



**Report**            **06.118**  
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**Committee**       **Utility Services**  
**Author**           **Murray Kennedy, Divisional Manager**  
                         **Water Supply, Parks and Forests**

## **Divisional Report for Period Ending 28 February 2006**

### **1. Purpose**

To:

- Comment on other items of interest/note.
- Receive the attached activity reports to 28 February 2006 (Attachment 1).

### **2. Significance of the decision**

The matters for decision 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 Finance Performance**

#### **3.1 Greater Wellington Water**

Water consumption for the two months of the period was above average because of a string of extended sunny dry periods. It is pleasing to note that on only three days did consumption exceed 200ML. I would like to think that our continuing conservation work is having an impact in this area.

Following the end of the period, repair work was carried out on the Kaitoke weir. During this time water was drawn from the Stuart Macaskill lakes. The work is now completed and the lakes are being refilled.

The operating surplus at the end of the period is \$629,000, compared with a year-end predicted deficit of \$1,000,000. The predicted position at year-end will be reviewed, following the finalising of the 31 March accounts. A sum of \$400,000 is allocated to drilling test wells in the Upper Hutt aquifer. Work is progressing on organising it, but it may now not occur until the 2006/07 year. Year end asset write offs are expected to be about \$500,000 and this is included in the predicted deficit.

The process of engaging staff to shape the structure of the new division, following the merging of Water Supply with Parks and Forests, has started. No redundancies are envisaged.

A separate report details the communications strategy for the water source development strategy. The water source work potentially involves significant sums of money. It is particularly important that we engage with our customers and the community about these decisions.

### 3.2 Plantation Forestry

It is pleasing that the year to date deficit is less than the budgeted deficit. Following the end of the period the NZ dollar has depreciated further against the US dollar. While this has helped improve the rate per tonne received, it is offset to some extent by higher transport costs.

## 4. Water Quality

We have been successful in obtaining a new person to work on our telemetry system and associated systems. However, a suitable engineer to join the Engineering Consultancy Group eludes us. The position is to be advertised more widely.

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>					
13,272	Income	17,968	17,825	27,021	26,827
12,933	Expenditure	17,339	18,445	28,021	27,644
<b>339</b>	<b>Operating Surplus</b>	<b>629</b>	<b>(630)</b>	<b>(1,000)</b>	<b>(817)</b>
427	Operations	458	-	432	-
96	Strategy and Asset	570	-	(696)	-
(163)	Support Services	(398)	(639)	(746)	(826)
(23)	Engineering Consultancy	(30)	8	(15)	8
2	Laboratory Services	29	1	25	1
<b>339</b>	<b>Operating Surplus (Deficit)</b>	<b>629</b>	<b>(630)</b>	<b>(1,000)</b>	<b>(817)</b>
<b>Plantation Forestry</b>					
2,008	Income	2,547	2,722	4,216	4,083
2,177	Expenditure	2,700	2,962	4,399	4,448
<b>(169)</b>	<b>Operating Surplus (Deficit)</b>	<b>(153)</b>	<b>(240)</b>	<b>(183)</b>	<b>(365)</b>

## **5. Recommendations**

*That the Committee:*

1. *Receives the report.*
2. *Notes the content of the report.*

Report prepared by:

**Murray Kennedy**

Divisional Manager, Water Supply, Parks and Forests

**Attachment 1:** Utility Services Division Activity Report to January/February 2006