



Notice is hereby given that a Meeting of the Services and Assets Committee will be held on:

Date: **Wednesday, 5 August 2020**
Time: **9am**
Meeting Room: **Council Chamber**
Venue: **15 Forth Street**
Invercargill

Services and Assets Committee Agenda

OPEN

MEMBERSHIP

Chairperson	Ebel Kremer
	Mayor Gary Tong
Councillors	Don Byars
	John Douglas
	Paul Duffy
	Bruce Ford
	Darren Frazer
	George Harpur
	Julie Keast
	Christine Menzies
	Karyn Owen
	Margie Ruddenklau
	Rob Scott

IN ATTENDANCE

Group Manager, Services and Assets	Matt Russell
Committee Advisor	Fiona Dunlop

Contact Telephone: 0800 732 732
Postal Address: PO Box 903, Invercargill 9840
Email: emailsdc@southlanddc.govt.nz
Website: www.southlanddc.govt.nz

Full agendas are available on Council's Website
www.southlanddc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

Terms of Reference – Services and Assets Committee

TYPE OF COMMITTEE	Council standing committee
RESPONSIBLE TO	Council
SUBCOMMITTEES	None
LEGISLATIVE BASIS	Committee constituted by Council as per schedule 7, clause 30 (1)(a), LGA 2002. Committee delegated powers by Council as per schedule 7, clause 32, LGA 2002.
MEMBERSHIP	The Services and Assets Committee is a committee of the whole Council. The mayor and all the councillors will be members of the Services and Assets Committee.
FREQUENCY OF MEETINGS	Six weekly or as required
QUORUM	Not less than seven members.
SCOPE OF ACTIVITIES	<p>The Services and Assets Committee is responsible for ensuring that Council delivers its infrastructural asset based services in an effective and efficient manner that meets the needs of its communities and protects the investment that Council has in these assets.</p> <p>The committee is responsible for overseeing the following Council activities:</p> <ul style="list-style-type: none"> • transport • property management including community facilities, acquisitions and disposals (including land dealings) • forestry • water supply, wastewater and stormwater • solid waste management • flood protection • waste management • Te Anau airport • Stewart Island Electrical Supply Authority • Stewart Island Jetties and Riverton Harbour • water supply schemes.
DELEGATIONS	<p>The Services and Assets Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers:</p> <p>Power to Act</p> <p>The committee has the delegated authority to:</p> <ol style="list-style-type: none"> a) assess and provide advice to Council on the strategic issues relating to the delivery of infrastructural asset services b) reviewing and recommending to Council strategies on how it should go about managing the delivery of the infrastructural asset services that it provides

	<p>c) monitor the condition and performance capability of the infrastructural assets owned by Council so as to ensure that it protects its investment in these assets in accordance with accepted professional standards</p> <p>d) monitor the delivery of capital works projects and the implementation of the capital works programme</p> <p>e) monitor the delivery of operations and maintenance contracts</p> <p>f) approve and/or assign all contracts for work, services or supplies where those contracts relate to work within approved estimates. Where the value of the work, services, supplies or business case or the value over the term of the contract is estimated to exceed \$2 million a prior review and recommendation of the business case by the Finance and Assurance Committee is required. The business case shall include as a minimum; risk assessment, a procurement plan and financial costings. If there is a different recommendation from the Finance and Assurance Committee the matter will be referred to Council for a decision</p> <p>g) monitor the return on all Council's investments including forestry</p> <p>h) monitor and track Council contracts and compliance with contractual specifications.</p> <p>Power to Recommend</p> <p>The Services and Assets Committee is responsible for considering and making recommendations to Council regarding:</p> <p>a) policies relating to the scope of activities of the Services and Assets Committee</p> <p>b) changes to Council's adopted levels of service</p> <p>c) the dividend from the forestry business unit</p>
FINANCIAL DELEGATIONS	<p>Council authorises the following delegated authority of financial powers to Council committees in regard to matters within each committee's jurisdiction.</p> <p>Contract Acceptance:</p> <ul style="list-style-type: none"> accept or decline any contract for the purchase of goods, services, capital works or other assets where the total value of the lump sum contract does not exceed the sum allocated in the Long Term Plan/Annual Plan and the contract relates to an activity that is within the scope of activities relating to the work of the Services and Assets committee accept or decline any contract for the disposal of goods, plant or other assets other than property or land. <p>Budget Reallocation.</p> <p>Committee is authorised to reallocate funds from one existing budget item to another. Reallocation of this kind must not impact on current or future levels of service and must be:</p> <ul style="list-style-type: none"> funded by way of savings on existing budget items within the jurisdiction of the committee consistent with the Revenue and Financing Policy.

LIMITS DELEGATIONS	TO	<p>Matters that must be processed by way of recommendation to Council include:</p> <ul style="list-style-type: none"> • amendment to fees and charges relating to all activities • powers that cannot be delegated to committees as per the Local Government Act 2002 and sections 2.4 and 2.5 of this manual. <p>Delegated authority is within the financial limits in section 9 of this manual.</p>
STAKEHOLDER RELATIONSHIPS		<p>This committee shall maintain relationships including, but not limited to the following organisations:</p> <ul style="list-style-type: none"> • Community Boards • Regional Land Transport Committee • WasteNet • FENZ (Fire and Emergency New Zealand) <p>The committee will also hear and receive updates to Council from these organisations, as required.</p>
CONTACT WITH MEDIA		<p>The committee chairperson is the authorised spokesperson for the committee in all matters where the committee has authority or a particular interest.</p> <p>Committee members do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the board's delegations.</p> <p>The group manager services and assets will manage the formal communications between the committee and the people of the Southland District and for the committee in the exercise of its business.</p> <p>Correspondence with central government, other local government agencies or official agencies will only take place through Council staff and will be undertaken under the name of Southland District Council.</p>

TABLE OF CONTENTS

ITEM	PAGE
------	------

PROCEDURAL

1	Apologies	7
2	Leave of absence	7
3	Conflict of Interest	7
4	Public Forum	7
5	Extraordinary/Urgent Items	7
6	Confirmation of Minutes	7

REPORTS FOR RECOMMENDATION

7.1	Options to change the charging method for non-recreational jetty use on Stewart Island/Rakiura	13
-----	--	----

REPORTS

8.1	Road Operations - June 2020	27
8.2	Services and Assets Programme Report	39
8.3	Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for June 2020	49
8.4	SIESA Monthly Reports from PowerNet - May and June 2020	69
8.5	IFS Growth Forest Manager's Report of Forestry Activity for Period to 30 June 2020	75
8.6	Services and Assets Committee Chairperson's Report	81

PUBLIC EXCLUDED

Procedural motion to exclude the public	83
---	----

C9.1	Te Anau Wastewater Scheme Update to Committee	Error! Bookmark not defined.
C9.2	Award of Contract for 20/24 - Around the Mountain Cycle Trail Flood Repairs	Error! Bookmark not defined.

1 Apologies

At the close of the agenda no apologies had been received.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

Committee Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a member and any private or other external interest they might have.

4 Public Forum

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the committee to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) the reason why the item was not on the Agenda, and
- (ii) the reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,-

- (a) that item may be discussed at that meeting if-
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion."

6 Confirmation of Minutes

6.1 Meeting minutes of Services and Assets Committee, 23 June 2020

Services and Assets Committee

OPEN MINUTES

Minutes of a meeting of Services and Assets Committee held in the Council Chamber, 15 Forth Street, Invercargill on Tuesday, 23 June 2020 at 9am. (9am – 9.01am, 10.59am – 12.01pm (PE 11.28 – 12.01pm)).

PRESENT

Chairperson

Ebel Kremer

Councillors

Mayor Gary Tong

Don Byars

John Douglas

Paul Duffy

Bruce Ford

Darren Frazer

George Harpur

Julie Keast

Christine Menzies

Karyn Owen

Margie Ruddenklau (9am – 9.01am, 10.59am – 12.01pm)

Rob Scott

IN ATTENDANCE

**Group Manager, Services and Assets
Committee Advisor**

Matt Russell (via Zoom)
Fiona Dunlop

Adjournment of meeting

Moved Councillor Kremer, seconded Councillor Owen, that the Services and Assets Committee meeting adjourns until the conclusion of the open section of the Council meeting.

The motion was put and declared CARRIED.

The meeting adjourned at 9.01am and reconvened at 10.58am.

Councillor Kremer (Chair), Mayor Tong and Councillors Byars, Douglas, Duffy, Ford, Frazer, Harpur, Keast, Menzies, Owen and Scott were present when the meeting reconvened.

1 Apologies

There were no apologies.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

There was no public forum.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

(Councillor Ruddenklau returned to the meeting at 10.59am.)

6 Confirmation of Minutes

Resolution

Moved Chairperson Kremer, seconded Cr Menzies **and resolved:**

That the Services and Assets Committee confirms the minutes of the meeting held on 6 May 2020 as a true and correct record of that meeting.

Reports

7.1 Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for April 2020

Record No: R/20/5/11921

Manager Operations Water and Waste – Bill Witham was in attendance for this item.

Resolution

Moved Cr Frazer, seconded Cr Menzies **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for April 2020” dated 8 June 2020.**

7.2 Roothing Operations - April and May 2020

Record No: R/20/6/13144

Strategic Manager Transport – Hartley Hare and Roothing Engineer – Rob Hayes were in attendance for this item.

Resolution

Moved Cr Scott, seconded Cr Ruddenklau **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Roothing Operations - April and May 2020” dated 17 June 2020.**

7.3 Services and Assets Programme Report

Record No: R/20/5/12333

Project Delivery Manager – Nick Hamlin was in attendance for this item.

Resolution

Moved Chairperson Kremer, seconded Cr Owen **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Services and Assets Programme Report” dated 17 June 2020.**

Public Excluded

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

Resolution

Moved Chairperson Kremer, seconded Cr Ruddenklau **and resolved:**

That the public be excluded from the following part(s) of the proceedings of this meeting.

C8.1 Contract 20/01 - Award of contract for Fiordland and Southland District Council Offices Cleaning

C8.2 Stewart Island Electrical Supply Authority Management and Service Agreement for the Provision of Power Supply to Stewart Island/Rakiura (Contract 12/23) - Three Month Extension

C8.3 Te Anau Wastewater Scheme Update to Committee

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Contract 20/01 - Award of contract for Fiordland and Southland District Council Offices Cleaning	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Stewart Island Electrical Supply Authority Management and Service Agreement for the Provision of Power Supply to Stewart Island/Rakiura (Contract 12/23) - Three Month Extension	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Te Anau Wastewater Scheme Update to Committee	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

That the Group Manager- Services and Assets (via Zoom), Chief Executive, Group Manager - Environmental Services, Group Manager - Community and Futures, Chief Financial Officer, Group Manager - Customer Delivery, Communications Manager and Committee Advisor be permitted to

remain at this meeting, after the public has been excluded, because of their knowledge of the items C8.1 Contract 20/01 - Award of contract for Fiordland and Southland District Council Offices Cleaning, C8.2 Stewart Island Electrical Supply Authority Management and Service Agreement for the Provision of Power Supply to Stewart Island/Rakiura (Contract 12/23) - Three Month Extension and C8.3 Te Anau Wastewater Scheme Update to Committee. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed and meeting procedure.

That the Contracts and Projects Administrator – Trudy Saunders, Commercial Infrastructure Manager – Ashby Brown and Community Facilities Manager – Mark Day be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the items C8.1 Contract 20/01 - Award of contract for Fiordland and Southland District Council Offices Cleaning. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed.

That the Commercial Infrastructure Manager – Ashby Brown and Contracts and Projects Administrator – Trudy Saunders be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the items C8.2 Stewart Island Electrical Supply Authority Management and Service Agreement for the Provision of Power Supply to Stewart Island/Rakiura (Contract 12/23) - Three Month Extension This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed.

That the Senior Projects Manager – Geoff Gray and Contracts and Projects Administrator – Trudy Saunders be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the items C8.3 Te Anau Wastewater Scheme Update to Committee. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed.

The public were excluded at 11.28am.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 12.01pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE SERVICES AND ASSETS
COMMITTEE HELD ON TUESDAY 23 JUNE 2020.

DATE:.....

CHAIRPERSON:.....

Options to change the charging method for non-recreational jetty use on Stewart Island/Rakiura

Record No: R/20/7/25951

Author: Robyn Rout, Policy Analyst

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☒ Recommendation

☐ Information

Purpose

1. The purpose of this report is:
 - to inform the committee of work that is being undertaken considering new charging methods for commercial jetty use on Stewart Island/Rakiura
 - to seek feedback from the committee on possible charging methods
 - for the committee to recommend to Council, a charging method that Council may endorse to include in the draft Long Term Plan 2021-2031.

Executive Summary

2. Currently, commercial users of Stewart Island/Rakiura jetties hold a licence from Council to use the jetties for commercial purposes, and the licensees pay an annual fee per vessel to Council. In 2017, the Stewart Island/Rakiura Jetties Subcommittee raised that a new charging regime for non-recreational jetty usage, based on patronage, might be more appropriate.
3. Staff support reviewing the charging method as the review is a component of work being undertaken by Council to manage and fund jetties in a strategic and fair way.
4. This work does not involve determining appropriate funding sources for jetties, or deciding the amount of the fee for non-recreational use. This piece of work is only looking at the method to calculate a fee.
5. Currently, coastal permits for the jetties do not allow Council to charge non-recreational jetty users – so the current license fee is not in accordance with the coastal permit. Council needs to seek amendments to the coastal permits to enable a charging regime. Council has begun this amendment process, and it is likely to be completed in the coming months. The work outlined in this report, to amend the charging method, will only proceed if the coastal permits for jetties are updated.
6. When considering charging methods, it is important that the committee considers who is benefitting and contributing to the need to provide and maintain jetties. It is also important that any charging method is practical, and that Council can prove the charge issued is accurate.
7. In 2019, staff sought feedback on possible charging methods from the Stewart Island/Rakiura Community Board and the Stewart Island Rakiura Jetties Subcommittee (for the 2016-2019 triennium).

8. This report presents three charging options for the Committee to consider. Staff are seeking a recommendation from the Committee to Council, on the method that should be included in the draft Long Term Plan 2021-31. Possible charging options are:
 - option A - a base fee amount with an additional charge based on the number of passengers carried (for each vessel)
 - option B - a base fee amount with an additional charge based on vessel tonnage (for each vessel)
 - option C - a licence fee charged annually for each vessel.
9. Option A is the charging option preferred by the board and subcommittee, and option C is the current charging method. Option B has been developed by staff in response to board/subcommittee feedback and is the recommended option. Staff are recommending option B, as:
 - it considers benefit received and whether a user contributes to the need to provide and maintain jetties
 - it is slightly easier to administer than option A
 - Council will have more certainty the charge issued is valid than for option A
 - there would be more certainty around the funding that will be generated than for option A
 - if necessary, it could be implemented without a formal agreement with jetty users.
10. The next step is for staff to present any recommendation made by the committee in response to this report, to Council. Staff would be seeking a decision from Council to endorse a charging method for it to be included in the draft Long Term Plan 2021-31.

Recommendation

That the Services and Assets Committee:

- a) Receives the report titled “Options to change the charging method for non-recreational jetty use on Stewart Island/Rakiura” dated 27 July 2020.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) Notes that Council needs to amend the coastal permits for the jetties, so they allow for a charging regime.**
- e) Considers the charging methods presented.**
- f) Recommends that Council endorse one of the following charging options for commercial jetty use, to be included in the draft Long Term Plan 2021-2031:**
 - i. a base fee amount with an additional charge based on the number of passenger carried**
 - ii. a base fee amount with an additional charge based on vessel tonnage**
 - iii. a license fee charged annually for each vessel.**
- g) Notes that if a new charging regime is implemented through the Long Term Plan 2021-31, the charging regime would not come into effect until 1 July 2021.**

Background

The current charging method

- 11. On Stewart Island/Rakiura, Council administers Fred’s Camp Jetty, Little Glory Jetty, Millers Beach Jetty, Port William Jetty and Ulva Island Jetty. It is anticipated that Golden Bay Wharf will also be transferred into Council ownership in the future. In this report, these facilities are collectively referred to as the jetties. It has been resolved that in the future, Council will also investigate and provide further detail on the potential development of the Golden Bay wharf and divestment of other wharves on Stewart Island/Rakiura.
- 12. Council currently issues licences to non-recreational users of Stewart Island/Rakiura jetties, allowing licensees the non-exclusive use of the jetties for embarkation and disembarkation of passengers and for the loading and unloading of goods. The licence fee is currently \$1,350 (GST inclusive), and this is charged annually for each vessel used by the licensee, in accordance with their licence. The licences currently held were issued in 2014 and the term of the licences is ten years. The licence agreements can be terminated upon notice. When notice is given, the agreement will expire on 31 October following the giving of notice.

13. In 2017, the jetties subcommittee outlined that they wanted to change the current charging approach to be more in line with a user-pays regime based on patronage.

Scope

14. The work being undertaken seeks to review the current charging method and to identify an appropriate way to charge non-recreational users of Council administered jetties on Stewart Island/Rakiura. It is not within the scope of this work to determine what the user fee should be, or how jetties should be funded.
15. A number of pieces of work are currently being undertaken or are anticipated, that relate to the jetties. These include:
- review of the extent of provision, levels of service, projected demand and different service delivery options for the delivery of jetty services to the Stewart Island/Rakiura community
 - the review of the Stewart Island/Rakiura visitor levy
 - the review of the Revenue and Financing Policy (this involves applying legislation and considering appropriate funding sources for the jetties activity, for example considering whether district or local funding, fees and charges, grants etc are appropriate)
 - a Stewart Island/Rakiura Wharf and Jetties Service Delivery Strategy.
16. These pieces of work will impact how jetties are funded and the charge for non-recreational use.

Work already undertaken

17. In 2017, a consultant Sandra James produced a community engagement report that captured the views Stewart Island/Rakiura residents hold about jetties on the island. This included views on jetty ownership, identifying the most critical jetties, jetty usage, strategic management, and funding.
18. Staff presented reports to the board and the jetties subcommittee in December 2018 seeking endorsement to undertake work with the jetties subcommittee to investigate, identify and implement a practical and fair user pays regime for non-recreational jetty usage. Staff also requested funding from the board to contribute towards the work. The board and jetties subcommittee endorsed the work, and the subcommittee agreed to pay \$20,000 from reserves or from a loan, towards the work.
19. In March 2019, Council endorsed proceeding with this work, and approved \$20,000 of unbudgeted expenditure for the work to be funded from the jetties subcommittee general reserves.
20. After receiving legal advice, in late 2019 staff presented five possible charging methods to the jetties subcommittee and the board. The methods were developed taking into consideration section 101 of the Local Government Act 2002, which outlines what Council must consider when it is determining how to meet its funding needs. The jetties subcommittee identified a new charging option (Option A presented in this report). After the meetings staff developed another option after considering feedback received from the board and subcommittee (Option B presented in this report).

Issues

21. The current coastal permits for the jetties do not allow for a charging regime. Staff are in the process of working with Environment Southland to update the coastal permits, and it is anticipated that the permits will be amended in the next couple of months. Work to alter the way people are charged for jetty usage will only proceed if the permits are amended.
22. Staff are anticipating the coastal permits will be amended as required, and on this basis, are presenting to this committee three possible charging options for non-recreational jetty usage. Staff are seeking feedback from the committee and request it make a recommendation to Council on the method that should be included in the draft Long Term plan 2021-31.
23. Not all of the charging options that were discussed with the subcommittee and board are presented in this report as formal options. Staff have filtered the options based on community views and practicality (ensuring the charging method is reasonably practical for Council to implement).
24. It is important that any new charging method is practical to administer and that Council can validate the fee it charges.
25. Advantages and disadvantages for each option are discussed in the 'analysis of options' section of this report.

Charging options

Option A - A fee that has a base amount and an additional charge based on passenger numbers (for each vessel)

26. The board and subcommittee have presented this option, and it is their preferred option. For this option, a base fee amount and a charge per passenger carried (for example \$X per person) would be set through the annual plan/long term plan process. This charge would apply to each boat using the jetties. The number of passengers would be the number who travelled on a return trip. For example, if a person took a water taxi to and from Ulva Island, that would be counted as one passenger. If that person did the trip again the next day, their travel would measure as two 'counts'. The captain and any associated crew (employees etc) on a vessel, would not count as passengers.
27. The subcommittee outlined that passenger numbers are recorded in manifests/ logbooks, and this information could be used as a basis to provide passenger number information to Council.
28. For this option, staff are proposing to amend the current license agreements with non-recreational jetty users. The amendments would include removing reference to the current license fee and including that jetty users would pay the amount set in Council's annual fees and charges. Stakeholders may want assurance in the contract that the charge set won't significantly increase in future years. New clauses would also have to be inserted requiring the jetty users to provide passenger number information, how passenger numbers should be counted, and terms could be set on what will happen if passenger numbers aren't provided. Terms could also establish how the verification of passenger numbers is to occur – allowing some form of audit. Some clauses in the current contracts, such as on jetty usage, indemnity/insurance, and termination clauses, would continue to be part of the revised contracts.

29. Staff foresee that if this option is implemented, it would involve the non-recreational jetty user sending Council's property team a count of passenger numbers, at the end of each quarter. The property team would raise an invoice, and the charge would be issued to the jetty user.
30. This charging method would rely on an honesty system to obtain information on the number of passengers carried. Terms of the contract could outline how passenger numbers will be verified, however, there will still be an honesty-based component, and this could be problematic for Council, in regard to validating the fee charged.
31. If Council implemented this option, it would not know in advance the amount of funding that would be generated each year from non-recreational users. Events such as Covid-19 would impact the fee being charged. If less funding was generated than anticipated, it may impact jetty maintenance plans. Under Council's current Revenue and Financing Policy, jetties are locally funded. Council is responsible for ensuring the jetties are maintained appropriately. Maintenance budgets could be recalibrated triennially as part of the long term plan process to respond to funding variations.
32. This option would be hard to implement if Council was unable to reach a formal agreement with jetty users. This is discussed below under the 'risk' sub-heading.

Option B - A fee that has a base amount and an additional charge based on vessel tonnage (for each vessel)

33. For this option, non-recreational users of jetties would pay an annual fee and an additional charge based on the weight of the vessel, for each vessel visiting Council jetties. Different tiers of boat weight would be used (such as <10 tonnes, 10-20 tonnes, and >20 tonnes) and a fee would be set for boats in each weight range. Heavier vessels would be charged a higher fee. This option hasn't been considered by the subcommittee and board, but an option based purely on vessel tonnage, was considered.
34. This option would also involve Council amending the current license agreements. Clauses about the license fee would need to be removed and replaced with clauses requiring payment to be made in accordance with Council's annual fee and charges. Again, stakeholders are likely to want assurance that the charge won't substantially increase in subsequent years. Information about vessel weight would be included in the contract. As with option A, clauses on jetty usage, who is liable for damage, indemnity/insurance, and termination clauses, would still be part of the contract.
35. In practice, this option would require the property team raising an invoice annually, and the charge being issued to the jetty user.
36. This option would not give Council certainty on the amount of funding that would be generated per annum. If fewer vessels were using the jetties than anticipated, there would be shortfalls in funding.

Option C - a licence fee charged annually for each vessel (the status quo)

37. As is outlined above, Council current issues licences to non-recreational users of the jetties, allowing the licensees the non-exclusive use of Council administered jetties. The licence fee is currently \$1,350 (including GST), and this is charged annually for each vessel used by the licensee. Under the license agreements, commercial users are liable for any damage they cause.

Council does have the option of continuing with this charging approach. This option is administered by Council issuing an annual invoice to the jetty users.

38. As with option B, the current charging method does not give Council certainty on the amount of funding that is generated per annum. If fewer vessels use the jetties, less funding would be generated.

Risks

39. There is a risk that Council won't reach agreement with all the non-recreational jetty users, to amend the current contracts. This may take place at a time when Council has already committed to a particular charging method, in the Long Term Plan 2021-2031. If this occurs, Council might have to set and administer the charge without contracts in place (with all users). If there was not contracts in place with some jetty users, for those users:
- there would not be contractual provisions on jetty usage
 - there would not be contractual provisions on liability for damage
 - there would not be contractual provisions requiring jetty users to provide passenger numbers
 - vessel tonnage information may not be captured in a contract and Council may have to estimate
 - Council would have to undertake any required monitoring, to be able to validate any charge issued (for example if a charge is being issued based on passenger numbers, Council would have to have webcams (or similar) to record passenger numbers)
 - there may be additional costs as Council may be required to undertake more administration, and other formal rules for jetty use might need to be established (such as a bylaw)
 - Council would have to terminate the current license agreement, and that agreement would cease to be in effect from 31 October following the giving of notice. An invoice could be issued (in accordance with any new charging method and fee) when the contract was no longer in effect.
40. There is small risk that applications to vary the coastal permit for the jetties, may get declined. If this is the case, staff advise Council not proceed to change the way jetty users are charged, and Council may decide not to charge for non-recreational jetty use going forward.
41. As was mentioned above, if less funding is captured from non-recreational jetty users than was anticipated, it may impact scheduled maintenance plans.

Enforcement

42. Council has avenues available to enforce a charge for non-recreational jetty use.
43. If formal agreements have been reached with jetty users, dispute resolution provisions in the agreement would outline a specific process to deal with disputes or differences. Under the current license agreements Council can terminate the agreement at any time, and the amended contracts are likely to have a similar termination clause.
44. Council could also seek payment in accordance with its debt recovery policy. This may involve Council or an external recovery agency taking steps to recover the outstanding amount. Council

would have the ability to recover a charge as a debt in the District Court, an assessment would be made regarding whether the costs of recovery is likely to exceed the amount recovered.

45. Outside of any contractual agreement, Council could set fines for late payment in its schedule of fees and charges, or it could set a fine through a bylaw process.
46. Council would not be able to prevent non-recreational jetty user having access to the jetties unless the restriction was explicated stated in the coastal permit. Council is not proposing to amend the coastal permit, to state that it can ban jetty users who have not paid a specified fee.

Factors to Consider

Legal and Statutory Requirements

47. Under section 101(3) of the Local Government Act 2002 (the LGA), Council must meet its funding needs for each activity following consideration of factors including who is benefitting, the period over which any benefit will occur, and whether the actions of a particular group contribute towards to need to undertake the activity (such as whether particular jetty users require more maintenance to be undertaken on the jetties). Council is also required to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.
48. Council have received advice on how to create a legal mechanism for collecting and enforcing a fee for non-recreational jetty use. To make monitoring and collection easier, Council should try and reach agreement on how and when jetty users will pay Council, and on how information (such as passenger numbers) should be verified. The most practical way to set a fee for commercial jetty use is through fees and charges section in its Annual Plan/Long Term Plan. Council can set a fee in the Annual Plan/Long Term Plan in accordance with section 103(2)(c) of the LGA.
49. In setting a fee, Council has to ensure:
 - the charge is fair and reasonable based on jetty usage
 - jetty resource consent conditions and any user fee, align
 - the charge does not 'double dip' (commercial users are not charged for amounts that will also be funded from other sources).
50. As is outlined above, Council is currently in the process of amending the consent conditions, to allow for charging.
51. Council's financial services team have also assessed that visitor levy funds and funds from non-recreational jetty users are separate funding streams, and funding is not collected for the same purpose.
52. In relation to monitoring and enforcement, Council should be able to prove that the people being charged a fee for jetty usage are using the jetties and Council should be able to justify any charge levied.

Community Views

53. Council is aware of some community views on this matter. Research completed on the Stewart Island Wharfing Provision, by consultant Sandra James in 2017, investigated community views on jetties on Stewart Island/Rakiura and identified:
- that local users understood the need to pay for their use of the jetties
 - that there was a need for long term strategic planning rather than a reactionary approach to jetties
 - that there was unanimous agreement that the jetties should be self-funding and not a burden on rate payers alone
 - a new funding strategy should be investigated, with funding from multiple sources, that is fair and equitable.
54. Council has sought feedback on potential charging options from the jetties subcommittee and the board - this feedback has been outlined above. Staff have not sought feedback from the board elected for this triennium. The board and non-recreational users of the jetties have also been informed about the content of this report, and have been encouraged to provide feedback at this meeting.
55. If a new charging method is proposed, anyone who would like to provide formal feedback will have the opportunity to make a submission, when the method is presented in the draft Long Term Plan 2021-31.
56. Staff anticipate that stakeholders will be more interested in the amount they will be charged than the method used to calculate the charge. If the current licensees are required to pay more to use jetties, they are likely to expect a commensurate improvement in the service that they are receiving. This would include, for example, an improved maintenance and renewals regime. If there is an increase in user fees, this may not be well received well by some stakeholders and it may be seen as not facilitating local businesses.

Costs and Funding

57. As has been outlined above, \$20,000 of unbudgeted expenditure from the jetties subcommittee general reserves has been allocated to undertake this work. Funding has already been used seeking legal advice on charging methods, and further expenditure is anticipated on varying jetty consent conditions and the current license agreements.
58. Income for the jetties activity is currently budgeted to come from licencing fees and interest on reserves. Other possible income sources may be grants, such as from the visitor levy or central government grants. The jetties activity is locally funded, however, there is no local rating for the renewal and maintenance of the jetties. Expenses for the activity include insurance, maintenance, depreciation and internal interest.
59. If Golden Bay jetty is transferred to Council ownership, and both Golden Bay and Ulva Island jetties are replaced, it is likely a loan will be required to partially fund these renewals. Servicing this loan would substantially increase the annual expenditure for the jetties activity.
60. Council recognises that jetties have both public and private use. This is considered when Council determines appropriate funding sources.

Policy Implications

61. One of the work streams that has come out of the sustainability review is to develop a Stewart Island/Rakiura Wharf and Jetties Service Delivery Strategy, to ensure jetties are managed well in the future.
62. People operating commercial vessels on Stewart Island/Rakiura may pay other fees or levies. These include:
- the Stewart Island/Rakiura Visitor Levy, or revenue collected by transport operators on behalf of Council
 - a marine levy to Environment Southland
 - collecting \$1 from each passenger who travels to Ulva Island (this is then passed on to the Ulva Island Charitable Trust)
 - a fee to South Port for using the main wharf
 - a concession fee to the Department of Conservation (for operators who take visitors on guided trips).

Analysis

Options Considered

63. Possible charging options are:
- option A - a base fee amount with an additional charge based on the number of passengers carried (for each vessel)
 - option B - a base fee amount with an additional charge based on vessel tonnage (for each vessel)
 - option C - a licence fee charged annually for each vessel.

Analysis of Options

Option 1 – a base fee amount with an additional charge based on the number of passengers carried (for each vessel)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• considers that some users benefit more from using jetties (vessels that carry more passengers are likely to have more benefit)• considers that vessels that carry more passengers may contribute more to the need to provide/maintain jetties – more passengers may be associated with heavier vessels that may do more damage when berthing, or more frequent visits to jetties	<ul style="list-style-type: none">• passenger numbers may not directly relate to the benefit received from the jetties• passenger numbers may not directly relate to the need to provide/maintain jetties• the exact cost of implementing this option is not known• this option requires more administration than the other options, as passenger numbers are needed from stakeholders to issue an invoice (and Council staff may have to seek this input)

<ul style="list-style-type: none"> • in line with general feedback given by the community that a fair user pays charging approach should be in place • contractual terms will outline how the jetties can be used, and about who will pay for damage etc • in line with the specific feedback given by the board and subcommittee • this option may enable commercial jetty users to identify the user fee in their retail price – being able to make this fee transparent may make it more palatable to both jetty users and their passengers • enforcement measures are available. 	<ul style="list-style-type: none"> • Council would have less certainty about the amount of funding that would be generated, compared to the other options • it would be hard to administer this option if formal agreements are not in place/if jetty users are not willing to provide passenger number information - for example, Council would have to set up webcams (or similar) so it can measure and validate passenger numbers • it may be difficult for Council to validate passenger numbers – Council would rely on the honesty of jetty users.
---	--

Option 2 – a base fee amount with an additional charge based on vessel tonnage (for each vessel)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • considers benefit as heavier vessels are able to carry more passengers/goods, so may benefit more from the jetties • considers that heavier vessels may contribute more to the need to undertake the activity as heavier vessels may cause more damage to the jetties than light vessels • in line with general feedback given by the community that a fair user pays charging approach should be in place • contractual terms will outline how the jetties can be used, and about who will pay for damage etc • this option would be slightly easier to administer than a passenger-based fee, as Council could issue an invoice without having to receive any information from jetty users • this option would mean there is more certainty (than option A) around the amount of funding that would be generated each year from non-recreational jetty use • enforcement measures are available. 	<ul style="list-style-type: none"> • vessel weight may not directly relate to the benefit being received from the jetties • vessel weight may not directly relate to the need to provide jetties (for example other factors may impact the damage caused, such as how often a user visits the jetties or how vessels are berthed) • the exact cost of implementing this option is not known • there would still be some challenges implementing this option if formal agreements weren't in place with the jetty users • this option is not in line with the community views received from the board and subcommittee.

Option 3 – a licence fee charged annually for each vessel

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> known by the commercial operators contractual terms outline how the jetties can be used, and about who will pay for damage etc considers the benefit received and damage that may be caused, as jetty users are charged per vessel formal agreements are already in place this option would be slightly easier to administer than a passenger-based fee, as Council could issue an invoice without having to receive any information from jetty users this option would mean there is more certainty (than option A) around the amount of funding that would be generated each year from non-recreational jetty use enforcement measures are available. 	<ul style="list-style-type: none"> may not accurately measure benefit – for example the owners of vessels that carry a large number of passengers may be receiving more benefit from the jetties than owners with smaller vessels (who pay the same amount). does not take into account that heavier vessels or vessels using the jetties more frequently may contribute more to the need to undertake the jetty activity this option is not in line with the community views received from the board and subcommittee.

Assessment of Significance

64. This matter has been assessed as not significant in relation to Council's Significance and Engagement Policy, and the LGA. Although stakeholders are likely to be interested in this matter, staff believe the level of interest is not to the extent to trigger this being a 'significant' issue.

Recommended Option

65. Staff recommend that the committee proposed to Council that option B be included in the draft Long Term Plan 2021-31.
66. Staff recommend option B as it is a fair and reasonable way to set the charge, and it considers the distribution of benefit to non-recreational users of the jetties, and the extent users contribute to the need to provide and maintain jetties. This option also requires fewer administrative steps for Council to invoice an annual charge, and it isn't reliant on an honesty system - where it may be hard for Council to validate the charge set. This option can also be implemented (more easily than option A) if a contract is not in place with jetty users.

Next Steps

67. The steps to implement a new charging option are outlined below (please note some of the dates outlined below are tentative).

Services and Assets Committee

5 August 2020

Date	Task
July 2020 -	Amend the coastal permits so they allow Council to charge for jetty usage
27 August 2020	Report to Council seeking a decision on a charging option to be proposed in Long Term Plan 2021-31. Staff will present the recommendation from this committee
February 2020	Inform stakeholders about the consultation process on the draft Long Term Plan 2021-31
March 2021	Consult on the draft Long Term Plan 2021-2031 (including the proposed charging method and the associated fee)
29 April 2021	Deliberate on draft Long Term Plan 2021-31
May – June 2021	Amend and sign contracts with jetty users
June 2021	Adopt Long Term Plan 2021-31
1 July 2021	Long Term Plan 2021-31 (and any new charging method) comes into effect.

Attachments

There are no attachments for this report.

Road Operations - June 2020

Record No: R/20/7/26932

Author: Rob Hayes, Roothing Engineer

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

Purpose

- 1 The purpose of this report is to update the committee on the progress of the major roading maintenance contracts and provide some context to the 2019/20 budget.
- 2 SouthRoads currently have the Waimea and Central Alliance maintenance contracts and Fulton Hogan has the Foveaux alliance contract.

Executive summary

- 3 During June, our contractors continued in catch up mode across the network. A number of outstanding jobs were undertaken during June including the Waiau Street slip in Manapouri that is programmed to be opened to light traffic mid-July.
- 4 Emergency flood repairs to the end of June total \$1.51M. We are forecasting another \$0.6M to complete the programmed repairs.
- 5 Maintenance spend across the three contracts totalled \$12.7M to the end of June (including emergency flood repairs). As a result of the February flooding and Covid-19 there was still uncompleted approved general maintenance budget of \$0.46M. Uncompleted maintenance work has been reprogrammed to be carried out during the 2020/21 construction season.
- 6 Customer satisfaction; Requests for Service (RFS), across the three alliance contracts were 130 in June 2020 compared to 209 in June 2019, a combined decrease of 28%. Note RFS for April and May totalled 99.
- 7 In relation to health and safety; 8 contractor safety audits were completed during June and 19 near misses reported.
- 8 A total of two medical treatments and one lost time accident have been reported by our alliance contractors for the year. One lost time accident actually occurred at SouthRoads mechanical workshop and not during field operations.
- 9 Activity performance:
 - metalling, 55,187m³ (100%) has been placed by the end of June of a total 2019/20 budget of 54,264m³
 - grading, 13,001km (97%) have been graded by the end of June of a total 2019/20 budget of 13,400 km for the year
- 10 In summary a challenging last five months of the 2019/2020 financial year across all contracts.

Pavement rehabilitation

- 11 The 2019/20 rehabilitation programme has been completed.

Resurfacing

- 12 The 2019/20 sealing season is now complete and the remaining sites deferred to the 2020/21 programme.

Pavement marking

- 13 The 2019/20 marking season was targeting a 100% mark of the network. 83% was achieved and the remaining sites deferred to the 2020/21 programme. Considering the challenges for the year and that marking opportunities are limited during the cooler months, this result was anticipated.

Bridges

- 14 The two bridge design build packages are well underway. Downer (Southern package) have made a great start and have installed five bridges at Cook, Moffat, Pullar, Ashers and Braid Roads. SouthRoads (Northern package) have installed the Dunrobin Valley Road bridge and commenced work at Biggar Road.



Installing beams at Pullar Road



Completed Dunrobin Valley Road bridge

- 15 The Lake Monowai Road bridge over Pioneer Energy's hydro canal has been awarded to SouthRoads who have commenced work in June.
- 16 Four small single span bridges have been replaced with culverts at Smith Road 3 Winton, McGee Road Dipton and the two on Ardlussa Cattleflat Road, both of which will be divested to the adjoining land owner.



Culverts at Ardlussa Cattleflat Road under construction

Flood event

- 17 Strategic transport team and our Alliance contractors had completed the vast majority of flood repairs. The most significant remaining repairs are Ellis and McLean Roads (both near Garston). Otautau Tuatapere Road slip repair pictured below, had construction commence during June.



Recommendation

That the Services and Assets Committee:

- a) Receives the report titled “Road Operations - June 2020” dated 27 July 2020.**

Attachments

- A Waimea A3 June 2020 [↓](#)
- B Central A3 June 2020 [↓](#)
- C Foveaux A3 June 2020 [↓](#)

Waimea Alliance - Summary Report June 2020



CUSTOMER AND COMMUNITY GOVERNANCE		
Requests for Services	Jun-20	YTD
General Requests for Road Service (RFS's)	27	321
Road Service Requests completed on time	22	299
Road Service Requests completed on time %	81%	93%

HEALTH AND SAFETY		
	Jun-20	YTD
Lost Time Incident (pass/fail >1)	-	-
Medical Treatment Intervention (pass/fail >1)	-	-
Near Hits Reported (pass/fail <5)	-	62
Site Safety & Traffic Management Audits completed (pass/fail <5)	5	59
Site Safety & Traffic Management non-compliances (pass/fail >1)	-	-

PERFORMANCE SCORECARD		
KEY RESULT AREA	WEIGHTING	SCORE
Financial - YTD	10%	10%
Customer and Community Governance	10%	8%
Health & Safety	20%	15%
Alliance Effectiveness & Efficiency	40%	40%
Pre-Reseal Repairs (75% 1st Oct, 90% 15th Nov, 100% 1st Dec).	10%	10%
Metalling Achievement	10%	10%
Grading Achievement	10%	10%
Rework (pass/fail 1)	10%	10%
Network Condition ** To be confirmed	20%	20%
Overall Score	100%	93%

IDENTIFIED RISK & STRATEGY UPDATE	
Risk 1 - Riversdale Waikaia Road	
Tree roots effecting the pavement integrity. Council to determine appropriate action.	
Risk 2 - Waiau Street (Manapouri)	
Slip has occurred, Council has provided proposed treatment, this will be completed in May	
Risk 3 - Otautau Tuatapere	
Slip has occurred, we have a design from WPS Opus and this has been priced and awarded to SouthRoads through the Alliance.	

Weather over the month of June was generally unsettled but this is to be expected with the shortest day this month now out of the way. New Zealand went into Level one Lockdown with SouthRoads continuing our contact tracing.

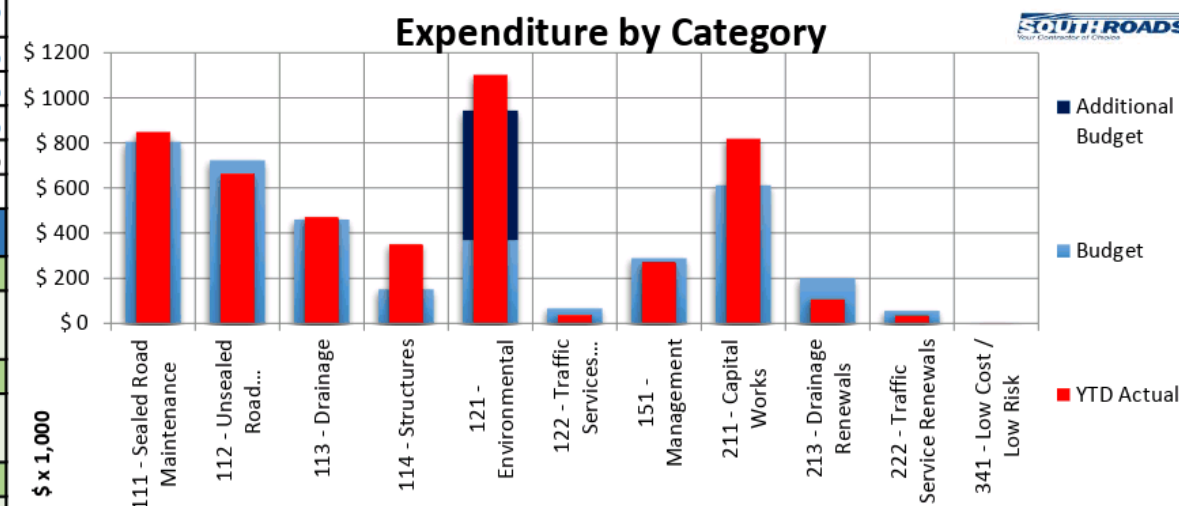
A very busy month for the Waimea Contract yet again with many resources on the network catching up. The drainage crew were cleaning up the last of the trees on McMillan Road which took a couple of weeks before moving into Waiau Street in Manapouri to repair a slip that has been on the books for a while. They are then moving into Sinclair Road to complete some drainage and reshaping of the road.

The Premix crew completed the road that they were working on which was Dipton Mossburn prior to going to work in the Central Contract. They will spend a few months in the Central Network before coming back to the Waimea Alliance.

Maintenance Metalling finished out of Mount Nicholas and then continued out of O'Connors pit near Riversdale with slightly more than the programmed amount completed.

Sealed and unsealed Road Spraying was completed in very early June. We had an extra grader on the network to catch up with grading beats from the flood event in February and the lockdown.

The Slip on Otautau Tuatapere was started and at the first Hold Point Meeting it was discovered that the job had grown already with more material required to be dug out than first thought.



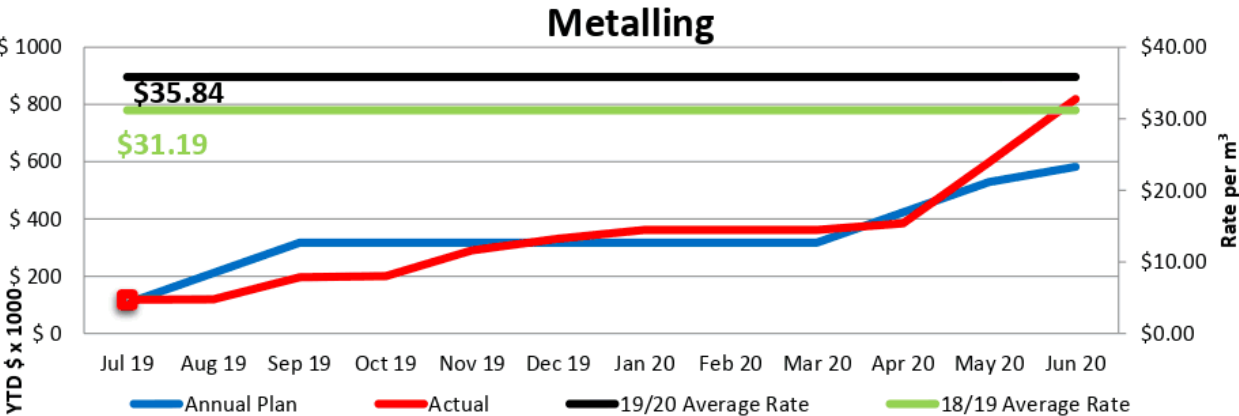
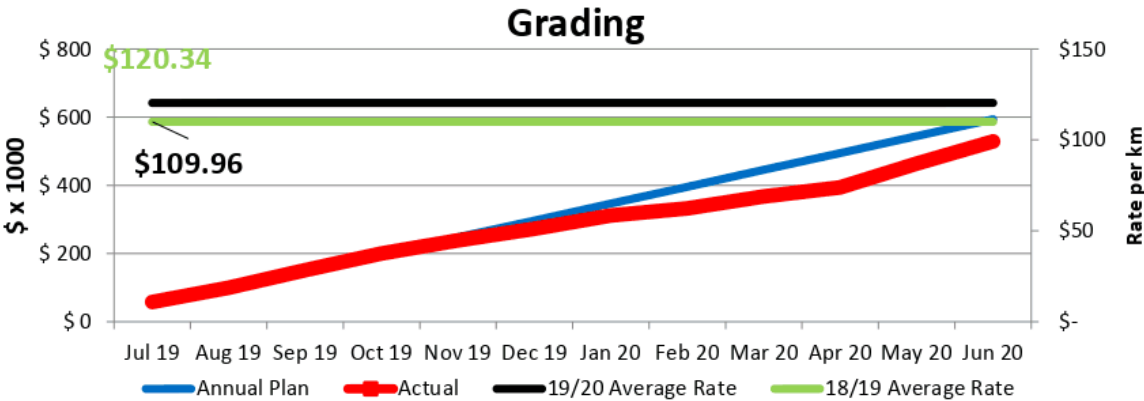
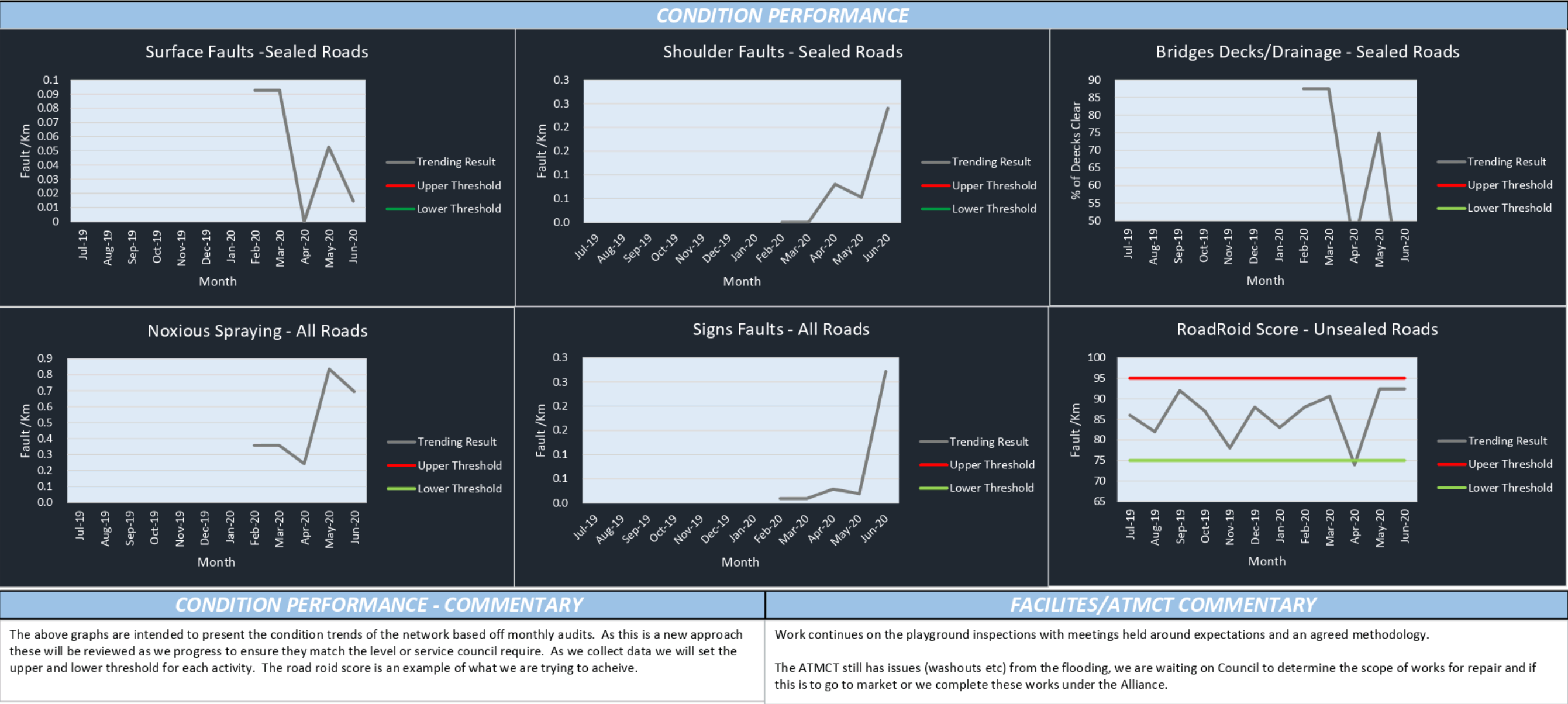
FINANCIAL SUMMARY													
	Annual Amount	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Original Total Cost Estimate	\$ 3,730,054	\$ 361,884	\$ 369,686	\$ 360,861	\$ 263,645	\$ 334,576	\$ 308,529	\$ 198,776	\$ 198,776	\$ 270,700	\$ 333,000	\$ 380,031	\$ 349,590
Actual Claim		\$ 409,088	\$ 282,469	\$ 377,685	\$ 289,587	\$ 329,348	\$ 308,763	\$ 335,509	\$ 368,881	\$ 418,376	\$ 342,509	\$ 804,939	\$ 648,525
Year to Date Budget	\$ 4,304,539	\$ 361,884	\$ 731,570	\$ 1,092,431	\$ 1,356,076	\$ 1,690,652	\$ 1,999,181	\$ 2,197,957	\$ 2,606,733	\$ 3,082,498	\$ 3,531,171	\$ 3,954,949	\$ 4,304,539
Actual Claim YTD	\$ 4,915,678	\$ 409,088	\$ 691,557	\$ 1,069,242	\$ 1,358,829	\$ 1,688,177	\$ 1,996,940	\$ 2,332,448	\$ 2,701,329	\$ 3,119,706	\$ 3,462,214	\$ 4,267,154	\$ 4,915,678
Variance YTD	-\$ 611,139	Additional funds provided - Flooding event											

ALLIANCE EFFECTIVENESS & EFFICIENCY					
Sealed Network Achievement of Programme - 2020/21 Pre-Reseal Repairs					
Activity	20/21 Repairs	Jun-20	YTD	Remaining	% Completed
Depressions (m2)	4,474	616	1,025	3,449	23%
Edge Breaks (m)	10,246	317	6,078	4,168	59%
Dig Outs (m2)	-	-	-	-	0%
Stabilising (m2)	2,535	-	2,513	22	99%
Sites	133	1	44	89	33%
Kilometres	66	4	35	31	52%
Unsealed Network Achievement of Programme					
Activity	Budget	Jun-20	YTD	Remaining	% Completed
Metalling (m3)	22,000	6,320	23,102	- 1,102	105%
Grading (KM)	4,800	437	4,362	438	91%
Structures - Maintenance - Joint Alliances					
Activity	Quantity	Jun-20	YTD	Remaining	% Completed
Consultants List	18	-	18	-	100%
Bridge Inspections	833	-	609	224	73%

FINANCIAL COMMENTARY

With the year now complete the Waimea Alliance had a slight overspend of approx. \$30K or .7% which is a great result. This overrun will be absorbed by 2020/2021 Total Cost Estimate. The major additional spends are related to the flooding in February which had a major impact. Structures also had a large additional spend, there is a large amount of work on the horizon for Council and this is an area of focus for SouthRoads to ensure we can delivery as effectively and as efficiently as





Central Alliance - Summary Report June 2020



CUSTOMER AND COMMUNITY GOVERNANCE		
Requests for Services	Jun-20	YTD
General Requests for Road Service (RFS's)	75	790
Road Service Requests completed on time	67	705
Road Service Requests completed on time %	89%	89%

HEALTH AND SAFETY		
	Jun-20	YTD
Lost Time Incident (pass/fail >1)	-	1
Medical Treatment Intervention (pass/fail >1)	-	1
Near Hits Reported (pass/fail <5)	4	53
Site Safety & Traffic Management Audits completed (pass/fail <5)	5	70
Site Safety & Traffic Management non-compliances (pass/fail >1)	-	-

PERFORMANCE SCORECARD		
KEY RESULT AREA	WEIGHTING	SCORE
Financial - YTD	10%	10%
Customer and Community Governance	10%	9%
Health & Safety	20%	15%
Alliance Effectiveness & Efficiency	40%	30%
Pre-Reseal Repairs (75% 1st Oct, 90% 15th Nov, 100% 1st Dec).	10%	10%
Metalling Achievement	10%	0%
Grading Achievement	10%	10%
Rework (pass/fail 1)	10%	10%
Network Condition ** To be confirmed	20%	20%
Overall Score	100%	84%

IDENTIFIED RISK & STRATEGY UPDATE	
Risk 1- Largs Street (Wallacetown)	
Slip has occurred during the recent flooding, Council discussing with Consultants the best solution.	
Risk 2 - Logging, heavy vehicle traffic on unsealed Roads	
The wet weather coupled with the Heavy Duty trafficking from Loggin Trucks, Milk Tankers and other large type agricultural vehicles. Will continue to monitor, address issues before they become problems and effect any repairs as they arise	

Winter has truly arrived and is a bit disruptive, but thats the norm and we get on and deal with it. Township work is ticking along with rubbish back to where it usually is after COVID and a couple of incidents of vehicles ripping up grass at Otatau cementary. Bridging was steady with minor repairs and Inspections, the Channel Rd bridge pile strengthning work is priced and awaiting confirmation. The Oreti Bridge guard rail at Centre Bush has been damaged and is being priced for repair.

The Cyclic crew has spent the last two weeks on low shoulder work which is now complete, they were covered by Waimea cyclic crew and have returned to normal duties, with emphasis on wilding trees, edge markers and vegetation.

The Pre Mix crew's pre-reseal work is having an tough run due to the weather and have been diverted to potholes,wildings trees, edge markers and vegetation, but are raring to get back into it as soon as the weather improves.

Excavation crew is staying on top of unsealed road digouts, this is steady due to the volume of logging operations that are on going. We will monitor this moving forward.

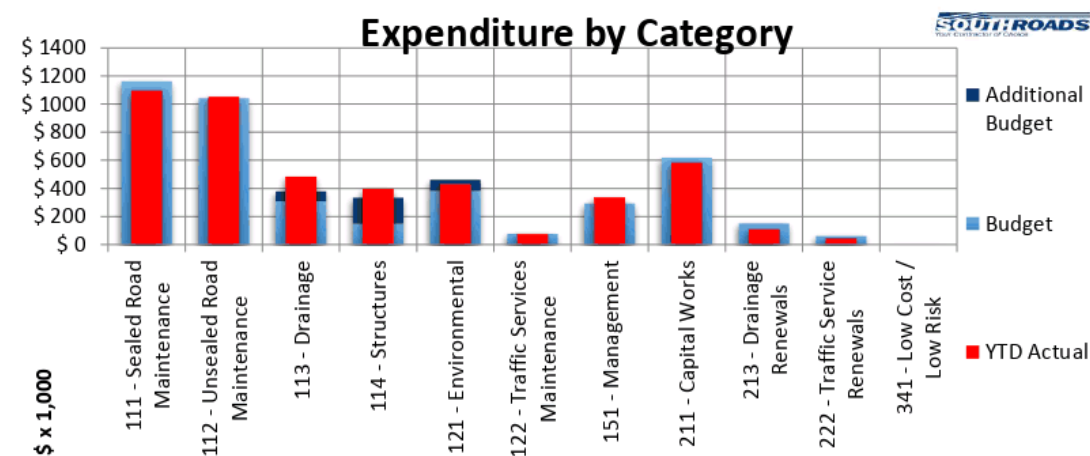
Maintence metalling is complete and we are identifyng areas that require spot metalling. The Graders are busy and again this wet weather adds a challenge to what we can acheive.

Drainage is on top of its work load, but has slowed down with the winter weather and is carrying out culvert inspection and K&C pre-reseal repairs.

ALLIANCE EFFECTIVENESS & EFFICIENCY					
Sealed Network Achievement of Programme - 2020/21 Pre-Reseal Repairs					
Activity	20/21 Repairs	Jun-20	YTD	Remaining	% Completed
Depressions (m2)	7,455	693	1,096	6,359	15%
Edge Breaks (m)	9,015	913	1,210	7,805	13%
Dig Outs (m2)	-	-	-	-	0%
Stabilising (m2)	2,175	-	978	1,197	45%
Sites	133	-	75	58	56%
Kilometres	66	-	15	51	22%
Unsealed Network Achievement of Programme					
Activity	Budget	Jun-20	YTD	Remaining	% Completed
Metalling (m3)	18,467	-	16,303	2,164	88%
Grading (KM)	4,800	490	4,767	33	99%
Structures - Maintenance - Joint Alliances					
Activity	Quantity	Jun-20	YTD	Remaining	% Completed
Consultants List	18	0	18	0	100%
Bridge Inspections	833	0	609	224	73%

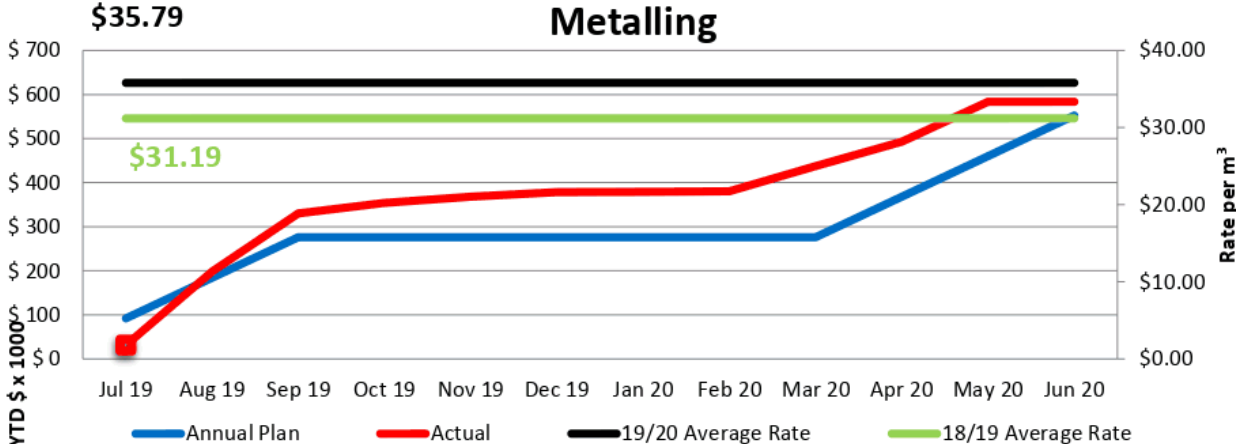
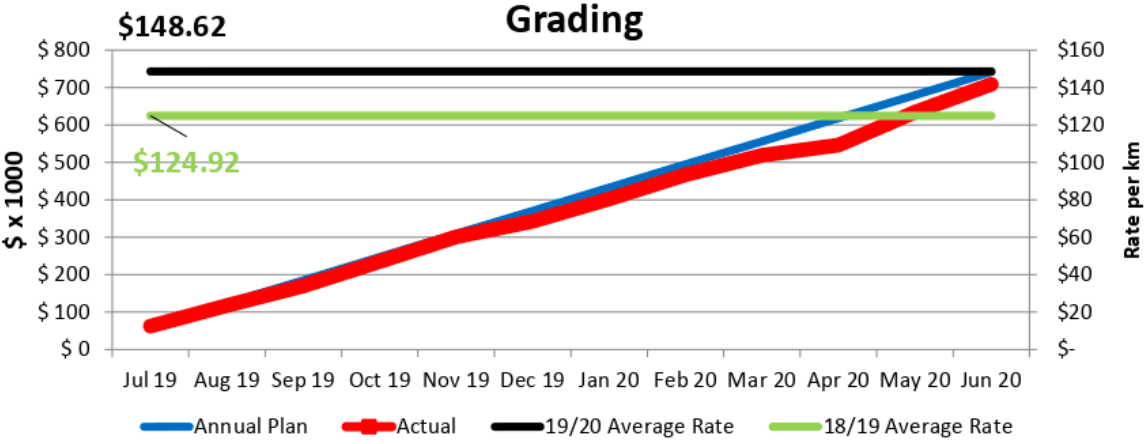
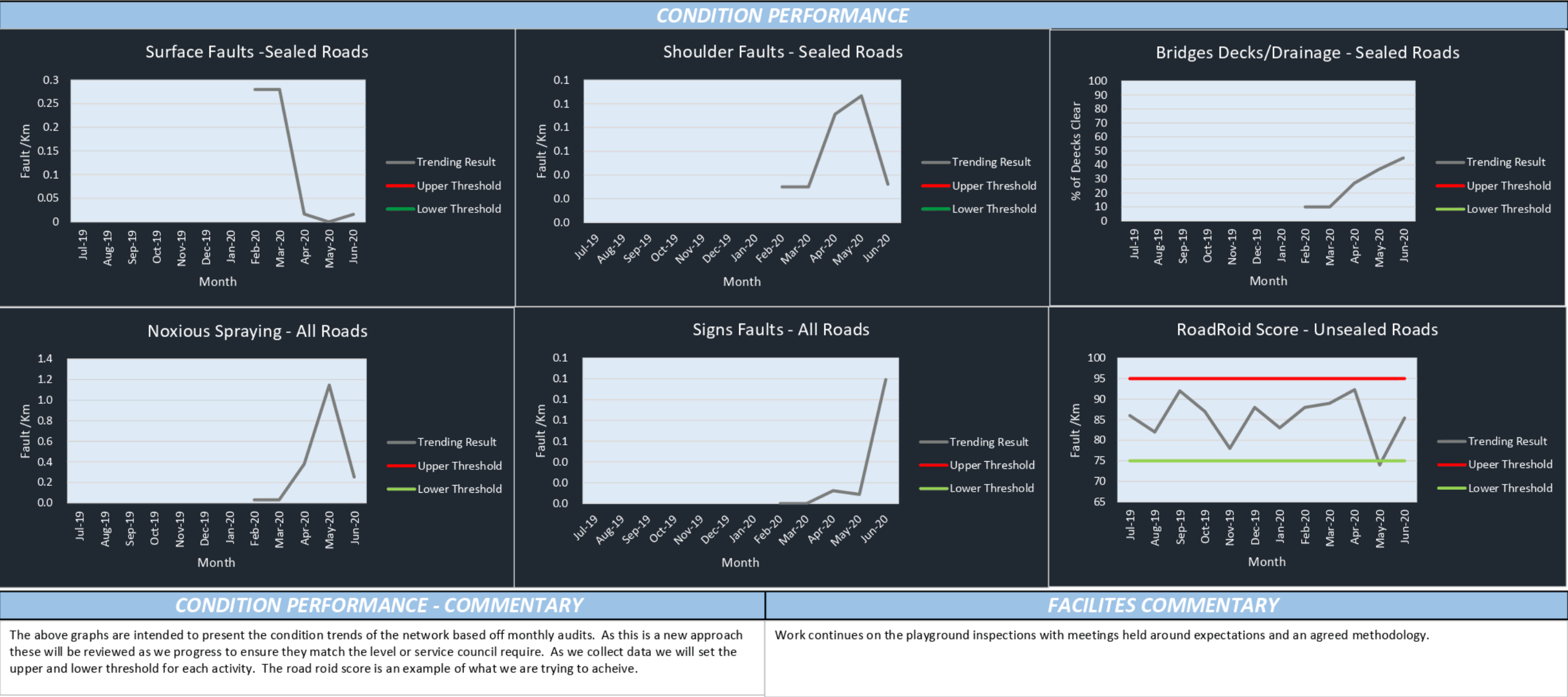
FINANCIAL COMMENTARY

With the year now complete the Central Alliance had an slight overspend of approx. \$83K or 1.96% which is a great result. This overrun will be absorbed by 2020/2021 Total Cost Estimate. The major additional spends were related to drainage. Structures also had an additional spend, there is a large amount of work on the horizon for Council and this is an area of focus for SouthRoads to ensure we can delivery as effectively and as effciently as possible.



FINANCIAL SUMMARY

	Annual \$	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Original Total Cost Estimate	\$ 4,241,512	\$ 346,249	\$ 346,249	\$ 343,030	\$ 362,138	\$ 362,138	\$ 347,429	\$ 356,852	\$ 331,877	\$ 344,517	\$ 367,011	\$ 367,011	\$ 367,011
Actual Claim		\$ 344,801	\$ 539,943	\$ 366,451	\$ 356,192	\$ 373,358	\$ 365,881	\$ 366,902	\$ 440,291	\$ 557,235	\$ 273,936	\$ 511,149	\$ 470,408
Year to Date Budget	\$ 4,571,787	\$ 346,249	\$ 692,498	\$ 1,035,528	\$ 1,397,666	\$ 1,759,804	\$ 2,107,233	\$ 2,634,085	\$ 3,026,294	\$ 3,470,754	\$ 3,837,765	\$ 4,204,776	\$ 4,571,787
Actual Claim YTD	\$ 4,966,549	\$ 344,801	\$ 884,744	\$ 1,251,195	\$ 1,607,387	\$ 1,980,745	\$ 2,346,626	\$ 2,713,528	\$ 3,153,820	\$ 3,711,055	\$ 3,984,991	\$ 4,496,141	\$ 4,966,549
Variance YTD	-\$ 394,762	Additional Funds provided - Gill Road Slip, Flooding Event & Bridge Repairs											





Summary Report – June 2020



PERFORMANCE

EFFECTIVENESS	RFS	Number of Sign RFS's	monthly	5	
		Total number received since last report cycle (Excluding Signs)	monthly	23	
		# Not completed on time within the required timeframe	monthly	1	
		# Customers contacted (where possible)	monthly	27	
		# Non-performance related - where we provide customer support (e.g. farmers mess, incident response etc.)	Monthly	3	
		RFS Contract Management Resource (hours)	monthly	14	
	CONDITION RATING	Field Audit	monthly	See separate A3 report under trial	
		Monthly score Card (under trial)	Annual	NA	YTD Ave 89%
	PROGRAMME	Activity Calendar	Quarterly	All on track	

PEOPLE / CULTURE	TEAM SAFETY			MTD	YTD
		Medical Treatment Intervention - #	monthly	0	1
		Lost Time Injury - #	monthly	0	0
		Near Miss/OFI - #	monthly	7	44
	TEAM HEALTH / AMT	Site Safety Audits	As completed	3	
		Satisfaction - 3 monthly measure	Quarterly		
	ROAD USER SATISFACTION	Team Harmony - 3 monthly measure	Quarterly		
		SDC survey, as completed	As completed		
		# complaints (not normal RFS) vs. compliments	Monthly	1 Complaints 0 Compliments	3 Complaints 6 Compliments

The last month on the financial year has seen steady progress on all fronts, key achievements include bi annual tree trimming through the Catlins area, the last of the bridge repair work (excluding painting & cleaning) by our civil crew, most of our noxious spray program completed and our low shoulder/edgebreak pre-reseal repairs completed. Agreement to spend some unspent money (due to covid lockdown) on Coal pit road seal widening, the 2km section before Ferry road was is due for reseal this coming summer and the last section of this road was very narrow – we had to spend around \$50K on edgebreak repair which would still not have achieved a consistent road width for the entire length so the team proposed a simplified seal widening approach (similar to that completed on Old Dunedin road 5 years ago), Estimated cost of \$135K will achieve a minimum 6.5m width for the entire length of the road. This road has seen increased heavy vehicle use since the Edendale bypass opened from logging traffic using it as a short cut coming from Mokoreta heading north.

Some challenge for the management team with the upcoming change from RAMM contractor to RAMM Dispatch (due to CJN no longer supporting this platform), early days but this new platform has several more steps to complete work records than the current system, this in turn will lead to more administration time over the short term – our Corp team continues to work with CJN to improve the platform going forward.

Good meetings with SDC Rooding & Facilities Management team's over the month set next year's budgets – again with no real change in the overall budgets however our sealed road pavement cost do appear to be reducing for next year along with continued reductions in Network Management cost – meaning we can spend a bit more on drainage & structures

PROGRESS

Item	Completed	Comments
Non-Reseal Stabi's Budget 4,000m2	257m2 mth 4,848 m2 YTD	Included 1141m2 Flood repair work
Metalling Budget: 13,797m3	1,853m3 mth, 15,782 m3 YTD	10,290m3 programed, additional Budget now approved
Grading Budget: 3,800km	237 km mth, 3,872 km YTD	On plan again
Verge Spraying Budget: 1,800km	0 km mth 1,958 km YTD	Complete for the year
Noxious Spraying Budget: 1,313km	316 km mth 1034 km YTD	Good mth, only 3 weeks work left
Bridge Repairs Budget \$82,317	\$13,000 mth \$64,000 YTD	\$ exclude Evans Road /Scrubby Hill, routine program now received
Drainage Repairs Budget 30km watertable	6.3km water table	

20 / 21 - Pre Reseal Repairs

Activity	Original Prog Qty	Comp Qty	Remaining Qty
Depressions (Levelling) m²	165m2	60m2	46m2
Edge Breaks/low shoulder m	6903m	7623m	58m
Clear watertables m	700m	700m	0m
Stabilisation m²	1670m2	1333m2	720.5m2
Texturising/flushing	270m2	0	240m2
Hi Lipping m	3312m	5098m	40m
0 of 41 Sites Completed - 00%		0km of 38km Completed - 00%	

RAMM Update

SDC Rooding team update needed

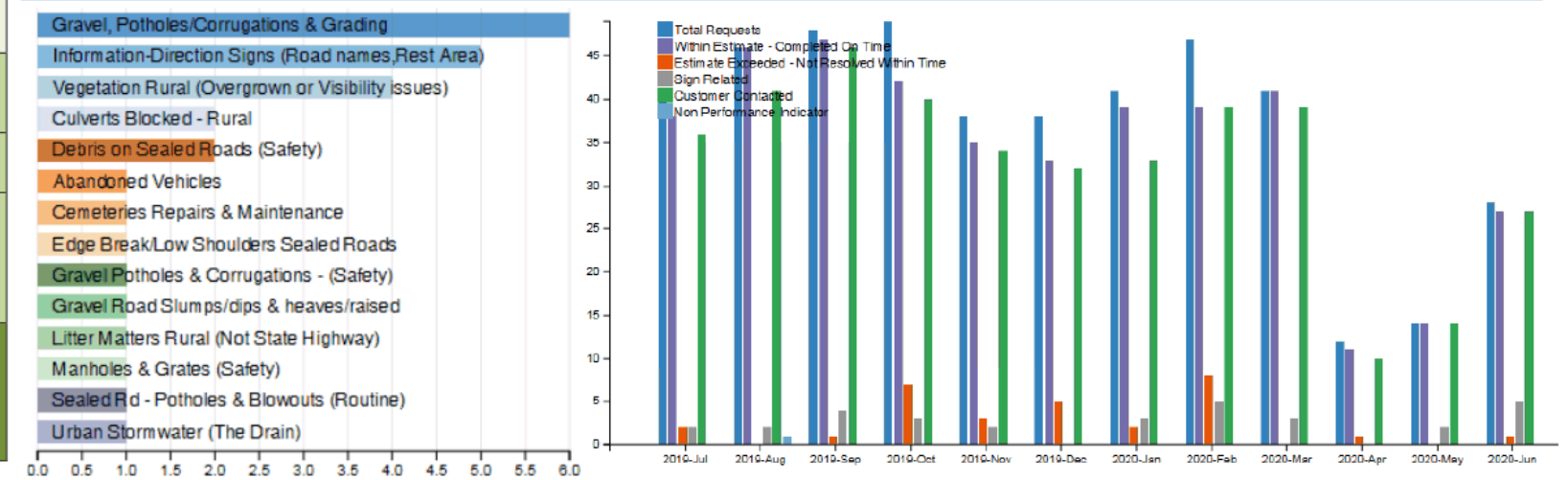
RISK & STRATEGY UPDATES NB NO CHANGE HERE FROM JUNE REPORT

	Identified Risks	Update
Roads	Waikawa Curio Bay Otta Seal	Under control at this stage – Gravel continues to migrate over failing areas
Slips		
	Ringa Ringa Bay - SI	Tidal Erosion is steadily increasing - Graham and Brendan are keeping an eye on this. Concerns over the last month. Drone footage is available. (Weekly inspection cost are starting to add up)
Strategic	Non Maintained Roads	Roads that are currently in RAMM but have not been maintained for whatever reason in the past (some 43KM), at \$30K/km this represent \$1.3M risk (worst case) – action – to follow up on agreement and update RAMM.

SUPERVISOR – CUSTOMER RELATIONS

Steady winter month, one customer complaint that we grade the road too much – have agreed not to grade past his place

RFS GRAPHS - RFS MONTHLY TOTAL BY TYPE (LEFT) AND YEAR TO DATE REQUESTS (RIGHT)



FINANCIAL REPORT

The claim for the month was \$318,125
Year to date expenditure is \$4,140,343

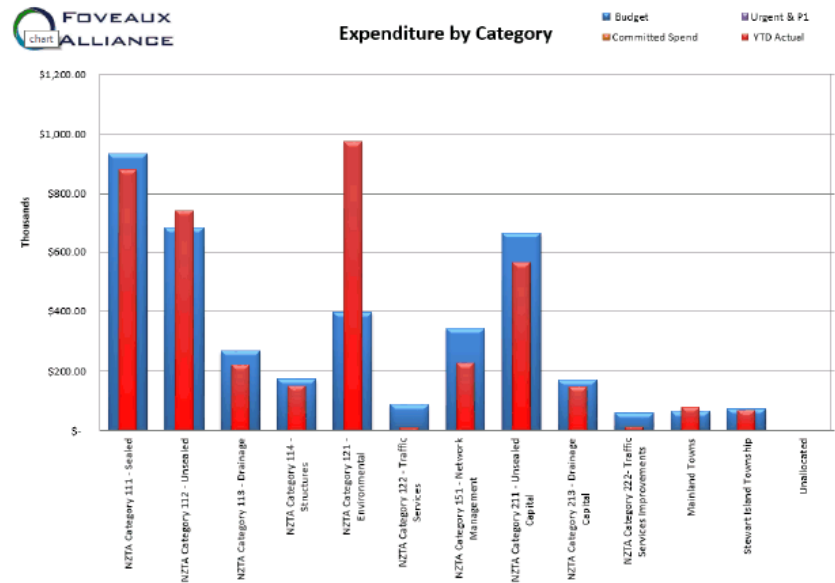
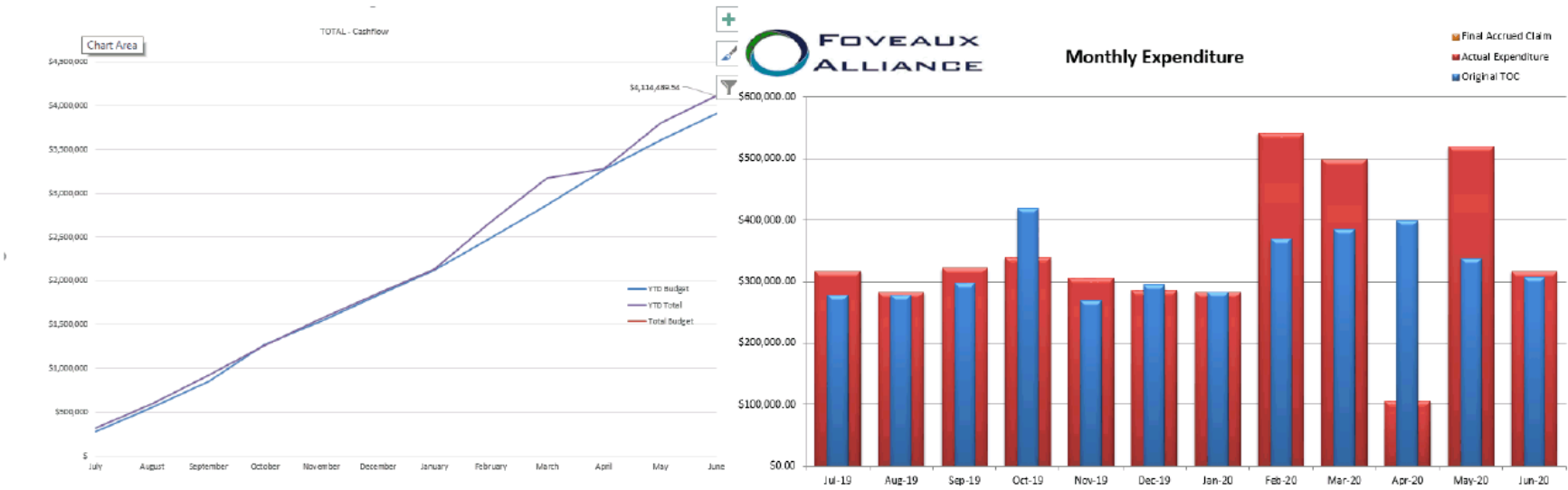
GOLD STR INITIATIVES

✓

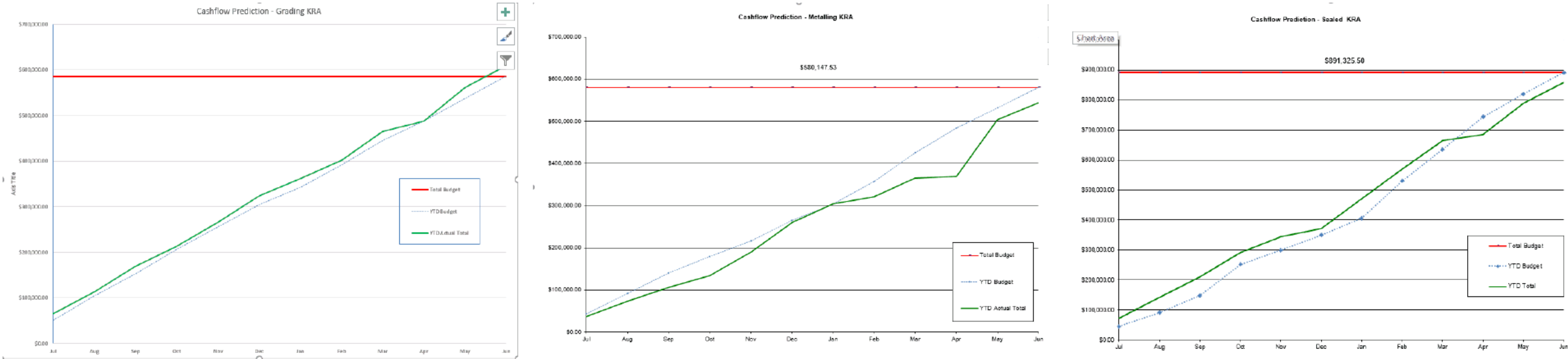
AMT ACTIONS

1. Moving to RAMM Dispatch
2. Moving to new A3 report for new year

FINANCIAL GRAPHS



KEY PERFORMANCE INDICATOR GRAPHS



Services and Assets Programme Report

Record No: R/20/7/27295

Author: Trudy Saunders, Contracts and Projects Administrator

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

Summary

- 1 The CAMMS Project System tracks all Services and Assets projects. This report seeks to update the status of these projects to this Committee.
- 2 Please see the attached report for your information.

Recommendation

That the Services and Assets Committee:

- a) **Receives the report titled “Services and Assets Programme Report” dated 28 July 2020.**

Attachments

- A Services and Assets Programme Report 14 July 2020 [↓](#)



Services and Assets Programme Report

Date: 14 July 2020

Prepared by: Trudy Saunders, Nick Hamlin

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
@ sdc@southlanddc.govt.nz
🏠 southlanddc.govt.nz



Executive Summary

A very good reporting period for the Services and Asset works programme with circa \$1.5m turned over in the period, this is mostly made up by the completion of the Te Anau pipeline project and the Bridge replacement works programme.

The Final 2020-21 works programme is being inputted into CAMMS along with the LTP overview and will be reported on next month after final costs and accounts have been closed off to the end of the 2019-20 programme.

Contracts have now been let for the fit out of new SDC offices at 20 and 42 Don Street and works have begun at 42 Don on the 13th of July. A full shift logistics plan is being worked through with all the management teams.

Contract award letter has been released also on the Te Anau MF plant contract and the first design workshop is scheduled in mid-July.

The total effect of the Covid 19 pandemic is still being worked through with phase 1 being the resolution of contract claims. Phase 2 is to gain a better understanding of any supply chain issues but also will look at the consequences of the announcement of shovel ready projects in the regions as this will put pressure on suppliers and contractors. We are already seeing constraints on supplies especially off shore products.

Activity overview

1. Completed projects in the last month include

- 6 bridges in the Northern and Southland contract packages have been completed.

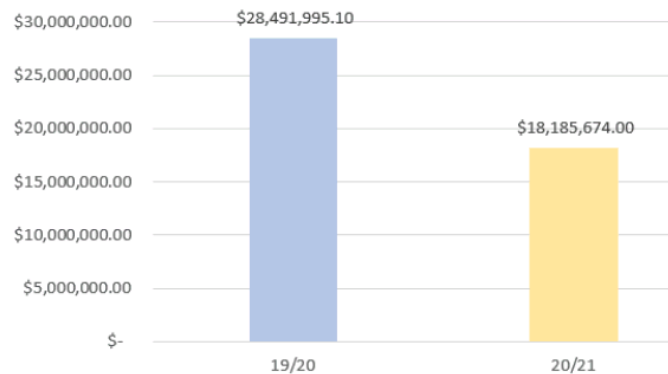
2. Projects due to start in construction over next 2 months

- Mossburn water bore replacements
- Te Anau Waste water processing plant into design of the MF plant and construction of the SDI field
- Te Anau watermain replacements on Quintin drive
- Regional footpath replacements multiple stages
- Waste water pond fencing
- SDC office development

3. Core Improvement Projects underway

- As reported last month Capital works contracts review including payment terms, special conditions and process mapping of progress claims and reporting periods
- Improvement on Financial reporting on forecasts and completed to date is ongoing.

Total Budgets for Projects by Financial Year



Current Works Programme spend and estimated Forecast Final

The following table captures programme data from CAMMS and reconciles it with the finance project sheets to provide an overview of works programme vs actual spent to date and estimates the year end forecast with major changes during the programme year.

Activity	Commercial Infrastructure	Community Facilities	Transport and Roading	Water and Waste services	Totals
Total Capital works Programme	81,169	1,403,784	7,600,980	19,406,061	28,491,994
19/20 Total Annual Plan budget including carry forwards and unbudgeted expenditure approved to date	509,802	2,384,220	1,673,059	18,825,109	23,392,190
Total Forecast movements to date	- 428,802	- 930,202	- 395,060	- 4,195,133	- 5,949,197
Current approved budget to date	81,000	1,454,018	1,277,999	14,629,976	17,442,993
Actual costs to 30th April 2020	25,836	916,418	4,627,349	10,687,200	16,256,803
Estimated Year end forecast	50,000	1,000,000	4,000,000	12,000,000	17,050,000
Estimated cost to complete	24,164	83,582	- 627,349	1,312,800	793,197

Clarifications

- The \$28,491,944 is the Total works programme detailed in CAMMS and includes a number of works programmes that go across multi years – specifically the bridge replacements and Te Anau waste water project this number is down \$167,993.10 on last reporting period as a number of projects have now been closed.
- The \$23,392,190 is the original Annual plan budget and includes any carry forwards and current approved unbudgeted expenditure.
- Final end of year values are still be resolved and will be reported on next month.
- Current Approved budget includes all approved forecast movements to date.
- Estimated year end forecast is the value estimated left to spend in the current operational year – estimates are based on current works completed to date plus any forecast spend per month

Services and Assets Activities

The Activities captured in this report relate to the following – works outside this are reported by other Council Activities.

Commercial Infrastructure includes:

Airport and SIESA

Community Facilities includes:

Cemetery, Community Centres, Community Housing, Council Facilities offices and buildings, Parks and Reserves, Public Toilets, Water Structures

Waste and Water activities includes:

Stormwater, Waste Water, Drinking water, Resource Consents renewals

Transport and Roading includes:

Community Footpaths, Bridges, Road Rehabilitations, Kerb and Channel replacements and walking tracks

2019-20 Works programme major changes overview

The Following summarises the major projects that will have highest carry forward changes into the 2020-21 works programme

- Te Anau waste water project
- Te Anau watermain replacement Quintin drive
- Southern and Northern Bridge packages
- Monowai and Waghorn road bridges

Covid-19 Programme affects

As reported last month the impacts of the Covid-19 lock down has affected ten to fifteen Capital Works projects with an estimated cost risk of \$285,000 and potential programme delays of 4 – 5 weeks.

Currently only \$50,000 of that has been realised with no further claims to date.

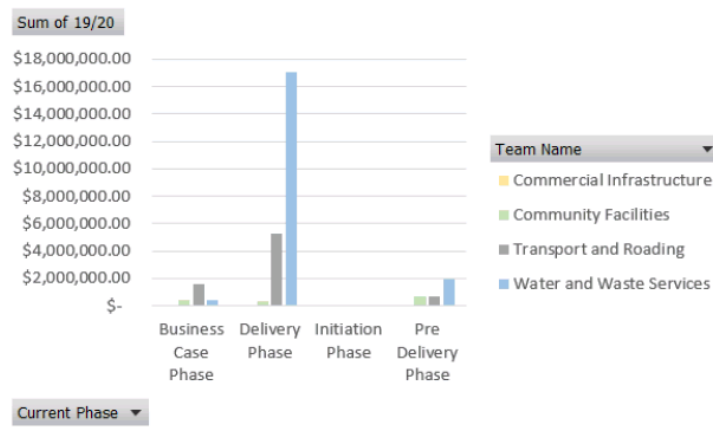
Outside of the construction contracts is the road maintenance contract which a claim has been issued by the Contractor to SDC which is being worked through at present – once settled it can be reported on due to the commercial sensitivity on these claims.

Capital Works Programme critical Risk graph

SDC Works programme Key Risks					<table><tr><th colspan="6">Consequence</th></tr><tr><th></th><th>Negligible 1</th><th>Minor 2</th><th>Moderate 3</th><th>Major 4</th><th>Catastrophic 5</th></tr><tr><th rowspan="5">Likelihood</th><th>5 Almost certain</th><td>Moderate 5</td><td>High 10</td><td>Extreme 15</td><td>Extreme 20</td><td>Extreme 25</td></tr><tr><th>4 Likely</th><td>Moderate 4</td><td>High 8</td><td>High 12</td><td>Extreme 16</td><td>Extreme 20</td></tr><tr><th>3 Possible</th><td>Low 3</td><td>Moderate 6</td><td>High 9</td><td>High 12</td><td>Extreme 15</td></tr><tr><th>2 Unlikely</th><td>Low 2</td><td>Moderate 4</td><td>Moderate 6</td><td>High 8</td><td>High 10</td></tr><tr><th>1 Rare</th><td>Low 1</td><td>Low 2</td><td>Low 3</td><td>Moderate 4</td><td>Moderate 5</td></tr></table>	Consequence							Negligible 1	Minor 2	Moderate 3	Major 4	Catastrophic 5	Likelihood	5 Almost certain	Moderate 5	High 10	Extreme 15	Extreme 20	Extreme 25	4 Likely	Moderate 4	High 8	High 12	Extreme 16	Extreme 20	3 Possible	Low 3	Moderate 6	High 9	High 12	Extreme 15	2 Unlikely	Low 2	Moderate 4	Moderate 6	High 8	High 10	1 Rare	Low 1	Low 2	Low 3	Moderate 4	Moderate 5
Consequence																																																
	Negligible 1	Minor 2	Moderate 3	Major 4		Catastrophic 5																																										
Likelihood	5 Almost certain	Moderate 5	High 10	Extreme 15		Extreme 20	Extreme 25																																									
	4 Likely	Moderate 4	High 8	High 12		Extreme 16	Extreme 20																																									
	3 Possible	Low 3	Moderate 6	High 9		High 12	Extreme 15																																									
	2 Unlikely	Low 2	Moderate 4	Moderate 6		High 8	High 10																																									
	1 Rare	Low 1	Low 2	Low 3	Moderate 4	Moderate 5																																										
Likelihood / Impact (Likelihood x Impact = Risk Score)																																																
Red	(15-25)		Extreme																																													
Orange	(8-12)		High																																													
Yellow	(4-6)		Moderate																																													
Green	(1-3)		Low																																													
Ref No.	Works Programme Risks	RISK FACTORS Post mitigation			Mitigation Actions																																											
		Likelihood	Impact	Risk Score																																												
1	Covid 19 contract claims	3	2	6	All contracts have had a legal review and SDC have prepared a system to work through all contract claims																																											
2	Covid 19 Level 4 and 3 Delays	3	2	6	Current delays are restricted to 4-5 weeks, all suppliers are back operating at good capacity																																											
3	Covid 19 Supply issues	4	3	12	Early engagement with our suppliers is currently being undertaken to understand this full extent - SDC will then work with suppliers to look at alternative supply options on a case by case basis																																											
4	Current 19-20 Programme delays	3	2	6	Projects are regularly being reviewed against programme and were possible if projects are delayed other projects are advanced																																											
5	Health and Safety	2	3	6	All projects have had updated Health and safety plans completed before any works were to resume after the Level 4 lock downs - all contractors and suppliers have been compliant with the regulations and checks are being undertaken																																											
6	Budgets and cost control	3	3	9	Currently all projects within the works programme are tracking within the approved budgets, projects are reviewed monthly against budgets and PDT is actively engaged with the Activity Managers on assisting with scoping and budget preparations with up coming works																																											
7	Resources	3	2	6	At present there hasn't been any issue with availability of resources but as more companies make layoffs SDC staff are monitoring the key suppliers and using as many local trades and companies as possible																																											

2019-20 by Activity and Phase

Row Labels	Commercial Infrastructure	Community Facilities	Transport and Roothing	Water and Waste Services	Grand Total
Business Case Phase	\$ 30,000.00	\$ 411,640.00	\$ 1,596,605.00	\$ 384,375.00	\$ 2,422,620.00
Delivery Phase	\$ 31,169.00	\$ 303,073.00	\$ 5,299,375.63	\$ 17,034,938.02	\$ 22,668,555.65
Initiation Phase			\$ -	\$ -	\$ -
Pre Delivery Phase	\$ 20,000.00	\$ 689,071.45	\$ 705,000.00	\$ 1,986,748.00	\$ 3,400,819.45
Grand Total	\$ 81,169.00	\$ 1,403,784.45	\$ 7,600,980.63	\$ 19,406,061.02	\$ 28,491,995.10



Major Projects

Water and Waste

Activity Name	Current Phase	Code	Project Name	19/20 Budget	20/21 Budget
Waste Water	Delivery Phase	P-10155	Te Anau Waste Water Treatment Plant	\$ 12,819,852.00	\$ 7,270,531.00
Water Supply	Delivery Phase	P-10257	Te Anau- Water Mains Quintin Mokoroa Renewal	\$ 1,518,000.00	\$ 500,000.00
Water Supply	Pre Delivery Phase	P-10256	Otautau- Water Main Replacement north of bridge	\$ 1,425,000.00	\$ 475,000.00

Roading

Activity Name	Current Phase	Code	Project Name	2019/20 budget
Roads and Footpaths	Business Case Phase	P-10369	2019/20 Bridge replacement programme - Northern	\$ 1,544,121.00
Roads and Footpaths	Delivery Phase	P-10327	Otapiri Gorge Road Rehabilitation	\$ 1,100,000.00
Roads and Footpaths	Pre Delivery Phase	P-10329	2019/20 Bridge replacement programme - Southern	\$ 1,610,182.00

Please note that the bridge programmes have now been split into 19 separate projects for individual bridges.

Activity by Status – 2019-20

Community Facilities

	Monitor		Off Track	On Track	Total Count	Total Sum of 19/20
Community Facilities	2	\$ 10,220.00	10 \$ 54,331.00	4 \$ 485,572.45	16	\$ 550,123.45
Community Housing			1 \$ -		1	\$ -
Parks and Reserves			4 \$ 43,232.00	4 \$ 140,770.00	8	\$ 184,002.00
Public Toilets			6 \$ 327,585.00	1 \$ 342,074.00	7	\$ 669,659.00
Grand Total	2	\$ 10,220.00	21 \$ 425,148.00	9 \$ 968,416.45	32	\$ 1,403,784.45

The community facilities team are now focused on the end of financial year wrap up and at the same time transitioning into the new year's operations and project delivery.

Water and Waste

	Monitor		Off Track	On Track	Total Count	Total Sum of 19/20
Solid Waste			3 \$ -		3	\$ -
Storm Water			3 \$ 12,834.00		3	\$ 12,834.00
Waste Water	2	\$ 12,968,852.00	8 \$ 1,087,169.02	6 \$ 524,941.00	16	\$ 14,580,962.02
Water Supply	3	\$ 1,694,915.00	14 \$ 686,402.00	4 \$ 2,430,948.00	21	\$ 4,812,265.00
Grand Total	5	\$ 14,663,767.00	28 \$ 1,786,405.02	10 \$ 2,955,889.00	43	\$ 19,406,061.02

Work on the Te Anau wastewater upgrade is progressing on a number of fronts with work on the pipeline between Manapouri and the Kepler Block now complete and contracts awarded for the design and construction of the membrane filtration plant and the sub-surface drip irrigation field at Kepler. In addition a consent application for the continued discharge to the Upukerora River has been accepted by Environment Southland and waiting on a decision on how this may be notified or otherwise.

Work on the Otautau watermain renewal is also largely complete and the renewal of watermain around Quintin Drive in Te Anau is expected to commence within the next two weeks. Renewal of the Lumsden watermain is still on hold at this stage but will be followed up with the landowner within the next month.

Roading

	Monitor		N/A	Off Track	On Track	Total Count	Total Sum of 19/20
Roads and Footpaths	3	\$351,973.60	1	\$162,725.00	11	\$870,860.50	34 \$ 6,215,421.53
Grand Total	3	\$351,973.60	1	\$162,725.00	11	\$870,860.50	34 \$ 6,215,421.53

Projects in progress

- Southern Bridges (9) replacement package - 5 bridges are at practical completion and require sealing to be completed in the 2020 – 2021 sealing season.
- Northern Bridges (10) replacement package - 1 bridge has practical completion and requires sealing to be completed in the 2020 – 2021 sealing season
- Lake Monowai Road canal bridge - South Roads re-established at Monowai on Monday 13 July.

Projects completed

- Otapiri Gorge Road rehab
- Tokanui Gorge Road rehab

Design phase

- Investigation and option analysis for Waghorn Bridge is currently underway. A structural evaluation is underway to explore the possibility of upgrading the existing structure.
- This project has been approved by Services and Assets Committee to be tendered with a reduced scope. Currently with Bonisch consultants to make changes to the documents for tendering during July and to close late August.
- Monowai Suspension bridge - detailed condition and inspections including the main cables have now been completed above and below ground. WSP have requested further excavation to inspect the anchor blocks is required, once this complete the concept designs can be completed.

Commercial Infrastructure

	N/A	On Track	Total Count	Total Sum of 19/20
Stewart Island Electricity Supply Authority	1 \$ 30,000.00	2 \$ 51,169.00	3	\$ 81,169.00
Grand Total	1 \$ 30,000.00	2 \$ 51,169.00	3	\$ 81,169.00

PowerNet has provided a draft report that includes a high level condition assessment of components. The quantum of component renewal required to maintain the asset as a whole has been established and in principle can be resourced by the three Powernet operators allocated to the island. This feature will be included in the renewed Powernet contract as well as development of a specific detailed programme related to transmission component renewal, on an annual basis. A proposal for replacement of generator three has been sought but a final decision is on hold pending consideration of alternative activity management related to generation assets.

Te Anau Manapouri Airport capital works projects, generally associated with maintaining Part 139 certification are to be cancelled or deferred. Most projects, such as security fencing and tree trimming, were conceived on a risk or future demand basis and are not critical to maintaining certification status. Similarly, as a non-critical asset and a desire to minimise expenditure wherever possible, the helipad project is also deferred.

Projects by Location 2019-20

Row Labels	Count of 19/20	Sum of 19/20_2
Ardlussa	9	\$ 1,186,856.31
District	12	\$ 1,089,442.62
Fiordland	16	\$ 15,447,900.00
Northern	10	\$ 831,064.06
Oraka -Aparima	9	\$ 634,063.00
Oraka-Aparima	3	\$ 689,764.78
Oreti	14	\$ 1,821,049.20
Southland	1	\$ 162,725.00
Stewart Island/Rakiura	14	\$ 514,014.00
Stewart Island-Rakiura	2	\$ 50,000.00
Tuatapere - Te Waewae	5	\$ 549,398.00
Tuatapere-Te Waewae	4	\$ 1,272,395.08
Waihopai Toetoe	14	\$ 1,626,912.00
Waihopai-Toetoe	8	\$ 951,131.05
Wallace - Takatimu	5	\$ 1,665,280.00
Wallace-Takitimu	1	\$ -
Grand Total	127	\$ 28,491,995.10

Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for June 2020

Record No: R/20/7/28481
Author: Bill Witham, Manager Operations - Water and Waste
Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision ☐ Recommendation ☒ Information

Background

- 1 Downer was awarded Contract 10/01 for delivery of water and wastewater services to Council for the Southland District. The contract was awarded in 2010 for a maximum period of 12 years.

Purpose

- 2 The purpose of this report is to update the committee on the progress of this contract.

Summary

- 3 KPI scoring was 92% for June 2020 which is a drop of 8% on the previous month. Operations have returned to normal after level 4 restrictions. The contract is performing well and all works are up to date.

Compliance (Drinking-water)

- 4 All drinking water compliance testing was completed and carried out as per New Zealand Drinking-water Standards. All samples were absent of Escherichia Coli, thus meeting the required bacteriological standards.

Compliance (Environmental)

- 5 There were four non-compliant tests during June. The samples were from Te Anau, Ohai and Riversdale Waste Water treatment plants. These plants all have upgrades planned.

Operations and Maintenance

- 6 96 service request calls were received for June including 66 water, 14 rural water, 11 sewer and 5 stormwater.

Financial

- 7 There are no outstanding variations.

Customer Service

- 8 There were 96 service requests received and 8 reordered as resolution time exceeded. The total was made up of 66 water, 14 rural water, 11 sewer and 5 storm water calls.

Health and Safety

There were no incidents reported in June. Some of the distancing measures implemented during level 4 COVID19 restrictions are being continued.

Quality Assurance

- 9 No non-conformance/opportunity for improvement reports were issued and no instances of rework or product failure during the month.

Recommendation

That the Services and Assets Committee:

- a) **Receives the report titled “Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for June 2020” dated 28 July 2020.**

Attachments

- A Downer Monthly Summary Report - June 2020 [↓](#)
B Downer Monthly Report - June 2020 [↓](#)



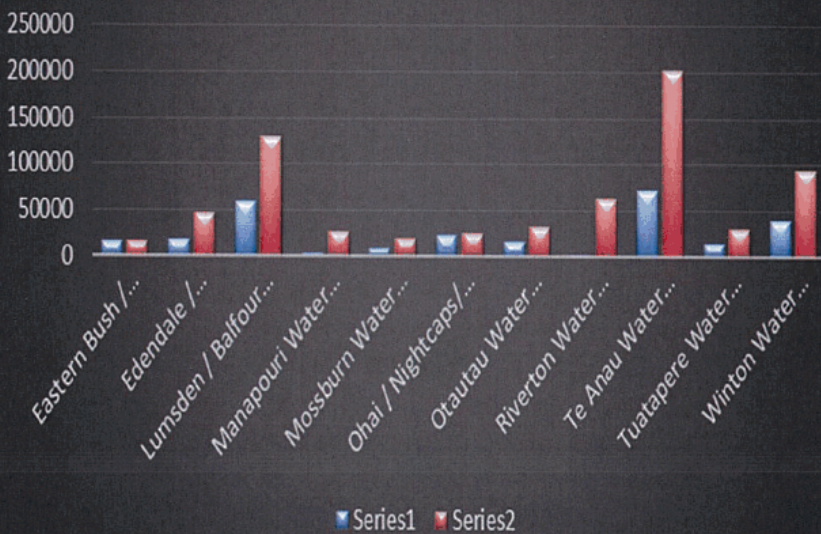
SOUTHLAND DISTRICT COUNCIL—WATER AND WASTEWATER MAINTENANCE CONTRACT

120/15/10/01

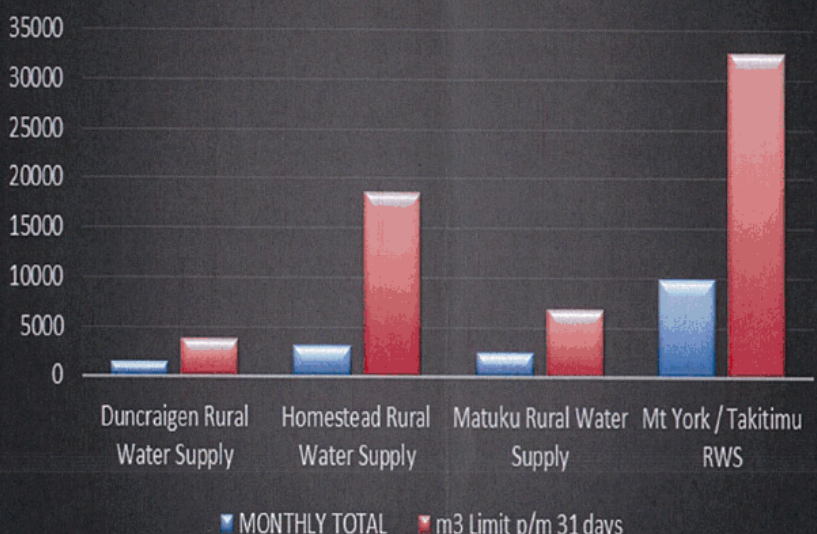
MONTHLY SUMMARY REPORT - JUNE 2020



URBAN WATER SUPPLY WATER TAKE COMPLIANCE



RURAL WATER SUPPLY WATER TAKE COMPLIANCE



MINOR CAPEX WORK

	TOTAL CLAIMED
Minor Capital Work	\$ 71,245.73
TOTAL	\$ 71,245.73

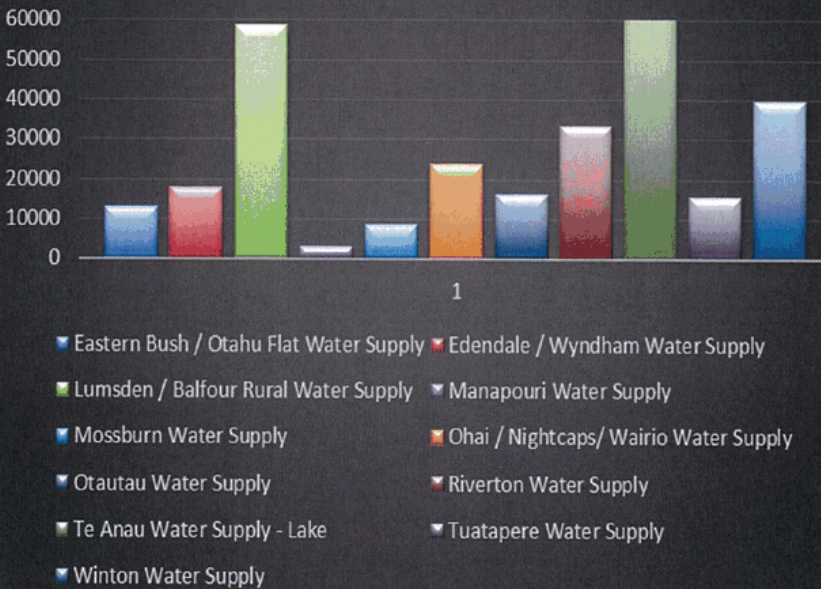
CLAIM SUMMARY YEAR TO DATE

	TOTAL CLAIMED
SDC O&M Lump Sum YTD	\$ 2,895,482.64
SDC O&M Capital Works YTD	\$ 1,024,872.94
TOTAL	\$ 3,920,355.58

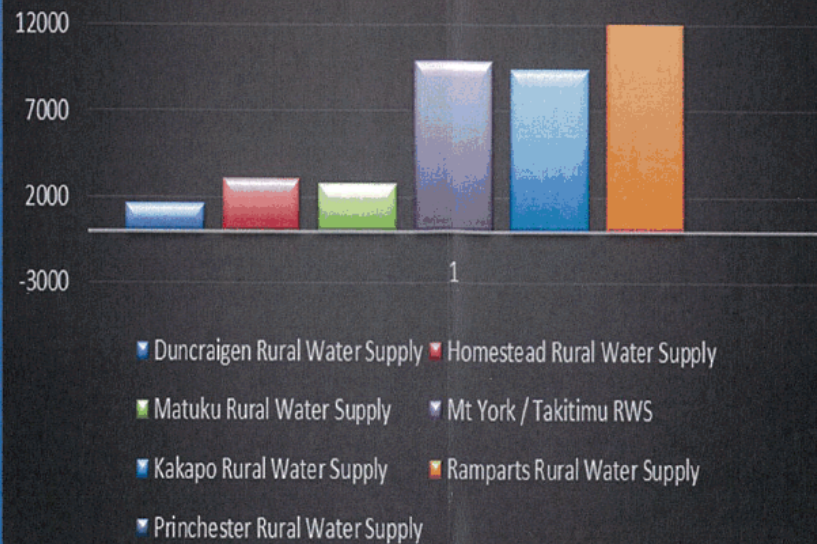
LOST DAY INJUIRES / MEDICAL TIME INJURIES



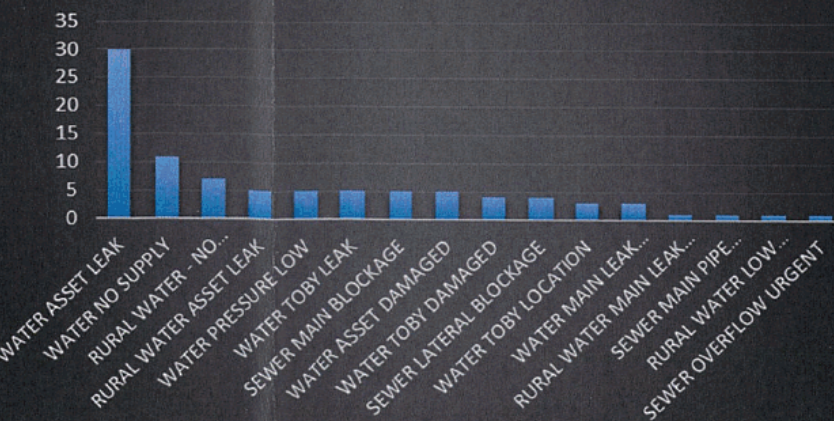
WATER TREATMENT PLANT INTAKE - URBAN WATER SUPPLY



WATER TREATMENT PLANT INTAKE - RURAL WATER SUPPLY

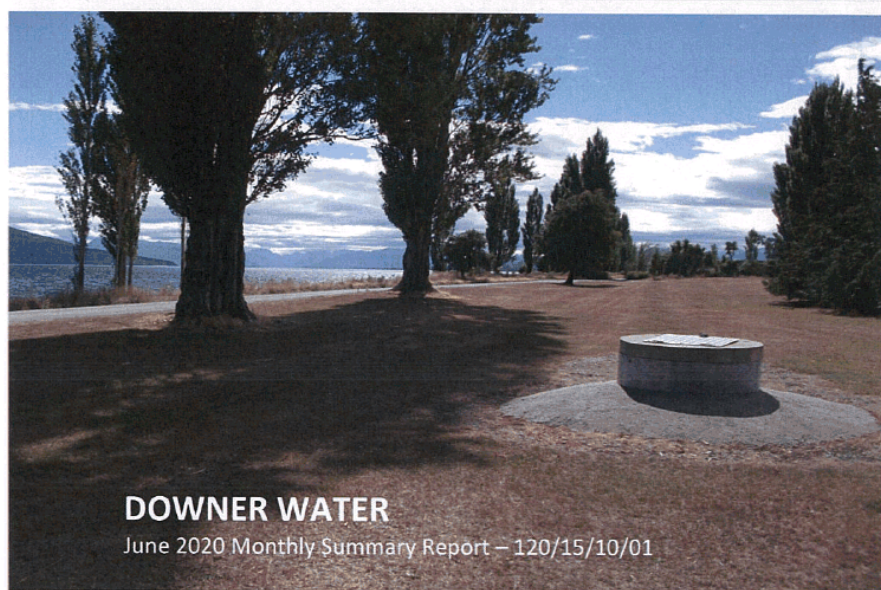


SERVICE REQUESTS RECEIVED





Southland District Council
Water and Wastewater Maintenance Contract



DISTRIBUTION

This Monthly Summary Report 120/15/10/01 has been distributed to:

Copy No.	Holder	Contract Position	Company
01	Ian Evans	Strategic Manager: Water and Waste Services	SDC
02	Grant Isaacs	Operations Manager: Water and Waste Services, Strategic Water and Waste	SDC
03	Bill Witham	Contracts Manager: Water and Waste Services	SDC
04	Talita Aitken	IPS Data Analyst: Water and Waste Services	SDC
05	Bevan McKenzie	Project & Programme Manager: Asset Manager Water	SDC

TABLE OF CONTENTS

1. Executive Summary
2. Health and Safety
3. Quality Assurance and Compliance
4. KPI Summary

1. EXECUTIVE SUMMARY

COMPLIANCE (DRINKING WATER)

- All drinking water compliance testing was completed and carried out as per NZDWS.
- All samples were absent of Escherichia Coli.

COMPLIANCE (ENVIRONMENTAL WASTEWATER)

- There were four non-compliant tests during June.

FINANCIAL

MISC MINOR WORKS JUNE 2020

Riverton WTP Chemicals	4,389.02	Chemicals & Filters Riverton WTP: June 2020
Riverton WTP Mixing Chemicals	448.01	Mixing chemicals June 2020
Curio Bay Pump Checks	2,126.74	Curio Bay Pump Checks June 2020
Browns Stormwater Sample	674.50	Browns Stormwater Sampling as requested
Ohai Stormwater Hastings St	309.00	Investigate surface water as requested by Tim
94 Balfour Ardlussa Rd, repairs	1,003.53	Repair damaged main after farmer hit
SI Oxidation Pond Security Fence	12,280.90	SI Oxidation Pond Security Fencing
Clear Stewart Island Rising Main	1,981.59	Clear Stewart Island Rising Main
49 Quinton Drive, leaking spindle	1,291.80	49 Quinton Drive, repair leaking spindle
3 Menzies Court, Wyndham	1,874.50	Investigate low pressure on hot water
CCTV Work Te Anau	6,458.51	CCTV work Te Anau as requested by Brian
Manapouri WTP Depolox Unit	25,017.58	Install new Depolox Unit Manapouri WTP
Riverton WTP Pipework Alteration	8,777.18	Alterations for clarifier compliance
Winton WWTP Extra Spray	2,641.28	Winton WWTP Banks – Extra Spray
Riversdale WWTP Extra Spray	429.98	Riversdale WWTP Track – Extra Spray
Extra Chemicals Ohai WTP	13,661.03	Extra chemicals used May 1 – June 4, 2020
24 Mokonui Street, Te Anau	1,139.74	Locate, repair, reinstate damaged sewer line
Gt North Road, Winton	5,587.05	Clear blockage in main line from fat build up
PPE Gear Covid 19	1,236.63	Extra PPE Gear required due to Covid 19
TOTAL	\$91,328.57	

All claims and invoices for completed work were certified and accepted.

HEALTH & SAFETY

- There were no incidents reported in June 2020
- Monthly tool box meeting was held at The Crib, Riverton June 17, 2020.

QUALITY ASSURANCE

- There were no NCR/OFI's issued during June 2020.
- There was no instance of rework or product failure during the month.

PLANNED POWER INTERRUPTIONS

Planned power interruptions in June 2020:

- June 16, 2020 – Longridge Road, Lintley
- June 22, 2020 – Riverton sewer pump, Delhi Street, Riverton
- June 22, 2020 – Shed, 1 Princess Street, Riverton
- June 22, 2020 – Riverton Sewer No 3, Jetty Street, Riverton
- June 22, 2020 - Platform Lift – Opp RN175, Palmerston Street, Riverton
- June 22, 2020 – Sewer, 5 Palmerston Street, Riverton

STAFFING

- Contract staff levels are currently sixteen permanent employees. This is made up of five management, administration and QA staff and eleven field staff.

- Training Completed in June:

- Nil

- Training scheduled for July:

- July 27 – Confined Space Course – Malcolm Hewitt
- July 28 – First Aid Refresher – Jane Cameron, Darrin Taylor, Callum Wells, Craig Duncan

SUMMARY



Cleaning rising main at Stewart Island



New oxidation ponds fencing at Stewart Island



Repairs to isolating valve on Quinton Drive, Te Anau



Foul sewer repair Mokonui Street, Te Anau



BFP Leak in Otautau



Root intrusion Winton



Te Anau Compactor



Winton Compactor

2. HEALTH & SAFETY

HEALTH & SAFETY INDICATORS:

Description	Employees	Sub-Contractor
	Current Month	Current Month
Number of Fatalities	0	0
Number of Lost Time Injuries	0	0
Number of Days lost due to LTI's	0	0
Number of Medical Treatment Injuries	0	0
Number of First Aid Treatment Injuries	0	0
Number of Near misses	0	0
Number of Property/Plant Damages	0	0
Number of hours Worked	3213.06	161.5
LTI Incidence Rate (1 million Hrs.)	0.0	0.0

3. QUALITY ASSURANCE & COMPLIANCE

All potable water samples taken were found to be absent of any e-coli presence. All water and wastewater field sampling was carried out by an independent sampling subcontractor. All water and wastewater samples are tested at an IANZ accredited laboratory, Water Care Laboratory Services in Invercargill. Both site and field sampling results are reported through to Council as well as being logged on our WaterOutlook system.

Description	Number
Water scheme laboratory tested samples taken for month: E-coli, UVT and P2	242
Wastewater scheme sampling completed for month	7
Wastewater scheme site samples taken for month	21
Wastewater scheme laboratory tests completed for month	220
Non-conformance reports received	0
OFl reports received	0
Site audits conducted	2

NZDWS

All Escherichia Coli monitoring for bacteria compliance were fully compliant, with samples all being absent of Escherichia Coli.

Bacteria compliance requires field testing of FAC, pH and turbidity of the water leaving the water treatment plants. The field sampling for these parameters were fully compliant, apart from turbidity on the Eastern Bush Otahu Flat and Orawia Water Supply. The supplies which use UV disinfection for protozoa compliance were monitored for UV transmittance as per the NZDWS, to ensure the UV reactors were disinfecting the water acceptably and all of these tests were compliant.

RESOURCE MANAGEMENT ACT

Wastewater discharge consent sampling was carried out at Balfour, Lumsden, Ohai, Manapouri, Little River, Riversdale and Te Anau during June. Joint sampling was carried out in conjunction with Environment Southland at Balfour during June. There were four non-compliant tests during June and these were the downstream faecal coliforms concentration at Ohai, the discharge BOD at Riversdale, the downstream E Coli concentration at Riversdale and the downstream dissolved inorganic nitrogen concentration at Te Anau.

4. KEY PERFORMANCE INDICATORS – JUNE 2020

	No.	Key Performance Indicator	Method Of Monitoring	Target	Compliance Y, N or N/A
Health & Safety	1.	Compliance with Contractor's approved Health & Safety Plan	Self-audit plus independent audit	100%	Y
	2.	Feedback on near misses	Monthly reports on incidents and lessons learnt	Any/All incidents reported each month	Y
	3.	Lost time Health & Safety incidents on this contract	Monthly reports on lost time incident hours/hours worked	0.00035% Lost time of total hours worked to date	Y
Wastewater	4.	Percentage compliance with wastewater Resource Consent determinands. Downer to apply for dispensation for Stewart Island and Ohai.	Monitoring programme as required by Resource Consent (Dispensation sought for Stewart Island)	100% 98%	N
	5.	Percentage samples taken in accordance with the Resource Consent requirements (Dispensation to be requested if required).	Monitoring programme as required by Resource Consent	100% 100%	Y
	6.	Number of system failures and pollution incidents (overflows) per year across all systems (not including private)	Data from HANSEN IPS	Less than 20 1	Y
	7.	Percentage of Requests for Service responded to within required timeframes – wastewater	Data from HANSEN IPS	100% 100%	Y

Water	8.	Percentage of water lab tests that meet the requirements of the NZDWS 2005 (for plants upgraded to meet the NZDWS 2005 standard)	WINZ	100% 100%	Y						
	9.	Number of complaints regarding drinking water quality per year across all systems. (Dispensation to be requested if required)	Data from HANSEN IMS	Less than 65 0	Y						
	10.	Number of complaints regarding drinking quantity and supply of water, over and above 48 hour storage period.	Data from HANSEN IMS	Less than 130 0	Y						
	11.	Percentage of urban water system fire hydrant inspections that meet SNZ PAS 4509:2003	Data from HANSEN IMS	Not less than 95%	Not Started Yet						
	12.	Number of non-notified shutdowns across all urban water systems	Data from HANSEN IMS	Not more than 20 2 (TOTAL)	Y						
	13.	Percentage of Requests for Service responded to within required timeframes - water	Data from HANSEN IMS	Not less than 90% 100%	Y						
	Performance Evaluation	A Total number of Y's				11					
B Total number of N's				1							
A + B				12							
OPR = 100 X (A/(A+B)) %											
JUL 19	AUG 19	SEP 19	OCT 19	NOV 19	DEC 19	JAN 20	FEB 20	MAR 20	APR 20	MAY 20	JUN 20
100%	100%	83%	100%	100%	92%	92%	92%	100%	100%	100%	92%

PERFORMANCE SCORING TABLE

OPR Score (%)	RATING	DESCRIPTION
91-100	Excellent	Awarded when requirements are consistently met in an outstanding manner
76-90	Above Average	Requirements fully covered in all material aspects, and being proactive
60-75	Average (proactive)	Outputs adequate and performance is adequate
50-59	Average (reactive)	Outputs adequate but in a reactive mode
40-49	Below Average	Barely adequate: Some deterioration in services
40 or less	Poor	Unacceptable: Serious deterioration of services

SIESA Monthly Reports from PowerNet - May and June 2020

Record No: R/20/7/29107

Author: Ashby Brown, Commercial Infrastructure Manager

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

Purpose

- 1 The purpose of this report is to provide for your information, PowerNet's monthly reports for SIESA for the months of May and June 2020.

Recommendation

That the Services and Assets Committee:

- a) **Receives the report titled "SIESA Monthly Reports from PowerNet - May and June 2020".**

Attachments

- A SIESA Monthly Report - May 2020 [↓](#)
- B SIESA Monthly Report - June 2020 [↓](#)

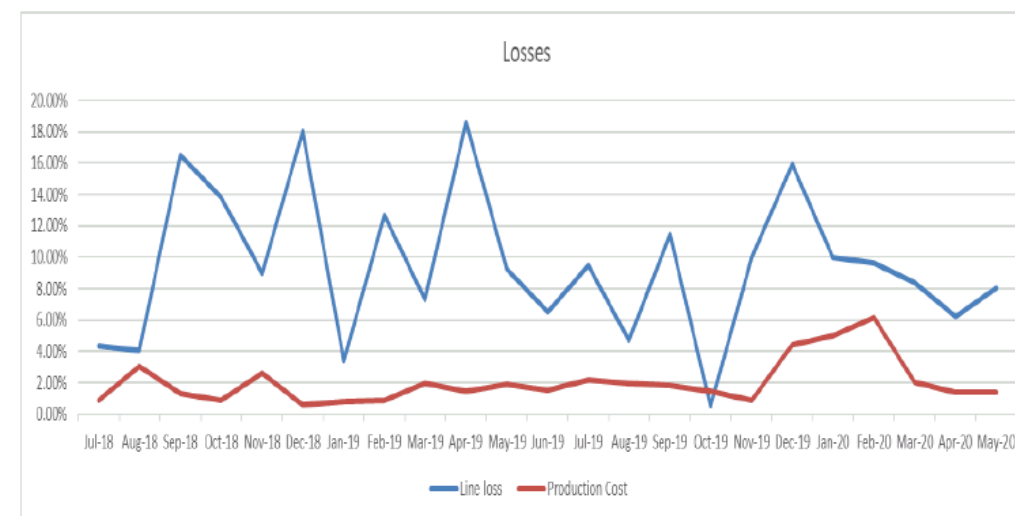
Summary Report – May 2020



PERFORMANCE

EFFECTIVENESS	Outages	Generator Forced Outages	report cycle	0
		Feeder Forced Outages	report cycle	0
		Consumer Outages	report cycle	0
		Planned Outages	report cycle	0
		Station Outages	report cycle	0
	Connections	New Connections	report cycle	0
		Reconnections	report cycle	0
		Disconnections	report cycle	0
	Complaints	Quality of Supply	report cycle	0
		Performance Related	report cycle	0

PEOPLE / CULTURE	Team Safety	Medical Treatment Intervention	report cycle	0
		Lost Time Injury	report cycle	0
		Near Miss	report cycle	0
	Team Health	Days Off (sick day)	report cycle	0
		Annual Leave	report cycle	3
	Training	Safety training	report cycle	0
		Health Checks	report cycle	0



The electrical distribution and retail service for SIESA was generally good during May. Although some generator reliability issues have surfaced and load has reduced from April.

The replacement Generator for Unit 5 has been confirmed as being shipped and is expected to be in Bluff early in June. Discussions have been had and prices are being obtained for a small ducted heat pump to keep Unit 5 generator above the dew point. This will not only protect the new generator but the other electronics in the cabinet.

On the 22nd of May the coolant radiator core associated with Unit 1 ruptured, the cooling tower was dismantled and the core sent to be assessed. The core was found to be beyond repair and a quote for replacement obtained on the 27th of May. To date there we have not received instruction on what action to take.

Current state of station operability.

Unit 1 Not operational until cooling system repaired

Unit 2 Operational 45,770 hours

Unit 3 Operational

Unit 4 Marginal only operational when in attendance, oil leaks

Unit 5 Non Operational, no Generator

Rear oil leaks on Unit 5 were repaired on the 2nd of June and as soon as the generator is fitted this will become the lead genset. Therefore the rear seal oil leak repairs on Unit four have been deferred until unit 5 is back in service.

Unit 4 is very close to being due for the 12,000 hour service and prices are being obtained for this.

For the last two months Unit 2 has been running as second call generator with Unit 1, or 3 as lead generator. The oil dilution on unit is obvious with only 100 hours since the last oil change, with this not being a feasible repair shortening up the service periods on Unit 2 will be necessary.

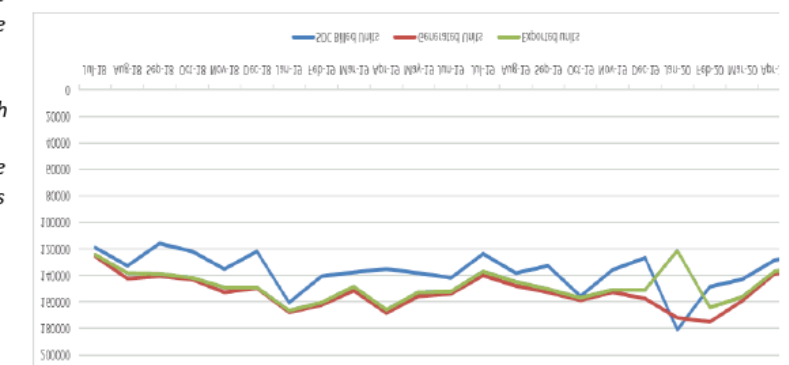
The Ringaringa cabling job associated with the road realignment is continuing with the consumers now connected to the new low voltage cabling. Before the high voltage cable can be terminated and connected some rearrangement of the transformer structure is required and the materials for this have now been supplied.

PROJECTS

Item	% Complete	Comments
P/O 123647 Meter Replacement	12%	5 meters were replaced during May
P/O 146865 Management Fee Operations	17%	Monthly charge
P/O 146864 Distribution Maintenance	Ongoing	Replacements of strain insulators will be continued
P/O 146265 Generation Maintenance	Ongoing	Unit five Generator failure Unit 4 rear oil leak Unit 1 Radiator Failure

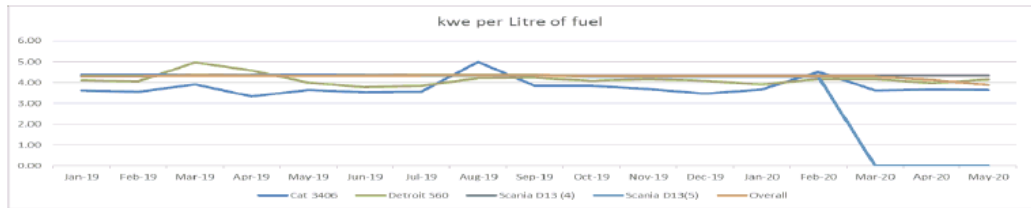
Outstanding New Connections

- 1/ J Hayden-Clarke, Wholer's Road, line work to do
- 2/ K Hicks, Elgin Terrace, Transformer to fit
- 3/ Scofield, Ringaringa, Consumer is installing cable
- 4/ Dawson / Lewis Hicks road not planned as yet.



ENGINE MAINTENANCE REPORT

	Make / Model	Hours	Hours this Month	Fuel this Month	Kilowatt hours	Last services	Oil Test results
Unit 1	CAT 3406	18435	416	19707	71860	6/4/20 29/4/20	"A"
Unit 2	CAT 3408	45733	44	1053	3790	20/4/20	No Sample
Unit 3	Detroit 60	21355	178	8185	33859	18/5/20 29/5/20	"A"
Unit 4	Scania D13	12007	143	6042	26076	15/2/20 10/4/20	"A"
Unit 5	Scania D13	10236	0	0	0	14/11/19	"A"



		Update
Identified Risks	Structures / Poles	The Hicks Rd pole at the Davis property is still under investigation. Two other red tag poles remain to be changed Pole
	Transformers	Station Transformers are were tested on the 25 th of August with one having a poor result.
	Pillar boxes / Link Boxes / Cabling	New cabling has been installed at Ringaringa
	Lines / Insulators	Strain insulator replacements continuing
Generation Equipment	Generation Plant	Unit 1 failed on 21 st of April on over temperature Unit 2 fuel dilution detected on the 20 th of April Unit 4 was serviced on the 10 th of April and currently has a rear main seal leak. Unit five generator has failed due to moisture.
	Control Systems	SCADA and controls are fully operational
	Fuel systems / Plant	A work plan for tank replacement has been supplied by SIESA
	Buildings	The building is in good condition with some internal painting planned.

RISK AND STRATEGY UPDATES



Unit 1 radiator corrosion

Low voltage connection Ringaringa

Summary Report – June 2020



PERFORMANCE

EFFECTIVENESS	Outages	Generator Forced Outages	report cycle	0
		Feeder Forced Outages	report cycle	0
		Consumer Outages	report cycle	0
		Planned Outages	report cycle	0
		Station Outages	report cycle	0
	Connections	New Connections	report cycle	1
		Reconnections	report cycle	0
		Disconnections	report cycle	0
	Complaints	Quality of Supply	report cycle	0
		Performance Related	report cycle	0

PEOPLE / CULTURE	Team Safety	Medical Treatment Intervention	report cycle	0
		Lost Time Injury	report cycle	0
		Near Miss	report cycle	0
	Team Health	Days Off (sick day)	report cycle	0
		Annual Leave	report cycle	2
	Training	Safety training	report cycle	0
		Health Checks	report cycle	0

The electrical distribution and retail service for SIESA was generally good during June. Load has increased on last month and has been higher than the previous four months.

The replacement Generator for Unit 5 arrived on the 4th of June and as the leaking rear main seal had been replaced on the 29th of May we were able to proceed with fitting the generator to the engine and the set was returned to service on the 16th of June. We had a fault that evening of a low fuel alarm on unit 5 caused by a relay in the control cabinet failing to operate when the tank level dropped.

On the 12th of June there was a fault call for a loss of supply which proved to be a cable fault in a pillar box. This was repaired and service restored.

Once the decision was made to remove Unit 2 from service the radiator core was removed and fitted to the cooling system for Unit 1.

Quotes for a replacement Genset for unit 2 have been requested from 4 suppliers, two of these (Caterpillar and Scania) have been received and the other two (MTU and Cummins) are expected by the 19th of July. Once these have all arrived comparisons can be made and a recommendation presented.

The oil leaks on Unit 4 were repaired on the 2nd of July and this has been returned to service as the lead generator, using Unit 3 for load support.

With Unit 4 at 12,000 hours and as the 6,000 hour service was undertaken at 7,500, the 12,000 hour service should be planned for around 13,500 hours which, at the present running rate, will occur toward the end of September.

We have not been using unit 5 for short run time service with the idea of avoiding the introduction of damp air into the canopy. The new generator is fitted with a windings heater and we have had advice that fitting canopy heaters or a dehumidifier would be an advantage. Pricing has been obtained for a dehumidifier.

The new self banded 15,000 litre fuel tanks have arrived, one of these has been connected as temporary supply while the old tanks are removed and the earth bund filled in. The old fence has been dismantled and relocated. We expect the civil works contractor to be onsite around the 22nd of July to remove the old tanks, fill the bund with rock and position the new tanks. Once the civil work is complete we will undertake the pipe work and control system connections to bring these tanks into service.

Some modifications to the fuel tanker and control systems have been necessary to accommodate the new tanks particularly around the “dry break” filling system for the tanks.

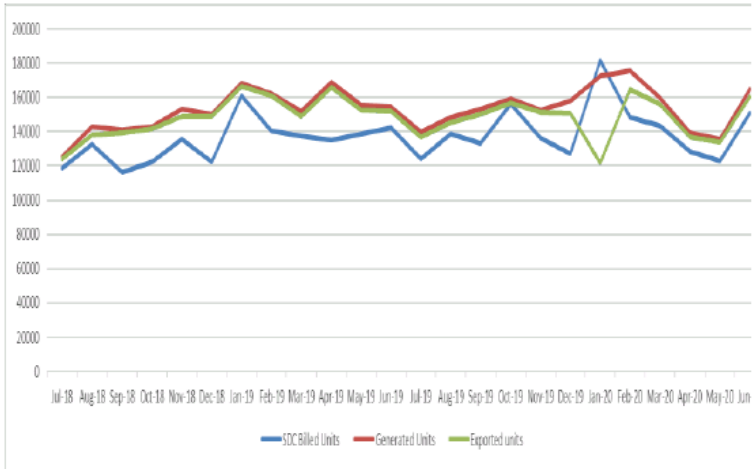
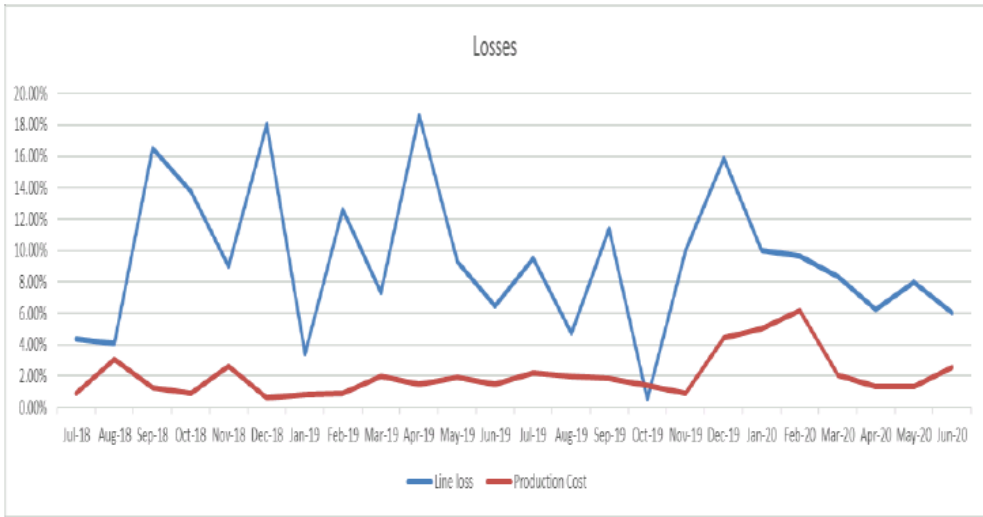
Vegetation control during the month has reduced with the lack of growth but come spring we start to take a larger part of our time.

PROJECTS

Item	% Complete	Comments
P/O 123647 Meter Replacement	12%	3 meters were replaced during May
P/O 146865 Management Fee Operations	17%	Monthly charge
P/O 146864 Distribution Maintenance	Ongoing	Replacements of strain insulators will be continued
P/O 146265 Generation Maintenance	Ongoing	Unit 1 Radiator has been replaced with the radiator from Unit 2

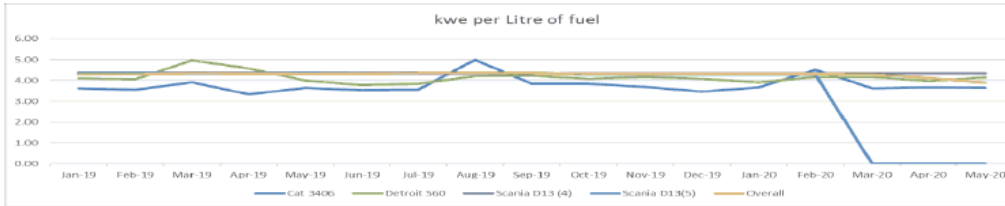
Outstanding New Connections

- 1/ K Hicks, Elgin Terrace, Transformer to fit
- 2/ Scofield, Ringaringa, Consumer is installing cable
- 3/ Dawson / Lewis Hicks road not planned as yet.
- 4/ 41 Excelsior Rd is ready for connection. Waiting for ROI



ENGINE MAINTENANCE REPORT

	Make / Model	Hours	Hours this Month	Fuel this Month	Kilowatt hours	Last services	Oil Test results
Unit 1	CAT 3406	18436	1	13	50	6/4/20 29/4/20	"A"
Unit 2	CAT 3408	45784	51	1300	4770	20/4/20	No Sample
Unit 3	Detroit 60	21977	622	30736	127677	29.5.20 1.6.20	"C"
Unit 4	Scania D13	12054	47	1901	8373	10/4/20 2.7.20	"A"
Unit 5	Scania D13	10620	384	2669	23989	29.5.20	"A"



		Update
Identified Risks	Structures / Poles	The Hicks Rd pole at the Davis property is still under investigation. Two other red tag poles remain to be changed Pole
	Transformers	Station Transformers are were tested on the 25 th of August with one having a poor result.
	Pillar boxes / Link Boxes / Cabling	New cabling has been installed at Ringaringa
	Lines / Insulators	Strain insulator replacements continuing
Generation Equipment	Generation Plant	Unit 1 is back in Service with the rad off Unit 2 Unit 2 has been removed from service Unit 3 is in service Unit 4 is in service with oil leaks repaired Unit 5 is in service
	Control Systems	SCADA and controls are fully operational
	Fuel systems / Plant	Tank replacement project is under way
	Buildings	The building is in good condition with some internal painting planned.

RISK AND STRATEGY UPDATES



Old tanks ready for removal



One of the new tanks temporally connected



Unit two radiator relocated to serve Unit 1

IFS Growth Forest Manager's Report of Forestry Activity for Period to 30 June 2020

Record No: R/20/7/29495

Author: Ashby Brown, Commercial Infrastructure Manager

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

Report Summary

- 1 The IFS Growth Forest Manager's Report advises of forestry activity for the period to 30 June 2020.

Southland District Council Forestry Activity

- 2 The IFS Growth Forest Manager's report received is attached.

Recommendation

That the Services and Assets Committee:

- a) receives the report titled "IFS Growth Forest Manager's Report of Forestry Activity for Period to 30 June 2020"

Attachments

- A Forestry Report to 30 June 2020 [📄](#)



FORESTRY REPORT FOR PERIOD TO 30th JUNE 2020

This report covers activity for the year to date, till the 30th June 2020 (EOY), with some commentary on the following year's program.

Financial Summary

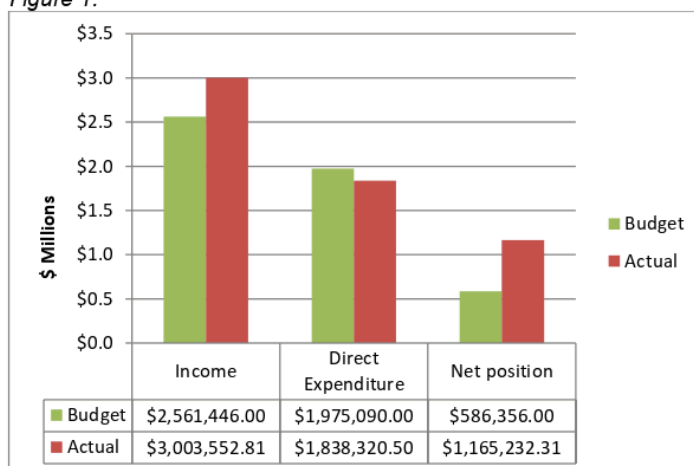
The full-year performance for the forestry business has been strong with all budget targets exceeded.

With log sales of \$3 million and expenditure of \$1.8 million, a \$1.2 million net position has been achieved. This \$600K improvement on budget is the result of better log prices and yields \$400K, and savings in various programs. Some of these savings are operations where timing was affected by the Covid shutdown, in particular pruning and thinning. Decisions on retiming of some of these areas will need to be incorporated in the 20/21 forecasts.

There has been continued capital reinvestment on the tree crop during the year with \$235K spent on planting and tending operations. The estate continues to be a sound investment for the council.

The full year performance for the forestry business against budget is summarized in figure 1.

Figure 1:



2020/21 Financial Targets: Income \$1.88M, Expenditure \$1.64M, Surplus \$236K.

Operations Summary

Health & Safety

Incidents

There have been no reported H&S incidents for this period.

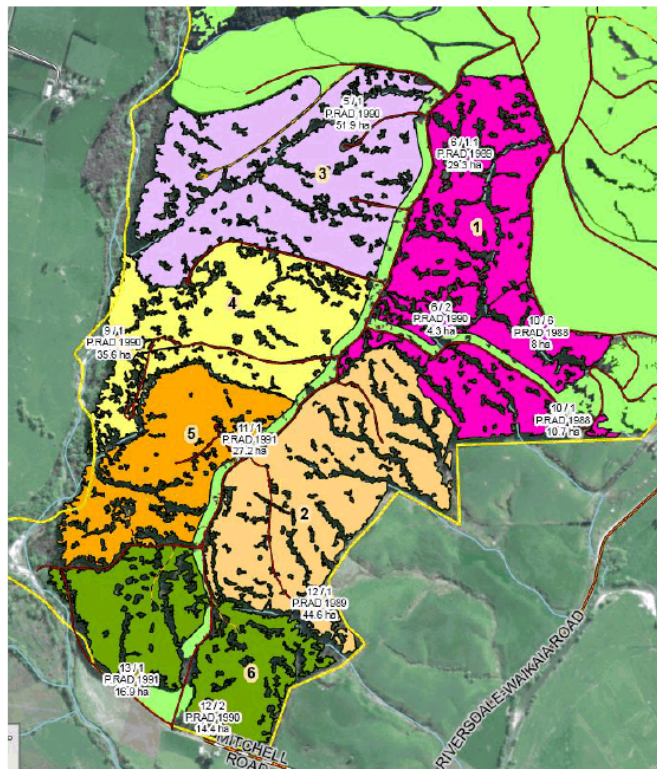
Audits

The silviculture crew has had PPE and Operational audits conducted by IFS during during this period at Gowan Hills.

Harvesting

This years harvesting program was completed during October 2019, with a volume of 28,163 tonnes harvested out of the Waikaia Forest (Block 3), up 12% on budget.

This volume included 27,830 tonnes of Radiata and 333 tonnes of Eucalyptus.



2020/21 Harvest Program (Block 4)

This year the total harvest will be from one sale area in Waikaia of 19,000 tonnes. Harvesting is scheduled to begin early August and will take approximately two months to complete. The

harvesting crew is a fully mechanised operation and holds very high /health and safety standards. Both internal and independent auditing of the operation is completed monthly

The harvest area has had mixed silvicultural treatment and quality, with some areas effected by snow damage. Overall the block is of medium quality. We estimate a return of \$933,000 which is up on the Budget/LTP as summarised below.

Table 1: SDC Waikaia Harvesting 2020 Forecasted Return

Harvest Area (LTP)	Location	Crop Age	Area	Estimated Tonnes	Forecasted Return	Budget/LTP
Block 4	Waikaia	30 yr (1990)	35.5	18780	\$932,666	\$880,049

An archaeological study has been completed on the harvest area & there are two known water races of value. Contractors will be briefed on the management of these sites and Accidental Discovery Protocol for Heritage Sites as part of the pre-harvest induction.

The block is serviced by a reasonable network of established harvest roads.

Log prices: Given the unsettled market position in China, IFS have managed to secure fixed pricing for both Export and Domestic supply. These rates are well above the current spot market prices. These prices are fixed assuring the SDC security of return for the scope of the harvest.

Forest Growing, Silviculture & Maintenance

This years program which has been completed which includes:

56 Ha of replanting in Waikaia (last years harvest area planted in June 2020),

23 Ha thinned to waste in Ohai,

47 Ha of pruning and thinning in Gowan Hills,

103 Preharvest and Mid rotation inventory plots completed.

\$45K was spend on forest maintenance activities (includes GM, pest control, security, fencing, and road maintenance during harvesting).

Carbon

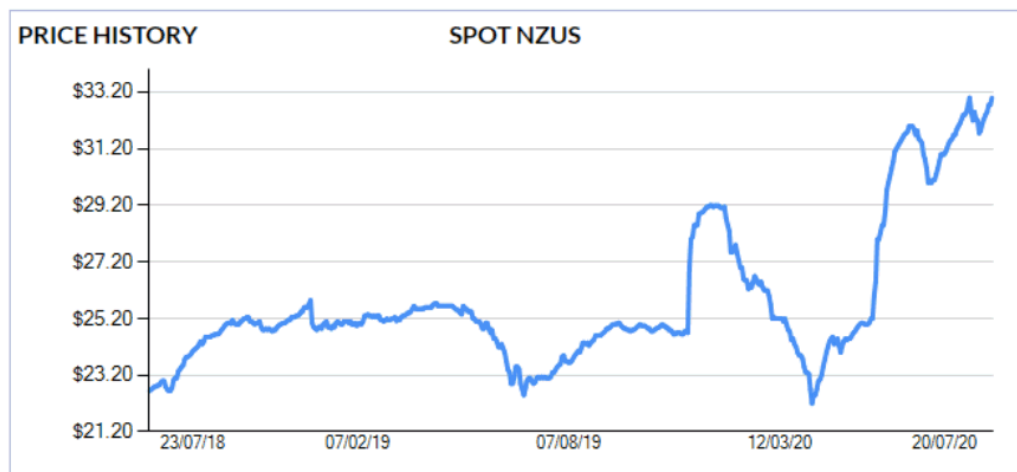
The council currently have 105,632 NZUs in their holding account:

Pre-1990 = 82,914 NZU. Current value = \$2.7M tax free.

Being a one-off allocation there is no future liabilities arising when sold.

Post-1989 = 22,718 NZU.

Current price = \$32.75/NZU



Source: OMF Financial (CommTrade)

Forestry Valuation 2020

Another good result for the business unit is the slight gain in asset value provided by the 2020 forest valuation. The estates timber valuation is now \$12.26 million, compared to \$11.9 in 2019. The land is book valued at \$2.5 million by the SDC.

Services and Assets Committee Chairperson's Report

Record No: R/20/7/30463

Author: Fiona Dunlop, Committee Advisor

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

Purpose of report

- 1 The purpose of the report is to provide an update to the Services and Assets Committee on activities of the chairperson.
 - along with other Southland leaders, attended the Southland Leaders Forum meeting with the Prime Minister and Ministers Wood, Robertson and Jones. Main focus related to the impact of the proposed Tiwai Smelter closure
 - attendance at Minister Jones's shovel ready project announcement for Southland
 - attendance at the Air New Zealand re start of jet services between Auckland and Invercargill. First flight was 85% full with passengers traveling to Southland
 - regular attendance of the Southland Mayoral Forums; focus on regional wide issues and how best we can cooperate together
 - Zoom attendance at the Dunedin South Mayors Forum – how to address the major issue of migrant workers thorough the wider regions regarding Covid-19
 - regular attendance at the Waste Advisory Group meetings; recycling contracts and general rubbish land fill discussions
 - Hollyford Road on site visit with NZTA, Southland District Council and Milford Road Alliance to gain firsthand knowledge of the road damage resulting from the February flood
 - attendance at Minister Sage and Milford Tourism Management Forum in Te Anau regarding discussion on the impact of Milford Road closure due to February floods
 - participation in the two Milford Opportunities Reference Groups: Tourism and Business reference group meeting and the Statutory/Asset managers Reference Group
 - phase one of the Te Anau Wastewater Project progress and financial results
 - attendance at Fiordland Alliance Forum - Jobs for Nature being organised via Department of Conservation
 - organised and chaired Fiordland Economic Recovery Ideas Forum.
 - Following is a list of meetings and activities attended:
 - community board meetings
 - community board planning workshop
 - external auditors meeting
 - Air B&B discussions- local business operators
 - Destination Fiordland and Fiordland Community Board strategic planning sessions for destination management plans

- meeting with local tourist operator(s) on the impact of Covid-19
- meeting's with Otago/Southland member of parliament
- Finance and Assurance Committee meetings
- Community and Strategy meetings
- NZTA management meetings re Milford Road
- Milford Community Trust meeting
- Destination Fiordland Board meetings
- Te Anau Basin Water Supply Subcommittee
- Great South chief executive meeting – strategic discussion re Southland Destination Strategy
- Great South chief executive/tourist manager – meeting in Te Anau and drive to Milford
- Media interviews, RNZ, TV3, Southland Times, Otago Daily Times, Advocate
- Meeting with FCB chair and CPL – Te Anau township future planning design
- regular weekly meetings with FCB chair
- meetings with Te Anau Police
- attendance at the 3 waters workshop in Invercargill by the 3 Waters Steering Committee.

Recommendation

That the Services and Assets Committee:

- a) **Receives the report titled “Services and Assets Committee Chairperson's Report” dated 30 July 2020.**

Attachments

There are no attachments for this report.

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

Recommendation

That the public be excluded from the following part(s) of the proceedings of this meeting.

C9.1 Te Anau Wastewater Scheme Update to Committee

C9.2 Award of Contract for 20/24 - Around the Mountain Cycle Trail Flood Repairs

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Te Anau Wastewater Scheme Update to Committee	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Award of Contract for 20/24 - Around the Mountain Cycle Trail Flood Repairs	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.