



RANGITIKEI
DISTRICT COUNCIL
Making this place home.

ORDER PAPER

EREWHON RURAL WATER SUPPLY MANAGEMENT SUB-COMMITTEE MEETING

Date: Tuesday, 8 March 2022
Time: 4.00 pm
Venue: Kokako Street Pavilion
2 Kokako Street
Taihape

Chair: Mr Jock Stratton

Membership: Mr Peter Batley
Mr Geoff Duncan
Mr Barry Thomas
Mr Simon Plimmer
Mr Paul McLaren
Mr Benjamin Mallalieu
Mr Steven Stoney (Aorangi Awarua Trust Representative)
Cr Tracey Hiroa
HWTM Andy Watson

For any enquiries regarding this agenda, please contact:

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Notice is hereby given that a Erewhon Rural Water Supply Management Sub-Committee Meeting of the Rangitīkei District Council will be held in the Kokako Street Pavilion, 2 Kokako Street, Taihape on Tuesday, 8 March 2022 at 4.00 pm.

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AGENDA

1 Welcome

2 Apologies

3 Public Forum

No 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

6.1 Confirmation of Minutes

Author: Ash Garstang, Governance Advisor

1. Reason for Report

- 1.1 The minutes from the Erewhon Rural Water Supply Management Sub-Committee meeting on 06 December 2021 are attached.

Attachments

1. **Erewhon Rural Water Supply Management Sub-Committee meeting - 06 December 2021**

Recommendation

That the minutes of the Erewhon Rural Water Supply meeting minutes held on 06 December 2021, **[as amended/without amendment]**, be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this committee be added to the official minutes document as a formal record.

ITEM 6.1 **MINUTES**



ATTACHMENT 1

UNCONFIRMED: EREWHON RURAL WATER SUPPLY MANAGEMENT SUB-COMMITTEE MEETING

Date: Monday, 6 December 2021

Time: 4.00 pm

Venue: Council Chamber
Taihape Town Hall
90 Hautapu Street
Taihape

Present Mr Jock Stratton
Mr Peter Batley
Mr Geoff Duncan
Mr Barry Thomas
Mr Simon Plimmer
HWTM Andy Watson (ex officio)

In attendance Cr Gill Duncan
Mr Dave Tombs, Group Manager – Corporate Services
Mr Andrew van Bussel, Operations Manager
Ms Rochelle Baird, Community Services Officer
Mr Dene Smith, Taihape Plumbing

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9.2 Lease Payments 5

9.3 Operations Report - December 2021 5

UNCONFIRMED

1 Welcome

The meeting began at 4.03 pm and Mr Stratton welcomed everyone.

2 Apologies

Resolved minute number 21/ERWS/016

That the apologies from Cr Tracey Hiroa, Mr Steven Stone and Mr Paul McLaren for absence be received.

Mr B Thomas/Mr G Duncan. Carried

3 Public Forum

Nil.

4 Conflict of Interest Declarations

Cr Duncan declared a conflict of interest as her husband is a member and asked if she could have speaking rights and the committee agreed.

5 Confirmation of Order of Business

Nil changes.

6 Confirmation of Minutes

Mr Batley arrived at the meeting at 4.05 pm.

Resolved minute number 21/ERWS/017

That the minutes of the Erewhon Rural Water Supply meeting minutes held on 29 September 2021, without amendment, be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this committee be added to the official minutes document as a formal record.

Mr G Duncan/Mr S Plimmer. Carried

7 Follow-up Action Items from Previous Meetings

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

The committee went through the follow up actions. Mr Duncan said he would still like a glossary of terms and he would let Mr Tombs know which words.

Mr Batley asked how would the Three Waters Reform may affect the Erewhon scheme with regard to engineers. Cr Duncan said it is still unknown and up in the air at this stage.

Resolved minute number 21/ERWS/018

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

Mr J Stratton/Mr S Plimmer. Carried

8 Chair's Report

8.1 Chair's Report - December 2021

Mr Stratton spoke to his report and tabled it.

Resolved minute number 21/ERWS/019

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

Mr S Plimmer/Mr P Batley. Carried

9 Reports for Information

9.1 Erewhon RWS: October 2021 Financial Summary

Mr Tombs spoke to his report and explained the operating statement and the full year budget and stated based on current income and capital level, future increases of rates are needed. His Worship the Mayor queried the accounting deficit clarification, Mr Tombs said up until recently the budget was set on previous years not actual figures and scheme members were rated based on the budget. Mr Duncan said he checked an invoice that was 10 years old and the rate was more than it is now. Mr Tombs explained that the rate was charged for the prior year's usage. Mr van Bussel said in previous years that the council had dropped the rate where the committee had normally set the rate. Mr Tombs would investigate.

Resolved minute number 21/ERWS/020

That the report 'Erewhon RWS: October 2021 Financial Summary' be received.

Mr S Plimmer/Mr P Batley. Carried

9.2 Lease Payments

Mr Stratton said that the Trust were not happy with the inconsistency of payments. Mr Tombs said the Trust should be invoicing the council for payment. Mr Stratton asked if it was a possibility for council just to pay them. Mr Tombs said no the Trust need to invoice first. Mr Thomas would approach Mr Stoney to ask if the Trust could invoice the Council on the 1st of July each year. Mr Thomas would let Mr Tombs know the outcome. His Worship the Mayor questioned the lease payment plus the CPI, Mr Tombs explained it is an annual adjustment.

Resolved minute number 21/ERWS/021

That the report 'Lease Payments' be received.

Mr P Batley/Mr S Plimmer. Carried

9.3 Operations Report - December 2021

Mr van Bussel spoke to his report and said the flow meter did not comply due to air in the system and that Mr Smith would move the system 100 meters to get a good constant flow.

Mr van Bussel addressed Mr Stratton's concerns regarding the tender process and the lack of communication with committee members. Mr van Bussel said he was not the overseer and agreed the committee should have been involved and that the previous time a renewal had been put out for tender was in 2004 and after that the process was either done in house or Mr Smith would submit a quote to the committee for approval and Mr van Bussel would oversee the job.

Mr van Bussel said he is reluctant to cut back on operational checks as the scheme is running well but would re-evaluate and bring his findings to the next meeting.

Mr van Bussel tabled a Renewal Program Draft 2022 – 2032 which showed the priority projects and a risk assessment. Mr van Bussel stated that the risk assessment is as follows; 1 being low and 5 being high. Mr van Bussel went through each proposed priority and thanked Mr Smith for his help on checking pressures. Mr Thomas asked if the size of the pipe was increased would this help with the silting, Mr Smith explained if he runs the line every 3 months like he had done with John Gilberts one it does help.

Mr van Bussel said he is waiting on pricing for some materials. Mr Duncan asked if priority 3 & 4 was on the old pipe. Mr van Bussel said it was and would look at black steel as another option as it has previously lasted for 43 years.

Priority 8 - Mr van Bussel said this would be a hard one due to health and safety issues and the need for an engineer's design.

Priority 7 – if this was done over a couple of years there would be pipe sitting around and could mean the scheme would be down for some time if they go up the ridge. Mr Thomas asked would it be better to do 2 stages at the same time. Mr van Bussel said when he gets the quote for the steel

prices he would send out to members along with maps. Mr Thomas asked how available is the materials, Mr van Bussel said steel may not be a problem as there are a few stockists in the area, but other materials could be a wait.

Mr Plimmer asked if council would cover the costs to do the renewals, Mr Tombs said they would need to have a plan in place to pay the money back in a timely manner.

Mr Stratton suggested increasing the rates over 10 - 12 years to cover the costs. Mr Duncan suggested one big increase. Mr Thomas said it could put some members off if there was a sudden big increase in the rate. Mr Plimmer suggested external funding from MPI. Mr Tombs said the rates may have to double if funding is not successful.

Mr Stratton asked how many years could they spread out the renewal works. Mr van Bussel said priority 1 & 3 need to be addressed in the next 3 years and the rest would need to be done in the next 10 years.

Resolved minute number 21/ERWS/022

That the Renewal programme draft 2022-2032 be received.

Mr P Batley/Mr S Plimmer. Carried

Resolved minute number 21/ERWS/023

That Council staff investigate what government funding is available for the scheme and an example of a funding application.

Mr G Duncan/Mr S Plimmer. Carried

The meeting closed at 5.31 pm.

The minutes of this meeting were confirmed at the Erewhon Rural Water Supply Management Sub-Committee held on .

.....

Chairperson

7 Follow-up Action Items from Previous Meetings

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

Author: Ash Garstang, Governance Administrator

1. Reason for Report

- 1.1 On the list attached are items raised at previous Erewhon 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 Erewhon Rural Water Supply Meetings' be received.

Current Follow-up Actions

Item	From Meeting Date	Details	Person Assigned	Status Comments	Status
1	6-Dec-21	Regarding the tender process: Mr van Bussel said he is reluctant to cut back on operational checks as the scheme is running well but would re-evaluate and bring his findings to the next meeting.	Andrew van Bussel / Anna Thompson	Will discuss at the next meeting.	In progress
2	6-Dec-21	Mr Duncan said he checked an invoice that was 10 years old and the rate was more than it is now. Mr van Bussel said in previous years that the council had dropped the rate where the committee had normally set the rate. Mr Tombs would investigate.	Dave Tombs	The 2011/12 Annual Plan shows a unit rate of \$140.05 and a Total Rate of \$230k. The 2021/22 LTP shows a unit rate of \$121.04 and a Total Rate of \$186.5k. (figures include GST)	Closed
3	29-Sep-21	Regarding the Financial Summary: Mrs Mcilroy, Mr van Bussel and Mr Smith would discuss and come back with an action finance plan for the Capital Works programme.	Jess Mcilroy / Andrew van Bussel	Andrew is addressing this one.	In progress
4	29-Sep-21	Regarding the Financial Summary: the Committee would like a working group to discuss past financials, and would like Mr Tombs to be in attendance.	Dave Tombs	Past financials discussed with working group; Summary Paper provided to March 2022 meeting	In progress
5	8-Mar-21	That the following questions be answered and in a timely manner. 1. Why is public good being charged and does the scheme get the benefit of it? 2. Does the scheme get depreciation back or does it go into Councils consolidated account? 3. What is Councils role? 4. What cash reserve sits within the scheme?	Dave Tombs	Dave to discuss these items at meeting in March 2022.	In progress
6	8-Mar-21	Financial Statements: Mr Duncan asked for a glossary of terms.	Dave Tombs	Dave asked for clarification as to 'what terms' need to be clarified at the December 2021 meeting. Awaiting response.	In progress

ITEM 8.1

8 Chair's Report

8.1 Chair's Report - February 2022

Author: Jock Stratton, Chair

1. Reason for Report

- 1.1 The Chair may provide a report at the meeting.

Recommendation

That the Chair's Report – February 2022 be received.

9 Reports for Information

9.1 Erewhon RWS - Confirmation of Prior Years' Statements of Assets and Liabilities

Author: Dave Tombs, Group Manager - Corporate Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

1. Reason for Report

- 1.1 To provide Sub-Committee Members with the results of the review of previous years' financial reports.

2. Context

- 2.1 It has been noted that the format of the financial reporting provided to the Scheme between 2014/15 and 2019/20:
 - 2.1.1 made it difficult to understand each year's movements in its various Statement of Assets and Liabilities accounts; and
 - 2.1.2 highlighted inconsistencies in how Interest and other transactions were debited/credited to the Scheme; and
 - 2.1.3 appeared to unnecessarily complicate the financial affairs of the Scheme by having a separate Bank Account and an Internal Loan account.
- 2.2 These matters are addressed in this Report.

3. Discussion and Options Considered

- 3.1 Attachment 1 to this Report is a Summary of the last eleven years' financial statements. The Summary for each year has two sections:
 - 3.1.1 Operating Statement: shows the Income and Operating Costs (cash and non-cash, which is basically Depreciation) for each year. It shows:
 - a) the Accounting Surplus for each year (which, for these purposes, is not particularly useful)
 - b) the Operating Cash Surplus for each year (which is basically 'cash available for capital expenditure and/or to be banked: this figure is more relevant to Scheme members than the Accounting Surplus) and
 - c) a figure for each year's Capital Expenditure.
 - 3.1.2 Statement of Assets and Liabilities: shows how the (notional) Bank Account, Capital Assets Account and Debt of the Scheme are affected by the results of each year's Operating Statement.
- 3.2 Attachment 1 shows that until 2017/18 Interest was credited to the Scheme in the Operating Statement on a fairly consistent basis; and
 - 3.2.1 Shows that since 2017/18 Overheads, Overhead Recoveries and Public Good Rate figures in the Operating Statement have been treated inconsistently. These have been corrected/negated ('Added Back') at the bottom of the Operating Statement; and

ITEM 9.1

- 3.2.2 Shows that up until 2018/19, all Statement of Assets and Liabilities movements were supported by the Operating Statement; and
- 3.2.3 Highlights some movements in the Statement of Assets and Liabilities for 2018/19 and 2019/20 that cannot be reconciled (these are highlighted with the 'label' of *Adjustments*).
- 3.3 In 2018/19 the notional Bank Account, as per financial reports provided to the Scheme at the time, was decreased by a small amount (\$708) that cannot be traced back to the Operating Statement.
- 3.4 In 2019/20 the notional Bank Account was decreased by a further \$17,786 as a result of journal entries processed during the 2019/20 year. Officers currently working at RDC are unable to explain the nature of these journals, and have accordingly reversed this decrease.
- 3.5 Attachment 2 to this Report shows the Statement of Assets and Liabilities adjusted for these amounts. This shows an increased notional Bank Balance at June 2020 of \$101,304 (increased from \$82,810)
- 3.6 Attachment 3 then combines the notional Bank Account and Internal Loan balances. This off-sets a notional Bank Balance of \$101,304 and an Internal Loan balance of \$41,591 to derive a notional Bank Balance of \$59,713.
- 3.7 Attachment 3 also shows that prior to 2016/17 the Scheme's Operating Statement was credited with interest of between \$2k and \$4.5k each year. It appears that Interest for 2015/16 and 2016/17 was calculated at 5% of the year's opening bank balance.
- 3.8 Agreement is required regarding how to account for interest since 2016/17:
- 3.8.1 It is generally recognised that interest rates have fallen since 2016/17; and
- 3.8.2 As well as the Scheme earning interest on a positive notional Bank Balance, it will also have to be charged interest where it has a net deficit balance (which is likely for the next few years); and
- 3.8.3 An unnecessarily complicated method of calculating this interest should be avoided.
- 3.9 Attachment 4 has been developed incorporating interest for 2017/18 onwards being earned/charged at 2% of the year's opening notional Bank Balance.
- 3.10 Adopting this approach, the Scheme:
- 3.10.1 is credited with amounts between \$250 and \$1,276 for each of four years until 2020/21; and
- 3.10.2 will be *charged* interest of \$3,360 for 2021/22 (being 2% of \$168); and
- 3.10.3 would continue to be charged interest in future years until it reverts to a positive notional Bank Balance.

Attachments

1. **Attachment 1** [↓](#)
2. **Attachment 2** [↓](#)
3. **Attachment 3** [↓](#)
4. **Attachment 4** [↓](#)

Recommendation 1

That the report 'Erewhon RWS – Confirmation of Prior Years' Statement of Assets and Liabilities' be received.

Recommendation 2

That the Committee confirm, or provide reasons for declining, the revised prior years' Statement of Assets and Liabilities.

Recommendation 3

That the Committee confirm an acceptable method for calculating annual interest for 2017/18 onwards.

ITEM 9.1 ATTACHMENT 1

Erewhon RWS Financial Summary
Attachment 1

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 (draft)
OPERATING STATEMENT											
Metered Charges	184,564	184,538	178,449	199,443	167,627	146,166	152,921	162,250	162,250	162,134	162,237
Overhead Recoveries				22,640	26,494	18,371	20,501	20,506	20,506		
Interest		9,594	3,952	2,200	4,099	4,409	3,430	0	(1,554)	(1,554)	0
Public Good Rate											(22,053)
	184,564	194,132	182,401	224,283	198,220	168,946	176,852	182,756	181,202	160,580	140,184
Overheads	11,208	14,638	25,682	22,640	26,494	18,372	20,501	21,461	22,522	24,185	32,651
Depreciation	119,016	77,415	81,136	86,879	126,972	175,281	114,970	114,777	114,778	126,087	125,158
Loss on Disposal											
External Costs	53,505	77,374	62,870	74,596	79,663	86,090	98,899	120,379	121,526	135,926	117,189
Interest	975	4,599								998	
	184,704	174,026	169,688	184,115	233,129	279,743	234,370	256,617	258,826	287,196	274,998
Accounting Surplus/(Deficit)	(140)	20,106	12,713	40,168	(34,909)	(110,797)	(57,518)	(73,861)	(77,624)	(126,616)	(134,814)
ADD BACK											
Depreciation	119,016	77,415	81,136	86,879	126,972	175,281	114,970	114,777	114,778	126,087	125,158
Public Good Rate	0	0	0	0	0	0	0	0	0	0	22,053
Overheads not credited								955	2,016	24,185	32,651
Cash Surplus/(Deficit)	118,876	97,521	93,849	127,047	92,063	64,484	57,452	41,871	39,170	23,656	45,048
Capital Expenditure	3,493	107,642	125,717	108,287	78,400	84,077	94,963	60,126	249	15,694	278,923

STATEMENT OF ASSETS AND LIABILITIES											
Bank (notional)											
Opening Balance	(17,628)	97,755	71,860	39,992	74,526	88,189	68,596	31,085	40,319	77,864	82,810
Cash Surplus(Deficit)	118,876	97,521	93,849	127,047	92,063	64,484	57,452	41,871	39,170	23,656	45,048
Capital Expenditure	(3,493)	(107,642)	(125,717)	(108,287)	(78,400)	(84,077)	(94,963)	(32,637)	(249)	0	(278,923)
Transfer Internal Loan										(668)	(924)
Adjustments		(15,774)		15,774					(708)	(17,786)	
Closing Balance	97,755	71,860	39,992	74,526	88,189	68,596	31,085	40,319	77,864	82,810	(151,065)
per previous reporting							31,084	47,035	76,908	81,855	
Capital Assets											
Opening Balance	2,292,236	3,009,636	3,055,633	3,100,214	3,317,650	3,269,078	3,177,874	5,047,293	4,992,642	4,269,247	4,154,666
Capital Expenditure	3,493	107,642	125,717	108,287	78,400	84,077	94,963	60,126	249	15,694	278,923
Revaluations	832,923			211,802			1,889,426		(608,866)		
Depreciation	(119,016)	(77,415)	(81,136)	(86,879)	(126,972)	(175,281)	(114,970)	(114,777)	(114,778)	(126,087)	(125,158)
Capital contra										(15,694)	
Additions										11,506	
Adjustments		15,770		(15,774)						0	
Closing Balance	3,009,636	3,055,633	3,100,214	3,317,650	3,269,078	3,177,874	5,047,293	4,992,642	4,269,247	4,154,666	4,308,431
Internal Loan											
Opening Balance									(27,489)	(26,821)	(41,591)
Capital Expenditure								(27,489)		(15,694)	0
Transfer Bank									668	924	
Adjustments											
Closing Balance	0	0	0	0	0	0	0	(27,489)	(26,821)	(41,591)	(41,591)
Assets/Liabilities Summary											
Bank (notional)	97,755	71,860	39,992	74,526	88,189	68,596	31,085	40,319	77,864	82,810	(151,065)
Capital Assets	3,009,636	3,055,633	3,100,214	3,317,650	3,269,078	3,177,874	5,047,293	4,992,642	4,269,247	4,154,666	4,308,431
Internal Loan	0	0	0	0	0	0	0	(27,489)	(26,821)	(41,591)	(41,591)
Closing Balance	3,107,391	3,127,493	3,140,206	3,392,176	3,357,267	3,246,470	5,078,378	5,005,472	4,320,290	4,195,885	4,115,775
Reserves											
Opening Balance	(2,274,608)	(3,107,391)	(3,127,493)	(3,140,206)	(3,392,176)	(3,357,267)	(3,246,470)	(5,078,378)	(5,005,472)	(4,320,290)	(4,195,884)
Accounting Surplus	140	(20,106)	(12,713)	(40,168)	34,909	110,797	57,518	73,861	77,624	126,616	134,814
Revaluation Increase	(832,923)			(211,802)			(1,889,426)	0	608,866	0	0
Transfer (reduced accounting surplus)								0			
Adjustment for Overheads Imbalance								(955)	(2,016)	(24,184)	(32,651)
Adjustment for Public Good Rate											(22,053)
Adjustments		4							708	21,974	0
Closing Balance	(3,107,391)	(3,127,493)	(3,140,206)	(3,392,176)	(3,357,267)	(3,246,470)	(5,078,378)	(5,005,472)	(4,320,290)	(4,195,884)	(4,115,774)

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Erewhon RWS Financial Summary
Attachment 2

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 (draft)
OPERATING STATEMENT											
Metered Charges	184,564	184,538	178,449	199,443	167,627	146,166	152,921	162,250	162,250	162,134	162,237
Overhead Recoveries				22,640	26,494	18,371	20,501	20,506	20,506		0
Interest		9,594	3,952	2,200	4,099	4,409	3,430	0	(1,554)	(1,554)	0
Public Good Rate											(22,053)
	184,564	194,132	182,401	224,283	198,220	168,946	176,852	182,756	181,202	160,580	140,184
Overheads	11,208	14,638	25,682	22,640	26,494	18,372	20,501	21,461	22,522	24,185	32,651
Depreciation	119,016	77,415	81,136	86,879	126,972	175,281	114,970	114,777	114,778	126,087	125,158
Loss on Disposal											
External Costs	53,505	77,374	62,870	74,596	79,663	86,090	98,899	120,379	121,526	135,926	117,189
Interest	975	4,599								998	
	184,704	174,026	169,688	184,115	233,129	279,743	234,370	256,617	258,826	287,196	274,998
Accounting Surplus/(Deficit)	(140)	20,106	12,713	40,168	(34,909)	(110,797)	(57,518)	(73,861)	(77,624)	(126,616)	(134,814)
ADD BACK											
Depreciation	119,016	77,415	81,136	86,879	126,972	175,281	114,970	114,777	114,778	126,087	125,158
Public Good Rate	0	0	0	0	0	0	0	0	0	0	22,053
Overheads not credited								955	2,016	24,185	32,651
Cash Surplus/(Deficit)	118,876	97,521	93,849	127,047	92,063	64,484	57,452	41,871	39,170	23,656	45,048
Capital Expenditure	3,493	107,642	125,717	108,287	78,400	84,077	94,963	60,126	249	15,694	278,923

STATEMENT OF ASSETS AND LIABILITIES											
Bank (notional)											
Opening Balance	(17,628)	97,755	87,634	55,766	74,526	88,189	68,596	31,085	40,319	78,572	101,304
Cash Surplus/(Deficit)	118,876	97,521	93,849	127,047	92,063	64,484	57,452	41,871	39,170	23,656	45,048
Capital Expenditure	(3,493)	(107,642)	(125,717)	(108,287)	(78,400)	(84,077)	(94,963)	(32,637)	(249)	0	(278,923)
Transfer Internal Loan									(668)	(924)	
Closing Balance	97,755	87,634	55,766	74,526	88,189	68,596	31,085	40,319	78,572	101,304	(132,571)
<i>per previous reporting</i>											
Capital Assets											
Opening Balance	2,292,236	3,009,636	3,039,863	3,084,444	3,317,654	3,269,082	3,177,878	5,047,297	4,992,646	4,269,251	4,158,858
Capital Expenditure	3,493	107,642	125,717	108,287	78,400	84,077	94,963	60,126	249	15,694	278,923
Revaluations	832,923			211,802			1,889,426		(608,866)		
Depreciation	(119,016)	(77,415)	(81,136)	(86,879)	(126,972)	(175,281)	(114,970)	(114,777)	(114,778)	(126,087)	(125,158)
Closing Balance	3,009,636	3,039,863	3,084,444	3,317,654	3,269,082	3,177,878	5,047,297	4,992,646	4,269,251	4,158,858	4,312,623
Internal Loan											
Opening Balance									(27,489)	(26,821)	(41,591)
Capital Expenditure								(27,489)		(15,694)	0
Transfer Bank									668	924	
Adjustments											
Closing Balance	0	0	0	0	0	0	0	(27,489)	(26,821)	(41,591)	(41,591)
Assets/Liabilities Summary											
Bank (notional)	97,755	87,634	55,766	74,526	88,189	68,596	31,085	40,319	78,572	101,304	(132,571)
Capital Assets	3,009,636	3,039,863	3,084,444	3,317,654	3,269,082	3,177,878	5,047,297	4,992,646	4,269,251	4,158,858	4,312,623
Internal Loan	0	0	0	0	0	0	0	(27,489)	(26,821)	(41,591)	(41,591)
Closing Balance	3,107,391	3,127,497	3,140,210	3,392,180	3,357,271	3,246,474	5,078,382	5,005,476	4,321,002	4,218,571	4,138,461
Reserves											
Opening Balance	(2,274,608)	(3,107,391)	(3,127,497)	(3,140,210)	(3,392,180)	(3,357,271)	(3,246,474)	(5,078,382)	(5,005,476)	(4,321,002)	(4,218,570)
Accounting Surplus	140	(20,106)	(12,713)	(40,168)	34,909	110,797	57,518	73,861	77,624	126,616	134,814
Revaluation Increase	(832,923)			(211,802)			(1,889,426)	0	608,866	0	0
Transfer (reduced accounting surplus)								0			
Adjustment for Overheads Imbalance								(955)	(2,016)	(24,184)	(32,651)
Adjustment for Public Good Rate											(22,053)
Closing Balance	(3,107,391)	(3,127,497)	(3,140,210)	(3,392,180)	(3,357,271)	(3,246,474)	(5,078,382)	(5,005,476)	(4,321,002)	(4,218,570)	(4,138,460)

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ITEM 9.1 ATTACHMENT 3

Erewhon RWS Financial Summary
Attachment 3

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 (draft)
OPERATING STATEMENT											
Metered Charges	184,564	184,538	178,449	199,443	167,627	146,166	152,921	162,250	162,250	162,134	162,237
Overhead Recoveries				22,640	26,494	18,371	20,501	20,506	20,506		0
Interest		9,594	3,952	2,200	4,099	4,409	3,430	0	(1,554)	(1,554)	0
Public Good Rate											(22,053)
	184,564	194,132	182,401	224,283	198,220	168,946	176,852	182,756	181,202	160,580	140,184
Overheads	11,208	14,638	25,682	22,640	26,494	18,372	20,501	21,461	22,522	24,185	32,651
Depreciation	119,016	77,415	81,136	86,879	126,972	175,281	114,970	114,777	114,778	126,087	125,158
Loss on Disposal											
External Costs	53,505	77,374	62,870	74,596	79,663	86,090	98,899	120,379	121,526	135,926	117,189
Interest	975	4,599								998	
	184,704	174,026	169,688	184,115	233,129	279,743	234,370	256,617	258,826	287,196	274,998
Accounting Surplus/(Deficit)	(140)	20,106	12,713	40,168	(34,909)	(110,797)	(57,518)	(73,861)	(77,624)	(126,616)	(134,814)
ADD BACK											
Depreciation	119,016	77,415	81,136	86,879	126,972	175,281	114,970	114,777	114,778	126,087	125,158
Public Good Rate	0	0	0	0	0	0	0	0	0	0	22,053
Overheads not credited								955	2,016	24,185	32,651
Cash Surplus/(Deficit)	118,876	97,521	93,849	127,047	92,063	64,484	57,452	41,871	39,170	23,656	45,048
Capital Expenditure	3,493	107,642	125,717	108,287	78,400	84,077	94,963	60,126	249	15,694	278,923

STATEMENT OF ASSETS AND LIABILITIES											
Bank (notional)											
Opening Balance	(17,628)	97,755	87,634	55,766	74,526	88,189	68,596	31,085	12,830	51,751	59,713
Cash Surplus(Deficit)	118,876	97,521	93,849	127,047	92,063	64,484	57,452	41,871	39,170	23,656	45,048
Capital Expenditure	(3,493)	(107,642)	(125,717)	(108,287)	(78,400)	(84,077)	(94,963)	(60,126)	(249)	(15,694)	(278,923)
Transfer Internal Loan											
Closing Balance	97,755	87,634	55,766	74,526	88,189	68,596	31,085	12,830	51,751	59,713	(174,162)
per previous reporting											
Capital Assets											
Opening Balance	2,292,236	3,009,636	3,039,863	3,084,444	3,317,654	3,269,082	3,177,878	5,047,297	4,992,646	4,269,251	4,158,858
Capital Expenditure	3,493	107,642	125,717	108,287	78,400	84,077	94,963	60,126	249	15,694	278,923
Revaluations	832,923			211,802			1,889,426		(608,866)		
Depreciation	(119,016)	(77,415)	(81,136)	(86,879)	(126,972)	(175,281)	(114,970)	(114,777)	(114,778)	(126,087)	(125,158)
Closing Balance	3,009,636	3,039,863	3,084,444	3,317,654	3,269,082	3,177,878	5,047,297	4,992,646	4,269,251	4,158,858	4,312,623
Assets/Liabilities Summary											
Bank (notional)	97,755	87,634	55,766	74,526	88,189	68,596	31,085	12,830	51,751	59,713	(174,162)
Capital Assets	3,009,636	3,039,863	3,084,444	3,317,654	3,269,082	3,177,878	5,047,297	4,992,646	4,269,251	4,158,858	4,312,623
	3,107,391	3,127,497	3,140,210	3,392,180	3,357,271	3,246,474	5,078,382	5,005,476	4,321,002	4,218,571	4,138,461
Reserves											
Opening Balance	(2,274,608)	(3,107,391)	(3,127,497)	(3,140,210)	(3,392,180)	(3,357,271)	(3,246,474)	(5,078,382)	(5,005,476)	(4,321,002)	(4,218,570)
Accounting Surplus	140	(20,106)	(12,713)	(40,168)	34,909	110,797	57,518	73,861	77,624	126,616	134,814
Revaluation Increase	(832,923)			(211,802)			(1,889,426)	0	608,866	0	0
Transfer (reduced accounting surplus)								0			
Adjustment for Overheads Imbalance								(955)	(2,016)	(24,184)	(32,651)
Adjustment for Public Good Rate											(22,053)
Closing Balance	(3,107,391)	(3,127,497)	(3,140,210)	(3,392,180)	(3,357,271)	(3,246,474)	(5,078,382)	(5,005,476)	(4,321,002)	(4,218,570)	(4,138,460)

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Erewhon RWS Financial Summary
Attachment 4

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 (draft)
OPERATING STATEMENT											
Metered Charges	184,564	184,538	178,449	199,443	167,627	146,166	152,921	162,250	162,250	162,134	162,237
Overhead Recoveries				22,640	26,494	18,371	20,501	20,506	20,506		
Interest		9,594	3,952	2,200	4,099	4,409	3,430	622	269	1,084	1,296
Public Good Rate											(22,053)
	184,564	194,132	182,401	224,283	198,220	168,946	176,852	183,378	183,025	163,218	141,480
Overheads	11,208	14,638	25,682	22,640	26,494	18,372	20,501	21,461	22,522	24,185	32,651
Depreciation	119,016	77,415	81,136	86,879	126,972	175,281	114,970	114,777	114,778	126,087	125,158
Loss on Disposal											
External Costs	53,505	77,374	62,870	74,596	79,663	86,090	98,899	120,379	121,526	135,926	117,189
Interest	975	4,599								998	
	184,704	174,026	169,688	184,115	233,129	279,743	234,370	256,617	258,826	287,196	274,998
Accounting Surplus/(Deficit)	(140)	20,106	12,713	40,168	(34,909)	(110,797)	(57,518)	(73,239)	(75,801)	(123,978)	(133,518)
ADD BACK											
Depreciation	119,016	77,415	81,136	86,879	126,972	175,281	114,970	114,777	114,778	126,087	125,158
Public Good Rate	0	0	0	0	0	0	0	0	0	0	22,053
Overheads not credited								955	2,016	24,185	32,651
Cash Surplus/(Deficit)	118,876	97,521	93,849	127,047	92,063	64,484	57,452	42,493	40,993	26,294	46,344
Capital Expenditure	3,493	107,642	125,717	108,287	78,400	84,077	94,963	60,126	249	15,694	278,923

STATEMENT OF ASSETS AND LIABILITIES											
Bank (notional)											
Opening Balance	(17,628)	97,755	87,634	55,766	74,526	88,189	68,596	31,085	13,452	54,196	64,796
Cash Surplus(Deficit)	118,876	97,521	93,849	127,047	92,063	64,484	57,452	42,493	40,993	26,294	46,344
Capital Expenditure	(3,493)	(107,642)	(125,717)	(108,287)	(78,400)	(84,077)	(94,963)	(60,126)	(249)	(15,694)	(278,923)
Transfer Internal Loan											
Closing Balance	97,755	87,634	55,766	74,526	88,189	68,596	31,085	13,452	54,196	64,796	(167,783)
per previous reporting											
Capital Assets											
Opening Balance	2,292,236	3,009,636	3,039,863	3,084,444	3,317,654	3,269,082	3,177,878	5,047,297	4,992,646	4,269,251	4,158,858
Capital Expenditure	3,493	107,642	125,717	108,287	78,400	84,077	94,963	60,126	249	15,694	278,923
Revaluations	832,923			211,802			1,889,426		(608,866)		
Depreciation	(119,016)	(77,415)	(81,136)	(86,879)	(126,972)	(175,281)	(114,970)	(114,777)	(114,778)	(126,087)	(125,158)
Closing Balance	3,009,636	3,039,863	3,084,444	3,317,654	3,269,082	3,177,878	5,047,297	4,992,646	4,269,251	4,158,858	4,312,623
Assets/Liabilities Summary											
Bank (notional)	97,755	87,634	55,766	74,526	88,189	68,596	31,085	13,452	54,196	64,796	(167,783)
Capital Assets	3,009,636	3,039,863	3,084,444	3,317,654	3,269,082	3,177,878	5,047,297	4,992,646	4,269,251	4,158,858	4,312,623
	3,107,391	3,127,497	3,140,210	3,392,180	3,357,271	3,246,474	5,078,382	5,006,098	4,323,447	4,223,654	4,144,840
Reserves											
Opening Balance	(2,274,608)	(3,107,391)	(3,127,497)	(3,140,210)	(3,392,180)	(3,357,271)	(3,246,474)	(5,078,382)	(5,006,098)	(4,323,447)	(4,223,653)
Accounting Surplus	140	(20,106)	(12,713)	(40,168)	34,909	110,797	57,518	73,239	75,801	123,978	133,518
Revaluation Increase	(832,923)			(211,802)			(1,889,426)	0	608,866	0	0
Transfer (reduced accounting surplus)								0			
Adjustment for Overheads Imbalance								(955)	(2,016)	(24,184)	(32,651)
Adjustment for Public Good Rate											(22,053)
Closing Balance	(3,107,391)	(3,127,497)	(3,140,210)	(3,392,180)	(3,357,271)	(3,246,474)	(5,078,382)	(5,006,098)	(4,323,447)	(4,223,653)	(4,144,839)

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9.2 Operations Report - February 2022**Author: Andrew van Bussel, Operations Manager****1. Work Completed**

1.1 The following work was completed by Taihape Plumbing from 16 July 2021 to 24 January 2022:

- 5/8 Start of nine monthly checks
- 6/8 Run lines, check tank flows and run sluices on Mangaohane Station E & F tanks, Kelly Land Co 1, 2, 3 & 4 tanks.
- 7/8 Run lines, check tank flows and run sluices on Mangaohane Station E & F tanks, Kelly Land Co 1, 2, 3 & 4 tanks.
- 9/8 Run lines, check tank flows and run sluices on Hennah block, Kaiangaroa, Kara Wipaki's and Moores properties.
- 10/8 Run lines, check tank flows and run sluices on John Gilbert's, Mako Deer block, S Stoney's, Jock Stratton's and Rob Stratton's properties.
- 11/8 Run lines, check tank flows and run sluices on Rakanui, John Durrant's, Hiwera, Rob Colliers, Andrew Duncan's, Tama Wipaki's and Matt Gilbert's properties.
- 12/8 Run lines, check tank flows and run sluices on John Bird's, Matt Gilbert's, Mary Mako's and Barry Thomas's properties.
- 13/8 Run lines, check tank flows and run sluices. Clean up Rhino etc. Anstis, Whake, D Duncan, B Duncan sites.
- 20/9 Carry out Monthly check.
- 22/10 Kelly Land Co -load up gear to repair leak. Remove section of damaged pipe and renew. Fit new section of pipe and tie down.
- 23/10 Carry out Monthly check.
- 16/11 Erewhon Water Scheme twelve monthly checks. Run lines, check tank flows and run sluices on Mangaohane Station.
- 17/11 Run lines, check tank flows and run sluices on Mangaohane Station and Kelly Land Co.
- 19/11 Big Hill Tee - Assist electrician get flow meter working.
- 19/11 Sluice near Mag meter. Locate, dig up and repair sluice line to enable correct flow recording.
- 19/11 Sluice near Mag Meter. Assist electrician with calibration checks on mag meter.
- 19/11 Mag Meter - Assist electrician to get screen display working.
- 22/11 Run lines, check tank flows and run sluices on Makokomiko, Peter Batley's and Pukerimu.
- 23/11 Run lines, check tank flows and run sluices on Hennah block, Kaiangaroa, Kara Wipaki's and Moores.
- 24/11 Run lines, check tank flows and run sluices on John Gilbert's, Mako Deer block, Orums, Jock Stratton's and Rob Stratton's.
- 25/11 Run lines, check tanks flows and run sluices on J Batley's, J Durrant's, Hiwera, Rob Collier's, Hamish Alexandra's, Tama Wipaki's, Matt Gilbert's and Thompsons.
- 26/11 Run lines, check tank flows and run sluices on J Bird's, Matt Gilbert's lower farm. M Mako's and Barry Thomas's.

- 30/11 Run lines, check tank flows and run sluices on Kim Duncans' Whake and Anstis. Clean up Rhino.
- 1/12 Scheme Assessment with Andrew van Bussel.
- 3/12 Scheme Assessment with Andrew van Bussel.
- 6/12 Mangaohane Station. Load up bike. Locate and check on leak on main line. Ensure leak is not washing farm track away. Load up materials for repair.
- 7/12 Mangaohane Station. - Run sluice at Rangitikei river. Run sluice above Mang Tee. Dig up around 100mm steel pipe. Lift pipe and renew Gibbolt. Tie down pipe. Shut sluice above Mang Tee. Shut sluice at Rangitikei river. Check pipe for leaks - Backfill.
- 8/12 Mangaohane main line leak. Clean up bike and gear etc. Return fittings to reservoir. Unload truck.
- 10/12 Fit Isolation valve and pressure gauge at tapping band above Rangitikei River crossing.
- 22/12 Carry out Monthly check.
- 30/12 Leak on steep ridge above main track.
- 31/12 Makokomiko Station- Locate leak - 63mm PE pipe at creek sluice. PVC tapping band split. Drop line and renew with 63x25mm tapping band. Reinststate water supply.
- 13/1 Mangaohane Station – Load up. Move Mag meter, box, solar panel etc to new position.'
- 14/1 Mangaohane Station – Dig up water main in main track to expose pipe and leak.
- 14/1 Clean and return digger. Unload etc.
- 21/1 Carry out Monthly check.
- 24/1 Drop line, make repairs, Tie down and block to sides of trench. Reinststate water and backfill.

- 1.2 The Operations Manager will table findings in regards to the operational checks for the scheme.

Recommendation

That the 'Operations Report – February 2022' be received.

9.3 Financial Summary - February 2022**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

1.1 This Report provides:

1.1.1 year to date Financial Results for the seven months ended 31 January 2022; and

1.1.2 an opportunity to discuss rate increases for 2022/23; and

1.1.3 provisional year to date figures for the eight months 28 February 2022 (note these are subject to month adjustments).

2. Commentary**Operating Statement**

2.1 This shows:

2.1.1 a cash surplus of \$27.5k for the 7 months ended January 2022;

2.1.2 zero capital expenditure for these seven months.

2.2 Note that the Depreciation figure included in the Accounting Surplus has not been updated for the past quarter.

Attachments

1. **January 2022 YTD Operating Statement** [↓](#)

Recommendation

That the report 'Financial Summary – February 2022' be received.

Erewhon Rural Water Scheme
Operating Statement 2021/22

		YTD 7 Months Ended Jan 2022	Provisional YTD 8 Months Ended Feb 2022	2021/22 Full Year Budget	2020/21 Draft	20/21 Budget
INCOME						
	Metered Charges	81,118	81,118	162,194	162,237	166,589
	Public Good rate	0	0	0	(22,053)	(17,642)
	Treasury Interest	0	0	0	(1,554)	(141)
		81,118	81,118	162,194	138,630	148,806
EXPENSES						
	Contractors and Prof Services	32,749	41,310	94,116	89,336	90,139
	Rates	12,806	12,806	11,065	13,785	11,671
	Erewhon Waterboard Lease	1,378	1,378	6,866	4,096	6,766
	Resource Consents	1,237	1,237	1,372	931	2,266
	Telephone Costs	424	476	588	546	1,133
	Materials	1,994	1,994	108	0	107
	Insurance	2,945	2,945	7,930	8,494	7,504
	Finance Costs	0	0	4,919	0	141
		53,533	62,146	126,964	117,188	119,727
	Depreciation	31,289	31,289	134,580	125,158	126,000
	Internal Charges	0	0	0	32,651	29,220
	Accounting Surplus/(Deficit)	(3,704)	(12,317)	(99,350)	(136,367)	(126,141)
Add back						
	Depreciation	31,289	31,289	134,580	125,158	126,000
	Public Good Rate	0	0	0	22,053	17,642
	Internal Charges	0	0	0	32,651	29,220
	Cash Surplus	27,585	18,972	35,230	43,495	46,721
	Capital Expenditure	0	0	120,000	278,923	286,324

10 Next Meeting

The next meeting is scheduled for 21 June 2022, at 4.00 pm.

11 Meeting Closed