



Report 08.597
Date 3 September 2008
File E/06/28/03

Committee Parks, Forests and Utilities
Author Murray Kennedy, Divisional Manager,
Water Supply, Parks and Forests

Divisional report for period ended 31 July 2008

1. Divisional performance

1.1 Parks

As noted by the Manager, Parks, staff have carried out a number of activities during the period in spite of inclement weather for a large percentage of the time.

I attended and spoke at the Annual General Meetings of the Friends of Belmont Regional Park and Queen Elizabeth Park. The work that the various Friends' groups do makes an important contribution to the operation and improvement of the various parks.

1.2 Marketing and Design

Last summer, with its long dry periods, was a wakeup call for the management of water restrictions in many parts of New Zealand, including the Wellington metropolitan area. It would be beneficial if there was an agreement between the four city councils and Greater Wellington Regional Council (GWRC) as to the implication of each level of restriction, and what might trigger moving from one restriction level to another. We are working with our customers to see if this is practical.

1.3 Forestry

It appears the strong winds in late July that resulted in about 5 hectares of forest being destroyed through wind throw were from the east. This is an unusual direction for such a strong wind and probably accounts for the amount of wind throw.

Unfortunately, not only does GWRC have to stand the economic loss of the trees but, if it is not able to immediately replant the area where trees were planted prior to 1990, any carbon credits received would also have to be returned. In some cases cutting down trees with chainsaws that are leaning at the various angles is not practical from a safety point of view and machinery access is not always available.

1.4 Water Supply

Two of the positives for the month are completion of the stage 2 optimiser and the feed forward chemical control at the Te Marua Water Treatment Plant. With the optimiser, we will now be able to run the whole water supply system at minimal short run marginal cost, rather than just from water treated at Waterloo and Wainuiomata Water Treatment Plants.

As noted in the Manager's report, feed forward chemical control at Te Marua is expected to reduce chemical demand by 10 percent to 15 percent. On the negative side the significant gains will be severely eaten into by the latest rise in chemical costs. Chemical prices, which are internationally driven, have increased by as much as 30 percent in some cases.

Presentations about the new water source options were made to Wellington and Upper Hutt City Councils, and Capacity. It is expected all the city councils will have responded to the new water source options consultation by the end of September. This will allow a report to be considered by the Committee in October.

1.5 Engineering Services

Two seismic mitigation projects have been completed during the last four weeks - firstly, provision to allow for a temporary pipeline across the Wellington Fault near the Te Marua Water Treatment Plant and, secondly, an emergency connection for Upper Hutt City at Timberlea. This is just part of the ongoing seismic mitigation work to enable faster recovery following a significant seismic event.

2. Financial performance for the period ended 31 July 2008

Last year		This year		
Year to date		Year to date	Full year	Full year
Actual		Actual	Forecast	Budget
\$000s		\$000s	\$000s	\$000s
Water Supply				
2,217	Income	2,214	27,325	27,325
2,018	Expenditure	2,105	28,789	28,789
<u>199</u>	Operating surplus (deficit)	<u>109</u>	<u>(1,464)</u>	<u>(1,464)</u>
113	Operations	164	350	350
186	Strategy and Asset	74	(400)	(400)
(159)	Support	(112)	(1,423)	(1,423)
22	Engineering Consultancy	(17)	9	9
37	Laboratory Services	--	--	--
<u>199</u>	Operating surplus (deficit)	<u>109</u>	<u>(1,464)</u>	<u>(1,464)</u>
Plantation Forestry				
428	Income	384	7,436	7,436
498	Expenditure	613	7,650	7,650
<u>(70)</u>	Operating surplus (deficit)	<u>(229)</u>	<u>(214)</u>	<u>(214)</u>

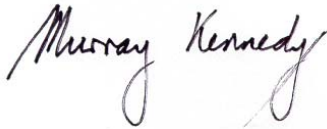
Last year Year to date Actual \$000s		Year to date Actual \$000s	This year Full year Forecast \$000s	Full year Budget \$000s
	Reserve Forests			
109	Income	111	2,023	2,023
172	Expenditure	178	2,258	2,258
<u>(63)</u>	Operating surplus (deficit)	<u>(67)</u>	<u>(235)</u>	<u>(235)</u>
	Parks			
527	Income	539	6,466	6,466
369	Expenditure	478	7,119	7,119
<u>158</u>	Operating surplus (deficit)	<u>61</u>	<u>(653)</u>	<u>(653)</u>

3. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report.***

Report prepared by:



Divisional Manager, Water Supply, Parks and Forests

Attachment 1

Parks', Marketing and Design, Forestry, Water Supply, and Engineering Services' reports for period ending 31 July 2008