



Report 06.279
Date 22 June 2006
File O/02/01/10

Committee Utility Services
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 Water Supply, Parks and Forests

Divisional Report for period ending 31 May 2006

1. Purpose

To:

- Comment on other items of interest/note.
- Receive the attached activity reports for May 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 Performance (Water and Plantation Forestry)

3.1 Greater Wellington Water

A slip in the Orongorongo Water Catchment has damaged the pipeline near the weir. As a result, it is expected the Orongorongo intake will be unusable for several months. Following the end of the period, arrangements are being made to cut the trees on the slip face and it is hoped the remaining loose material will then slide. Fortunately there is sufficient water in the Wainuiomata River to provide for the normal requirements of the Wainuiomata Water Treatment Plant at this time of the year.

The Wellington Water Management Plan is nearing completion and is about to be sent to a consultant for a peer review.

In February the Masterton District Council was contacted about the possibility of renewing the contract to manage its water treatment plant. While verbal acceptance has been received, at the time of writing this report, a few days before the contract expires, we have still not received written confirmation.

In April it was noted Wellington City's weekly water consumption was not decreasing as would be expected during autumn. In early May there was sufficient information to suggest there is a problem and Capacity, Wellington City's management contractor, was informed. It is noted in the attachment to this report that Wellington City's consumption toward the end of May is about 7 percent ahead of last year. For the week ended 21 June, the weekly

consumption is approximately 13 percent ahead of the previous year and specifically 20 percent at Thorndon. From Wellington City Council's perspective this means its share of the water levy has increased and, if the current trend continues, Wellington City Council can expect to pay an end of year adjustment next year of approximately \$450,000. Consequently the other three cities would receive rebates equal to this amount. Of concern to Greater Wellington Water is the marginal cost of this extra water production, in the order of \$125,000 – \$150,000 a year and a possible breach of the 1-in-50 year drought security standard over the coming summer. Capacity has been urged to find out what the problem is.

Just after the end of the period the Government introduced the Health (Drinking Water) Amendment Bill, which amends the Health Act 1956. It is expected the Bill will go to a Select Committee for consideration. This Bill has been anticipated for some time and will require drinking water suppliers to take all practical steps to comply with the Drinking-Water Standards and to implement risk management plans. It is hoped that the Government reciprocates by requiring the Ministry of Health and the Public Health Service to take all practicable steps to ensure they have sufficient resources to administer the Act once the Bill is passed. There are concerns at present that the lack of experienced staff in these organisations is holding up the grading of water treatment plants and causing long delays to queries related to the Drinking Water Standards.

3.2 Plantation Forestry

We are fortunate that our forestry operations can continue harvesting through the winter period but the margins between sales prices and costs continue to be tight.

4. Financial

Last Year to Date		Year to Date Actual \$000s	Year to Date Budget \$000s	Year End Forecast \$000s	Year End Budget \$000s
	Water Supply				
24,382	Income	24,688	24,502	27,098	26,827
23,570	Expenditure	24,131	25,320	27,433	27,644
812	Operating Surplus	557	(818)	(335)	(817)
699	Operations	423	-	531	-
420	Strategy and Asset	736	-	(170)	-
(249)	Support Services	(586)	(827)	(696)	(876)
(62)	Engineering Consultancy	(30)	8	(25)	8
4	Laboratory Services	14	1	25	1
812	Operating Surplus (Deficit)	557	(818)	(335)	(817)
	Plantation Forestry				
3,576	Income	3,657	3,742	4,116	4,083
3,857	Expenditure	3,803	4,072	4,469	4,448
(281)	Operating Surplus (Deficit)	(146)	(330)	(353)	(365)

5. Recommendations

That the Committee:

1. ***Receive the report.***
2. ***Note the content of the report.***

Report prepared by:

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Attachment 1: Water Supply and Plantation Forestry Report to 31 May 2006