



**Rangitikei**  
UNDISPOILT...

# Rangitikei District Council

## Erewhon Rural Water Supply Sub-Committee Meeting

Order Paper – Wednesday 10 February 2016 – 4:00 p.m.

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**1 Apologies**

**2 Confirmation of Minutes**

**Recommendation**

That the minutes of the Erewhon Rural Water Scheme Sub-Committee meeting held on 11 November 2015 be taken as read and verified as an accurate record of the meeting.

**3 Matters Arising**

**4 Engineers Report**

**Recommendation**

That the Engineers Report, be received.

**5 Financial Report**

**Recommendation**

That the Statement of Operations: Period ending 31 December 2015

**6 Members/Questions Report**

**7 Date of Next Meeting**

Wednesday 11 May 2016



# Rangitikei District Council

## Erewhon Rural Water Supply Sub-Committee Meeting

Minutes – Wednesday 11 November 2015 – 4:00 p.m.

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### Present:

Mr J Gilbert, Chairperson  
 Mrs M Mako  
 Mr G Melville  
 Cr A Gordon  
 Mr J Bird  
 Mr P Batley  
 Mr G Duncan  
 Mr O Dickison

### In attendance:

Mr A van Bussel, Operations Manager  
 Mr G McIrvine, Finance & Business Support Group Manager  
 Mr D Smith, Taihape Plumbing  
 Mrs S Srhoj, Administration

The Chair welcomed everyone to the meeting. He advised that Item 5 of the Agenda (Financial Report) would be taken following Item 1 (Apologies)

## 1 Apologies

**Resolved minute number**                      **15/ERWS/013**                      **File Ref**

That the apologies from Mrs J Saywell and Mr B Thomas for absence be received.

Mr J Gilbert/Cr A Gordon. Carried

## 5 Financial Report

Mr McIrvine explained the Erewhon Rural Water Supply Financial Statements and answered members' questions.

He said that the scheme's financial position was very consistent due to it being well maintained.

The committee were assured that any surplus funds would be rolled over into the following year.

Mr McIrvine suggested that he attend the committee's next meeting where he would explain Council's Long Term Plan. This would help give members a better understanding of the ins and outs of the cash flow and reserves. He would also report back then about the query about provision for depreciation.

Cr Gordon said that he and Cr Rainey had been working on providing a simplified financial statement for the Omatane Rural Water Supply Sub-Committee. He was keen to do the same for this committee.

**Resolved minute number**                      **15/ERWS/014**                      **File Ref**

That the Statement of Operations: Period ending 30 September 2015, be received.

Mr P Batley/Cr A Gordon. Carried

## 2 Confirmation of Minutes

**Resolved minute number**                      **15/ERWS/015**                      **File Ref**

That the minutes of the Erewhon Rural Water Scheme Sub-Committee meeting held on 12 August 2015 be taken as read and verified as an accurate record of the meeting.

Mr P Batley/Mr J Gilbert. Carried

### 3 Matters Arising

Mr Smith reported that he was on track to begin renewal work early December.

There was some discussion regarding future repair work on the old pipe line by John Gilbert's property.

Mr van Bussel said that there was still quite a bit of preliminary engineering work to be done. He was currently investigating different piping systems, one of which included the use of a Victaulic joint. This could be joined on the spot and had a maximum pressure of 571 psi. He said that he would need to obtain further costings for the job.

### 4 Engineer's Report

Mr van Bussel spoke to his report. He said that overall the scheme had been running very well with Mr Smith undertaking regular checks.

Mr Smith reported that the river levels were still too high for him to undertake the outstanding gauging for consent.

There was further discussion on the site visit which was to be held on Wednesday 9 December. It was agreed that there would be an open invitation for all water users to attend. All interested persons to meet 10.00 am at Marty Thompson's driveway. The group would travel up to the weir to view the work that Mr Smith had been undertaking. Following this, the group would have the option of either carrying on to Kelly Land Co or returning home.

**Resolved minute number** 15/ERWS/016 **File Ref**

That the report "Operations Report –October 2015" be received.

Mr P Batley/Mr G Duncan. Carried

### 5 Members' Reports/Questions

The Chair invited Mr Dickison, manager of Mangaohane Station to join the Erewhon Rural Water Supply Sub-Committee.

All members were in favour of this suggestion.

**Resolved minute number** 15/ERWS/017 **File Ref**

That Mr Ollie Dickison become a member of the Erewhon Rural Water Supply Sub-Committee.

Mr J Gilbert/Mr J Bird. Carried

Mr Batley suggested that the Erehon Rural Water committee phone tree be updated.

The Chair advised that as Mrs Mako was finishing up with the Aorangi Awarua Trust she would no longer be a member of the Erehon Rural Water Supply Sub-Committee. He thanked her for her contribution and asked that a letter of appreciation be sent to her.

## **6 Date of Next Meeting**

The next meeting to be held Wednesday 10 February 2016.

## **7 Meeting Closed**

The meeting closed at 4.55pm.

Confirmed/Chair: \_\_\_\_\_

Date:

Unconfirmed



# REPORT

SUBJECT: **Operations Report – January 2016**

TO: Erewhon Rural Water Supply Committee

FROM: Andrew van Bussel

DATE: 1 February 2016

FILE: 6-WS-3-2

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## 1 Work Completed

1.1 The following work was completed by Taihape Plumbing from 2 October to 21 December 2015:

- 2/10 Transport Robert from Alf Downs to Mangaohane Station for calibrating check.
- 20/10 Locate, dig up and shut down line to Rob Colliers tank. Repair leak and reinstate.
- 20/10 Andrew Duncans property tank site valve box.
- 5/11 Locate, dig up and repair 32mm line on Kim Duncans property.
- 5/11 Locate leak, dig up and repair – Andrew Duncans property.
- 6/11 Start of 12 Monthly checks.
- 9/11 Run lines, check tank flows at Mangaohane E & F tanks.
- 10/11 Fit Air Admittance valve at weir.
- 10/11 To drop water at weir. Remove covers and clean covers and screens thoroughly – de-weed weir.
- 10/11 Fit new 20 Lpm Marrack at Mangaohane B tanks valve box.
- 11/11 Run lines at Makokomiko, Big Hill, Pukerimu and Rangitikei Pipe Bridge.
- 12/11 Run lines and check tank flow and run sluices at Hennah Block, Kaiangaroa, Kara Wipakis and Moores.
- 13/11 Run lines, check tank flows and run sluices at Mako Deer Block, John Gilberts, Jock Strattons, Rob Strattons and Tim Orums.

- 16/11 Run lines, check tank flows and run sluices at Thompsons, Tama Wipakis, Rakanui, Durrants, Hiwera, Rob Colliers, Gilberts top farm and Andrew Duncans.
- 17/11 Run lines, check tank flows and run sluices at John Birds, Len Gilberts, Mary Makos and Barry Thomas properties.
- 18/11 Run lines, check tank flows and run sluices at Kim Duncans, Moores and Peter Batleys.
- 19/11 Renew section of water main from Jock Strattons boundary to creek at John Durrants.
- 9/12 To look over various locations on scheme with Council and committee members.
- 18/12 Water line renewals in Kim Duncans and Dan Moores.
- 21/12 Locate leak in Dan Moores at sluice, drop line, reposition tapping band and reinstate.

## **2 Planned Work**

- 2.1 Kim Duncan's renewal out of 2015/16 budget has been completed.

## **3 Consent Compliance**

- 3.1 The only outstanding gauging must be done at a river flow of less than 5.3 m<sup>3</sup>/s. Taihape Plumbing will attempt to do this before the end of Summer.
- 3.2 Horizons was provided with the further information they sought on the eight gaugings that had already been carried out.
- 3.3 The blue tick flow meter certification by Alf Downs Group has now been completed.

## **4 General Comments**

- 4.1 Other than this the scheme has been running well.
- 4.3 Site visit by committee and council has been completed.
- 4.4 That the report "Operations Report – January 2016" be received.

Andrew van Bussel  
Operations Manager





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**Rangitikei**  
UNDEFEATED...

## MEMORANDUM

TO: ERWS

FROM: George Mclrvine

DATE: 21 January 2016

SUBJECT: December Month End and Options for future funding.

FILE: Attachments Monthly accounts and Projections for the future

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Dear ERWS

Please find attached monthly accounts for December.

Main points to note.

**Water charges** are lower than Budget?

**OP Costs External contractor** is over the Year to Date (YTD) budget and is close to the full amount for the year. This may be timing of the work.

**Balance Sheet FYI**

**Expenses FYI**

**Future budgets**

We have prepared a projection for the committee to discuss for future budgets. The ERWS is in a good position as it spends basically an amount equal to or generally more than its depreciation over the long term. As long as this is maintained there is perhaps no need to fund depreciation unlike some other schemes.

Of note is the increased borrowing shown and the interest costs (approximately \$60,000 per annum) of these funds which adds 31.3% to the cost of the water in the 2019/20 year if this amount of work is required. It is fortunate that the current interest rate environment seems relatively benign over the longer term or this increase might be more and if depreciation had been funded the ERWS would have reserves to fund the larger renewals and offset the interest impact.

Best regards

George Mclrvine

**EREWHON RURAL WATER SUPPLY FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**AT 31ST DECEMBER 2015**

		Actual YTD \$	Budget YTD \$	Budget Full Yr \$	Actual YTD LY \$
<b>Income</b>					
60616 142	Metered Supply Charges	73,083	89,254	178,508	75,585
Total Revenue		<b>73,083</b>	<b>89,254</b>	<b>178,508</b>	<b>75,585</b>
<b>Apportioned Rates Revenue</b>					
60616 808 01	General Rates	10,426	9,515	19,031	13664
60616 809 01	Interest Charged Rate A/C	0	0	3,816	0
Total Apportioned Rates Revenue		<b>10,426</b>	<b>9,515</b>	<b>22,847</b>	<b>13,664</b>
<b>Expenditure</b>					
60616 343 01	Phone rentals	267	498	1,000	221
60616 343 02	Phone Tolls	0	0	0	0
60616 344	Postage	0	0	0	0
60616 406	Erewhon W/Board Lease	2,541	1,500	3,000	2,521
60616 562 08	Depreciation - Infrastructure	44,524	44,526	89,048	42,915
60616 565	Insurance	2,467	2,146	2,146	4,215
60616 567 02	Rates - Utility	6,969	10,300	10,300	6,152
60616 630 01	MDC Professional Services	0	2,502	5,000	0
60616 630 02	MDC Charges - PSU	555	0	0	240
60616 630 04	MDC Charges - Treatment	1,120	0	0	560
60616 681 01	Operational Costs Principle Contractor	0	0	0	0
60616 681 02	Operational Costs External Con	37,599	19,998	40,000	26,753
60616 692	External contractor	0	0	0	0
60616 697	Resource Consents	0	1,002	2,000	0
60616 699	Materials	0	498	1,000	0
Total Expenditure		<b>96,042</b>	<b>82,970</b>	<b>153,494</b>	<b>83,577</b>
<b>Internal Charges</b>					
60616 179 1100	Allocated o/heads CEO	1,239	1,218	2,438	1888.78
60616 179 2100	Allocated o/heads Fin Services	4,294	4,620	9,239	3606.25
60616 179 2500	Allocated o/heads Stat Plannin	1,410	2,130	4,265	2427.04
60616 179 4100	Allocated o/heads Cust Service	114	126	249	250.85
60616 179 5100	Allocated o/heads Assets	1,317	1,422	2,840	4436.29
Total Overhead Expenditure		<b>8,375</b>	<b>9,516</b>	<b>19,031</b>	<b>12,609</b>
Net Surplus/Deficit		<b>-20,908</b>	<b>6,283</b>	<b>28,830</b>	<b>-6,938</b>

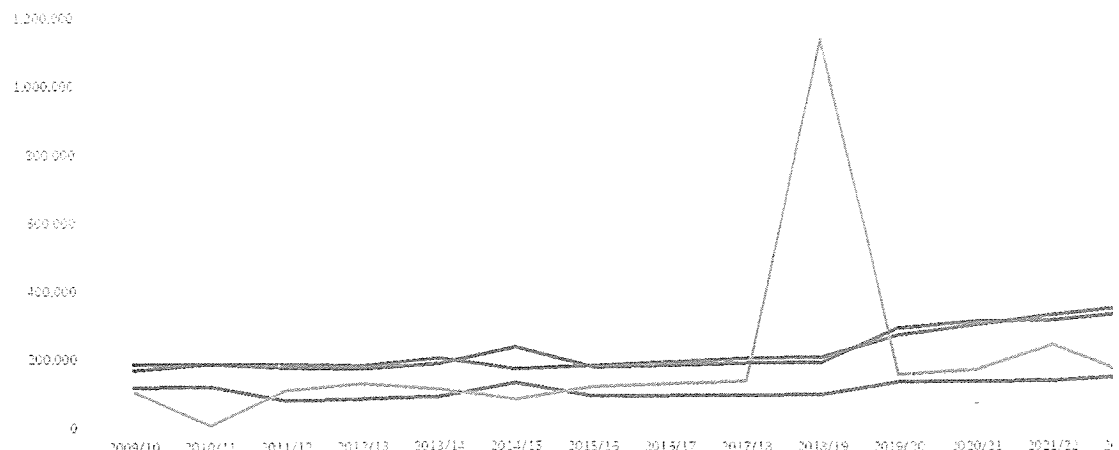
**EREWHON RURAL WATER SUPPLY FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31ST DECEMBER 2015**

<b>Capital Projects</b>			
<b>Capital - Renewals Infrastructure</b>			
60616 762 01	Erewhon Reticulation - contrac	50505	58110.00
60616 762 03	MDC Charges - PSU Retic	320	0.00
Net Projects		<b>50825</b>	<b>58110.00</b>
Total Capital - Renewals Infrastructure		<b>50825</b>	<b>58110.00</b>
<b>Equity</b>			
60616 966	EREWHON RWS-Reval Reserve	224732	0.00
60616 990	Public Equity Erewhon Water	3132534	0.00
Total Non Current Assets		<b>3357267</b>	<b>0.00</b>
Net Surplus		-20908	
Working Capital		-60979	
Total Equity		<b>3275379</b>	<b>58110.00</b>
<b>Non Current Assets</b>			
60616 878	Infrastructure	44524	0.00
60616 886	Water Supply Schemes	-3481849	0.00
60616 886 01	Provision for depeciation	212771	0.00
Net Projects		-50825	0.00
Total Non Current Assets		<b>-3275379</b>	<b>58110.00</b>
Non Current Liabilities		0	0.00
Net Assets		<b>-3275379</b>	<b>58110.00</b>

**Erewhon Rural Water Supply**  
**Summary of financial information**  
**As at Annual Report 2015**

	Actual 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22
<b>Income</b>													
Metered supply charges	184,544	184,564	184,538	178,449	199,443	167,627	178,508	189,359	199,739	203,730	267,511	296,516	325,470
General rates (reimburses overheads)	0	0	0	0	22,640	26,494	19,031	20,648	23,460	20,937	21,709	25,065	25,065
Interest received	108	0	9,594	3,952	2,200	4,099	4,409	4,444	4,889	5,333	5,333	3,889	3,889
	184,651	184,564	194,132	182,401	224,282	198,220	201,948	214,451	228,088	230,000	294,553	325,470	354,424
<b>Expenditure</b>													
External costs	38,776	53,505	77,374	62,870	74,596	79,663	66,100	68,578	71,151	73,819	76,587	79,459	81,136
Depreciation and other non-cash items	116,313	119,016	77,415	81,136	86,879	126,972	89,048	90,604	91,995	93,478	129,763	131,462	131,462
Overhead charges	11,934	11,208	14,638	25,682	22,640	26,494	19,625	20,648	23,460	20,937	21,709	25,065	25,065
Interest on deficits	0	975	4,599	0	0	0	0	0	0	0	0	0	0
Interest on loans	0	0	0	0	0	0	0	0	0	0	60,000	71,167	71,167
	167,023	184,705	174,026	169,688	184,115	233,129	174,773	179,830	186,606	188,234	288,059	307,153	317,774
<b>Surplus(deficit) on operations</b>	17,628	(141)	20,106	12,714	40,168	(34,909)	27,175	34,621	41,482	41,766	6,494	18,317	36,650
Transferred from(to) reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net surplus(deficit) on operations</b>	17,628	(141)	20,106	12,714	40,168	(34,909)	27,175	34,621	41,482	41,766	6,494	18,317	36,650
<b>Capital expenditure</b>													
Renewals	101,564	3,493	107,642	125,717	108,287	78,400	116,234	125,224	133,477	1,135,244	152,924	164,779	164,779
New capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayments	0	0	0	0	0	0	0	0	0	0	33,333	35,000	35,000
Loans raised	0	0	0	0	0	0	0	0	0	(1,000,000)	(50,000)	(50,000)	(50,000)
<b>Net surplus(deficit) on capital expenditure</b>	(101,564)	(3,493)	(107,642)	(125,717)	(108,287)	(78,400)	(116,234)	(125,224)	(133,477)	(135,244)	(136,257)	(149,779)	(149,779)
<b>Assets</b>													
Bank credit(overdraft)	(17,628)	97,754	71,859	39,991	74,525	88,188	88,885	88,885	88,885	88,885	55,552	55,552	55,552
Infrastructure	2,292,236	3,009,636	3,055,633	3,100,215	3,317,651	3,269,078	3,296,254	3,576,169	3,617,651	4,659,417	5,109,126	5,142,443	5,142,443
	2,274,608	3,107,390	3,127,492	3,140,206	3,392,176	3,357,266	3,385,139	3,665,054	3,706,536	4,748,302	5,164,678	5,197,995	5,197,995
<b>Liabilities</b>													
Internal loan	0	0	0	0	0	0	0	0	0	(1,000,000)	(1,016,667)	(1,031,667)	(1,031,667)
	0	0	0	0	0	0	0	0	0	(1,000,000)	(1,016,667)	(1,031,667)	(1,031,667)
<b>Net assets</b>	2,274,608	3,107,390	3,127,492	3,140,206	3,392,176	3,357,266	3,385,139	3,665,054	3,706,536	3,748,302	4,148,011	4,166,328	4,166,328
<b>Equity</b>													
Asset revaluation reserve	(633,514)	13,005	13,002	12,999	224,732	224,732	224,732	470,027	470,027	470,027	896,574	896,574	896,574
Accumulated funds	2,908,122	3,094,385	3,114,491	3,127,207	3,167,444	3,132,534	3,160,407	3,195,027	3,236,509	3,278,275	3,251,437	3,269,754	3,269,754
	2,274,608	3,107,390	3,127,492	3,140,206	3,392,176	3,357,266	3,385,139	3,665,054	3,706,536	3,748,302	4,148,011	4,166,328	4,166,328
<b>Check:</b>	0	0	0	(0)	0	0	0	0	0	0	0	0	0
<b>Cash Flow Statement</b>													
Income	184,651	184,564	194,132	182,401	224,282	198,220	201,948	214,451	228,088	230,000	294,553	325,470	354,424
Expenditure (excluding non-cash items)	50,710	65,699	96,611	88,552	97,236	106,157	85,725	89,226	94,611	94,756	158,296	175,691	175,691
Surplus(deficit) from operating	133,941	118,865	97,521	93,850	127,047	92,063	116,223	125,225	133,477	135,244	136,257	149,779	178,733
Less capital expenditure (renewals and new)	(101,564)	(3,493)	(107,642)	(125,717)	(108,287)	(78,399)	(116,223)	(125,225)	(133,477)	(1,135,244)	(152,924)	(164,779)	(164,779)
Less loan repayments	0	0	0	0	0	0	0	0	0	0	(33,333)	(35,000)	(35,000)
Surplus(deficit) before loan funding	32,378	115,382	(10,121)	(31,868)	18,760	13,664	0	0	0	(1,000,000)	(50,000)	(50,000)	(100,000)
Less loans raised	0	0	0	0	0	0	0	0	0	1,000,000	50,000	50,000	50,000
<b>Surplus(deficit) in cash</b>	32,378	115,382	(10,121)	(31,868)	18,760	13,664	0	0	0	0	0	0	0
<b>Depreciation</b>	116,313	119,016	77,415	81,136	86,879	126,972	89,048	90,604	91,995	93,478	129,763	131,462	131,462
<b>Renewals</b>	101,564	3,493	107,642	125,717	108,287	78,400	116,234	125,224	133,477	1,135,244	152,924	164,779	164,779
<b>Net Amount</b>	14,749	115,523	(30,227)	(44,581)	(21,408)	48,572	(27,176)	(34,620)	(41,482)	(1,041,766)	(23,161)	(33,317)	(100,000)
<b>Metered supply charges</b>	184,544	184,564	184,538	178,449	199,443	167,627	178,508	189,359	199,739	203,730	267,511	296,516	325,470
<b>Depreciation</b>	116,313	119,016	77,415	81,136	86,879	126,972	89,048	90,604	91,995	93,478	129,763	131,462	131,462
<b>Renewals</b>	101,564	3,493	107,642	125,717	108,287	78,400	116,234	125,224	133,477	1,135,244	152,924	164,779	164,779
<b>Expenditure</b>	167,023	184,705	174,026	169,688	184,115	233,129	174,773	179,830	186,606	188,234	288,059	307,153	317,774

ERWS supply charges vs other costs



Budget 2022/23	Budget 2023/24	Budget 2024/25
350,691	357,219	363,936
23,577	27,351	23,418
3,889	3,889	3,889
378,157	388,459	391,293
85,530	88,737	92,065
146,909	148,603	150,808
23,577	27,351	23,418
0	0	0
76,650	73,850	71,050
332,666	338,541	337,341
45,491	49,918	53,952
45,491	49,918	53,952

152,400	158,520	164,760
40,000	40,000	40,000
0	0	0
(192,400)	(198,520)	(204,760)

55,552	55,552	55,552
5,753,896	5,763,813	5,777,765
5,809,448	5,819,365	5,833,317
(1,055,000)	(1,015,000)	(975,000)
(1,055,000)	(1,015,000)	(975,000)
4,754,448	4,804,365	4,858,317

1,397,418	1,397,418	1,397,418
3,357,030	3,406,947	3,460,899
4,754,448	4,804,365	4,858,317

0	0	0
378,157	388,459	391,293
185,757	189,938	186,533
192,400	198,521	204,760
(152,400)	(158,520)	(164,760)
(40,000)	(40,000)	(40,000)
0	1	0
0	0	0
0	1	0

146,909	148,603	150,808	1,313,523
152,400	158,520	164,760	3,066,899
(5,491)	(9,917)	(13,952)	(1,253,371)

350,691	357,219	363,936
146,909	148,603	150,808
152,400	158,520	164,760
332,666	338,541	337,341

⇒ Mineral supply charges

⇒ Depreciation

⇒ Penalties

⇒ Expenses

2023/24

2024/25

2023/24 2024/25