



Report 05.297
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Committee Utility Services
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Divisional Report for Period Ending 31 May 2005

1. Purpose

To:

- Comment on the Utility Services Division financial performance for the 11 months ended 31 May 2005.
- Comment on other items of interest/note.
- Receive the attached activity reports to 31 May 2005 (Attachment 1).

2. Significance of the Decision

The matters in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Divisional Financial Performance for 11 Months Ended 31 May 2005

Greater Wellington Water

Little of significance to report, suffice to say that financially the water operation continues to perform satisfactorily.

It is pleasing to note that after 11 months, expenditure excluding depreciation, is slightly below the same period last year. Savings in interest expense continue to offset other cost increases. Capital expenditure is proceeding pretty much as recently forecast.

Plantation Forestry

Financially a good month as we managed to come close to breaking even. With a modicum of luck the position at year end should finish up somewhat better than forecast.

We are very pleased to have at least managed to get this underway as clearly we potentially face significant new water source costs. The longer we delay that expenditure by reduced water use the better and hence it is very useful that we can consider the Water Management Plan at the same time as we look at new water source costs.

5. New Water Source Options

This is just to remind Councillors that following this meeting we will provide more details on our current thinking as to the water source options and some estimates of costs.

6. Contract No 1241 Kaitoke Watermain Duplication State Highway 2 to 58 Haywards

Tenders for this contract have just been received and are being assessed as this order paper goes out. An information report will be tabled at the Committee meeting.

7. Recommendation

That the Committee:

(1) **Receive the report.**

(2) **Note the contents.**

Report prepared by:

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Attachment 1: Utility Services Division's Activity Report to 31 May 2005