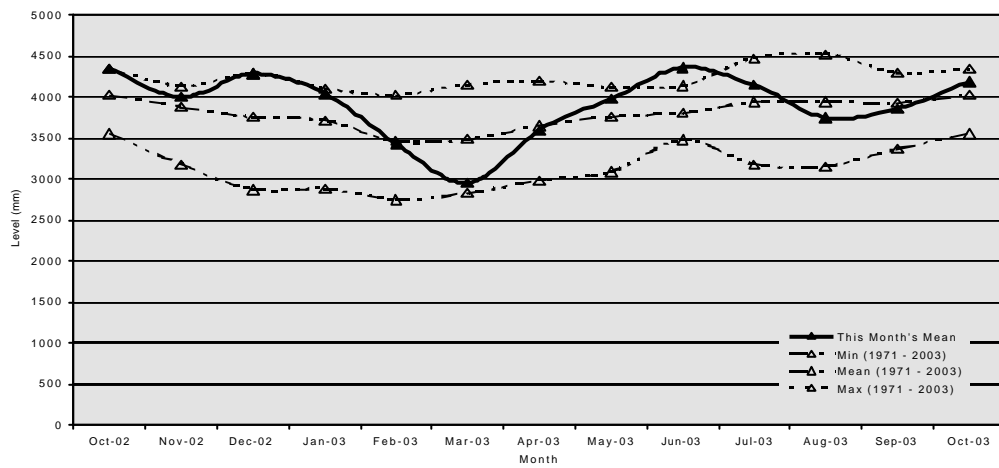
Wainuiomata River Flows

The mean monthly flows in the Wainuiomata River were above average.



Aquifer Levels

The water level in the Waiwhetu aquifer was above average.



3. Treatment Plants

3.1 Wainuiomata

3.1.1 Quality

There are no quality issues to report.

3.1.2 Health and Safety

There are no accidents or incidents to report.

3.1.3 Operations and Maintenance

Wainuiomata treatment plant was out of service for a week when, during the annual inspection of the treated water reservoir, it was found that the baffle curtain anchors had failed and had to be replaced.

3.1.4 Plant Tours

- Wellington School of Medicine (4 persons).
- Saint Benedicts Primary School (100 persons).
- Wainuiomata Primary School (135 persons).

3.1.5 Capital Works Projects

- PLC Replacement – Preferred supplier selected.
- Upgrading the Wainui river intake is planned for early 2004
- Commissioning of centrifuge speed control completed

3.2 Waterloo Water Treatment Plant

3.2.1 Quality

There are no quality issues to report.

3.2.2 Health and Safety

There are no accidents or incidents to report.

3.2.3 Operations

- Wellington Pump No 3 VSD failed and required the manufacturer to visit site to carry out repairs.

- Refurbishment of the emergency mobile generators has begun. During disassembly design faults were found which need to be rectified. This will delay the work and increase refurbishment costs.

3.2.4 Plant Tours

There were no tours during the period.

3.2.5 Capital Works Projects

- Construction of the emergency generator shed is complete.
- The commissioning of the new standby generator is complete.

3.3 Te Marua

3.3.1 Quality

There are no quality issues to report.

3.3.2 Health and Safety

There are no accidents or incidents to report.

3.3.3 Operations

Instrument calibration checks have been carried out in preparation for the high flow trial.

3.3.4 Plant Tours

There were no tours during the period.

3.3.5 Capital Works Projects

Prices are being sought for the replacement of the filter differential pressure transmitters.

4. Distribution

4.1 Quality

There are no quality issues to report.

4.2 Health and Safety

There are no accidents or incidents to report.

4.3 Operations

All scheduled maintenance activities carried out as planned:

- 2 monthly scour valve exercise on the Hutt Line.
- Fabricated/installed valve spindles and brackets for the Rahui Branchline.

- Porirua Low Level – continued to service the air valves.
- Fire service to Unilevers – removed redundant valves and blanked the branches from the 525 C.I. and to Hutt City reticulation.
- Timberlea magflo – excavated and housed to repair.
- Wainui Treated Water Res. – helped to clean it out.
- Paremata No 2 – excavation, refurbishment and housing of the 4 valves.
- Paremata Branchlines – repairs to the broken 200 C.I. main at Kiriwai Street, at Paremata No 2 reservoir (blown body washer), broken 200 main down the track (installed new pipe sections). The 200 Cast iron main is now out of service from Ascot Park valve to Paremata bridge north.
- Trentham branchline – shutdown and installed a new single air valve and isolation valve.

4.4 Projects

- **Hutt Park Deviation** - Charged up the Rahui Main and put back onto unchlorinated water.
- **200 Riser Replacement on the 1050 Pipeline**
 - All 200 risers have been renewed on the motorway section of the 1050 (SH2)
 - At present are renewing the risers down the old Hutt Road (Ngauranga to Thorndon Pump Station)
 - From 26 riser replacements, 18 have been renewed. (Also these renewals have had NEW single air valves installed at the same time.)
- **Seismic Strengthening of Minor Stream Crossings**
 - The 1050 stream crossing at Waiwhetu Stream and the two crossings at Te Marua were completed.
 - Some sandblasting and painting yet to be completed at Te Marua.
- **Safe Access**
 - This involves fabricating and installing ladders in valve chambers on the 1050 and Rahui pipelines outside the 7 main valve chambers.
 - So far 21 ladders have been fabricated and installed from Tunnel Grove Valve Chamber through to the Ski Club Valve Chamber.
- **Timberlea Magflo**
 - Excavated the existing magflo and installed a new magflo.

Utility Services Division Health and Safety Data 2003 - Total Injuries

PRODUCTION (+ 1 OPS ADMIN)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Hours worked	2,574	2,202	2,449	2,139	1,941	1,968	3,516	2,380	2520	2336	0	0	0 January = Contractor - electric shock
Employee numbers	16	16	16	16	16	16	18	18	18	18	0	0	0 March = Sprain
Injuries	1	0	1	2	1	0	0	1	1	0	0	0	0 April = Back sprain
Days lost	0	0	1.5	2	0	0	0	0	0	0	0	0	0 May = Cut finger
Incidence rate (number of incidents per 100 workers)	6.25	0	6	13	6.25	0	0	5.55556	6	0	0	0	0 August = Achilles tendon/foot sprain
Frequency rate (incidents per 1,000,000 hours exposure)	389	0	408	935	515.331	0	0	420.256	4	0	0	0	0 Sept = cut finger pulling out nail
Severity rate (days lost to injury per 1,000,000 hours worked)	0	0	612	935	0	0	0	0	0	0	0	0	
DISTRIBUTION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	March = Jarred lower back/inflammation of left hand fingers
Hours worked	1,390	1,258	1,414	1,204	980	1,321	1,760	1,389	1277	1362	0	0	
Employee numbers	9	9	9	8	8	8	8	8	0	0	0	0	
Injuries	0	0	1	0	0	0	0	0	0	0	0	0	
Days lost	0	0	0	0	0	0	0	0	0	0	0	0	
Incidence rate (number of incidents per 100 workers)	0	0	11	0	0	0	0	0	0	0	0	0	
Frequency rate (incidents per 1,000,000 hours exposure)	0	0	0	0	0	0	0	0	0	0	0	0	
Severity rate (days lost to injury per 1,000,000 hours worked)	0	0	0	0	0	0	0	0	0	0	0	0	
ENGINEERING CONSULTANCY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Hours worked	1,448	1,572	1,564	1,464	1,360	1,636	2,388	1,764	1764	1739	0	0	
Employee numbers	11	11	11	11	11	12	12	12	12	12	0	0	
Injuries	0	0	0	0	0	0	0	0	1	0	0	0	
Days lost	0	0	0	0	0	0	0	0	0	0	0	0	
Incidence rate (number of incidents per 100 workers)	0	0	0	0	0	0	0	0	8	0	0	0	
Frequency rate (incidents per 1,000,000 hours exposure)	0	0	0	0	0	0	0	0	6	0	0	0	
Severity rate (days lost to injury per 1,000,000 hours worked)	0	0	0	0	0	0	0	0	0	0	0	0	
UTILITY SERVICES SUPPORT	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Hours worked	912	944	1,061	996	888	992	1,572	1,020	1060	1072	0	0	
Employee numbers	7	8	8	8	8	8	8	8	8	8	0	0	
Injuries	0	0	0	0	0	0	0	0	0	0	0	0	
Days lost	0	0	0	0	0	0	0	0	0	0	0	0	
Incidence rate (number of incidents per 100 workers)	0	0	0	0	0	0	0	0	0	0	0	0	
Frequency rate (incidents per 1,000,000 hours exposure)	0	0	0	0	0	0	0	0	0	0	0	0	
Severity rate (days lost to injury per 1,000,000 hours worked)	0	0	0	0	0	0	0	0	0	0	0	0	
LABORATORY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Hours worked	1,198	1,102	1,183	993	1,001	1,055	1,558	1,138	1149	1040	0	0	0 January = Bruised knee after fall
Employee numbers	7	7	7	7	7	7	7	7	7	7	0	0	0 January = Strained back
Injuries	2	0	0	0	0	0	0	0	3	1	0	0	0 Sept = Strained knee 2 days lost
Days lost	0	0	0	0	0	0	0	0	2	0	0	0	0 Sept = Strained Back
Incidence rate (number of incidents per 100 workers)	28.57	0	0	0	0	0	0	0	43	14	0	0	0 Sept = Bruised knee and finger
Frequency rate (incidents per 1,000,000 hours exposure)	1,669	0	0	0	0	0	0	0	26	10	0	0	0 Oct = Cut finger
Severity rate (days lost to injury per 1,000,000 hours worked)	0	0	0	0	0	0	0	0	17	0	0	0	

STRATEGY AND ASSET

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hours worked	518	602	709	632	584	596	854	674	804	740	0	0
Employee numbers	5	5	5	5	5	5	5	5	5	5	0	0
Injuries	0	0	0	0	0	0	0	0	0	0	0	0
Days lost	0	0	0	0	0	0	0	0	0	0	0	0
Incidence rate (number of incidents per 100 workers)	0	0	0	0	0	0	0	0	0	0	0	0
Frequency rate (incidents per 1,000,000 hours exposure)	0	0	0	0	0	0	0	0	0	0	0	0
Severity rate (days lost to injury per 1,000,000 hours worked)	0	0	0	0	0	0	0	0	0	0	0	0

FORESTRY

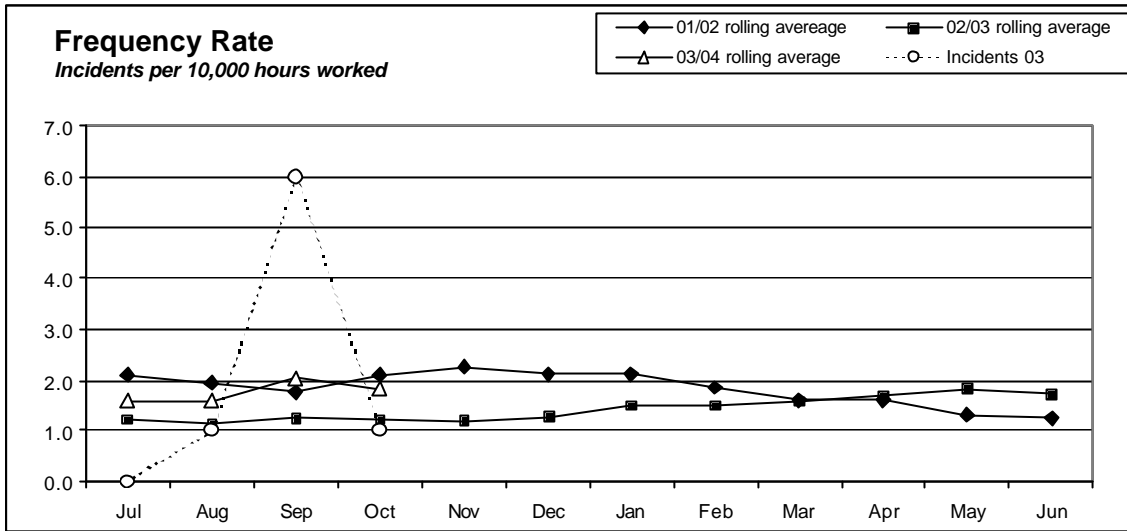
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hours worked	409	455	394	644	581	648	870	577	649	509	0	0
Employee numbers	3	3	3	3	3	3	3	3	3	3	0	0
Injuries	0	0	0	0	0	0	0	0	1	0	0	0
Days lost	0	0	0	0	0	0	0	0	0	0	0	0
Incidence rate (number of incidents per 100 workers)	0	0	0	0	0	0	0	0	33	0	0	0
Frequency rate (incidents per 1,000,000 hours exposure)	0	0	0	0	0	0	0	0	15	0	0	0
Severity rate (days lost to injury per 1,000,000 hours worked)	0	0	0	0	0	0	0	0	0	0	0	0

Utility Services Division Combined	Jan	Feb	Running Total from 1/1/02	Mar	Running Total from 1/1/02	Apr	Running Total from 1/1/02	May	Running Total from 1/1/02	Jun	Running Total from 1/1/02	Jul	Running Total from 1/1/02	Aug	Running Total from 1/1/02	Sep	Running Total from 1/1/02	Oct	Running Total from 1/1/02	Nov	Running Total from 1/1/02	Dec	Running 12 month Total
Hours worked	8,449	8,135	16,584	8,774	25,358	8,072	33,430	7,334	40,763	8,216	48,979	12,518	61,497	8,041	70,438	9,223	87,799	8,798	88,087				
Employee numbers	58	59	63	59	63	58	63	58	62	59	62	61	65	61	65	61	59	61	59				
Injuries	3	0	3	2	5	2	7	1	8		8	0	8	1	9	6	2	1	2				
Days lost	0	0	0	2	2	2	4	0	4		4	0	4	0	4	2	3	0	2				
Incidence rate (number of incidents per 100 workers)	5	0	2.4	3.4	2.6	3	2.8	2	2.6		2.6	0	1.8	2	2.0								
Frequency rate (incidents per 1,000,000 hours exposure)	355	0	181	228	197	248	209	136	196		163	0	130	112	128	7	2	1	2				
Severity rate (days lost to injury per 1,000,000 hours worked)	0	0	0	171	59	248	105	0	86		71	0	57	0	50	2	3	0	2				

Incidence rate = (number of incidents/number of employees) x 100

Frequency rate = (number of incidents/person hours worked) x 1,000,000

Severity rate = (days lost/person hours worked) x 1,000,000

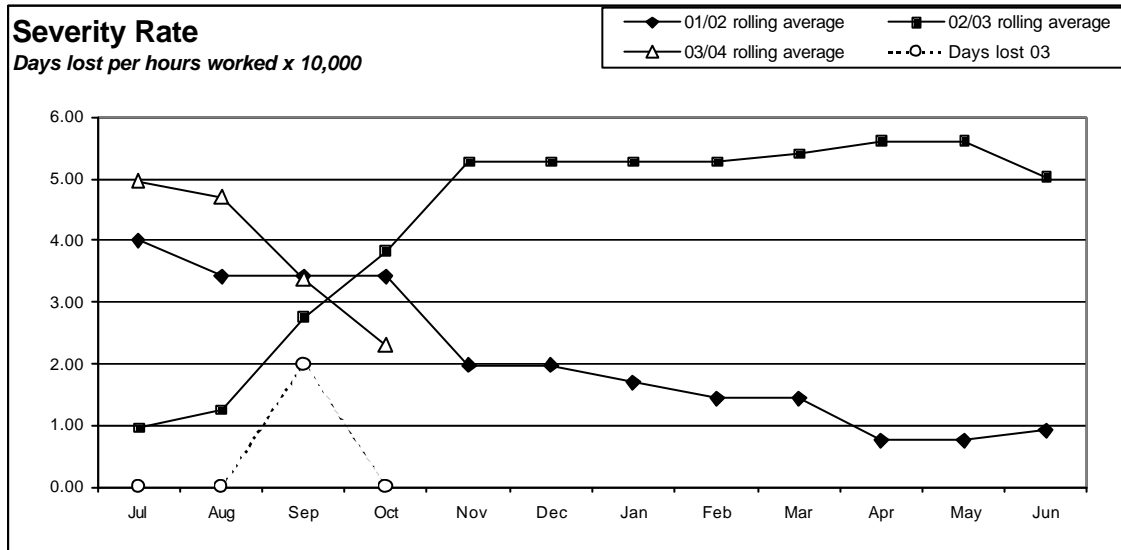


Incidents

Sep 03: Hit finger pulling nail off
 Sep 03: Strained knee and shoulder
 Oct 03: Cut finger

Sep 03: Strained knee
 Sep 03: Strained back

Sep 03: Bruised knee and finger
 Sep 03: Reaction to Macrocarpa needles



Lost Days

Sep 03: 2 Lost days for the Laboratory
 Oct 03: 0 lost days

Strategy and Asset Group

October 2003

Strategy and Asset Group Review of Operations for the Period Ended 31 October 2003

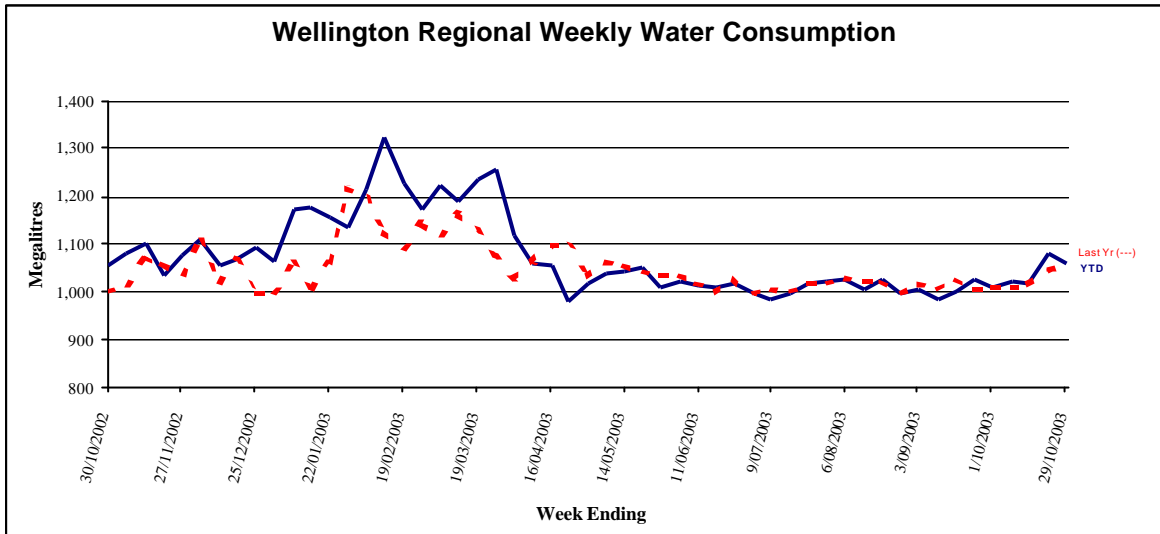
1. Items of Note

- The Ministry of Health has issued its document “Public Health Grading of Community Drinking Water Supplies 2003 – Explanatory Notes and Grading Forms”. There are no surprises in this document compared with earlier drafts which were sighted. The grading process will not change the existing gradings of the water treatment plants.
- The Ministry of Health has also issued a draft discussion paper relating to the Drinking Water Standards 2004. The document includes new information relating to ultraviolet disinfection of water supplies, an approach for protozoa compliance (*Cryptosporidium* and *Giardia*) based on US Environmental Protection Agency Standards, and material from the draft third edition of the World Health Organisation Guidelines. The implications of the changes are still being studied and some further information will be provided at the Committee meeting.
- The draft business report for Greater Wellington Water has been completed and is attached as a separate report for approval.
- Proposals have been received from consultants to carry out an investigation into the stability of the Lower Wainuiomata Dam and associated structures with a view to constructing a wetland behind the dam.
- In the report to the previous Utility Services Committee, there was an analysis of the water consumption trends during winter. The conclusion was that water supply growth has remained relatively steady at about 1 percent a year. On 10 November, Statistics New Zealand published its population estimates as at 30 June 2003. In the last year, the Wellington area urban population increased by 5,260 or 1.5 percent. In the year prior, the increase was 1.2 percent. This tends to suggest the average per capita consumption is decreasing, perhaps reflecting the increase in apartment living in Wellington City.

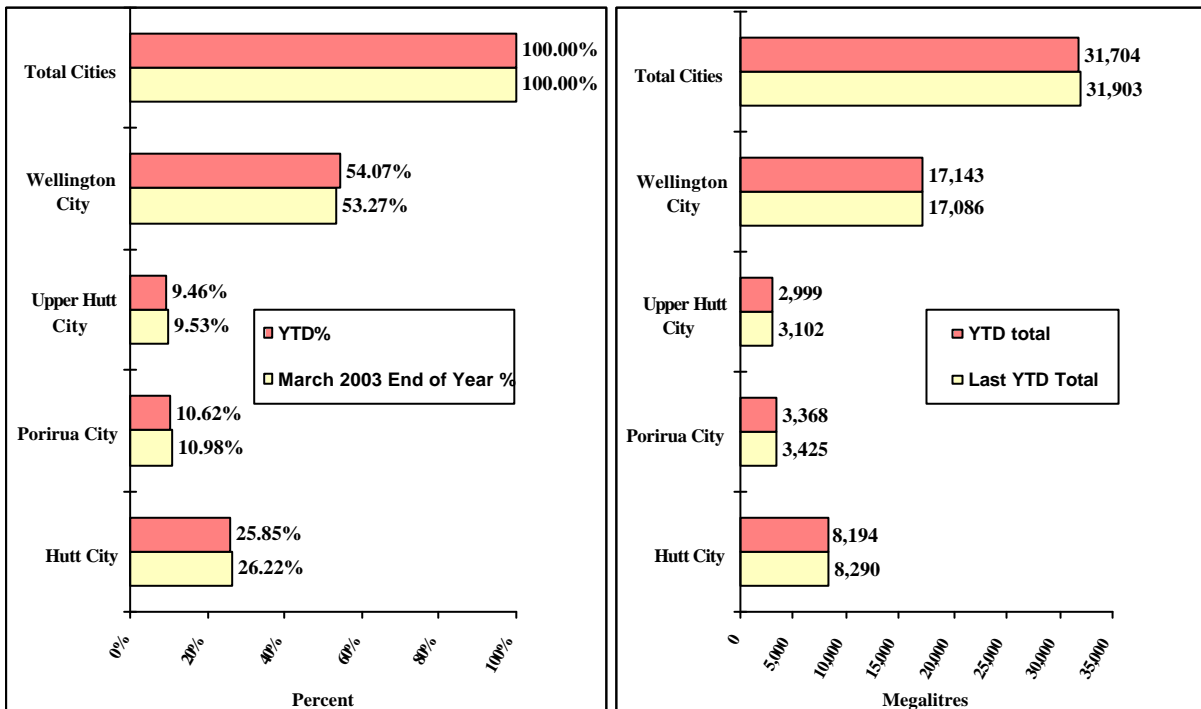
2. Sales Volume

Graphs outlining sales volumes are on page 13.

Water Sold Over the Last 12 Months



Water Sold from 28 August 2003 to 31 October 2003



3. Asset Management

The Capital Works budget for 2003/4 is \$5.111 million. Major projects are:

- Kaitoke weir improvements –(budget \$200,000). The work is being planned.
- Stage 2 of the Wainuiomata Catchment northern boundary fence – (budget \$100,000). Contract documents are being prepared.
- Modification to the Orongorongo intake – (budget \$55,000). Tenders to be called in November.
- Replacement of equipment at the Te Marua Water Treatment Plant – (budget 500,000). The scope of this work is being clarified. It is unlikely that the full amount of the funding allocation will required.
- Replacement of control equipment at Wainuiomata Water Treatment Plant – (budget \$100,000). Tenders have been received for this work. Additional funding of \$84,000 is required. (See separate report).
- Relocation of the Pukerua Bay branch onto the new Paremata Bridge – (budget \$400,000). Drawings and technical specification have been given to the Transit NZ consultant who will arrange for subcontractors to price the work. Transit NZ have agreed to fund 35.5%.
- Replacement of the OK main between the Wainuiomata Tunnel and the water treatment plant – (budget \$1,250,000). A contract has been let and work is about to get underway.
- Relocation of the Karori Pumping Station – (budget \$600,000). A consultant has been selected and is about to start work.
- Construction of a new pumping station to house the Point Howard pumps – (budget \$417,000). Planning is proceeding.
- Relocation of a section of the Porirua branch main affected by development of the Aotea Block is close to completion. This work is being undertaken at the Contractor's expense under Greater Wellington Water supervision.

4. Quality Assurance

- A new draft Drinking Water Standard has just been released by the Ministry Health for comment. It contains several unexpected changes and new features that will require detailed analysis. A submission will be prepared before the deadline of 30 November.
- A programme of testing for the aggressiveness of water has been initiated in consultation with the customer Territorial Authorities. The object is to establish whether lead leached from existing tap fittings represents a significant health risk.

5. Environmental

Proposals have been received from consultants to undertake a safety review of the lower Wainuiomata Dam. Following this study the possibility of creating a wetland immediately upstream of the dam will be studied.

6. Catchment Management

- Following the weather event of 28 September patrols were instituted to scan the river for any possum carcasses which may have been washed down following the earlier 1080 drop. In addition signs were erected and a press release issued. Three carcasses were located all of which contained traces of bait. A further “fresh” a week later produced another carcass which also contained bait.
- Two incidents of trespass and some minor vandalism occurred during this period. An enterprising group of harriers marked a running track with flour and shredded paper which would not have been too much of a problem had their route not passed through an area newly planted by a local school. The organisers now know to seek permission first.
- Selected tenders are being sought for the construction of the next section of the catchment boundary fence at Wainuiomata.
- Staff have observed both deer and goats attempting to re-enter the catchment but being prevented by the new fence. These observations support the decision to fence the catchment.
- October proved to be a very wet month and quite extensive repairs were required to the pack track. These were undertaken by Landcare staff.
- Staff and a contractor have sprayed roadside weeds and treated buddleia infestations in the Wainuiomata catchment.
- This division has decided that given the ideal weather conditions at the time of the 1080 drop in the Hutt catchment, there is little to be gained by carrying out a “post drop trapline survey”. This survey as originally planned would have cost in excess of \$20,000. Our preferred approach is to use vegetation indicators to assess whether possum numbers continue to be a problem. Landcare have subsequently carried out a post-drop survey and report residual catches at 0.5%.

7. Marketing

- Progress was made towards a formal agreement covering Greater Wellington’s supply of water to the four territorial authority customers. A proposal for the water quality component of the Agreement was drafted and supplied to the customers for consideration. The original draft Agreement provided to us needs considerable revision, notably in

the areas of supply volumes and quality. This work is continuing.

- Further progress was made on the annual Report of Business Activity for Greater Wellington Water, for the 2002/3 financial year. Work included collection and analysis of data and the completion and circulation of a text draft among Utility Services' managers. The report will be published on 30 November 2003.
- A media release – *Hutt River back on to supply water* - was issued on 2 September. The Hutt Water Collection Area had been closed for water take since 29 July, while a possum control operation using 1080 was completed. A second media release – *Poison risk to dogs near Hutt River* – was made on 29 September, after several days of heavy rainfall washed possum carcasses containing traces of 1080 out of the catchment area. Landcare staff also posted warning signs along the riverbank. There were no reports of poisoned dogs linked to this event.
- Further work was undertaken as part of the Communications Subgroup of the multi-agency Wellington Emergency Water Supply Planning Group. Planning was completed for Hazard Awareness Week in October, including the creation of an Emergency Water Supply fact sheet.
- Four new signs were ordered for the boundary of the Wainuiomata-Orongorongo Water Collection Area. These signs were overlooked when the majority of GW Water's facility signs were replaced in June.
- A photographer was contracted to take several shots depicting aspects of direct human involvement in ensuring a high quality water supply. These shots will form part of an image strip for Greater Wellington Water (to be used in our print-based communications material) and will be included in the Council's photo library for general use in publications.
- There were five treatment plant visits during September and two during October, comprising around 130 visitors.
- Utility Services was represented on the social marketing project's staff reference group, which is working with Corporate Communications to develop this Council programme.
- Utility Services was also represented on the staff reference group for the Council's web site development project, involving a complete re-evaluation the site's structure and features.

8. **Projects Undertaken by Engineering Consultancy for Strategy and Asset**

- Orongorongo River Intake

Contract documents have been prepared to refurbish the Orongorongo

River Intake screens and valves.

- Big Huia Pipeline River Crossing

An assessment is being made of the extent of work required to strengthen the Big Huia pipeline river crossing to meet current earthquake loading standards.

- Wainuiomata/Orongorongo Catchment Fence

Contract documents for erection of the second stage of a deer fence along the northern boundary of the water collection area are being prepared. This fence will prevent the reinfestation of deer, pigs and goats from the adjacent farmland. The fence line has been cut for the second stage and the access track upgraded.

- Wainuiomata Water Treatment Plant Outlet Control Valve

Replacement and relocation of this control valve is being investigated.

- Waterloo Well Pump Control Valves

A report is being prepared recommending the replacement of the Waterloo well pump control valves.

- Refurbishment of the OK Main, Petone

Negotiations are continuing with the Contractor to finalise the cost of the work.

- State Highway 1 Bridge at Paremata

A pipeline has been designed for erection on the new bridge being constructed at Paremata. Contract documents have been prepared for the fabrication of the pipe spans.

- Rerouting Te Marua to Karori Pipeline at Haywards

The existing pipeline route from State Highway 2 to the Haywards Pumping Station is susceptible to earthquake induced landslide damage. Alternative routes for this pipeline are being assessed.

- Aotea Block Development

The contractor has installed the new pipeline, deviating the Porirua Low Level Reservoir branch pipeline. Arrangements are being made to connect the new pipeline to the existing main.

- Orongorongo Pipeline Replacement

Tenders were received and the contract has been awarded for

replacement of the Orongorongo pipeline from the tunnel to the Wainuiomata Treatment Plant.

- Karori Pumping Station

Options for the relocation of this pumping station to a more secure site have been evaluated. A consultant has been commissioned to assist with the land use agreement preparation to obtain the resource consents and design a new pumping station sited on the edge of Appleton Park.

- Point Howard Pumping Station

Relocating the Point Howard pumps from the underground pumping station at Hutt Park is proposed.

Land purchase negotiations are proceeding for the proposed site alongside Seaview Road. Quotations have been received for the supply of the pumpsets.

- Pinehaven Pumping Station

The pumpsets at Pinehaven Pumping Station have reached the end of their economic life.

An options report has been prepared assessing the alternative pump arrangements.

- Minor Seismic Projects

A number of minor seismic protection projects are being attended to. These include:

- Assessment of the performance of the Mangaroa and Black Creek Bridges.
- The non-return function of inlet control valves on service reservoirs have been checked and maintained where necessary.
- Minor upgrade work has been completed for a number of exposed pipeline stream crossings.

Engineering Consultancy Group

October 2003

Engineering Consultancy Group

Review of Operations for the Period Ended 31 October 2003

1. Work Carried Out for the Strategy and Asset Group

The main capital projects for which the Engineering Consultancy Group has responsibility are itemised in the Strategy and Asset Group report. Support is also provided for other projects being undertaken by this group.

2. Work Carried Out for the Operations Group

The Engineering Consultancy Group has continued to provide support for smaller projects arising from the operation and maintenance of the wholesale water supply system.

3. Work Carried Out for Wellington City Council

3.1 General

Current projects under way are detailed in the following sections.

3.2 Webb Street

The pipeline was laid for the full length of Webb Street, with minimal disruption to the traffic flow. This contract is now complete.

3.3 Aramoana Reservoir, Miramar

There is a storage deficit of 10 ML in the Low Level Zone of Wellington City. Of this storage, approximately 6.5 ML is required in the Eastern Suburbs (Miramar) and 3.5 ML in the Southern Suburbs (Island Bay). A contract has been awarded and preliminary work has commenced.

3.4 Southern Suburbs Reservoir

This 3.5 ML reservoir will be sited in Mount Albert Park within the Berhampore Golf Course.

An application for a non-notified consent has now been lodged.

3.5 Onslow Reservoir

There are two reservoirs on the Onslow site.

The rectangular western reservoir has been demolished and a new larger reservoir is being built on the same site. The structure is now virtually complete, apart from the valve chamber. Filling for testing purposes is planned for the third week in November. Until the new reservoir is

commissioned, the whole zone is being supplied from the very small circular reservoir. This has required close co-operation between Greater Wellington Water operational staff and the Wellington City Council system controllers.

3.6 **Warwick Street Pumping Station**

This pumping station includes pumpsets for both Wellington City Council and Greater Wellington Water, supplied by a common electrical and controls panel. The Engineering Consultancy Group has been commissioned by Wellington City Council to arrange for the replacement of the two Wellington City Council pumps that deliver to Wadestown Reservoir and the installation of a combined electrical control panel.

This project has been further delayed because of a late delivery of the two Wellington pumps. Installation of them will need to be held over to the New Year.

4. **Miscellaneous Projects**

Emergency Water Supply

The project team includes water supply and emergency management staff of the five councils, and representatives of the health sector. The *Mitigation and Preparedness - Strategy and Action Plan* is now in its final form. A report was made to the Committee

A fact sheet giving the background on the need to store water for emergency purposes was completed and distributed.

Hutt River at Belmont

John Morrison is the Engineer to the contract for this project. The contract has been awarded and mobilisation work is underway.

Laboratory Services

October 2003

Laboratory Services Department

Review of Operations for the Period Ended 31 October 2003

1. Items of Note

- We commenced duties on the Environmental Division's SoE Rivers Monitoring for 2003-2006 contract in mid-September. Our sole contribution to this new regional monitoring programme is the Sample Collection component which involves traversing the familiar Wellington western region as well as making expeditions into the relatively unknown 'wild east' that is the Wairarapa region. From our perspective the outcome has meant a significant reduction in the workload we had previously and optimistically anticipated. The loss of potential revenue has obviously been detrimental to our year-to-date financial results and may ultimately call into question the future viability of the Laboratory.
- We continued our participation in this seasons Hutt Water Catchment 1080 pest control operation by way of sampling and monitoring run-off for toxin residuals and contamination indicators. Test results submitted to the HVHB have now culminated with approval being granted to resume taking water for supply from this catchment.
- Resource Investigations invited us to provide a quotation for work with their GWRC Recreational Water Quality Programme over this summer. Unfortunately the figure we submitted was not accepted and we were informed that in keeping with their policy the work went to an external agency with a better offer.
- We considered it imperative that if we were going to continue the inhouse monitoring of our storage lakes and intakes for algae we needed a new microscope. After due process we finally proceeded with the purchase of the Olympus Inverted Microscope that we had demonstrated and trialled to our satisfaction. Although we await delivery of certain accessories to finally complete the set-up we have been producing meaningful results using this technology since June-July. The significant potential and added-value the upgraded service promises will be realised and provides the bright light for the period!

2. Business Summary

2.1 Quality

There were no requests for retesting samples and test reports are timely. Generally good results reported with the inter-laboratory proficiency testing programme.

2.2 Health and Safety

There were several sprains and strains and a 'near miss' reported for the period.

Plantation Forestry

October 2003

Plantation Forestry Department Review of Operations for the Period Ended 31 October 2003

1. Log Harvest Contract

The dollar which last report was in the high fifties appears to have now taken up residency in the low sixties. Despite this and with record high freight rates we are seeing small but regular increases in export prices. By contrast the domestic market is marked with an almost insatiable demand but absolutely no movement in price. This seems to contradict the theory of economics which suggests that when demand is high and supply suppressed prices will rise. Pruned prices remain depressed and we are still achieving a significant margin over the next best price with pruned logs out of Hukinga.

The pundits are predicting even further increases in export prices and if we can get even a minor increase in pruned prices this may be sufficient to allow us to return to the “summer” harvest areas and to retain those blocks closest to the gate for future winters.

Production for the September and October periods were as follows.

Output by grade at Reservoir Ridge was:

September

Grade		Tonnes	%
Pruned Domestic		0	0
Pruned Export		0	0
Partial Pruned		0	0
S/A Grade		840.9	26.44
L Grade		260.92	8.20
R Grade		376.35	11.83
K Sawlog		358.51	11.27
Roundwood		0	0
K Rough		623.00	19.59
Pulp		607.39	19.1
O/S Pulp		113.64	3.57
Total		3,180.71	

Total revenue \$51,402 at an average of \$16.16 per tonne.

October

Grade		Tonnes	%
Pruned Domestic		0	0
Pruned Export		0	0
Partial Pruned		0	0
S/A Grade		1347.63	36.33
L Grade		289.23	7.80
R Grade		226.71	6.11
K Sawlog		405.72	10.94
Roundwood		0	0
K Rough		771.94	20.81
Pulp		581.06	15.66
O/S Pulp		87.36	2.35
Total		3709.65	

Total revenue \$76,769.54 at an average of \$20.52 per tonne.

Output by grade at Hukinga was:

September

Grade		Tonnes	%
Pruned Domestic		533.85	23.68
Pruned Export		0	0
Partial Pruned		75.64	3.36
S/D Grade		527.09	23.38
U Grade		378.84	16.80
F Grade		176.32	7.82
KI Export		273.62	12.14
Douglas Fir		12.25	0.54
Export Pulp		276.74	12.28
O/S Pulp		0	0
Total		2254.35	

Total revenue \$93,062.31 at an average of \$41.27 per tonne.

October (Estimated)

Grade		Tonnes	%
,Pruned Domestic		289.03	23.68
Pruned Export			0
Partial Pruned		77.52	3.36
S/D Grade		459.50	23.38
U Grade		56.07	16.80
F Grade		220.32	7.82
KI Export		486.58	12.14
L grade		142.58	0.54
Export Pulp		153.62	12.28
O/S Pulp		0	0
Total		1885.22	

Total revenue \$58,442 at an average of \$31 per tonne.

Combined revenue 11,029.7 tonnes for \$279,675 at an average of \$25.36.

2. Silviculture Contracts

Planting was completed in late August.

To date 102.6 ha of the current silviculture programme have been completed. The total programme is 175.8 ha.

3. Plantation Forestry Operations

Most staff time has been taken up supervising the logging and silviculture contractors. A lot of time has also been spent looking for stands which meet market requirements. For this period that has been unpruned stands which have high sawlog content and low export content. As noted above the export prices are now firming so a reasonable export content is no longer a problem.

Operationally the weather has not caused any problems and the key roads have remained open.

We have developed a programme to update our forest inventories but with a bill approaching \$32,000 we have placed it on hold until income levels improve.

The fence repairs at Puketiro continue as resources become available and hopefully by the time this report is presented there will only be about 50m of total new construction to be done.

The “stray” cattle were rounded up and put back into the neighbours. Within a week they were back so I suspect they will have to be put into the stockyards to hold them.

4. Forest Access

We were very fortunate with the “Paekakariki” storm. There was a significant slip at the entrance to Valley View which we were able to clear over the weekend and minor slips on the road to the Hukinga. Neither of these interrupted logging activities. A large area fell away below the road in Puketiro and a minor slip occurred in Rallywoods. We had been warned of a culvert washed out in Whakatikei but we were unable to access the block until the Landcare contractor cleared the ford the Orange Hut. When we did arrive we did not recognise the area. The road was impassable with debris and the stream which was originally about a metre wide and 1½ metres below the road had filled with metal to road level and was about 7 metres wide. Below the culverts was a 3 metre drop and half the road had washed away. The culverts were still running but most water merely ran over the road. We are fortunate that there are no operations planned in the area so we have plenty of time to arrange repairs.

There is still no acceptable access to Maungakotukutuku Forest. We have replaced the gate following requests from walking groups who had been bothered by quad riders and 4WD vehicles.

5. Market Trends

Overall it cannot be said that the market is depressed. The overseas buyers are paying good money for logs – it’s just that high shipping costs and the strength of the dollar take up most of the income. This also effects the limber markets and effectively caps the price that mills will pay locally. The interesting thing is that with a strong dollar you would expect fuel to be cheaper – no such luck. We have had some freight reductions but these are as much due to the downturn in logging in the central North Island than anything else. We regularly have Rotorua domiciled vehicles picking up loads on behalf of Rayonier.

Prospects are for further increases in export prices and there are those who are sure shipping prices have hit their peak and will now ease somewhat. As I write this report the dollar is breaking records with its strength against the \$US on almost a daily basis (62.5). Until it returns to sane levels I do not expect a significant increase in returns.