

ORDER PAPER

HUNTERVILLE RURAL WATER SUPPLY MANAGEMENT COMMITTEE MEETING

Date: Monday, 21 June 2021
Time: 4.00 pm
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Chair: Mr Sam Weston
Membership: Mr Bob Crawford
Mr Mark Dawson
Mr Bernie Hughes
Mr John McManaway
Cr Richard Lambert
His Worship the Mayor, Andy Watson

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Notice is hereby given that a Huntermville Rural Water Supply Management Committee Meeting of the Rangitikei District Council will be held in the Council Chamber, Rangitikei District Council, 46 High Street, Marton on Monday, 21 June 2021 at 4.00 pm.

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AGENDA

1 Welcome

2 Apologies

3 Public Forum

4 Conflict of Interest Declarations

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

5 Confirmation of Order of Business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, [enter item number](#) be dealt with as a late item at this meeting.

6 Confirmation of Minutes

Recommendation

That the minutes of the Hunternville Rural Water Supply Committee meeting held on 15 March 2021 [as amended/without amendment] be taken as read and verified as an accurate and correct record of the meeting.



RANGITIKEI
DISTRICT COUNCIL

Rangitikei District Council

Huntermville Rural Water Supply Sub-Committee Meeting

Minutes – Monday 15 March 2021 – 4:00 pm

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Present: Mr Sam Weston (Chair)
Mr Mark Dawson
Mr John McManaway
Mr Bob Crawford
His Worship the Mayor, Andy Watson
Cr Richard Lambert

In attendance: Mr Arno Benadie, Group Manager – Assets and Infrastructure
Mr Andrew van Bussel, Operations Manager – Operations and Utilities
Mr Ivan O'Reilly, Reticulation Serviceman
Mr Dave Tombs, Group Manager – Corporate Services
Mr Girish Meher, Team Leader – Financial Services
Mr Ash Garstang, Governance Administrator

1 Welcome

Mr Weston opened the meeting at 4.00pm.

The resignation of Paul Peterson was received in February 2021.

2 Public Forum

3 Apologies

Resolved minute number 21/HRWS/001

That the apology for Mr Bernie Hughes be received.

Mr Crawford/Mr Dawson. Carried

4 Members' Conflict of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

5 Confirmation of Order of Business

No change to the order of business.

6 Confirmation of Minutes

Mr McManaway advised that the Committee never approved the financial statements. The Committee is awaiting further clarity from Council regarding these, in order to understand them better, and will not confirm them this meeting.

Resolved minute number 21/HRWS/002

That the Minutes of the Huntermville Rural Water Supply Sub-Committee meeting held on 7 December 2020 (not including and with the exception of the 2019/20 financial reports) be taken as read and verified as an accurate and correct record of the meeting.

Mr Crawford/Mr McManaway. Carried

7 Chair's Report

There were no updates to provide.

8 Council Decisions on Recommendations from the Committee

There were no recommendations from the Committee.

9 Questions put at Previous Meeting for Council Advice or Action

Understanding Financial Matters/Queries

This was addressed by members of the Committee, Dave Tombs (Group Manager - Corporate Services) and Girish Meher (Financial Services Team Leader). A request was made for:

1. Cash flow statement for January 2021 and;
2. Recreating and explaining the financial statements going back to 2016 in a format that the Committee can feel comfortable with.

RDC finance staff estimate this will take approximately two weeks to complete as this requires not only the compilation of the data but understanding and explaining the transactions and balances in the financial statements that have been presented to the Committees in the past, along with answers to some of the fundamental questions that were raised at the meeting last week.

The Committee sought further clarification from RDC finance staff about how depreciation is charged.

Once this work has been completed this information will be sent to committee members, this is expected to be by 31 March.

10 Hunterville Rural Water Supply – Operations Report

Mr van Bussel highlighted the following from his report:

- Proposing two new pumps – one for each pump station. Waiting for confirmation of prices. Would like to look at removing the old KSB pumps once new ones are installed, as they don't trust the old pumps to perform and are not sure how long they'll last.
- If the current stainless steel pump breaks down and they need to rely on the old KSB pumps over a hot summer, they're not sure if they could keep the reservoir full.

There were follow up questions from Committee members about the age, type and energy usage of the current pumps. In response, Mr van Bussel indicated that he will draft a report before the next committee meeting that provides these details. Mr McManaway noted that it was important to be able to measure the efficiency of the pumps. Mr van Bussel acknowledged this point and indicated that he will include details about pump efficiency in his upcoming report.

The Committee also queried whether there was any money in the replacement budget that could be used for big ticket items - Mr van Bussel advised that there wasn't.

Resolved minute number 21/HRWS/003

That the 'Huntermville Rural Water Supply - Operations Report' to the 15 March 2021 Huntermville Rural Water Supply Sub-Committee be received.

Mr Dawson/Mr Crawford. Carried

11 Huntermville Bore – Update

The Committee confirmed that there was no report to receive.

A brief discussion followed and Mr Benadie stated that the project is completely done. Next step is to complete a study in April based on the numbers.

HWTM queried the possibility of reducing costs. Mr Benadie advised that Council would need to on-sell water capacity and this would require an extension to the scheme. Mr Weston advised that although the market is there, there are restrictions regarding the size of pipes. Mr van Bussel advised that there are additional restrictions in relation to the gallery capacity and water storage facilities.

12 Huntermville Rural Water Supply Financial Statements Commentary Update for the 7 Months Ended 31 January 2021

Mr Tombs and Mr Meher provided some commentary to the report:

- They advised that there are historical anomalies and inconsistencies with previous financial statements and that this was making it more complicated for them to accurately interpret the data. Mr McManaway advised that the meters supply charges don't appear to compute year-on-year and that the figures don't take into account the cost per unit.
- There was discussion between the RDC finance staff and the Committee about the breakdown and allocation of overheads. Mr McManaway noted that these costs made up a fifth of their budget, which seemed high. RDC finance staff explained that overhead costs are distributed across all departments and could more accurately be termed as 'centralised costs'.
- Mr McManaway queried what MDC charges (professional services) related to. Mr Meher explained that these costs are derived from a shared services agreement with the Manawatu District Council, who charge on time.
- Mr Crawford queried the increase in utilities charges. Mr Meher acknowledged that the Committee had disputed this before and that he needed to work through past financial statements in order to accurately advise the Committee on why there was an increase.
- Cr Lambert proposed that the Committee organise an open day for the pumps, which the Committee agreed with.

On a separate note, Mr van Bussel advised Mr McManaway that he had approached Kiwirail about using their existing deed for repairs, but was advised by Kiwirail that this would need to come under

a 'variation to the deed'. HWTM offered assistance with this, as the Council is currently involved with Kiwirail and could advocate on their behalf. Mr van Bussel acknowledged the offer and advised that he will let HWTM know.

Resolved minute number 21/HRWS/004

That the 'Huntermville Rural Water Supply Financial Statements Commentary Update for the 7 Months Ended 31 January 2021' to the 15 March 2021 Huntermville Rural Water Supply Sub-Committee be received.

Mr McManaway/Mr Crawford. Carried

13 Late Items

No late items.

14 Next Meeting

Monday, 21 June 2021 – 4.00pm.

15 Meeting Closed

Mr Weston closed the meeting at 5.07pm.

The minutes of this meeting were confirmed at the Huntermville Rural Water Supply Management Committee meeting held on 21 June 2021.

.....
Chairperson

7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from previous Huntermville Rural Water Supply Meetings

Author: Ash Garstang, Governance Administrator

1. Reason for Report

- 1.1 On the list attached are items raised at previous Huntermville Rural Water Supply meetings. Items indicate who is responsible for follow up, and a brief status comment

Attachments

1. Follow-up Actions Register

Recommendation

That the report 'Follow-up Action Items from previous Huntermville Rural Water Supply Meetings' be received.

ITEM 7.1

Current Follow-up Actions

From Meeting Date	Details	Person Assigned	Status Comments	Status
15-Mar-21	<p>The Committee requested:</p> <ol style="list-style-type: none"> 1. Cash flow statement for January 2021 and; 2. Recreating and explaining the financial statements going back to 2016 in a format that the Committee can feel comfortable with. 3. Clarification about how depreciation is charged 	Girish Meher / Dave Tombs	<p>This review is taking longer than expected. Mr Weston has been advised of this via email for his awareness.</p> <p>Until the review is completed, we will continue providing the info we have been providing, but with the caveat that this reporting may be superseded once we have the background.</p> <p>The queries highlighted can be best answered once we have the background.</p>	In progress

8 Chair's Report

8.1 Chair's Report - June 2021

Author: Sam Weston, Chair

1. Reason for Report

- 1.1 A verbal report may or may not be provided by Mr Weston.

Recommendation (if needed)

That the 'Chair's Report – June 2021' be received.

ITEM 8.1

9 Reports for Information

9.1 Hunternville Rural Water Supply - Operations Report

Author: Andrew van Bussel, Operations Manager

1. Leaks and Repairs

1.1 There have been a number of repairs during this period:

- 09-03-21 Robert Nydegger, Change ballcock
- 09-03-21 Change Burmack Valve, middle pump station
- 10-03-21 Charlie Duncans tank overflowing
- 17-03-21 Manaki Farm, fix inlet pipe to tank
- 20-03-21 Leak on Horricks
- 23-03-21 Leak on Otairi
- 08-04-21 Leak on Robert Nydegger line
- 14-04-21 Leak at Shane Hurley's farm - Turakina Valley
- 15-04-21 Bore pump not working
- 21-04-21 Put new bore pump in
- 22-04-21 Adjust seal in Middle Pump Station
- 23-04-21 Leak on Charlie Duncan's farm
- 23-04-21 Renshaw, Turakina Valley, changed ballcock.
- 28-04-21 Ballcock on Nick Tipling's tank.
- 29-04-21 Leak on Robert Nydigger's tank
- 30-04-21 Hook up new tank at Potaka's place
- 06-05-21 Leak on Richard Swainson- SH1
- 17-05-21 Leak on Mrs Webb's
- 21-05-21 Stand over contractor putting in Culvert, Turakina Valley
- 24-05-21 Fix pipe on Norwood Lane
- 26-05-21 Mark out line for fencing contractor
- 28-05-21 Fencer hit line on Douglas Duncan's place.
- 28-05-21 Locate Line for for fencer, Tracey Lethbridge- Turakina Valley.
- 30-05-21 Leak at Duncan Trows.

2. General

- 2.1 A new line was installed to Wairata Tank at the end of May.

Recommendation

That that 'Hunternville Rural Water Supply – Operations Report' to the 01 June 2021 Hunternville Rural Water Supply Sub-Committee be received.

ITEM 9.2

9.2 Hunterville Rural Water Scheme - Financial Statement and Commentary for the year ended 31 May 2021 (Condensed)

Author: Girish Meher, Team Leader - Financial Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

Preliminary:

There were a number of questions posed by the Chair of the sub-Committee in Nov 2020 via e-mail to the Financial Services Team Leader in relation to the financials for the three months ended 30 Sep 2020 / year ended 30 June 2020 which we believe may not have been formally responded to.

As we are still in the process of finalising our investigation into some fundamental issues raised at a subsequent meeting we are not yet in a position to respond to all of those questions.

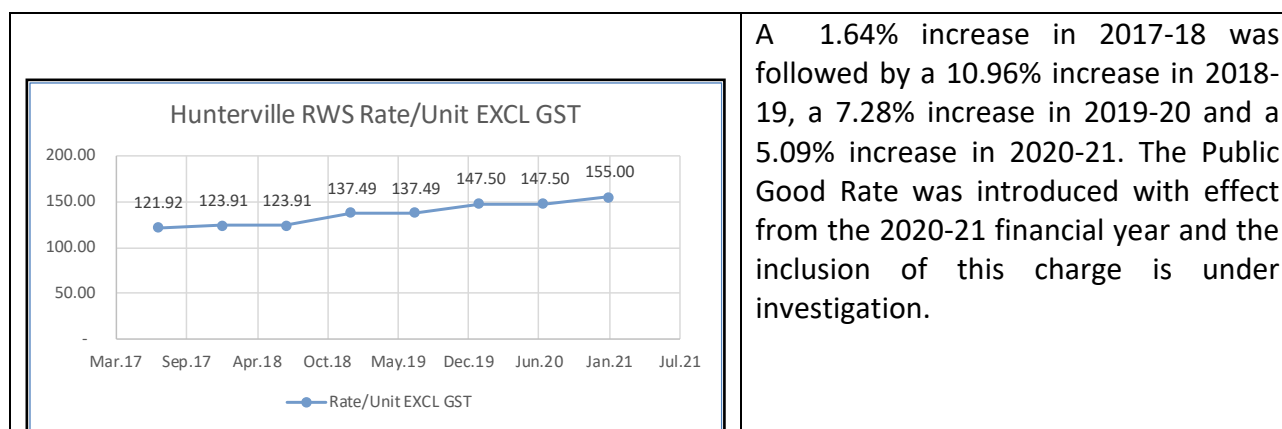
Although considerable time has elapsed since the request we consider it would be useful to set out the list of questions and the answers that we are able to provide in Appendix B for the record.

Financials: Subject to the above investigation in progress, (and with a caveat that this reporting may be superseded once we have more information) the financials and our commentary follows:

HUNTERVILLE RURAL WATER SUPPLY FINANCIAL STATEMENTS							
STATEMENT OF FINANCIAL PERFORMANCE SUMMARY							
For the 11 Months ended 31 May 2021							
Performance Summary							
	Actual YTD 2020/21	Budget YTD 2020/21	Var YTD 2020/21	Budget FYR 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18
Penalties / Other Revenue	5,158	0	5,158	0	9,063	11,937	1,126
General Rates			0			81,213	81,213
Metered Supply	528,590	472,384	56,206	515,328	506,462	476,336	427,932
Public Good Rate	(119,702)	(94,050)	(25,652)	(102,602)	0	0	0
Total Revenue	414,046	378,334	35,712	412,726	515,525	569,486	510,271
Expenditure	373,736	411,840	38,104	449,301	415,932	385,317	478,867
Internal Interest paid	0	7,469	7,469	8,145	6,696	5,204	2,803
Internal charges	104,916	97,416	(7,500)	106,280	91,245	83,372	80,580
Net Surplus/(Deficit)	(64,606)	(138,391)	73,785	(151,000)	1,652	95,593	(51,979)
Add back: Depreciation	138,417	138,413	4	151,000	151,052	131,419	131,179
Net Surplus/(Deficit) (excl Depn)	73,811	22	73,789	0	152,704	227,012	79,200

The Rural Water Scheme has agreed that Depreciation will not be funded.

Rates charged have shown a steady increase year on year as depicted in the graph below. There was a rate increase to \$155/- in 2020-21 as compared to \$147.50 in 2019-20 (both exclusive of GST) – reflected in the increase in revenue as compared against 2019-20.



A 1.64% increase in 2017-18 was followed by a 10.96% increase in 2018-19, a 7.28% increase in 2019-20 and a 5.09% increase in 2020-21. The Public Good Rate was introduced with effect from the 2020-21 financial year and the inclusion of this charge is under investigation.

Internal charges:

These are allocation of general overheads to the Huntersville Rural Water Scheme on a similar basis as in previous years. Appendix C provides a walk-through example to illustrate the mechanics. Variance arises as the actual numbers on which the calculations are based differ from those budgeted. The matter of inclusion of this charge is under investigation.

		Actual YTD 2020/21	Budget YTD 2020/21	Var YTD 2020/21	Budget FYR 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18
Internal Charges								
606171791100	Allocated o/heads CEO	9,942	9,130	(812)	9,960	19,447	15,423	12,466
606171791400	Allocated o/heads Policy	2,192	2,343	151	2,556	3,378	3,110	2,885
606171792100	Allocated o/heads Fin Services	23,668	19,855	(3,813)	21,665	25,762	23,017	23,810
606171792300	Allocated o/heads Cust Service	15,601	12,353	(3,248)	13,479	0	0	0
606171792500	Allocated o/heads Stat Planning	12,135	12,782	647	13,949	9,331	10,736	9,368
606171795100	Allocated o/heads Assets	41,378	40,953	(425)	44,671	33,328	31,086	32,051
	Total Internal Charges	104,916	97,416	(7,500)	106,280	91,245	83,372	80,580

Expenditure:

Details of Operational Expenditure are set out below:

		Actual YTD 2020/21	Budget YTD 2020/21	Var YTD 2020/21	Budget FYR 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18
Expenditure								
6061734301	Telephone Costs	2,136	1,958	(178)	2,140	2,548	2,618	2,768
6061756208	Depreciation - Infrastructure	138,417	138,413	(4)	151,000	151,052	131,419	131,179
60617563	Electricity	167,617	162,723	(4,894)	177,515	185,664	166,320	206,945
60617565	Insurance	20,012	17,743	(2,269)	19,358	18,492	16,816	10,442
6061756608	Loss on Sale - Infrastructure	0	0	0	0	0	0	0
6061756702	Rates - Utility	19,556	16,555	(3,001)	18,062	19,096	15,356	16,447
60617588	Member Remuneration	0	0	0	0	880	1,360	2,860
6061763001	Professional Services - MDC	0	5,192	5,192	5,669	1,543	0	873
6061763003	MDC Charges - Retic	0	0	0	0	0	0	0
6061763004	MDC Charges - Treatment	0	0	0	0	0	0	0
6061768102	Operational Costs Contractor	0	0	0	0	2,948	0	0
6061768201	Reticulation Costs - Staff	1,760	16,676	14,916	18,189	17,412	27,072	61,378
6061768301	Treatment Costs - Staff Time	1,530	0	(1,530)	0	0	1,050	4,133
60617692	External Contractors	17,898	25,245	7,347	27,545	6,625	14,967	33,207
60617697	Resource Consents	1,281	0	(1,281)	0	0	0	1,489
60617698	Chemicals & Consumables	0	0	0	0	0	3,735	0
60617699	Materials	3,529	27,335	23,806	29,823	9,670	4,604	7,146
	Total Expenditure	373,736	411,840	38,104	449,301	415,932	385,317	478,867

ITEM 9.2

External Contractors:

Detailed listing of the expenditure is set out in Appendix A

Depreciation and Provision for Depreciation:

In the Balance Sheet section - Depreciation has been set out on two lines:

- 1) The accumulated depreciation at the commencement of the year; and
- 2) The accumulated depreciation during the year (11 months to May 2021)

		Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17	Actual FYR 2015/16
	Accumulated Depreciation						
6061788601	As at 1 Jul	(151,052)	(151,052)	0	(262,001)	(130,822)	(384,454)
60617878	For the year to date	(138,417)	0	0	0	0	0
		(289,469)	(151,052)	0	(262,001)	(130,822)	(384,454)

In general Depreciation is based on the valuation provided during the revaluation.

Financial Position – Equity and Internal Loan

		Actual YTD 2020/21	Budget YTD 2020/21	Var YTD 2020/21	Budget FYR 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18
	Equity							
60617966	HVL RWS REVAL RESERVE	2,773,920	0	2,773,920	0	2,773,920	2,773,920	2,631,503
60617990	Public Equity H/Ville Rural Wa	3,863,530	0	3,863,530	0	3,861,877	3,766,285	3,960,493
6061799401	Water Supply Hunt Rural Surp/Def Re	0	0	0	0	0	0	-142,227
60617995	Hunterville RWS Reserve	214,215	0	214,215	0	214,215	206,532	198,818
	Total Equity and Reserves	6,851,665	0	6,851,665	0	6,850,012	6,746,737	6,648,587
	Net Surplus / (Deficit)	(64,606)	(138,391)	73,785	(151,000)	1,652	95,593	(51,979)
	Cumulative surplus/deficit line- merged with Public Equity							
	Non Current Liabilities							
60617950	Internal Loan	214,103	0	214,103	0	214,103	180,000	134,132
	Total Non Current Liabilities	214,103	0	214,103	0	214,103	180,000	134,132

Internal Loan movements are recorded at the end of the year. (Previous years in Appendix B)

Movements in the Hunterville (HVL) RWS Revaluation Reserve are set out below:

	Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17	Actual FYR 2015/16
Hunterville RWS Revaluation Reserve						
Opening Balance	2,773,920	2,773,920	2,631,503	2,631,503	1,351,125	
Establish Activity Surplus Res Accts			142,227		1,280,378	
??? Misc diff			190			
Closing Balance	2,773,920	2,773,920	2,773,920	2,631,503	2,631,503	1,351,125
Check	0	0	0	0	0	

Movements in the Hunterville Public Equity are set out below:

Analysis of movements in Balances:						
	Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17	Actual FYR 2015/16
Profit / (Loss) for the year	(64,606)	1,652	95,593	(51,979)	(3,453)	(126,895)
Public Equity Huntermville Rural Water Scheme						
Opening Balance	3,861,877	3,766,284	3,960,490	3,963,943	4,090,838	
Surplus / (Deficit) of prev year	1,652	95,593	(51,979)	(3,453)	(126,895)	
Tfr from RWS Surp/Def Reserve			(142,227)			
Opg bal next year	3,863,529	3,861,877	3,766,284	3,960,490	3,963,943	4,090,838

Movements in the Huntermville Rural Water Scheme (RWS) Reserve are set out below:

	Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17
Huntermville RWS Reserve					
Opening Balance	214,215	206,532	198,818	189,351	180,334
Interest on Reserve Funds	0	7,683	7,714	9,468	9,017
Closing Balance	214,215	214,215	206,532	198,818	189,351

Internal Loan: Movements are detailed in Appendix B (Page 6). In general terms Internal Loans are taken to fund Scheme asset additions/improvements in the event scheme funds are insufficient.

Working Capital: The calculation of working capital is set out below.

	Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17
Derivation of Working Capital					
Equity	6,851,665	6,850,012	6,746,737	6,648,587	6,784,797
Net Surplus/(Deficit)	(64,606)	1,652	95,593	(51,979)	(3,453)
	6,787,059	6,851,664	6,842,330	6,596,608	6,781,344
Non Curr Assets	6,522,586	6,630,948	6,781,999	6,740,529	6,790,292
minus - Non Curr Liabilities	214,103	214,103	180,000	134,132	56,069
Net Non Curr Assets/(Liab)	6,308,483	6,416,845	6,601,999	6,606,397	6,734,223
Working Capital - Balancing figure	(478,576)	(434,819)	(240,331)	9,789	(47,121)

ITEM 9.2

Financial Position – Net Assets

Account		Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17
	Infrastructure Assets:					
60617886	Water Supply Schemes (at Cost/Revaluation) -1 Jul	6,782,000	6,782,000	6,782,000	7,002,530	6,921,114
	At Reporting Period End	6,782,000	6,782,000	6,782,000	7,002,530	6,921,114
	Accumulated Depreciation					
6061788601	As at 1 Jul	(151,052)	(151,052)	0	(262,001)	(130,822)
60617878	For the year to date	(138,417)	0	0	0	0
		(289,469)	(151,052)	0	(262,001)	(130,822)
	Net Infrastructure Assets	6,492,531	6,630,948	6,782,000	6,740,529	6,790,292
	Capital - Renewals Infrastructure					
6061776201	HRWS Reticulation - Contractor	5,535	11,506	30,473	46,552	19,216
6061776301	HRWS Treatment - Contractor	0	14,765	0	34,864	15,121
	Sub-Total - Renewals Infra	5,535	26,271	30,473	81,416	34,337
	Capital - Projects					
6061777303	HRWS Reticulation - Staff Time	24,520	16,801	22,594	1,097	0
60617799	Capital Contra	0	-43,072	-53,068	-82,513	(34,337)
	Sub-total - Projects	24,520	(26,271)	(30,474)	(81,416)	(34,337)
	Total Capital Exp	30,055	0	(1)	0	0
	Net Assets	6,522,586	6,630,948	6,781,999	6,740,529	6,790,292

Movements in Infrastructure Assets detailed in Appendix B (Pages 7 and 8).

Girish Meher – 16 Jun 2021
(Contract) Financial Services Team Leader

Attachments

1. Appendix A - External Contractors (Listing of expenditure items)
2. Appendix B - Responses to issues raised by Mr Weston
3. Appendix C - Internal Charges (Allocations) walk-through example

Recommendation

That the report 'Huntermville Rural Water Scheme Financial Statements and Commentary for the year ended 31 May 2021 (Condensed)' be received.

Appendix A: External Contractors (Listing of expenditure items)

Date	Value	Detail
30/06/2020	70	AP Alf Downs Contr 129724/01 J#150024 - Fix Logmein
27/08/2020	556.51	AP Alf Downs Contr 130405/01 J#150392 - Hunterville Rural Changeover bore
30/09/2020	136.4	AP Alf Downs Contr 131347/01 J # 151274 - Hunterville Rural Wellpump Fault
8/02/2021	53.88	AP Burrell's Limit 133298/17 Hunterville bath & tea towels
22/02/2021	53.88	AP Burrell's Limit 133424/17 Hunterville bath & tea towels
1/03/2021	8.25	AP Burrell's Limit 133423/17 Hunterville bath & tea towels
15/02/2021	8.25	AP Burrell's Limit 133409/17 Hunterville bath & tea towels
28/02/2021	2338.5	AP Alf Downs Contr 133342/01 J # 151962 - Hunterville Rural Reservoir
10/03/2021	46.86	transfer from 60616699 to 60617692
10/03/2021	46.86	transfer from 60616699 to 60617692
10/03/2021	46.86	transfer from 60616699 to 60617692
28/02/2021	136.9	AP Speed Engineeri 133681/01 IOR- Make a reducing pipe for HRWS
29/01/2021	291.3	AP Awakino Contrac 133794/01 IOR- reinstate road for Hydrant in Broadway
26/03/2021	4471.1	AP Awakino Contrac 133772/01 IOR- Reinstatement sites- district wide
31/03/2021	530	AP B J & L M Maher 133871/01 Remove Tyres from Taihape
8/03/2021	53.88	AP Burrell's Limit 134018/17 Hunterville bath & tea towels
15/03/2021	8.25	AP Burrell's Limit 134019/17 Hunterville bath & tea towels
22/03/2021	53.88	AP Burrell's Limit 134021/17 Hunterville bath & tea towels
29/03/2021	8.25	AP Burrell's Limit 134022/17 Hunterville bath & tea towels
5/04/2021	53.88	AP Burrell's Limit 134112/17 Hunterville bath & tea towels
19/04/2021	53.88	AP Burrell's Limit 134318/17 Hunterville bath & tea towels
12/04/2021	8.25	AP Burrell's Limit 134397/17 Hunterville bath & tea towels
26/04/2021	8.25	AP Burrell's Limit 134494/17 Hunterville bath & tea towels
29/04/2021	29.57	AP Cutting Edge 20 133723/01 IOR- Concrete breaker repaired again
31/03/2021	1459.7	AP Doughty Drainag 134449/01 IOR- Assist and provide digger an truck for m
15/04/2021	770	AP Cronin Wells En 134150/01 IOR- Lift Bore out and back in once repaired
3/05/2021	15.27	AP Burrell's Limit 134687/17 Hunterville bath & tea towels
22/04/2021	281.25	AP Speed Engineeri 134726/01 IOR- Repair pump at middle pump station
21/04/2021	1436.91	AP Speed Engineeri 134727/01 IOR- Remove and replace motor in river pump
30/04/2021	254.3	AP Speed Engineeri 134728/01 IOR- Repair trailer
10/05/2021	8.25	AP Burrell's Limit 134765/17 Hunterville bath & tea towels
17/05/2021	794.99	AP Andrew Morriss 134276/01 IOR- Concrete Reinstatement for 3 Shelton Pla
30/04/2021	3750	AP Doughty Drainag 134795/01 IDF- install new 3 waters service connections
17/05/2021	53.88	AP Burrell's Limit 134316/17 Hunterville bath & tea towels
	17898.19	

Certain of the above transactions aggregating to \$450 are being investigated for possible mis-coding.

C	H	L
Date	Value	Detail
8/02/2021	53.88	AP Burrell's Limit 133298/17 Hunterville bath & tea towels
22/02/2021	53.88	AP Burrell's Limit 133424/17 Hunterville bath & tea towels
1/03/2021	8.25	AP Burrell's Limit 133423/17 Hunterville bath & tea towels
15/02/2021	8.25	AP Burrell's Limit 133409/17 Hunterville bath & tea towels
8/03/2021	53.88	AP Burrell's Limit 134018/17 Hunterville bath & tea towels
15/03/2021	8.25	AP Burrell's Limit 134019/17 Hunterville bath & tea towels
22/03/2021	53.88	AP Burrell's Limit 134021/17 Hunterville bath & tea towels
29/03/2021	8.25	AP Burrell's Limit 134022/17 Hunterville bath & tea towels
5/04/2021	53.88	AP Burrell's Limit 134112/17 Hunterville bath & tea towels
19/04/2021	53.88	AP Burrell's Limit 134318/17 Hunterville bath & tea towels
12/04/2021	8.25	AP Burrell's Limit 134397/17 Hunterville bath & tea towels
26/04/2021	8.25	AP Burrell's Limit 134494/17 Hunterville bath & tea towels
3/05/2021	15.27	AP Burrell's Limit 134687/17 Hunterville bath & tea towels
10/05/2021	8.25	AP Burrell's Limit 134765/17 Hunterville bath & tea towels
17/05/2021	53.88	AP Burrell's Limit 134316/17 Hunterville bath & tea towels

Appendix B: Responses to issues raised by Sam Weston in relation to the Hunterville Rural Water Scheme Financials via an e-mail in Nov 2020 to Ashley Dahl

Questions		Responses					
Full year to June 2020 (I assume these are audited and can't be amended)							
For the past 3 or 4 years we have received a reversal of the internal charges as a General Rate, why has this not happened for 2020? And when was it decided not to make this adjustment, and why were we not informed?		Matter is still under investigation					
Can you please explain and provide reconciliations for the movements of the Internal Loan Account for the past four years		This is still being looked into. However an interim movement has been provided/explained below. In summary the internal loan increases to the extent of the capital expenditure during the year and is repaid over thirty years.					
	Dr / (Cr)	Actual Full Year					
	Internal Loan	2020-21	2019-20	2018-19	2017-18	2016-17	Notes
	Opening Balance	(214,103)	(180,000)	(134,132)	(56,068)	(60,518)	
	New Loan		(43,072)	(53,067)	(82,513)	(34,337)	
	Repayments		8,968	7,199	4,449	38,787	
	Closing Balance		(214,103)	(180,000)	(134,132)	(56,068)	
	Interest Charge		6,696	5,204	2,803	3,026	
	Interest Rate		3.72%	3.88%	5.00%	5.00%	For 19-20 and 18/19 Treasury Rat
CAPITAL RENEWALS INFRA & PROJECTS							
6061776201	HRWS Reticulation-Contractor		11,506	30,473	46,552	19,216	
6061776301	HRWS Treatment - Contractor		14,765	0	34,864	15,121	
6061777303	HRWS Reticulation-Staff Time		16,801	22,594	1,097	0	
	Total		43,072	53,067	82,513	34,337	
Why Provision for Depreciation was not recorded in "Non-Current Assets" in 2019 but was double in 2018?		The Rural Water Scheme Assets were revalued in 2019 at Depreciated Replacement Cost and as a consequence no depreciation would have been recorded in the year of the revaluation. Besides Depreciation to that date would have been adjusted and not carried forward.					

Please explain the Capital Contra Account '60617799' is this something to do with the Internal Loan?

The Capital Expenditure is financed by an internal loan (please see earlier table for movement)
The Capital Contra entry is designed to clear the project balances and capitalise the asset. (depicted below)

	Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17	Actual FYR 2015/16
HRWS Reticulation - Contractor	5,535	11,506	30,473	46,552	19,216	7,352
HRWS Treatment - Contractor	0	14,765	0	34,864	15,121	52,811
Sub-Total - Renewals Infra	5,535	26,271	30,473	81,416	34,337	60,163
Capital - Projects						
HRWS Reticulation - Staff Time	14,720	16,801	22,594	1,097	0	2,605
Capital Contra	0	-43,072	-53,068	-82,513	(34,337)	(62,768)
Sub-total - Projects	14,720	(26,271)	(30,474)	(81,416)	(34,337)	(60,163)
Total Capital Exp	20,255	0	(1)	0	0	0

Please provide a reconciliation and explanations about the movement of '60617995' Hunterville RWS Reserve account

Subject to confirmation following the conclusion of the investigation – the movements in this account are depicted below. Interest is calculated on the Treasury rate for the year.

	Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17
Hunterville RWS Reserve					
Opening Balance	214,215	206,532	198,818	189,351	180,334
Interest on Reserve Funds	0	7,683	7,714	9,468	9,017
Closing Balance	214,215	214,215	206,532	198,818	189,351

Three months to 30 Sep 2020

The Public Good Rate? What is this, why are we getting charged \$25,600 for 3 months. When was this introduced and again why were we not informed? How did it sneak into the budget?

Pending investigation

Please explain Non-Current Assets movement as it does not make sense?

Non-Current Assets are the scheme assets. The movements are explained in more detail in the tables below.

Account	Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17	Actual FYR 2015/16
Infrastructure Assets:						
60617886 Water Supply Schemes (at Cost/Revaluation) -1 Jul	6,782,000	6,782,000	6,782,000	7,002,530	6,921,114	5,989,974
At Reporting Period End	6,782,000	6,782,000	6,782,000	7,002,530	6,921,114	5,989,974
Accumulated Depreciation						
6061788601 As at 1 Jul	(151,052)	(151,052)	0	(262,001)	(130,822)	(384,454)
60617878 For the year to date	(125,833)	0	0	0	0	0
	(276,885)	(151,052)	0	(262,001)	(130,822)	(384,454)
Net Infrastructure Assets	6,505,115	6,630,948	6,782,000	6,740,529	6,790,292	5,605,520

Movement in the Non-Current Assets (Infrastructure Assets) is as set out below:

	Actual YTD 2020/21	Actual FYR 2019/20	Actual FYR 2018/19	Actual FYR 2017/18	Actual FYR 2016/17	Actual FYR 2015/16
Hunterville - Infrastructure Assets						
Water Supply Schemes @ Cost/Reval						
Opening Balance	6,782,000	6,782,000	7,002,530	6,921,114	5,989,974	
Revaluation Gain / (Loss)			(220,530)		895,924	
Additions during the year				81,416	35,216	
Closing Balance	6,782,000	6,782,000	6,782,000	7,002,530	6,921,114	5,989,974
Check	0	0	0	0	0	
Re-valuation 2019 and 2016 (1 Jul)						
Depreciated Replacement Cost ("DRC")			6,782,000		6,885,898	
Asset additions - 2016-17 (19216.25+15120.51+879) - GL Extract below				81,416	35,216	
- 2017-18 (34864.08+46551.73)					6,921,114	

2016-17 - \$ 35,216

0077922	Jun 17	30/06/17	AS30	199	19,216.25	11,400,006.93	GLJUL6799	Additions 2016/17- Water
0077924	Jun 17	30/06/17	AS30	199	15,120.51	11,415,127.44	GLJUL6799	Additions 2016/17- Water
0079937	Jun 17	30/06/17	AS54	199	879.00	11,416,006.44	GLAUG7145	Water Changes

2017-18 - \$ 81416

23273	30/06/18	CI	34864.08	261849.56	GLAUG7697	AS41 Water Additions 2017/2018
23272	30/06/18	CI	46551.73	6609858.10	GLAUG7697	AS41 Water Additions 2017/2018

Why is provision for depreciation at \$188k for 3 months

Our internal notes indicate that this was corrected and a corrected statement provided – see pic extract below – Depreciation line only

Water Supply Hunterville Rural
Statement of Operations
For the 3 Months Ending 30th September 2020
Revenue

Account	Detail	Actual YTD 2020/21	Budget YTD 2020/21	Var YTD 2020/21	Budget FYR 2020/21	Actual FYR 2019/20
6061756208	Depreciation - Infrastructure	37,750	37,749	(1)	151,000	151,052

Appendix C : Internal Charges (Allocations) walk-through example

Actual Example of calculation for Jan 2021 to illustrate the Overhead allocation Calculations:

Financial Services - TOTAL (before allocations) >> (after 65k prev period coding error reversal)			(11,120.00)	
From	To	OH%		
95500 : Fleet Management	92100 : Financial Services	0.78%	302.00	
95301 : Property	92100 : Financial Services	7.34%	6,118.00	
92600 : Information Services	92100 : Financial Services	12.00%	21,058.00	\$ 16,358.00
92100 : Financial Services	60617 : Water Supply Hville Rural	1.90%	\$ 310.80	0.019

Step 1 – Total Expenditure in Financial Services \$54,435

Reversal of previous period error (\$65,000)

Net (\$11,119)

Allocations to Financial Services from:

Fleet Management 302

Property 6,118

Information Services 21,058

TOTAL before re-allocations **\$16,359**

Allocation to Hunterville Rural @ 1.9% **310 (Agreed to 'for the month' figure on Financial Report – pic of extract below)**

Account	Detail	Last Year MTH	Month Actual	Month Budget	Month Variance	Month % Var	FYR Budget 2020/21	Last Year YTD	YTD Actual 2020/21	Ytd Budget 2020/21	Ytd Variance
60617 179 1100	Allocated o/heads CEO	1538	31	830	799	4	9960	11392	6172	5810	(36)
60617 179 1400	Allocated o/heads Policy	211	282	213	(69)	132	2556	1958	1399	1491	9
60617 179 2100	Allocated o/heads Fin Services	2177	310	1805	1495	17	21665	14670	14549	12635	(191)
60617 179 2300	Allocated o/heads Cust Service		1898	1123	(775)	169	13479		9072	7861	(121)
60617 179 2500	Allocated o/heads Stat Plannin	529	761	1162	401	65	13949	3874	6504	8134	163
60617 179 5100	Allocated o/heads Assets	2685	3329	3723	394	89	44671	18180	26598	26061	(53)
	Total Internal Charges	7140	6611	8856	2245	75	106280	50074	64294	61992	(230)

10 Late Items

11 Next Meeting

20 September 2021, at 4.00pm.

12 Meeting Closed