

# Rangitikei District Council

## Omatane Rural Water Supply Sub-Committee Meeting

Order Paper – Wednesday 10 August 2016 – 3:00 p.m.



### Contents

1	Apologies .....	2	
2	Confirmation of Minutes .....	2	Pages 1 – 4
3	Matters Arising .....	2	
4	Water Managers Report .....	2	To be tabled
5	Scheme Overseers Report .....	2	To be tabled
6	Financial Report .....	2	Pages 5 - 7
7	Members/Questions .....	2	
8	Date of next meeting .....	2	



**1 Apologies**

**2 Confirmation of Minutes**

**Recommendation**

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

**3 Matters Arising**

**4 Water Managers Report**

**Recommendation**

That the Water Managers Report, be received.

**5 Scheme Overseers Report**

**Recommendation**

That the Scheme Overseers Report, be received.

**6 Financial Report**

**Recommendation**

That the Statement of Operations for period ending 31 May 2016, be received.

**7 Members/Questions**

**8 Date of next meeting**

Wednesday 9 August 2017



# Rangitikei District Council

**Rangitikei**  
UNDEFEAT...

## Omatane Rural Water Supply Sub-Committee Meeting

Minutes – Wednesday 12 August 2015 – 3:07 p.m.

### Contents

1	Apologies .....	2
2	Confirmation of minutes.....	2
3	Matters Arising .....	2
4	Water Managers Report .....	2
5	Scheme Overseers Report .....	2
6	Financial Report.....	3
7	Options for management of the Omatane Rural Water Supply Scheme .....	3
8	Members/Questions.....	4
9	Meeting Closed .....	4

#### Present:

Mr A McKay, Chairperson  
Mr N Gregory  
Mr D Hammond  
Mr L Kelly  
Mr A Ramsay  
Mr J Taylor

#### In Attendance:

Ms J Saywell, Utilities Asset Manager  
Mr A van Bussel, Operations Manager  
Cr R Rainey  
Cr A Gordon  
Mr M Thomas  
Ms R Baird, Administration

## 1 Apologies

That the apology for Mr Bird for absence be received.

Mr McKay/Mr Kelly. Carried

## 2 Confirmation of minutes

Mr McKay said he would like more written detail on the explanation given from Mr McIrvine regarding the financial statement.

*The scheme receives general rates which covers any council overheads charged to the scheme. Note these by accounting standards need to be shown as a cost against this activity and the other general ratepayers pick up this cost so there is no net cost to the scheme which effectively gets the services from council free including engineers finance insurance etc. Depreciation is not funded on the scheme assets.*

Resolved minute number      15/ORWS/006      File Ref

That the minutes of the Omatane Rural Water Supply Sub-Committee meeting held on 15 April 2015 be taken as read and verified as an accurate and correct record of the meeting, with the amendment of more detail in the financial report given by Mr George McIrvine.

Mr McKay/Mr Kelly. Carried

## 3 Matters Arising

Ms Saywell would follow up the schemes insurance and what they are covered for.

## 4 Water Manager's Report

Mr Hammond gave a verbal report and said he had cleaned the intake and fixed a break in the main line.

Resolved minute number      15/ORWS/007      File Ref

That the Water Managers Report, be received.

Mr Hammond/Mr Kelly. Carried

## 5 Scheme Overseer's Report

Mr van Bussel said there was nothing to report but had Horizons contact him as there was no signal coming from the flow meter. Mr van Bussel asked if any of the members were dialling in. Mr Kelly said they still do not have access into the Horizons website. Mr van Bussel said he would need to send Shane Gunn to look at the flow meter and he would need transport, Mr Kelly offered his four wheeler. Mr McKay said he would take Shane to the flow meter.



Mr van Bussel said the flow meter needs to be verified and the scheme would need to do a blue tick or a volumetric test. The members discussed this. Mr van Bussel said they could get Shane Gunn to do the volumetric test when he checks the flow meter.

## 6 Financial Report

Mr Kelly asked why the metered supply charge increased by \$7000.00. Mr Thomas noted that the increase would be due to the renewals on the capital expenditure which was \$6411.00. Ms Saywell said the software that is used may have noted that it is time for a renewal so has put an amount in the column. Mr Taylor asked what was the schemes cash balance, Cr Rainey said the balance goes into a general fund. Mr Taylor said the "book entries" are clouding the actual cash terms. The question was asked "is the scheme being rated for more than what is spent and does the balance roll over". Cr Rainey and Cr Gordon would go and meet with Mr McIrvine the following day to ask the questions posed from the members, Mr McKay would try and meet with them too.

Resolved minute number      15/ORWS/008      File Ref

That the Statement of Operations for period ending 31 May 2015, be received.

Mr van Bussel/Mr Thomas. Carried

## 7 Options for management of the Omatane Rural Water Supply Scheme

Mr McKay said the members had met and discussed the options and had decided to stay with the current arrangements, but have decided to leave their decision until their queries about the financial report are answered. Mr McKay asked what is the minimum involvement that council could be involved with the scheme. Cr Rainey said that council could still charge the general rate on their behalf.

Resolved minute number      15/ORWS/009      File Ref

That the report "Options for management of the Omatane Rural Water Supply Scheme" be received and noted (as for the Council) constituting a review of delivery of services under section 17A of the Local Government Act 2002 (and potentially an approach applicable to the District's other rural water supply schemes) and that the members have decided to continue the present arrangements to support the scheme until all members are satisfied with the outcome of the questions posed to the finance department.

Mr McKay/Mr Kelly. Carried

## **8 Members/Questions**

Mr Hammond advised the committee that he would be going off the scheme by winter next year. Mr van Bussel said the members may want to look at selling Mr Hammonds units. Mr Kelly said the scheme may work better with less people on it. Mr Gregory said the units could be offered to neighbouring properties.

Cr Rainey asked why the committee was considering staying with council if they have so many reservations. Mr Kelly said that for many years they have had a good relationship with council but need clarification on the financials.

## **9 Date of next meeting**

Wednesday 10 August 2016

## **10 Meeting Closed**

4:15pm

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

Date:

# Rural Water Supplies Cash Flow Statement

Omatane

For the period ended 31/05/16

	YTD Actual 2015/16	YTD Budget 2015/16	FYR Budget 2015/16
<b>Revenue</b>			
Operating revenue	12,284	11,264	12,283
General rates	3,322	3243	3,243
Interest Charged Rate A/c	0		(405)
Treasury Int Charged Loan A/c	0		(126)
Total revenue	15,606	14,507	14,995
<b>Expenses</b>			
Operating expenses	10,609	13059	14,085
Overheads	2,626	2959	3,242
Interest paid			
Add back non-cash items	(8,567)		
	4,668	16,018	17,327
<b>Net surplus from operating</b>	10,938	(1,511)	(2,332)
<b>Capital items</b>			
Capital expenditure	0	0	0
Loan repayments	0	0	
Total capital	0	0	0
<b>Net cash surplus(deficit)</b>	10,938	(1,511)	(2,332)
<b>Notional bank account</b>			
Opening balance 1 July 2015	(5,390)		
Cash surplus(deficit) above	10,938		
<b>Closing balance 28 Feb 2015</b>	5,548	0	0

**OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 30 SEPTEMBER 2015**

<b>Capital - Renewals Infrastructure</b>		<b>YTD Actual 2015/16</b>	<b>Ytd Budget 2015/16</b>	<b>FYR Budget 2015/16</b>
60618 721	Treasury Loans Repaid	0	0	281
60618 762 01	Omatane Reticulation Contractor	0	4587	5000
	<b>Total Capital - Renewals Infra</b>	<b>0</b>	<b>4587</b>	<b>5281</b>
<b>Capital - Projects</b>				
	<b>Net Projects</b>		<b>4587</b>	<b>5281</b>
<b>Equity</b>				
60618 990	Public Equity Omatane Rural Wa	425965		
	<b>Net Surplus</b>	<b>2371</b>	<b>-1511</b>	<b>-2332</b>
	<b>Working Capital</b>	<b>-5548</b>	<b>6098</b>	<b>7613</b>
	<b>Total Equity</b>	<b>422788</b>	<b>4587</b>	<b>5281</b>
<b>Non Current Assets</b>				
60618 878	Infrastructure	-8567	0	0
60618 886	Water Supply Schemes	452460	0	0
60618 886 01	Depreciation Infrastructure	-18578	0	0
	<b>Net Projects</b>	<b>425316</b>	<b>4587</b>	<b>5281</b>
	<b>Total Non Current Assets</b>	<b>425316</b>	<b>4587</b>	<b>5281</b>
<b>Non Current Liabilities</b>				
60618 950	Internal Loan	2528		
	<b>Total Non Current Liabilities</b>	<b>2528</b>		
	<b>Net Assets</b>	<b>422788</b>	<b>4587</b>	<b>5281</b>



**OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**AT 31 MAY 2016**

Revenue  
Rates

Account	Detail	YTD Actual 2015/16	Ytd Budget 2015/16	FYR Budget 2015/16	YTD Actual 2014/15
60618 142	Metered Supply Charges	12284	11264	12283	10450
	<b>Total Rates</b>	<b>12284</b>	<b>11264</b>	<b>12283</b>	<b>10450</b>
<b>Apportioned Rates Revenue</b>					
60618 808 01	General Rates	8147	3243	3243	8147
60618 809 01	Interest Charged Rate A/c			-405	0
60618 809 03	Treasury Int Charged Loan A/c			-126	0
	<b>Total Apportioned Rates Revenue</b>	<b>8147.00</b>	<b>3243.00</b>	<b>2712.00</b>	<b>8147.00</b>
<b>Internal Charges</b>					
60618 179 1100	Allocated o/heads CEO	894	891	975	890
60618 179 2100	Allocated o/heads Fin Services	690	737	808	931
60618 179 2500	Allocated o/heads Stat Plannin	619	869	952	1252
60618 179 4100	Allocated o/heads Cust Service	143	154	166	73
	Allocated o/heads Assets	280	308	341	3795
	<b>Total Internal Charges</b>	<b>2626</b>	<b>2959</b>	<b>3242</b>	<b>6941</b>
<b>Expenditure</b>					
60618 343 01	Telephone Costs				
60618 562 08	Depreciation infrastructure	8567	8569	9345	10507
60618 565	Insurance	303	285	285	572
60618 567 02	Rates	1129	1455	1455	300
60618 630 01	Professional Services - MDC	210	913	1000	0
60618 630 02	MDC Charges - PSU	400	0	0	1200
60618 691	Principal Contractor	0	1837	2000	2083
60618 697	Resource Consents	0	0	0	144
60618 699	Materials	0	0	0	0
	<b>Total Expenditure</b>	<b>10609</b>	<b>13059</b>	<b>14085</b>	<b>14806</b>
	<b>Net Surplus</b>	<b>7196</b>	<b>-1511</b>	<b>-2332</b>	<b>-3150</b>