RANGITĪKEI DISTRICT COUNCIL
Making this place home.

ORDER PAPER

OMATANE RURAL WATER SUPPLY MANAGEMENT COMMITTEE MEETING

Date:	**Tuesday, 20 April 2021**
Time:	**3.00 pm**
Venue:	**Council Chamber** **Taihape Town Hall** **90 Hautapu Street** **Taihape**

Chair:	Lance Kelly
Membership:	Luke Bird Neil Gregory Richie Law Alex McKay Andrew Ramsay Don Tweeddale Cr Gill Duncan His Worship the Mayor, Andy Watson

Notice is hereby given that a Omatane Rural Water Supply Management Committee Meeting of the Rangitīkei District Council will be held in the Council Chamber, Taihape Town Hall, 90 Hautapu Street, Taihape on Tuesday, 20 April 2021 at 3.00 pm.

Order Of Business

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1 Welcome

2 Apologies

3 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.

4 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, ……. be dealt with as a late item at this meeting.

5 Confirmation of Minutes

Omatane Rural Water Supply Management Committee Meeting - 11 November 2020

Recommendation:

That the minutes of the Omatane Rural Water Supply Management Committee meeting held on 11 November 2020 (as amended/without amendment) be taken as read and verified as an accurate and correct record of the meeting.

ITEM 6 ATTACHMENT 1

Rangitīkei District Council

Omatane Rural Water Supply Sub-Committee Meeting

Minutes – Wednesday 11 November 2020 – 3:00 pm

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UNCONFIRMED

Present:

Mr A McKay
Mr A Ramsay
Mr L Kelly
Miss R McKay

Also Present

Cr G Duncan
Mayor A Watson

In Attendance

Mr D Flintoff, Reticulation Team Leader
Mr A Dahl, Financial Service Team leader
Mrs L McKnight-Wilson, Administration

1. Welcome

Cr Duncan welcomed all.

2 Election of new Chair

Resolved minute number 20/ORWS/01 File Ref

That the Omatane Rural Water Supply Sub-Committee, for the purpose of electing or appointing persons under Clause 25, adopt System B.

Cr G Duncan/Mr A McKay. Carried

Resolved minute number 20/ORWS/02 File Ref

That Mr Kelly be appointed Chair of the Omatane Rural Water Supply Sub-Committee.

Mr A Ramsay/Mr A McKay. Carried

Mr Kelly thanked Mr McKay for his years of service and took the Chair.

3 Public Forum

None

4 Apologies

Resolved minute number 20/ORWS/03 File Ref

That the apologies from Mr N Gregory, Mr N Law and Mr A van Bussel be accepted.

Mr A McKay/Mr L Kelly.Carried

5 Members' conflict of interest

None

6 Confirmation of order of business

The order of business was confirmed

Mr A McKay/Mr A Ramsay.Carried

UNCONFIRMED

7 Confirmation of Minutes

Resolved minute number 20/ORWS/04 File Ref

That the Minutes of the Omatane Rural Water Supply Sub-Committee meeting held on 13 November 2019 be taken as read and verified as an accurate and correct record of the meeting.

Mr A McKay/Cr G Duncan.Carried

8 Water Managers Report

A report was tabled at the meeting.

Resolved minute number 20/ORWS/05 File Ref

That the 'Omatane Rural Water Supply – Water Managers Report' to the 11 November 2020 Omatane Rural Water Supply Sub-Committee meeting be received.

9 Financial Report

Mr Kelly would like a better understanding of the cost and overheads, Mr Dahl would explain at the next meeting.

Resolved minute number 20/ORWS/06 File Ref

That the 'Omatane Rural Water Supply – Financial report' to the 30 June 2020 and to 30 September 2020 be received.

Mr A Dahl/ Mr A Ramsay.Carried

10 Proposed rate for 2020/21

Resolved minute number 20/ORWS/07 File Ref

That the proposed rate is $72.84 per cubic meter.

Mr A Dahl/Miss R McKay.Carried

11 Members/Questions

Mr Kelly would approach the new member who is currently using the water supply at present about becoming a member.

Mr Tweedale would like to disconnect the troughs on his property and connect to the tank at the house, all members in agreeance.

UNCONFIRMED

An account was presented for work done from Mr Gregory, Mr McKay would follow up with Mr Gregory.

12 Next Meeting

The 2021 calendar is currently being drafted, once that has been confirmed, future meeting dates will be provided.

13 Meeting Closed

3.50pm

UNCONFIRMED

ITEM 8.1

6 Reports for Decision

6.1 Proposed rate for 2021/22

Reason for Report

The committee to discuss what the proposed rate will be for 2021/22.

Recommendation

That the proposed rate is $____ per cubic meter.

7 Reports for Information

7.1 Financial Statements and Commentary for the 8 months ended 28 February 2021

Author: **Girish Meher, Team Leader - Financial Services**

Reason for Report

The financial statements are attached.

Attachments

1. Financial Statements and Commentary

Recommendation

That the report 'Financial Statements and Commentary for the 8 months ended 28 February 2021' be received.

OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS
and COMMENTARY for the 8 months ended 28 February 2021

The financial commentary in regard to the performance to date is as follows:

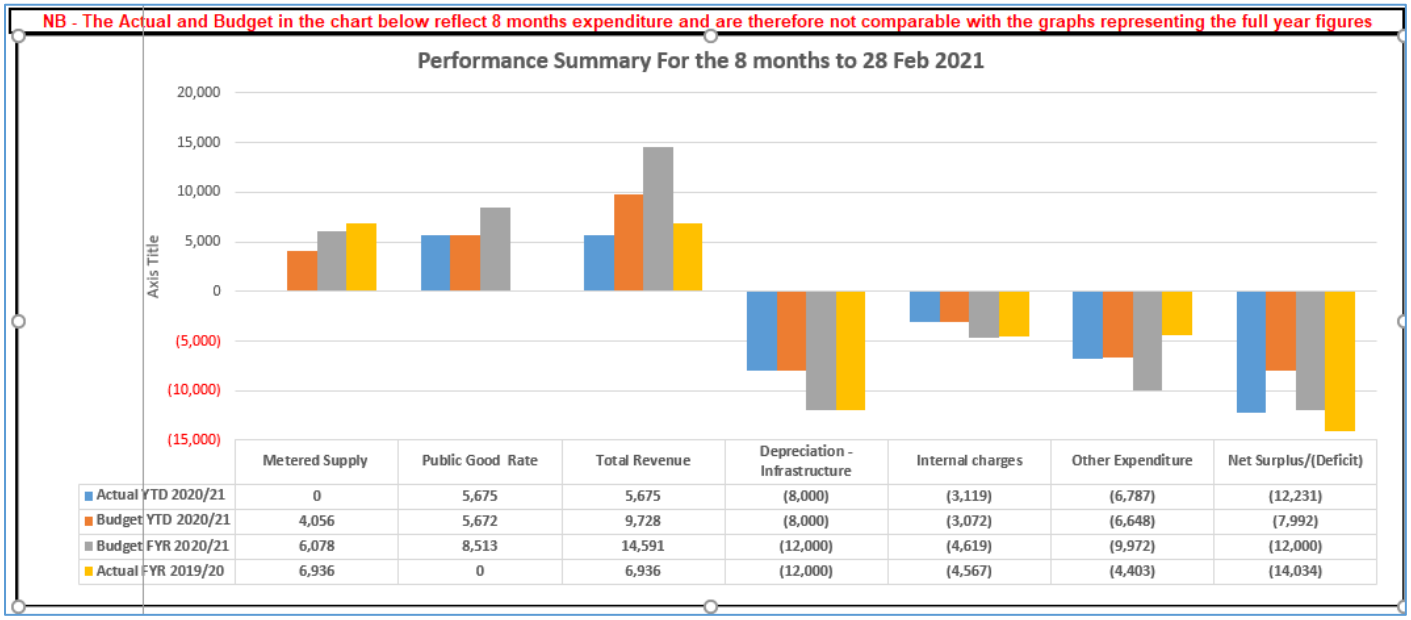
Performance:

OMATANE RURAL WATER SUPPLY FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE SUMMARY
For the 8 Months Ending 28 Feb 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
Metered Supply	0	4,056	(4,056)	6,078	6,936	6,788	13,467
General Rates	0	0	0	0	0	3,521	3,521
Public Good Rate	5,675	5,672	3	8,513	0	0	0
Total Revenue	**5,675**	**9,728**	(4,053)	**14,591**	**6,936**	**10,309**	**16,988**
Depreciation - Infrastructure	(8,000)	(8,000)	0	(12,000)	(12,000)	(16,621)	(16,621)
Internal charges	(3,119)	(3,072)	(47)	(4,619)	(4,567)	(4,213)	(3,782)
Other Expenditure	(6,787)	(6,648)	(139)	(9,972)	(4,403)	(6,383)	(5,209)
Net Surplus/(Deficit)	**(12,231)**	**(7,992)**	**(4,239)**	**(12,000)**	**(14,034)**	**(16,908)**	**(8,624)**
Add back: Depreciation	**8,000**	**8,000**	**0**	**12,000**	**12,000**	**16,621**	**16,621**
Net Surplus/(Deficit) (excl Depn)	**(4,231)**	**8**	**(4,239)**	**0**	**(2,034)**	**(287)**	**7,997**

NB - The Actual and Budget in the chart below reflect 8 months expenditure and are therefore not comparable with the graphs representing the full year figures



- **Metered Supply against budget**
  Budgeted Revenue represents 8 months proportionate annual revenue. The YTD revenue is below budget as there have not been any billings. Water Rates get billed only once a year in May.

- **Public Good Rate**
  This amount is transferred in from other areas of Council to enable the Rural Water Service Scheme to break even. Budgeted Annual Performance for the Omatane Rural Water Service Scheme is as follows:

	Budget
Metered Supply Charges	6,078
Internal charges	(4,619)
Expenditure excluding Depreciation	(9,972)
Net Result	**(8,513)**
Public Good Transfer	8513
Net Result after Transfer	**0**

- **Actual Expenditure against budget**
  At $14,787 is marginally over the YTD budget by $139. The total costs against External Contractor ($1,943) and Materials ($1,393) aggregating to $3,336 is offset by the Budgeted Surplus on Professional Services MDC (3,512) But Rates and Insurance are over budget by $470 resulting in the small deficit in Expenditure overall.

  Details for significant Expenditure accounts are set out in Appendix B

Detailed Profit & Loss Account is set out below:

Revenue	Omatane Rural Water Supply Statement of Operations For the 8 Months Ending 28 Feb 2021					
Account	**Detail**	**Actual YTD 2020/21**	**Budget YTD 2020/21**	**Var YTD 2020/21**	**Budget FYR 2020/21**	**Actual FYR 2019/20**
Rates						
60618126	Public Good Rate	5,675	5,672	3	8,513	0
60618142	Metered Supply Charges	0	4,056	(4,056)	6,078	6,936
	Total Rates	**5,675**	**9,728**	**(4,053)**	**14,591**	**6,936**
Apportioned	**Rates Revenue**					
60618802	Treasury Int Recd	0	0	0	0	0
6061880801	General Rates	0	0	0	0	0
60618809	Internal Interest Paid	0	0	0	0	(52)
6061880901	Interest Charged Rate A/C	0	0	0	0	0
6061880903	Treasury Int Rec`d/Tsf to Rese	0	0	0	0	0
60618810	Treasury Interest Rec'd	0	0	0	0	0
60618811	Transfer to Reserves	0	0	0	0	0
	Total Apportioned Rates Reve	**0**	**0**	**0**	**0**	**(52)**
Internal Charges						
606181791100	Allocated o/heads CEO	692	656	(36)	986	1,925
606181794100	Allocated o/heads Comm & Leisu	120	128	8	195	222
606181792100	Allocated o/heads Fin Services	616	536	(80)	798	949
606181792300	Allocated o/heads Cust Service	381	328	(53)	497	0
606181792500	Allocated o/heads Stat Planning	965	1,088	123	1,637	1,095
606181795100	Allocated o/heads Assets	345	336	(9)	506	377
	Total Internal Charges	**3,119**	**3,072**	**(47)**	**4,619**	**4,567**
	Expenditure					
6061834301	Telephone Costs	0	0	0	0	0
6061856208	Depreciation - Infrastructure	8,000	8,000	0	12,000	12,000
60618563	Electricity	0	0	0	0	0
60618565	Insurance	586	528	(58)	793	906
6061856608	Loss on Sale - Infrastructure	0	0	0	0	0
6061856702	Rates - Utility	2,684	2,272	(412)	3,409	1,621
60618588	Member Remuneration	0	0	0	0	0
6061863001	Professional Services - MDC	0	3,512	3,512	5,264	0
60618692	External Contractors	1,943	0	(1,943)	0	0
60618697	Resource Consents	181	336	155	506	181
60618698	Chemicals & Consumables	0	0	0	0	0
60618699	Materials	1,393	0	(1,393)	0	1,643
	Total Expenditure	**14,787**	**14,648**	**(139)**	**21,972**	**16,351**
	Net Surplus/(Deficit)	**(12,231)**	**(7,992)**	**(4,239)**	**(12,000)**	**(14,034)**
	ADD Back Depreciation	**8,000**	**8,000**	**0**	**12,000**	**12,000**
	Net Result (before Depn)	**(4,231)**	**8**	**(4,239)**	**0**	**(2,034)**

- **Internal charges**
  At $3,119 are slightly higher than the YTD budget by $47. The Appendix A explains the calculation of this charge.

- **Net Surplus / (- Deficit)**
  At (-$3,473) is higher than the budgeted deficit for the period by $476

Account	Omatane Rural Water Supply Financial Position As at 28 Feb 2021	Actual YTD 2020/21	Budget YTD 2020/21	Var YTD 2020/21	Budget FYR 2020/21	Actual FYR 2019/20
	Capital – Renewals Infrastructure					
6061876301	Omatane RWS Treatment - Contrac	4,151	4,208	57	6,316	0
	Total Capital – Renewals Infra	**4,151**	**4,208**	**57**	**6,316**	**0**
	Capital – Projects					
	Total Capital – Projects	**0**	0	0	**0**	**0**
	Net Projects	**4,151**	**4,208**	**57**	**6,316**	**0**
	Equity					
60618966	Omatane RWS REVAL.RESERVE	230,270	0	230,270	0	230,270
60618990	Omatane RWS Public Equity	419,741	0	419,741	0	433,777
	Net Surplus	**(12,231)**	**(7,992)**	**(4,239)**	**(12,000)**	**(14,036)**
	Working Capital	(49,751)	12,200	(61,951)	18,316	(58,134)
	Total Equity	**588,029**	**4,208**	**583,821**	**6,316**	**591,878**
	Non Current Assets					
60618886	Water Supply Schemes	605,000	0	605,000	0	605,000
60618878	Provision for depeciation (Curr Perd)	(8,000)	0	(8,000)	0	0
6061888601	Provision for depeciation Accumulat	(12,000)	0	(12,000)	0	(12,000)
	Net Projects	**4,151**	**4,208**	**(57)**	**6,316**	**0**
	Total Non Current Assets	**589,151**	**4,208**	**584,943**	**6,316**	**593,000**
	Non Current Liabilities					
60618950	**Internal Loan**	1,122	0	1,122	0	1,122
	Total Non Current Liabilities	**1,122**	**0**	**1,122**	**0**	**1,122**
	Net Assets	**588,029**	**4,208**	**583,821**	**6,316**	**591,878**
		0	0	0	0	0

Capital Renewals Infrastructure:

- Relates to one Invoice – for work at 94 Smiths Road – wrongly coded – will be transferred.

4,150.97	6061876301	AP Cobham Plumbing 131141/01 AB- Purtorino Rural Water Supply- Remove

Water Supply Schemes:

- This asset is reflected at $605,000 based on an independent valuation undertaken in 2019 Snippets from the valuation pages are depicted below:

Valuation Year - 2019

3.2 2019 Valuation Results Asset Location

Table 3.2: Water Assets by Location

Urban/Rural	Location	Asset	ORC	2019 ODRC	AD
Rural Water	Omatane	Reticulation	$1,074,000	$597,000	$12,000
		Facilities	$10,000	$8,000	$0
		Subtotal	$1,084,000	$605,000	$12,000

Valuation Year - 2016

Omatane	Reticulation	$1,396,915	$890,495	$15,959
	Facilities	$9,932	$4,580	$662
	Subtotal	*$1,406,847*	*$895,075*	*$16,621*

(2016 Valuation - $ 895,075). The surplus/deficit on revaluation has been reflected in the Omatane RWS Revaluation Reserve.

Movements in the Asset and Equity/Reserve accounts are explained in the table below.
The significant movements relate to revaluation. Revaluation Gain/Loss is transferred to/adjusted against The Revaluation Reserve 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 - Water Supply Schemes						
Cost/Valuation NETT - Opening	593,000	605,000	861,833	878,454	452,460	
Depreciation - Cumulative Reval Year			(16,621)		(27,867)	
Depreciation - Fr Year						
NETT	**593,000**	**605,000**	**845,212**	**878,454**	**424,593**	
Revaluation Gain/Loss			(240,212)		470,482	
Cost/Valuation - 30 Jun	**593,000**	**605,000**	**605,000**	**878,454**	**895,075**	
Depreciation - Fr Year	(8,000)	(12,000)		(16,621)	(16,621)	
Closing Balance	**585,000**	**593,000**	**605,000**	**861,833**	**878,454**	
Omatane RWS - Revaluation Reserve						
Opening balance	230,270	230,270	470,482	470,482	0	
Revaluation Gain / (Loss)			(240,212)	0	470,482	
	230,270	**230,270**	**230,270**	**470,482**	**470,482**	
Balance at end of year	**230,270**	**230,270**	**230,270**	**470,482**	**470,482**	
		0	0	0		
Public Equity H/Ville Rural Wa						
Opening balance-Reserve	419,742	433,777	450,685	415,846	425,627	425,965
Surplus/(Deficit) for year	(12,231)	(14,035)	(16,908)	(8,624)	(9,781)	(338)
	407,511	**419,742**	**433,777**	**407,222**	**415,846**	
Transfer				43,463		
Balance at end of year	**407,511**	**419,742**	**433,777**	**450,685**	**415,846**	**425,627**

Girish Meher
9th April 2021
Team Leader Financial Services (Contract)

Appendix A – Internal Charges (Overhead Allocation)

Internal Charges

Account	Detail	Month Actual	Month Budget	YTD Actual 2020/21
60618 179 1100	Allocated o/heads CEO	81	82	692
60618 179 2100	Allocated o/heads Fin Services	80	67	616
60618 179 2300	Allocated o/heads Cust Services	47	41	381
60618 179 2500	Allocated o/heads Stat Planning	202	136	965
60618 179 4100	Allocated o/heads Comm & Leisure	19	16	120
60618 179 5100	Allocated o/heads Assets	44	42	345
	Total Internal Charges	473	384	3119

				Feb-21
		Financial Services (Total before inward allocations) >>>>		92,584
From	**To**	**OH%**		
95500 : Fleet Management	92100 : Financial Services	0.78%	221	
95301 : Property	92100 : Financial Services	7.34%	6,428	
92600 : Information Services	92100 : Financial Services	12.00%	16,273	
				22,922
				115,506
92100 : Financial Services	60618 : Water Supply Oma	0.07%		**80.85**

Internal charge allocation process:

1) Financial Services gets a share of costs from:
   Fleet Management
   Property, and
   Information Services
   Totalling to $ 22,922

2) The cost centre has its own overhead for the month accumulating to $92,584
3) The total in Financial Services Cost Centre will then be $ 115,506
4) 0.07% ($80.85) gets apportioned to Omatane Rural Water Supply for the month of Februrary
5) A similar process is followed in regard to allocations from the other cost centres.

Appendix B - Transaction details in significant Expenditure accounts

Depreciation is provided on a straight line basis – (Annual cost specified in Valuation extract)

Date	Value	Detail
Insurance		
31/07/2020	67.35	Aon July 20 Insurance Prepayment
31/07/2020	1.37	Aon Insurance July 20 Prepayment Broker Fee
31/08/2020	67.35	Aon Aug 20 Insurance Prepayment
31/08/2020	1.37	Aon Insurance Aug 20 Prepayment Broker Fee
30/09/2020	67.35	Aon Sep 20 Insurance Prepayment
30/09/2020	1.37	Aon Insurance Sep 20 Prepayment Broker Fee
31/10/2020	67.35	Oct Sep 20 Insurance Prepayment
30/09/2020	1.37	Aon Insurance Oct 20 Prepayment Broker Fee
31/12/2020	153.14	Nov-Dec 20 Insurance Prepayment
31/12/2020	2.49	Aon Insurance Nov-Dec 20 Prepayment Broker Fee
31/01/2021	76.57	Jan 21 Insurance Prepayment
31/01/2021	1.24	Aon Insurance Jan 21 Prepayment Broker Fee
28/02/2021	76.57	Feb 21 Insurance Prepayment
28/02/2021	1.24	Aon Insurance Feb 21 Prepayment Broker Fee
	586.13	
Rates Utility		
Date	Value	Detail
30/11/2020	1464.25	Prepayments RDC Rates first 5 months
31/12/2020	292.85	Prepayments RDC Rates
31/01/2021	292.85	Prepayments RDC Rates
28/02/2021	292.85	Prepayments RDC Rates
28/02/2021	341.59	Prepayments Horizons first 8 months
	2684.39	
External Contractors		
Date	Value	Detail
1/12/2020	1942.5	AP Neal Gregory 132075/01 Labour
	1942.5	
Resource Consents		
Date	Value	Detail
20/01/2021	180.63	AP Horizons Region 133118/01 Annual Rsch Chge - CA2008011693- Omatane
	180.63	
Materials		
Date	Value	Detail
30/06/2020	1392.6	AP Taihape Plumbin 129619/02 Erewhon - Len Gilberts britton tank low flow
	1392.6	**Incorrectly charged - to remove**

7.2 Water Managers Report

Reason for Report

This report will be tabled during the meeting.

Recommendation

That the tabled Water Managers Report be received.

8 Members/Questions

9 Next Meeting

The 2022 calendar is not yet finalised. Once it has been confirmed, future meeting dates will be provided.

10 Meeting Closed