

Rangitikei District Council



RANGITIKEI
DISTRICT COUNCIL

Erewhon Rural Water Supply Sub-Committee Meeting

Order Paper – Wednesday 14 February 2018 – 4:00 p.m.

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1 Apologies

2 Confirmation of Minutes

Recommendation

That the minutes of the Erewhon Rural Water Supply Sub-Committee meeting held on 8 November 2017 be taken as read and verified as an accurate record of the meeting.

3 Matters Arising

4 Operations Report

Recommendation

That the Operations report, be received.

5 Financial Report;

Recommendation

That the statement of operations: Period ending 31 December 2017, be received.

6 Members/Questions Report

7 Date of Next Meeting

Wednesday 9 May 2018

Rangitikei District Council

Erewhon Rural Water Supply Sub-Committee Meeting

Minutes – Wednesday 8 November 2017 – 4:00 p.m.



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Present: Mr J Gilbert (Chairperson)
Mr P Batley
Mr J Bird
Mr D Steedman

In Attendance: Mr D Miller, Asset Engineer, Roading and Utilities
Mr A Sargent, Management and Project Accountant
Cr A Gordon
Mr D Smith, Taihape Plumbing
Ms R Baird, Administration

1 Apologies

Resolved minute number 17/ERWS/047 File Ref

That the apologies from Mr G Duncan for absence be received.

Mr B Thomas/Cr A Gordon. Carried

2 Confirmation of Minutes

Resolved minute number 17/ERWS/048 File Ref

That the minutes of the Erewhon Rural Water Supply Sub-Committee meeting held on 9 August 2017 be taken as read and verified as an accurate record of the meeting.

Mr P Batley/Mr J Bird. Carried

3 Matters Arising

Mr Sargent said there was no outstanding debtors to date.

Mr Miller said the Revised Rural Water Supply policy would go to the next Council meeting.

Mr van Bussel is still working on the letter to members reminding them that the scheme is a non-potable water supply.

4 Operations Report

Mr Smith said they haven't started work on Mangaohane yet. Mr Gilbert said he had spoken with new manager Emmett Thurston-Parris and he was keen to join the committee.

Mr Miller said the Big Hill T transmitter is working again.

Resolved minute number 17/ERWS/049 File Ref

That the Operations report, be received.

Mr J Bird/Mr P Batley. Carried

5 Financial Report

Mr Sargent spoke to the report in two parts with the first being the financials ending 30 June 2017. Mr Sargent said the committee needed to be more prudent going forward after looking at the budget. He said the operational costs were a bit higher than what was budgeted for.

Mr Sargent explained depreciation against the budget. Mr Batley asked as a cash point of view is the scheme building up cash? Mr Sargent said yes.

The financials ending 30 September 2017 are tracking within the budgeted programme. Mr Miller explained the difference between the renewal costs and operational costs. Mr Smith said they had two major blow outs at Mangaohane as the AC pipe has been blowing out. Mr Miller said these pipes have been getting replaced over the district.

The committee discussed the unit rate and Mr Thomas asked if they should be increasing the rate to cover the cost of the proposed river crossing. Mr Bird asked if there was a blow out on the river crossing would it be covered by insurance. Mr Miller said he thought it would only cover for a natural disaster but would look into it.

Resolved minute number **17/ERWS/050** **File Ref**

That the Erewhon Rural Water Supply Sub-Committee request a proposed unit rate for the February meeting.

Mr J Gilbert/Mr B Thomas. Carried

Resolved minute number **17/ERWS/051** **File Ref**

That the statement of operations: Period ending June 2017 and 30 September 2017 be received.

Mr B Thomas/Mr J Bird. Carried

6 Members/Questions Report

Mr Miller tabled a Compliance Report from Horizons and said that the scheme is 100% compliant.

Mr Steedman had a copy of the original Horizons consent and pointed out that Ngati Whitikaupeka had wrongly signed on behalf of the local Iwi and the description of where it is was wrong and the trust would be seeking a review. Mr Steedman said they are going to set up an individual database to study the environmental effects at the weir and they will be closely monitoring it, to date they have found two types of algae. He said the owners would also be asking for a review on the agreement with the Rangitikei District Council.

7 Date of Next Meeting

Wednesday 14 February 2018

8 Meeting Closed

The meeting closed at 5:35pm

Confirmed/Chair: _____

Date:



REPORT

SUBJECT: **Operations Report – January 2018**

TO: Erewhon Rural Water Supply Committee

FROM: Andrew van Bussel

DATE: 1 February 2018

FILE: 6-WS-3-2

1 **Work Completed**

1.1 The following work was completed by Taihape Plumbing from 18 September 2017 – 31 December 2017:

- 18/9 Carry out Monthly Checks
- 4/10 Water main leak on Mangaohane
- 5/10 Load up gear. Cut out faulty section AC pipe and renew
- 7/10 No water at Rob Colliers, locate leak and dig up. Repair broken HP/PVC on Andrew Duncan's property
- 11/10 Locate, dig up and repair leak in Len Gilberts property
- 12/10 Carry out Monthly Checks
- 15/10 Renew non-return valve in valve box on Bird/Pringle tank line
- 15/10 Load up for possible blow out on Mangaohane face
- 1-8/12 12 Monthly checks at various locations
- 31/12 Carry out Monthly Checks

1.2 Jock Stratton's pipe renewal has been completed and the Mangaohane Face track has been installed. Kaiangaroa pipeline replacement will be completed in the next three months.

1.3 That the report "Operations Report – January 2018" be received.

Andrew van Bussel
Operations Manager

EREWHON RURAL WATER SUPPLY FINANCIAL STATEMENTS
and COMMENTARY for the 6 MONTHS ENDING:
31st December 2017

The commentary supporting the financial performance for December 2017 is as follows;

Performance:

- **Metered Revenue against budget;**
at \$81k is unfavourable/below budget by \$19k
- **General Rates**
This is tracking per the budget at \$10k
- **Interest Charged against budget**
Is unfavourable/below budget by \$2k
- **Expenditure against budget**
Is unfavourable/above budget by \$16k the details of which are follows;

Expenditure

		Actual FYR	Budget YTD	Actual Less Bdgt YTD
1	Depreciation - Infrastructure	45,302	45,996	-694
2	External Contractor	39,764	21,528	18,236
3	Insurance	2,816	2,046	770
4	Erewhon W/Board Lease	2,541	1,614	927
5	Rates - Utility	4,943	5,544	-601
6	MDC Charges	1,454	2,694	-1,241
7	Resource Consents	0	1,074	-1,074
8	Materials	188	540	-352
9	Phone rentals	238	540	-302
		97,246	81,576	15,670

With 50% of the financial year having been reached we have expensed Year to Date "YTD" 59% of our Full Year expenditure budget.

Against the "Actuals" for Last Year Full Year "LYR FYR" it is 45%

Expenditure	YTD Budget % Spent	LYR FYR % Spent
Depreciation - Infrastructure	49.2%	39.4%
External Contractor	92.4%	51.8%
Insurance	68.9%	45.2%
Erewhon W/Board Lease	78.7%	49.7%
Rates - Utility	44.6%	113.1%
MDC Charges		37.3%
Resource Consents	0.0%	0.0%
Materials	17.5%	25.7%
Phone rentals		42.0%
	59.6%	45.5%

For additional details relating to Expenditure

Please refer to the transaction details as provided on page 9

➤ **Net Surplus/Deficit**

Is unfavourable/below budget by \$36k the details of which are follows;

	Actual YTD	Budget YTD	Variance to YTD Budget
Revenue	81,125	100,458	-19,333
General Rates	10,253	10,524	-271
Interest Charged	0	1,860	-1,860
Total Revenue	91,378	112,842	-21,464
Expenditure	97,246	81,576	15,670
Overheads	9,569	10,530	-961
Net Surplus/Deficit	-15,437	20,736	-36,173

Capital Renewals Infrastructure

- Spend to date is "Nil" against a budget of \$67k

Capital Projects:

- Spend to date is "Nil" for the period

Debtors:

- An update will be provided at the meeting

Cash:

- After adding back non-cash items / "Depreciation" the "Cash Balance" for the December 2017 is \$155k an increase of \$29k from the June 2017 balance of \$126k

Water Usage / Supplied Statistics:

This report covers the "Water Statistics" from July 2016 through to December 2017 and in summary shows;

- Water usage/supplied this year was 218,567 m3
- Water usage/supplied last year "same period) was 217,902 m3
- Against last year this is an increase of 665 m3 or just 0.3 of 1%


For additional details on the Water Statistics

Please refer to the Graph provided on page 10

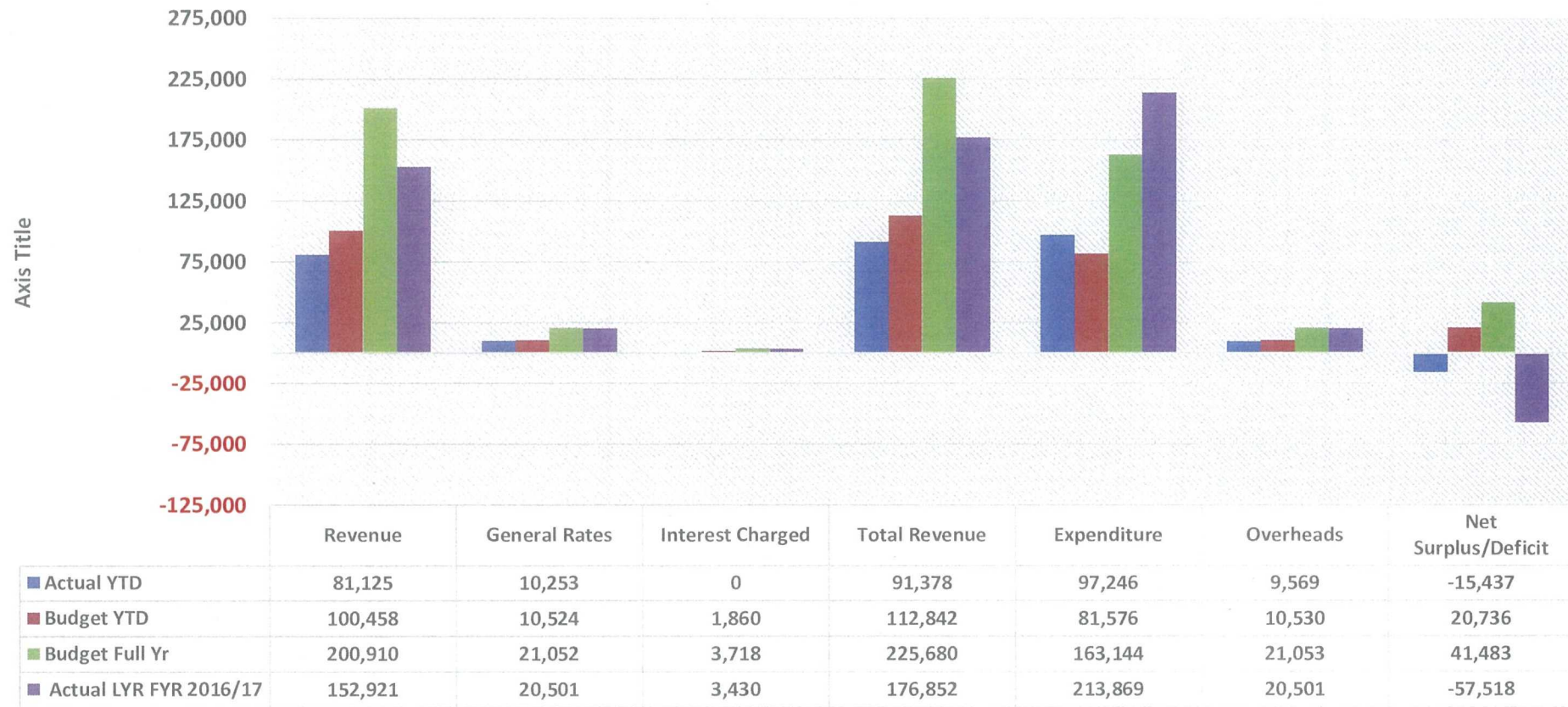
Andrew Sargent
31st January 2018
Management & Project Accountant

EREWHON RURAL WATER SUPPLY FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE SUMMARY
As at 31st December 2017

Performance Summary

	Actual YTD	Budget YTD	Variance to YTD Budget	Budget Full Yr	Actual LYR FYR 2016/17
Revenue	81,125	100,458	-19,333	200,910	152,921
General Rates	10,253	10,524	-271	21,052	20,501
Interest Charged	0	1,860	-1,860	3,718	3,430
Total Revenue	91,378	112,842 	-21,464	225,680	176,852
Expenditure	97,246	81,576	15,670	163,144	213,869
Overheads	9,569	10,530	-961	21,053	20,501
Net Surplus/Deficit	-15,437	20,736	-36,173	41,483	-57,518

Performance Summary For December 2017



EREWHON RURAL WATER SUPPLY FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

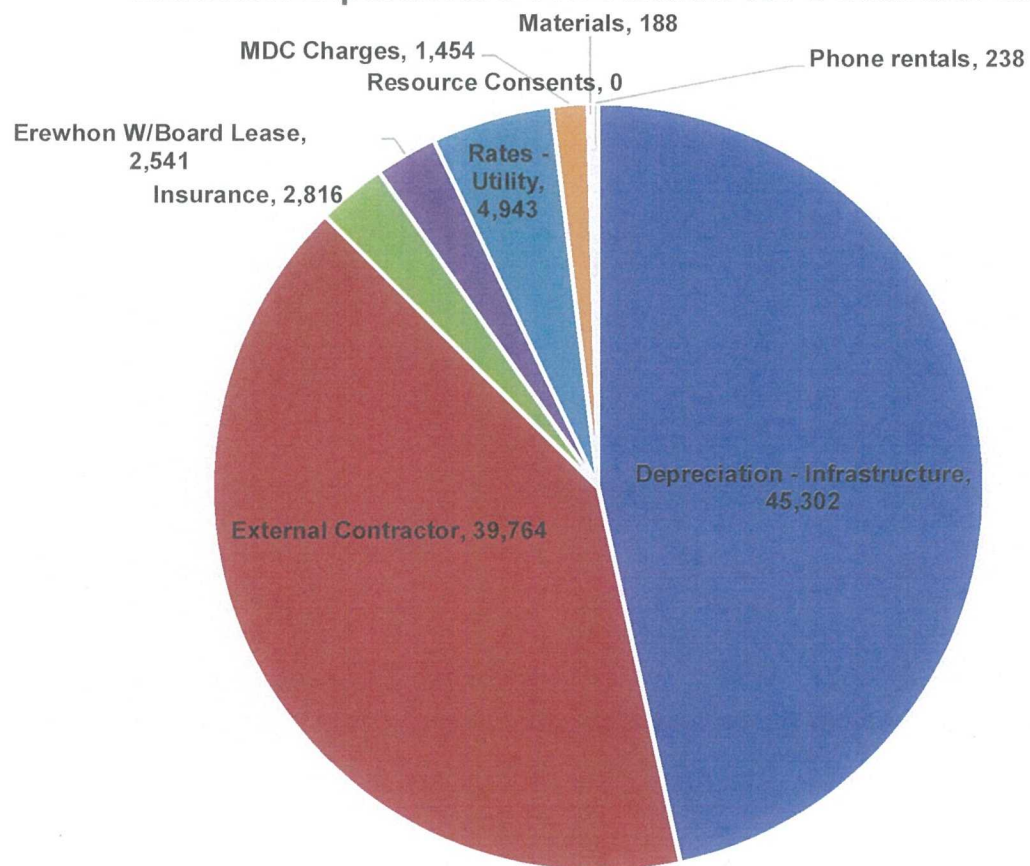
As at 31st December 2017

Note		Actual YTD \$	Budget YTD \$	Budget Full Yr \$	Actual LYR FYR 2016/17 \$
	<u>Income</u>				
	60616142 Metered Supply Charges	81,125	100,458	200,910	152,921
1	Total Revenue	81,125	100,458	200,910	152,921
	<u>Apportioned Rates Revenue</u>				
	6061680801 General Rates	10,253	10,524	21,052	20,501
	6061680901 Interest Charged Rate A/C	0	1,860	3,718	3,430
2	Total Apportioned Rates Revenue	10,253	12,384	24,770	23,931
	<u>Expenditure</u>				
	6061634301 Phone rentals	238	540	1,076	566
	6061634302 Phone Tolls	0	0	0	0
	60616344 Postage	0	0	0	0
	60616406 Erewhon W/Board Lease	2,541	1,614	3,229	5,109
	6061656208 Depreciation - Infrastructure	45,302	45,996	91,995	114,970
	60616565 Insurance	2,816	2,046	4,090	6,225
	6061656608 Loss on Sale - Infrastructure	0	0	0	0
	6061656702 Rates - Utility	4,943	5,544	11,087	4,369
	6061663001 MDC Professional Services	0	2,694	5,382	0
	6061663002 MDC Charges - PSU	1,454	0	0	3,901
	6061663004 MDC Charges - Treatment	0	0	0	0
	6061668101 Operational Costs Principal Contractor	0	0	0	0
	6061668102 Operational Costs External Contractor	39,764	21,528	43,056	69,530
	60616692 External contractor	0	0	0	7,246
	60616697 Resource Consents	0	1,074	2,153	1,219
	60616699 Materials	188	540	1,076	734
3	Total Expenditure	97,246	81,576	163,144	213,869
	<u>Internal Charges</u>				
	606161791100 Allocated o/heads CEO	1,544	1,404	2,807	2,975
	606161792100 Allocated o/heads Fin Services	4,930	4,644	9,287	9,713
	606161792500 Allocated o/heads Stat Plannin	1,703	2,916	5,830	4,688
	606161794100 Allocated o/heads Cust Service	124	132	259	249
	606161795100 Allocated o/heads Assets	1,268	1,434	2,870	2,876
	Total Overhead Expenditure	9,569	10,530	21,053	20,501
4	Net Surplus/Deficit	-15,437	20,736	41,483	-57,519

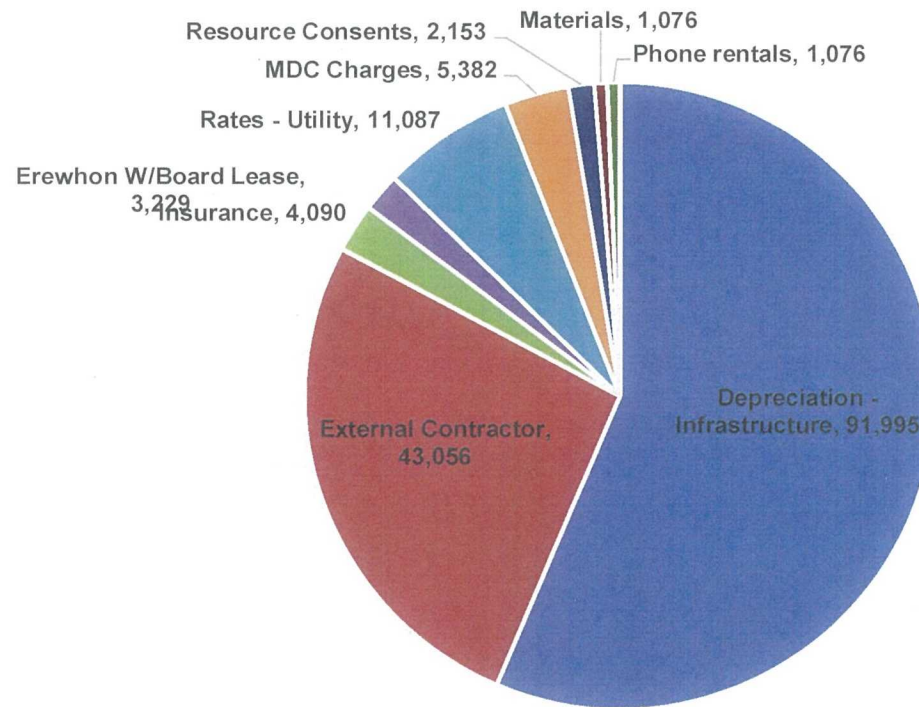
EREWHON RURAL WATER SUPPLY FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
As at 31st December 2017

	Actual YTD \$	Budget YTD \$	Budget Full Yr \$	Actual LYR FYR 2016/17 \$
5 Capital Projects				
Capital - Renewals Infrastructure				
6061676201 Erewhon Reticulation - contrac	0	66,738	133,477	94,963
6061676205 MDC Charges - PSU Retic	0	0	0	0
60616799 Capital Contra	0	0	0	-94,963
Net Projects	0	66,738	133,477	0
Total Capital - Renewals Infrastructure				
Equity				
60616966 EREWHON RWS-Reval Reserve	2,105,942	0	0	2,105,942
60616990 Public Equity Erewhon Water	2,972,437	0	0	3,029,955
6061699401 Water Erewhon Surp/Def Reserve	31,084	0	0	0
Total Non Current Assets	5,109,463	0	0	5,135,897
6				
Net Surplus	-15,437	20,736	41,483	-57,519
Working Capital	-92,033	46,002	91,994	-31,084
Total Equity	5,001,992	66,738	133,477	5,047,294
Non Current Assets				
60616878 Infrastructure	-45,302	0	0	0
60616886 Water Supply Schemes	5,162,264	0	0	5,162,264
6061688601 Provision for depeciation	-114,970	0	0	-114,970
Net Projects	0	66,738	133,477	0
Total Non Current Assets	5,001,992	66,738	133,477	5,047,294
Non Current Liabilities	0	0	0	0
Net Assets	5,001,992	66,738	133,477	5,047,294

Erewhon Expenditure YTD Actuals for December 2017



Erewhon Expenditure Full Year Budget for June 2018



EREWHON RURAL WATER SUPPLY FINANCIAL STATEMENTS
EXPENDITURE TRANSACTION SUMMARY
As at 31st December 2017

Sum of Value	Account code	Transaction description	Month	31/07/2017	31/08/2017	30/09/2017	31/12/2017	31/10/2017	30/11/2017	Grand Total
Account Description										
☐ Telephone Costs	6061634301	AP Spark Digital (GR54.71) Administration		\$48	\$48	\$48		\$48	\$48	\$238
Telephone Costs Total				\$48	\$48	\$48		\$48	\$48	\$238
☐ Depreciation - Infrastructure	6061656208	Depn Infrastructure		\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$45,302
Depreciation - Infrastructure Total				\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$45,302
☐ Insurance	60616565	Aon Insurance Prepayment July 17		\$553						\$553
		Aug. 17 Aon prepayment			\$553					\$553
		Sept. 17 Aon prepayment				\$553				\$553
		Oct. 17 Aon prepayment					\$553			\$553
		Aon Insurance Prepayment						\$286		\$286
		Aon Insurance Prepayment Broker Fee				\$16		\$16		\$31
		Aon Dec 17 Insurance Prepayment				\$286				\$286
Insurance Total				\$553	\$553	\$553	\$302	\$553	\$302	\$2,816
☐ MDC Charges - PSU	6061663002	MDC September 17				\$153				\$153
		MDC Staff Hours Aug. 17 Allocation			\$504					\$504
		MDC Staff Hours Jan. 17 Allocation		\$162						\$162
		MDC Staff Hours Nov 17 Allocation							\$635	\$635
MDC Charges - PSU Total				\$162	\$504	\$153			\$635	\$1,454
☐ Operational Costs - Contractors External	6061668102	AP Taihape Plumbin 114633/01 Len Gilberts property cut back overgrowth and		\$815						\$815
		AP Taihape Plumbin 114633/02 Pukerimu - locate and dig up leak on steel ma		\$1,028						\$1,028
		AP Taihape Plumbin 114633/03 Monthly check		\$999						\$999
		AP Taihape Plumbin 114633/04 no water at jock strattons		\$2,619						\$2,619
		AP Taihape Plumbin 114633/05 Mangaohane F tank make repairs		\$589						\$589
		AP Taihape Plumbin 114851/02 Erewhon 9month checks August 2017			\$7,639					\$7,639
		AP Taihape Plumbin 115014/01 Erewhon monthly check			\$999					\$999
		AP Taihape Plumbin 115014/02 Monthly check				\$999				\$999
		AP Taihape Plumbin 115354/01 Check flow and pressure at Thompson Tee				\$3,727				\$3,727
		AP Taihape Plumbin 115354/02 Deliver 315mm culvert to Pukerimu check over				\$2,497				\$2,497
		AP Taihape Plumbin 115564/05 Load up for possible blow out on Mangaohane					\$785			\$785
		AP Taihape Plumbin 115564/04 Renew non-return valve in balve box					\$279			\$279
		AP Taihape Plumbin 115014/03 Monthly check					\$998			\$998
		AP Taihape Plumbin 115564/03 Locate and dig up repair leaks in Len Gilbert					\$667			\$667
		AP Taihape Plumbin 115564/02 Rob Colliers - no water locate leak an dig up					\$662			\$662
		AP Taihape Plumbin 115564/01 Mangaohane water main leak					\$3,230			\$3,230
		AP Alf Downs Contr 115886/01 Erewhon Edac fault					\$2,538			\$2,538
		AP Taihape Plumbin 116682/01 12 Monthly Erewhon Water Scheme Checks				\$7,785				\$7,785
		AP Taihape Plumbin 115014/04 December monthly check				\$909				\$909
Operational Costs - Contractors External Total				\$6,049	\$8,638	\$7,223	\$8,694	\$9,159		\$39,764
☐ Materials	60616699	Reverse June 17 Creditor Accruals		-\$24						-\$24
		AP TMS Motors 115753/01 RhinoTrailer - Erewhon - incorrect springs ch						-\$225		-\$225
		AP TMS Motors 115753/03 Rhino Trailer - fit new springs to trailer						\$341		\$341
		AP TMS Motors 115753/02 rhino Trailer - springs						\$85		\$85
Materials Total				-\$24				\$201		\$177
Grand Total				\$14,338	\$17,293	\$15,527	\$16,546	\$17,512	\$8,534	\$89,751

Erewhon RWS Reporoa Bog Water Usage / Supplied
from July 2016 to December 2017

