



Notice is hereby given that a Meeting of the Stewart Island/Rakiura Community Board will be held on:

Date: Monday, 29 March 2021
Time: 7.30am
Meeting Room: Library
Venue: Ayr St, Stewart Island

Stewart Island/Rakiura Community Board Agenda OPEN

MEMBERSHIP

Chairperson	Jon Spraggon
Deputy Chairperson	Steve Lawrence
Members	Aaron Conner
	Anita Geeson
	Rakiura Herzhoff
	Gordon Leask
	Councillor Bruce Ford

IN ATTENDANCE

Committee Advisor	Kirsten Hicks
Community Partnership Leader	Karen Purdue
Community Liaison Officer	Megan Seator

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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 – Community Boards

TYPE OF COMMITTEE	Community board
RESPONSIBLE TO	<p>Council</p> <p>Each community board will have a relationship with the committees in section 8.4.2 to 8.4.5 of the delegations manual based on the scope of the activities/functions delegated to each committee.</p>
SUBCOMMITTEES	As noted in section 8.5 of the delegations manual various subcommittees will report to specific community boards.
LEGISLATIVE BASIS	<p>Resolution made by Council through the representation arrangements as per the Local Electoral Act 2001.</p> <p>Role, status and membership as per subpart 2 of Part 4 of the Local Government Act 2002 (LGA).</p> <p>Treaty of Waitangi as per section 4, Part 1 of the LGA.</p> <p>Opportunities for Maori to contribute to decision-making processes as per section 14 of Part 2 of the LGA. Community boards delegated powers by Council as per schedule 7, clause 32, LGA.</p> <p>Appointment of councillors to community boards as per section 50, LGA.</p>
MEMBERSHIP	<p>Oreti and Waihopai Toetoe Community Boards have seven members elected by the local authority triennial elections plus a member appointed by Council. All other community boards have six members plus a member appointed by Council.</p> <p>The chairperson is elected by the community board. Councillors who are not appointed to community boards can only remain for the public section of the community board meeting. They cannot stay for the public excluded section unless the community board agrees.</p>
FREQUENCY OF MEETINGS	Every second month but up to ten ordinary meetings a year
QUORUM	Not less than four members
KEY FUNCTIONS	<ul style="list-style-type: none"> • to promote the social, economic, environmental and cultural well-being of local communities and in so-doing contribute to the realisation of Council’s vision of one District offering endless opportunities • to provide leadership to local communities on the strategic issues and opportunities that they face • to be advocates and representatives for their local community and in so doing ensure that Council and other agencies have a clear understanding of local needs and aspirations • to be decision-makers on issues that are delegated to the board by Southland District Council

	<ul style="list-style-type: none"> • to develop relationships and communicate with key community organisations, special interest groups, residents and businesses within the community • to maintain an overview of the services Council delivers to its communities and assess the extent to which these services meet community needs • to recommend the setting of levels of service and budgets for local activities.
DELEGATIONS	<p>The community board shall have the following delegated powers and be accountable to Council for the exercising of these powers.¹</p> <p>In exercising the delegated powers, the community board will operate within:</p> <ol style="list-style-type: none"> 1) policies, plans, standards or guidelines that have been established and approved by Council 2) the needs of the local communities; and 3) the approved budgets for the activity. <p>Power to Act</p> <p>The community board will prepare and implement programmes of work, which will be reflected in its community board plan, which are relevant to the purposes of the community board that are consistent with the long term plan and annual plan processes of Council. Such programmes are to include budgetary provision for all costs associated with the work.</p> <p>Community Well-Being</p> <ol style="list-style-type: none"> 4) to develop local community outcomes that reflect the desired goals for their community/place 5) to monitor the overall well-being of local communities and use the information gathered to inform development of local strategies to address areas of need 6) work with Council and the community to develop a community board plan for the community of interest area – working in with any community plans that may exist. <p>Community Leadership</p> <ol style="list-style-type: none"> 7) communicate and develop a relationship with community organisations, local groups, and special interest groups within the local community of interest 8) identify key issues that will affect their community of interest’s future and work with Council staff and other local representatives to facilitate multi-agency collaborative opportunities 9) promote a shared vision for the community of interest area and develop and promote ways to work with others to achieve positive outcomes 10) provide a local community perspective on Council’s long term plan key performance indicators and levels of service

¹ Local Government Act 2002, s.53



as detailed in the long term plan, and on local expenditure, rating impacts and priorities.

Advocacy

11) submissions

- a) authority to make recommendations to Council on matters to be considered in submissions Council may make to external organisations' regional or national policy documents, select committees
- b) authority to make submissions to Council or other agency on issues within its community of interest area
- c) authority to make submissions to Council on bylaws and recommend to Council the level of bylaw service and enforcement to be provided, having regard to the need to maintain consistency across the District for all Council bylaws.

12) authority to prepare a submission to Council on the proposed levels of service, income and expenditure within the community of interest area, for consideration as part of the long term plan/annual plan process

13) provide comment by way of the formal Annual Plan/Long Term Plan process on relative priorities for the delivery of District services and levels of service within the community board area.

District activities include:

- a) wastewater
- b) solid waste
- c) water supply
- d) parks and reserves
- e) roading
- f) libraries
- g) cemeteries
- h) emergency management
- i) stormwater
- j) public toilets
- k) community housing

14) Council will set the levels of service for District activities – if a community board seek a higher level of service they will need to recommend that to Council and it will need to be funded in an appropriate way (locally).

Community Assistance

15) authority to establish prioritisation for allocation based on an overarching set of criteria from council to guide the scope of the activity

- 16) authority to grant the allocated funds from the Community Partnership Fund
- 17) authority to allocate bequests or grants generated locally consistent with the terms of the bequest or grant fund

Northern Community Board

- 18) make decisions regarding funding applications to the Northern Southland Development Fund. The Northern Community Board may invite a representative of the community of Dipton to take part in the decisions on applications to the Northern Southland Development Fund.

Unbudgeted Expenditure

Approve unbudgeted operating expenditure for local activities of up to \$20,000.

Approve up to a \$20,000 increase in the projected cost of a budgeted capital works project/item that is included in the annual plan/LTP.

Authority to delegate to the chief executive, when approving a project definition/business case, over-expenditure of up to \$10,000 for capital expenditure against the budget detailed in the Annual Plan/LTP.

Service Delivery

Local Activities

For activities within the local activities category, the community board shall have authority to:

- a) recommend to Council levels of service for local activities having regard to Council budgets within the Long Term Plan and Annual Plan process
- b) recommend to Council the rates and/or user charges and fees to fund the local activities
- c) accept donations of a local asset eg a gas barbeque, park bench, etc with a value of less than \$20,000.
- d) approve project definitions/business cases for approved budgeted capital expenditure up to \$300,000
- e) recommend to the Services and Assets Committee the approval of project definitions/business case and procurement plan for capital expenditure over \$300,000 and/or any unbudgeted capital expenditure
- f) monitor the performance and delivery of the service in meeting the expected levels of service
- g) facilitate the development of local management plans (for subsequent recommendation to Council), where required by statute or in support of District or other plans for reserves, harbours, and other community facilities, except where powers:
 - have been delegated to Council officers; or
 - would have significance beyond the community board's area or otherwise involves a matter of

national importance (Section 6 Resource Management Act 1991); or

- involve the alienation of any part of a proposed or existing esplanade reserve by way of width reduction, easement, lease or otherwise.

Local activities include:

- i) community leadership
 - ii) local halls and community centres (within Council's overarching policy for community facilities)
 - iii) wharves and harbour facilities
 - iv) local parks and reserves
 - v) parking limits and footpaths
 - vi) Te Anau/Manapouri Airport (Fiordland Community Board)
 - vii) Stewart Island Electricity Supply Authority (SIESA) (Stewart Island/Rakiura Community Board)
 - (i) for the above two local activities only
 - (ii) recommend levels of service and annual budget to the Services and Assets Committee
 - (iii) monitor the performance and delivery of the service
- 19) naming reserves, structures and commemorative places
- a) authority to decide upon requests from the community, regarding names of reserves, the placement of structures and commemorative places.
- 20) naming roads
- a) authority to decide on the naming for public roads, private roads and rights of way
- 21) assist the chief executive by providing comment (through the board chairperson) to consider and determine temporary road closures applications where there are objections to the proposed road closure.

Rentals and Leases

In relation to all leases and licences of land and buildings for local activities within their own area, on behalf of Council;

- a) accept the highest tenders for rentals more than \$10,000
- b) approve the preferential allocation of leases and licenses where the rental is \$10,000 or more per annum.

Environmental management and spatial planning

- 22) provide comment on behalf of the relevant community/communities on resource consent applications referred to the community board for comment.
- 23) recommend to Council the level of bylaw service and enforcement to be provided within the community, having regard to the need to maintain consistency across the District.

	<p>24) provide advice to Council and its committees on any matter of interest or concern to the community board in relation to the sale of alcohol where statutory ability exists to seek such feedback.</p> <p>25) provide input into regulatory activities not otherwise specified above where the process allows.</p> <p>26) recommend to Council the initiating of an appeal or reference to the environment court on decisions in respect to resource consent applications on which the board has made submissions; ability to provide input to support the development of community planning for a civil defence emergency; and after an emergency event, to provide input and information to support community response efforts.</p>
LIMITS TO DELEGATIONS	<p>No financial or decision making delegations other than those specifically delegated by Council.</p> <p>The community board shall only expend funding on purposes for which that funding was originally raised and in accordance with the budgets approved by Council through its Long Term Plan/Annual Plan. In accordance with the provisions of section 39(2) of Schedule 7 the board may not incur expenditure in excess of the approved budget.</p> <p>Matters which are not Delegated</p> <p>Southland District Council has not delegated to community boards the power to:</p> <ul style="list-style-type: none"> • make a rate or bylaw • acquire, hold or dispose of property • direct, appoint, suspend or remove staff • engage or enter into contracts and agreements and financial commitments • institute an action for recovery of any amount • issue and police building consents, notices, authorisations and requirements under acts, statutes, regulations, bylaws and the like; • institute legal proceedings other than the delegation to recommend to Council the initiating of an appeal or reference to the environment court on decisions in respect to resource consent applications on which the community board has made submissions.
CONTACT WITH MEDIA	<p>The community board chairperson is the authorised spokesperson for the board in all matters where the board has authority or a particular interest.</p> <p>Board members, including the chairperson, 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 assigned Executive Leadership Team member will manage the formal communications between the board and its</p>

	<p>constituents and for the board in the exercise of its business. 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>
REPORTING	<p>Community boards are unincorporated statutory bodies which are elected to represent the communities they serve.</p> <p>The boards maintain bound minute books of their own meetings.</p>

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1 Apologies

An apology has been received from Councillor Bruce Ford

2 Leave of absence

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

3 Conflict of Interest

Community Board 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 12noon at least one clear day 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 Community Board 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 Stewart Island/Rakiura Community Board, 15 February 2021



Stewart Island/Rakiura Community Board

OPEN MINUTES

UNCONFIRMED

Minutes of a meeting of Stewart Island/Rakiura Community Board held in the Stewart Island Pavilion, Ayr St, Oban on Monday, 15 February 2021 at 8.45am.

PRESENT

Chairperson
Deputy Chairperson
Members

Jon Spraggon
Steve Lawrence
Aaron Conner
Anita Geeson
Rakiura Herzhoff
Gordon Leask

APOLOGIES

Cr Bruce Ford

IN ATTENDANCE

Community Partnership Leader – Karen Purdue
Community Facilities Manager – Mark Day
Committee Advisor – Kirsten Hicks

1 Apologies

Apology for non-attendance was received from Councillor Bruce Ford

Moved Aaron Conner, seconded Gordon Leask and resolved
That the Stewart Island/Rakiura Community Board accepts the apology.

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.

6 Confirmation of Minutes

Resolution

Moved Anita Geeson, seconded Deputy chairperson Lawrence and resolved

That the Stewart Island/Rakiura Community Board confirms the minutes of the meeting held on 14 December 2020, as a true and correct record of that meeting

Reports

7.1 Community Update

Record No: R/21/2/4286

Resolution

Moved Aaron Conner, seconded Gordon Leask recommendation a) with changes as indicated with a ~~strike through~~, and resolved

That the Stewart Island/Rakiura Community Board:

- a) Acknowledges the attendance of representatives from New Zealand Police and the Department of Conservation at the meeting.

7.2 Community Leadership Report

Record No: R/21/1/3622

Community Partnership Leader Karen Purdue was in attendance for this item
Resolution

Moved Rakiura Herzhoff, seconded Gordon Leask and resolved

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled “Community Leadership Report” dated 9 February 2021.**

7.3 Operational Report for Stewart Island/Rakiura Community Board

Record No: R/21/1/3854

Community Partnership Leader Karen Purdue was in attendance for this item
Resolution

Moved Deputy chairperson Lawrence, seconded Aaron Conner and resolved

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled “Operational Report for Stewart Island/Rakiura Community Board” dated 3 February 2021.**

7.4 Council Report

Record No: R/21/1/3134

Community Partnership Leader Karen Purdue was in attendance for this item
Resolution

Moved Anita Geeson, seconded Gordon Leask and resolved

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled “Council Report” dated 26 January 2021.**

7.5 Chairperson's Report

Record No: R/21/2/4531

Chairperson Jon Spraggon was in attendance for this report

Resolution

Moved Deputy chairperson Lawrence, seconded Gordon Leask recommendations a) to c) and a new d) (as indicated), and resolved

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled “Chairperson's Report” dated 3 February 2021.**
- 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) Authorises up to \$45k for the preparation and submission of resource consents for the Ulva Island wharf. This sum is to be funded from the general wharf maintenance budget and is to be recovered from the capital project budget at a later date.

The meeting concluded at 9.45am

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE STEWART ISLAND/RAKIURA
COMMUNITY BOARD HELD ON 15 FEBRUARY 2021

DATE:.....

CHAIRPERSON:.....

Request for retrospective unbudgeted expenditure approval to supply and install electricity and telecommunication ducting beneath the Horseshoe Bay footpath construction

Record No: R/21/3/9596
Author: Brendan Gray, Projects Manager
Approved by: Matt Russell, Group Manager Services and Assets

Decision Recommendation Information

Purpose

- 1 The purpose of this report is to seek retrospective unbudgeted expenditure approval for the supply and installation of electricity and telecommunication ducting beneath the recently installed Horseshoe Bay walking track.

Executive Summary

- 2 The Horseshoe Bay walking track project has been in the pipeline to be completed since being advertised on GETS in December 2019. During the scoping of the project the Stewart Island/Rakiura Community Board (SIRCB) was consulted (through the community board chair) to see if the stage 3 ring-feed ducting could be installed beneath the footpath during construction. The SIRCB agreed and the ducting was to be supplied through PowerNet and installed by the successful footpath tenderer. This portion of work was included in the footpath tender which was awarded to Duncan Earthworks and Excavation in March 2020. With the onset of Covid-19 and other projects taking precedence, the construction has only recently been completed. As the ring-feed and other SIESA projects were deleted as per the recommendation to Council on 7 May 2020, **through the report on the Forecasted financial position for the year ending 30 June 2020**, we now require retrospective unbudgeted expenditure approval for the ducting supply and installation costs.

Recommendation

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled “Request for retrospective unbudgeted expenditure approval to supply and install electricity and telecommunication ducting beneath the Horseshoe Bay footpath construction” dated 17 March 2021.**
- 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) Approves the retrospective unbudgeted expenditure of \$15,991.29 to be funded from SIESA reserves for the supply and installation of the electricity and telecommunication ducting beneath the recently completed Horseshoe Bay walking track (including 50% of the variation costs for rock breaking).

Background

- 3 The 2019/2020 Annual Plan contained a project to create a walking track on Horseshoe Bay Road from Kamahi Road to Mill Creek. This is stage one of a proposed four stage walking track installation. The Stewart Island Rakiura Community Board (SIRCB) also had a project to complete stage three of a ring main project to secure underground electricity supply to Oban township although at the time of the walking track concept this project had been deferred to 2020/2021.

Issues

- 4 The remainder of the SIESA projects budgeted for 2019/2020 was deleted as per the report to Council on the forecasted financial position for the year ending 30 June 2020, extract from the report which reads “There are a number of projects for SIESA (\$400 thousand) that have been deleted from the work programme. These are projects that were part of a work programme developed a number of years ago and a new programme is currently being developed. As part of agreeing to the new programme, unbudgeted expenditure will be sought from Council. This is likely to be in the 2020/2021 financial year.” As such there is now insufficient budget remaining for the electricity ducting supply and installation which was included as part of the Horseshoe Bay walking track tender.”

Factors to Consider

Legal and Statutory Requirements

- 5 None.

Community Views

- 6 The SIRCB were in favour of the ducting installation at the time of the Horseshoe Bay footpath concept discussions to ensure efficiencies between projects.

Costs and Funding

- 7 The cost of the works mentioned in this report will be funded from the SIESA reserves. The expected invoices to be received are as follows:

- ducting supply and transport to Stewart Island \$3,461.29 (PowerNet)
- trenching, installation and backfill of ducting \$11,000.00 (Duncan Earthworks & Excavation)
- 50% of rock breaking variation \$1,530.00 (Duncan Earthworks & Excavation).

Total retrospective unbudgeted expenditure approval required \$15,991.29.

Policy Implications

- 8 None.

Analysis

Options Considered

- 9 Approval of the retrospective unbudgeted expenditure for the supply and installation of the electricity ducting beneath the Horseshoe Bay walking track will enable the suppliers and contractors to be paid. There was also a component of rock breaking equipment required to install the ducts which was a variation to the original pricing.
- 10 If the retrospective unbudgeted expenditure is not approved then the supplier and installer of the ducting cannot be paid.

Analysis of Options

Option 1 – Approve the retrospective unbudgeted expenditure

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• suppliers and subcontractors can be paid.	<ul style="list-style-type: none">• none.

Option 2 – Do not approve the retrospective unbudgeted expenditure

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• none.	<ul style="list-style-type: none">• supplier and installer cannot be paid.

Assessment of Significance

- 11 The assessment of significance needs to be carried out in accordance with Council's Significance and Engagement Policy. The Significance and Engagement Policy requires consideration of the impact on social, economic or cultural wellbeing of the region and consequences for people who

are likely to be particularly affected or interested. Community views on this matter have been considered through engagement therefore this decision is not considered significant.

Recommended Option

- 12 The recommendation is to approve the retrospective unbudgeted expenditure of \$15,991.29 to enable the supplier and installer to be paid.

Next Steps

- 13 Receive the associated invoices for the supply and installation of the ducting and process the payments accordingly.

Attachments

- A Forecasted Financial Position for the year ending 30 June 2020 [↓](#)
- B Contract 19/68 Construction of Walking Track at Horseshoe Bay Road, Stewart Island- Approval to Award Contract [↓](#)

Forecasted Financial Position for the year ending 30 June 2020

Record No: R/20/3/6547
Author: Joanie Nel, Management Accountant
Approved by: Anne Robson, Chief Financial Officer

Decision

Recommendation

Information

Purpose

- 1 To inform Council of the expected year-end financial result compared to the published 2019/2020 Annual Plan and seek approval from Council to approve the resulting forecasted position.
- 2 Seek approval for a number of unbudgeted expenditure requests, including the deletion and deferral of a number of projects.

Executive Summary

- 3 Forecasting the financial position for the year ended 30 June 2020, is intended to provide information about what has changed since the budget was approved, why it has occurred and what the result is expected to be at the end of the year. Forecasting is based on the best knowledge that the relevant staff have at a point in time and events can overtake this. The information in this report was compiled by managers in early February, as the flooding event was occurring and before the covid-19 outbreak.
- 4 In considering the final position, staff consider what they planned to do in the Annual Plan, the projects carried forward from 2018/19 that were approved by Council on 27 September 2019, unbudgeted expenditure requests approved by Council or committees during the year and the expected year-end position as a result of operational decisions and information.
- 5 Forecasting enables the organisation to understand the anticipated year-end position at all levels. It will also assist with decisions and priorities for spending across Council.
- 6 The budgeted expenditure included in the Annual Plan for the 2019/2020 year was adopted in June 2019. Therefore since this date a number of events have potentially occurred that will change the year-end position. Forecasting allows a formal process to communicate to the Executive Leadership Team (ELT), Finance and Assurance Committee and Council any known or expected changes. The net change by business units is shown in appendix A.
- 7 The effect of the forecast changes on the Statement of Comprehensive Revenue and Expenditure and Statement of Financial Position is shown in appendix B and C.
- 8 As part of this report, approval is also sought for unbudgeted expenditure requests that have not been advised to Council previously. Additionally there are a number of projects that have been identified as needing to be deferred to future years. A detailed list of these projects can be found in appendix D. There is also a list of projects that are to be deleted, or where a project is completed under budget, the remaining budget is to be deleted, contained in appendix E.
- 9 This report was presented to the Finance and Assurance Committee on 30 April 2020. As the timing has not allowed any recommendations to be included in this report staff will provide an update to Council during the meeting.

Recommendation

That the Council:

- a) **Receives the report titled “Forecasted Financial Position for the year ending 30 June 2020” dated 3 May 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) Approve the changes as detailed in appendix A.
- e) **Notes the forecasted changes to Council’s year-end financial performance and position as detailed in appendix B and C.**
- f) Approves the deletion of the following 2019-20 projects:

Business Unit	Project	Amount
Riverton	Project to investigate stormwater discharge around Soundshell area due to blocked outlets	\$10,000
Stewart Island Jetties	Golden Bay Wharf rebuild project	\$233,812
Te Anau	Te Anau Stormwater condition assessment project terminated	\$12,834
Te Anau	Project to Improve Link Te Anau – Manapouri trail and lakefront	\$10,220
SIESA	Replacement Generator	\$110,000
SIESA	Replace circuit breakers	\$80,000
SIESA	Network upgrade	\$20,440
SIESA	Exhaust system renewal/service	\$20,000
SIESA	Replace one transformer	\$35,000
SIESA	Gates, signs, fence/ Security	\$30,000
SIESA	Ringfeed project Stage 3	\$31,000
SIESA	Ringfeed project Stage 4	\$56,000
SIESA	Ringfeed project Stage 5	\$32,193
SIESA	Service SCADA control	\$25,000
SIESA	Upgrade SCADA control	\$10,000

- g) Approve the following unbudgeted expenditure and funding source:

Business Unit	Expense	Amount	Funding Source
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Customer Service	Postage	\$36,720	District Ops Reserve
District Water	Resource Consents	\$29,560	Short term Internal Loan
District Water	Maintenance unplanned	\$110,000	Short term Internal Loan
Wheelie bins	Waste Disposal	\$57,026	Waste management reserve
Roading	Emergency Re-instatement of roads due to flooding	\$1,825,000	Roading rate reserve, NZTA
Water Supply Manapouri	Water lateral renewals	\$25,000	Internal Loan
Manapouri Airport	Civil Aviation Authority Compliance costs	\$90,000	Manapouri-Te Anau Airport Reserve
Sewerage Scheme Otautau	SCADA renewals	\$54,260	Internal Loan
Limehills	Community Centre Kitchen upgrade	\$7,378	Limehills Community Centre reserve

h) Approve to defer the following projects to the 2020/21 financial year:

Business Unit	Expense	Amount	Funding Source
District Library	Library RFID project and refurbishment at Winton	\$382,800	Internal Loan
District Water	District Water Monitoring	\$131,478	Internal Loan
Buildings Te Anau	Te Anau Library Project deferred to 20/21	\$33,587	Property Development Reserve
Sewerage scheme Ohai	New UV/Treatment Plant upgrade	\$54,225	Internal Loan
Stewart Island	Trail Park Pavilion toilets , project deferred to 20/21	\$11,314	Internal Loan
Te Anau	Metering District Metered Areas	\$101,500	Internal Loan
Te Anau Sewerage scheme	Scheme capacity upgrade (demand portion)	\$4,000,000	Development Contributions and Internal Loan
Thornbury Streetworks	Kerb and channel Foster Road	\$48,365	Internal Loan and Thornbury General Reserve
Waikawa Hall	Exterior Reclad of Hall	\$25,000	Internal Loan and Waikawa-Niagara

			Community Centre Reserve
Streetworks Otautau	Footpath upgrade	\$12,492	Rates and Internal Loan
Information Management	Core system review	\$350,000	Internal Loan

Background

- 10 Forecasting enables transparency and Council to be informed of the anticipated year-end financial result. Forecasting is not intended to involve the time and effort undertaken in the annual budgeting process.
- 11 Managers were able to submit changes until mid-February so this forecast reflects a “snapshot” in time. Examples of items that have not been included in forecasting are costs in relation to the Invercargill office and a variation requested for the Wastenet recycling contract. As actual results will differ from the forecast, Council staff will still need to present to the committee at year end a listing of potential negative/positive carry forwards. The forecasting numbers included in this report and that presented to Finance and Assurance were also compiled prior to the COVID-19 outbreak.
- 12 The Te Anau wastewater project and the Wastenet recycling contract is currently being reviewed and options considered as we work to understand the implications of the various COVID-19 Alert Levels on our ability to undertake works coupled with the contractual implications for time and cost (if any) in conjunction with an assessment of what work within our works programme is considered essential versus able to be deferred without exposing the organisation to unreasonable risk increase.
- 13 In regards to projects identified as needing to be deferred to 2020/21, Council staff are currently incorporating these and the impact into the 20/21 Annual Plan.
- 14 Budget managers were requested to undertake forecasts for their business units where the expected overall outcome would vary from the budget in the annual plan by specified tolerance levels. These net levels are set at:
- \$1,000 for Council-owned halls
 - \$1,000 to \$10,000 for townships depending on their operational expenditure in the current year
 - \$10,000 for all District business units. The maximum limit of \$10,000 was set in line with the delegation held by the Chief Executive.
- 15 Changes due to forecasting have been included in the attachments as follows.
- Appendix A - provides details of changes to revenue, operating expenditure and capital expenditure for each business unit with commentary from the budget manager.
 - Appendix B - shows the net effect of the changes to the Statement of Comprehensive Revenue and Expenditure for the year-ended 30 June 2020.
 - Appendix C - shows the effect of changes to the Statement of Financial Position for the year ending 30 June 2020.

- Appendix D - provides details of the specific projects being deferred to future years. Currently staff are looking to incorporate the changes to the 19/20 year into the draft 2020/21 annual plan.
- Appendix E - provides details of the specific projects being deleted.

16 A breakdown of the movement of projects (both capital and operational) as a result of carry forwards and forecasting for the 2019/2020 year is as follows:

Financial Activity	Amount
Projects as per the 2019/2020 Annual Plan	\$24,064,723
Projects carried forward from 2019/2020	\$968,480
October forecasting movement	\$375,422
February forecasting movement	(\$6,611,620)
Expected project costs for 2019/20	\$18,797,005

17 The roading capital programme for the year is as follows:

Financial Activity	Amount
Roading capital programme as per the 2019/2020 Annual Plan	\$13,940,019
October forecasting movement	\$1,500,000
Expected roading capital programme for 2019/20	\$15,440,019

18 In addition to this, roading also complete a significant programme of operational and maintenance work. In this round of forecasting an additional \$1.8 million of operational costs have been included for emergency works from the February emergency event. The total costs from the emergency works is expected to be \$3 million over two years.

19 Appendix B outlines the overall impact of the changes on the Forecast Statement of Comprehensive Revenue and Expenditure. Details of the major forecasting changes can be found in appendix A and include the following:

Revenue - Revenue has increased from the last forecasted position by \$523 thousand. This is principally due to:

- additional funding of \$930 thousand from NZTA for emergency works.
- a reduction of \$393 thousand in grants and subsidies due to deferral of projects on Stewart Island Jetties which are currently being re-scoped.

Operating Costs – Operating expenditure has increased from the budget by \$1.456 million. Major changes are:

- increased costs for emergency works following the recent flooding damage in Southland in February of \$1.825 million (in the current year) in the roading activity.
- decrease of \$91 thousand in knowledge management (related in a reduction in the number of LIMS processed) and \$211 thousand in the resource consent department related to a lower level of consultants fees on-charged to applicants.

Capital – Forecast capital expenditure has decreased by \$5.5 million due to the deferral of a number of projects including \$4 million for the Te Anau Sewerage capacity upgrade. The SDI field pipe may be ordered but it is unlikely that any work on the membrane plant will be completed in the current financial year given the current stage in the procurement process. Details can be found in appendix A.

There are a number of projects for SIESA (\$400 thousand) that have been deleted from the work programme. These are projects that were part of a work program developed a number of years ago and a new program is currently being developed. As part of agreeing to the new programme, unbudgeted expenditure will be sought from Council. This is likely to be in the 2020/2021 financial year.

- 20 The total forecast net deficit for the year is \$4.5 million which is \$1.2 million more than the annual plan budget.
- 21 The Te Anau sewerage upgrade has costs of \$4 million deferred to 20/21 financial year. It is expected the pipeline will be completed in the current year.
- 22 In the December forecasting report there was a resolution for playground expenditure noting it was subject to community board approval. The activity manager no longer believes that the expenditure is required in this financial year and these entries have been removed from the projected financial results in this round. If any of this playground expenditure is required a new unbudgeted expenditure request will be made.
- 23 As part of the 2019/2020 Annual Plan Council has budgeted to achieve 159% of its benchmark of Capital expenditure to depreciation, on the five network infrastructure services (Roading, Solid Waste, Stormwater, Wastewater, Water supply). Based on the forecast changes, it is estimated Council will end the year at 152%. However it is worth noting that in order to arrive at the calculation, the depreciation number is still that budgeted, the actual depreciation as a result of the year end asset revaluation process may change this along with the actual work programme able to be achieved by year end.

ISSUES

- 24 Forecasting is part of the ongoing process to encourage better financial behaviours across the organisation. This includes early identification of projects that will not be completed by the end of the current financial year. Additionally, any changes at year-end will be included as part of the carry forward report to Council.
- 25 Forecasting also provides an opportunity to approve anticipated unbudgeted expenditure during the year. This should reduce the number of individual requests needed to be handled by Council. Council will still need to approve some expenditure items separately where the expenditure is large enough to require individual approval.
- 26 The work required to retain accreditation by Council as a Building Consent Authority are in excess of what the SDC Building solutions team can realistically deal with and Council needs to recognise that there are additional staffing costs for the building control department required in order to maintain accreditation with IANZ. These are being worked through and have not been included in this round of forecasting.

Factors to Consider

Legal and Statutory Requirements

- 27 There are no legal or statutory requirements in regards to forecasting Council's end of year position.

Community Views

- 28 The original budget was consulted on as part of the 2018 Long Term Plan budget process and estimates meetings. Changes proposed to capital and operational expenditure for townships will have been or will be reported to the relevant community board.

Costs and Funding

- 29 The forecasting that has been completed shows that the net deficit for this round of forecasting will be \$904 thousand less (appendix A).
- 30 Overall net capital expenditure is expected to decrease by \$5.5 million as in appendix A.
- 31 The impact on the budgeted Statement of Comprehensive Revenue and Expenditure for 2019/2020 is a net operating deficit of \$1.2 million from the annual plan as shown in appendix B.

Policy Implications

- 32 Council staff must ensure that all expenditure is carried out within approved delegations. The current financial delegations only allow the Chief Executive to approve unbudgeted purchase plant, capital items and goods and services expenditure up to \$10,000.

Analysis of Options

The options are to approve or not to approve, in full or part, the forecasted adjustments to the expenditure in the annual plan.

Option 1 - Approve the forecast changes recommended including any adjustments approved at the meeting

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Council is informed of anticipated changes from the annual plan for 2019/2020 • Council has had the opportunity to prioritise expenditure to be incurred in the current financial year • Council staff are able to purchase services as required to provide services to the community in the most appropriate manner. 	<ul style="list-style-type: none"> • deferral of projects which are going to be completed later and/or costing more than previously indicated.

Option 2 - Approve the changes in income and expenditure in Attachment A

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Council is informed of anticipated changes from the annual plan for 2019/2020 • Council has had the opportunity to prioritise expenditure to be incurred in the current financial year • Council considers that the additional expenditure is not a current priority and does not need to be incurred. 	<ul style="list-style-type: none"> • processes may be delayed where further approval needs to be sought from Council before committing to additional expenditure.

Option 3 – Do not approve, in part or in full, the forecast changes recommended

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Council is informed of anticipated changes from the annual plan for 2019/2020. • Council has had the opportunity to prioritise expenditure to be incurred in the current financial year 	<ul style="list-style-type: none"> • processes may be delayed where further approval needs to be sought from Council before committing to additional expenditure.

Assessment of Significance

The content of this report is not deemed significant under Council's Significance and Engagement Policy.

Recommended Option

- 33 Option 1 - Approve the forecast changes recommended including any adjustments approved at the meeting

Next Steps

- 34 Advise managers of the approval of any unbudgeted expenditure or confirmed project deletions for the 2019/2020 financial year.
- 35 Ensure that deferred projects are included in the proposed 2020-2021 annual plan.

Attachments

- A Appendix A - Forecasted adjustments to revenue, operating expenditure and capital expenditure by business unit
- B Appendix B - Forecasted statement of comprehensive revenue and expenditure for year ending 30 June 2020 as at February 2020
- C Appendix C - Forecasted financial position for year ending 30 June 2020 as at February 2020
- D Appendix D - Projects planned to be deferred from the 2020/21 Annual Plan
- E Appendix E - Projects planned to be deleted from the 2019/20 Annual Plan



20 March 2020

TO: Matt Russell – Group Manager Services and Assets

SUBJECT: Contract 19/68 Construction of Walking track at Horseshoe Bay Road, Stewart Island – Approval to Award Contract

Memo

In the current Long Term Plan (LTP), the Stewart Island Rakiura Community Board (SIRCB) have a project to create a footpath on Horseshoe Bay Road from Kamahi Road to Mill Creek (P-10016). This is stage one of a proposed four stage project to create off road walking opportunities for pedestrians.

The SIRCB also have a project in the LTP (currently deferred) to continue with stage three of a ring main project to secure underground electricity feed into the Oban township (P-10078).

A request for information and pricing (RFIP) was published on GETS 20/12/19 and sent to suitably qualified, health and safety approved contractors on Stewart Island for the Horseshoe Bay footpath project with the incorporation of underground ducting to ensure that when/if the ring-feed project is realised, then the ducting will already be in place for a portion of the proposed route.

As part of the RFIP for the footpath construction pricing was requested for the electricity ducts and a telecom duct beneath the footpath construction. The price for this component of work was requested to be kept separate, but with the view to have this portion of work completed at the same time to gain efficiencies between the two projects.

Unfortunately only one tender price was received from Duncan Earthworks and Excavation.

The total construction tender came in at \$58,400.00 (excl GST) with the following breakdown

P-10016- Footpath component \$47,300.00 – budget \$52,583.00

P-10078 – Stage three ring-feed duct installation \$11,100.00 - \$46,000 budget

This will not complete stage 3 of the ring main project but will ensure the appropriate ducts are ready for the continuation of the project in the future.

An additional estimated \$3,000.00 will be required for the supply of the ducting from project P10078.

My recommendation is to proceed with both projects at the same time to gain efficiencies.

As only one price was received which is outside the Southland District Council procurement policy I need approval to proceed with the projects as mentioned above.

If you agree to proceed, could you please sign your acceptance of this below?

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



Yours faithfully

B. M. J. Gray

Brendan Gray
Project Manager

Acceptance:

A handwritten signature in black ink, appearing to read "M. Russell", written over a horizontal line.

Matt Russell
Group Manager Services and Assets

20/03/2020

Date

Proposed Road Stopping - 2 Main Road Stewart Island

Record No: R/21/2/7697
Author: Kevin McNaught, Manager Property Services
Approved by: Matt Russell, Group Manager Services and Assets

Decision Recommendation Information

Purpose

- 1 To consider a request from the owners of the property at 2 Main Road Stewart Island to stop a portion of legal road adjoining their property, upon which is located buildings that sit on both the freehold land and the legal road.

Executive Summary

- 2 The building situated at 2 Main Road Stewart Island that houses the Glowing Sky retail store, has for many years been located partly on the freehold land and the legal road. The same situation applies to a small portion of the garage further along Main Road.
- 3 The current owners of 2 Main Road, New Zealand Fish Limited, have requested that the portion of legal road upon which their two buildings are situated be stopped and sold to them as shown on the attached plan. Disposal would simplify further development on the buildings and site as they would all be located on the freehold land.
- 4 Given the urban location, a recommendation is being sought from the Community Board to commence the road stopping actions pursuant to the Local Government Act 1974

Recommendation

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled "Proposed Road Stopping - 2 Main Road Stewart Island"** dated 24 March 2021.
- 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) Recommends to the Southland District Council that the request from the owner of the property at 2 Main Road Stewart Island to commence the proposed road stopping process adjoining that property be approved.

Background

- 5 For many years it has been known that the building housing the current Glowing Sky retail outlet has been partially located on both the freehold land and on the Council owned legal road.
- 6 In 1991 the Stewart Island Community Board and Council gave approval to commence the road stopping requested by the landowner at the time. However, this process stopped in 1997 when the landowner refused to pay the land valuation.
- 7 Recently the attached request was received from the current owner of the adjoining freehold land to again stop the road, as shown on the attached plan.
- 8 The current landowner has agreed to pay the current value for the land as assessed by a registered valuer, along with the costs associated with the process. The existing footpath will remain as part of the road, and easements will be created for services as shown on the plan. As such, staff see no reasons as to why this request should not proceed to the public notification and objection process. For this to happen however this Board must first recommend to Council that this happens and Council must also agree to the proposal proceeding.

Issues

- 9 At this stage there are no issues identified with the proposed road stopping. It could be argued that more issues will be created if the buildings remain on the legal road as opposed to freehold to allow any upgrading, or dealing with liabilities if the buildings remain located on Council land.

Factors to Consider

Legal and Statutory Requirements

- 10 The proposal is to action the road stopping under the Local Government Act 1974. This includes a public notification and objection process.
- 11 The applicant has agreed to undertake the cadastral survey at their cost which is required prior to the notification process. If the road stopping is completed a requirement will be that the title gets amalgamated with the adjoining freehold land owned by the applicant.

Community Views

- 12 This report and the Public notification/objection process will determine the views of the community.

Costs and Funding

- 13 The applicant has agreed to pay for the cadastral survey costs as well the land value assessed by a registered valuer. Councils' costs will be covered by the sale price.

Policy Implications

- 14 None identified at this stage.

Analysis

Options Considered

- 15 The options are to recommend to Council to proceed or not.

Analysis of Options

Option 1 – Recommendation to proceed with road stopping

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Allows two occupation anomalies of buildings over boundaries to be rectified.• Reduces any Council liabilities of the buildings being situated on the Council land.• Makes any further upgrade of development of the buildings easier as they are situated on the landowner's freehold title.	<ul style="list-style-type: none">• None identified at this stage.

Option 2 – Recommendation not to proceed with road stopping

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• None identified at this stage.	<ul style="list-style-type: none">• Occupation will have to be addressed by licence to occupy agreements.• Council will have some form of ongoing liability with the buildings on its land.• Likely to slow or stop and further development or upgrade of the buildings or site.

Assessment of Significance

16 This proposal is not considered significant

Recommended Option

17 Option 1 that the Board recommends to Council that the road stopping process proceeds.

Next Steps

18 Report to Council.

Attachments

- A 17 December 2020 - request for Road Stopping 2 & 4 Main Rd Stewart Island [↓](#)
B Plan of proposed Road Stopping - 2 Main Road Stewart Island [↓](#)

NZ Fish Limited
2 Main Road Oban
Stewart Island

To: Southland District Council
Attn: Matt Russell/Kevin McNaught
Po Box 903
Invercargill 9840.
Email: matt.russell@southlanddc.govt.nz; kevin.mcnaught@southlanddc.govt.nz.

Proposed Road Stopping 2-4 Main Road, Oban Stewart Island.

Dear Matt/Kevin

The letter is a formal proposal from NZ Fish Limited to the Southland District Council to complete a previously started Road stopping notice at the above property.

NZ Fish has recently purchased the site at 2-4 Main Road Oban Stewart island and as part of the process discovered that the existing buildings were on council-controlled road reserve land.

We have already been in discussions with yourselves on the matter and verbal agreement has been reached on a proposal to complete the road stopping to legalise the buildings. These are the existing "Glowing sky building and the existing garage from which a Resource consent to operate a bike hire business from currently operates.

Also during the Due Diligence process it was identified that the glowing sky building was damaged from and still exposed to a rockfall hazard from the cliff behind the property. NZ Fish wishes to mitigate this risk and attempt to fix the building to a safe and structurally sound building.

As the building has no legal justification to be present on the road reserve, one option is that council orders the removal of the building. Given the buildings iconic Glowing sky connection and the issue seems one of some legacy, the forced removal of the building and the existing tenants seems rather onerous.

Currently there is no licence to occupy the land in favour of the building and discussions with yourselves has resulted in a road stopping notice as the best practical solution to satisfy the many legal incumbrances that are present with the property and building and attempting to mitigate the issues at hand.

Hence this proposal request to complete the previously started road stopping notice from 14 December 2020 as all parties have agreed this will provide the council and NZ Fish with the clear legal surety for both parties' benefit. The attached plan Titled Proposed Road Stopping Plan by Bonisch provides the proposed details and area being proposed.

The survey has also identified two points on the original area for stopping titled "SO 11769" on the plan that are slightly misaligned with the onsite physical markers previous proposed, which is the edge of the existing footpath, these two points are proposed to be adjusted to match the edge of the footpath for clean delineation. The change in these points by an estimated 1.0m and 2.0 m west is not expected to change the area of SO11769 as the moving will balance out based on the shape.

As part of this survey process it has also identified that the garage in place on the west of the site also encroaches in the road reserve boundary. Therefore we have proposed and your verbal and email correspondence has confirmed that this additional 14.67m² is to be included in the Road stopping notice.

NZ Fish Limited
2 Main Road Oban
Stewart Island

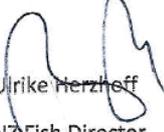
As part of the survey and as-building the existing services as-builts were included and the underground power was encroaching on the southernmost corner of the area. Therefore, an easement is proposed with a minimum distance of 1.5m either side of the alignment. This is shown as area A on the attached plan and is proposed to include all services not just power.

Valuations for the land to be stopped and purchased by NZ Fish have been supplied and both parties have agreed on the valuations estimate and wish to progress this proposal. The previous valuation was for the original area and the parties have agreed a pro rata value for the additional nominal 14 to 15m² for the garage. All areas will be confirmed by the final survey plan for final value determination. The final survey plan and specific details would be updated based on the agreements undertaken for inclusion in preparation of a new survey title.

In addition to the current agreements between SDC and NZ Fish both parties have considered the Stewart Island Community board as an entity that should be consulted over the proposal for transparency to the community and their comment. And this proposal is being tabled at the next community board meeting, so they are kept abreast of the proposal and the solution to rectify the historic issue and make safe the existing building and Rock fall hazard.

We trust this proposal summarise the agreements to date and forms a full proposal for Southland District Councils consideration and final approval for the road stopping to be progressed and finalised.

Yours sincerely



Ulrike Herzheff
NZ Fish Director

Attachment Road Stopping survey plan

SIESA Monthly Report from PowerNet - December 2020 and January 2021

Record No: R/21/2/7860

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 report for SIESA for the month of December 2020 and January 2021.

Recommendation

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled "SIESA Monthly Report from PowerNet - December 2020 and January 2021" dated 24 March 2021.**

Attachments

- A PowerNet SIESA Monthly Report - December 2020 - January 2021 [↓](#)

Summary Report – December 2020 / January 2021



PERFORMANCE

EFFECTIVENESS	Outages	Generator Forced Outages	report cycle	3
		Feeder Forced Outages	report cycle	0
	Outages	Consumer Outages	report cycle	0
		Planned Outages	report cycle	0
		Station Outages	report cycle	0
		Connections		
	Connections	New Connections	report cycle	0
		Reconnections	report cycle	0
	Complaints	Disconnections	report cycle	0
		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
	Team Health	Near Miss	report cycle	0
		Days Off (sick day)	report cycle	0
		Annual Leave	report cycle	16
	Training	Safety training	report cycle	0
		Health Checks	report cycle	0

With confirmation of a replacements genset for Unit 2 expected soon planning and full costing has begun for removal of the old Cat V8 set and installation of a new set. Indications are that with the mixed scrap price currently at \$350 per tonne that donating the old set to the local school would be better than paying the freight to pacific metals. Approval for this and the old cooling core from unit one to be offered to the school would be appreciated. Costings for installation of the new set are being established and once completed will be sent forward.



The electrical distribution and retail service for SIESA was generally good for December and January with high load at times and 3 outages.

Inspection and certification for the new fuel tanks is still planned for February as this is the first available date for the certifier, although there has not been a date confirmed yet.

The living of the three remaining bollard streetlights has been postponed until the new year when opening of the footpath and an outage is more acceptable with the local businesses. Corridor Access and traffic management plans have been sent for approval.

Vegetation growth has been high over the two months and has required some considerable hours to control during January. A chipper was borrowed to avoid the cartage and dumping of green waste.

The Ringaringa beach realignment project, earthing has been completed at the cable end poles, cable will be able to be terminated and the redundant poles removed as soon as cable jointers are available.

The ongoing cooling issues with Unit 4 have not been solved and will need to be addressed soon. The alterations to the call in point have been monitored and changed to allow for the warmer days.

The dehumidification concepts for the cabinet associated unit 5 still need to be addressed and because of this we have been avoiding the use of this genset as much as practicable. With high load and unit 5 being the largest of the sets it has been run significantly during January.

On the 21 of December there was a fault causing a voltage mismatch on the Horseshoe Bay feeder affecting the sewerage pump stations, Butterfields ABS was closed to balance the supply. (Fault 2) An operation sequence is to be written to allow this to be undertaken in the future.

On the 3rd of January there was a full outage due to a rapid increase in load (470kW), although sufficient generation was running as the second engine dropped out the load increased without time for the control system to respond.

On the 16th of January again a voltage imbalance required the closing of Butterfields ABS (fault 1)

On the 20th of January a fault was reported at 54 Leask Bay as a loss of supply this was proven to be internal and the consumer called their electrician.

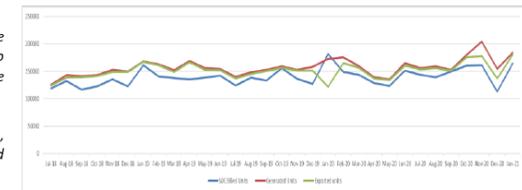
On the 26th of January there were two outages the first caused by a vegetation contact with low voltage conductors in Miro Street and the second at 9:00 pm when the engine drive belt for water pumps and auxiliary equipment failed and damaged a cooling water pipe. The engine stopped due to an engine over temperature alarm.

PROJECTS

Item	% Complete	Comments
P/O 123647 Meter Replacement	12%	No meters were replaced during December / January
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	All sets are in service

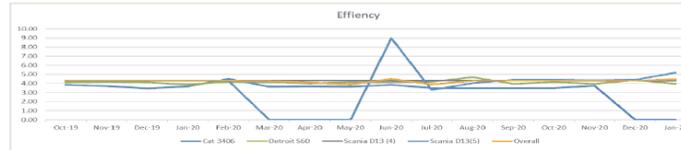
Outstanding New Connections

- 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/ McIntosh Peterson Hill, application made
- 5/Learmonth Horseshoe Bay Rd, with planning



ENGINE MAINTENANCE REPORT

	Make / Model	Hours	Hours this Month	Fuel this Month	Kilowatt hours	Last services	Oil Test results
Unit 1	CAT 3406	18459	1	20	0	29/4/20	"A"
Unit 2	CAT 3408	OUT OF SERVICE					
Unit 3	Detroit 60	22572	53	6140	24350	18/1/21 22563 Hrs	"A"
Unit 4	Scania D13	16210	641	24477	104835	9/1/21 16076 Hrs	"A"
Unit 5	Scania D13	11306	81	10570	54785	5/11/20 11078 Hrs	"A"



	Risk and Strategy Updates	Update
Identified Risks	Structures / Poles	The Hicks Rd pole at the Davis property is still under investigation. Three other red tag poles are yet to be planned
	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 Earths are in and tested, awaiting cable joints
Generation Equipment	Lines / Insulators	Strain insulator replacements continuing
	Generation Plant	Unit 1 is back in Service Unit 2 has been removed from service Unit 3 is in service Unit 4 is in service due for 12,000 hour service Unit 5 is in service / had a failure during January
	Control Systems	All Control systems are operational.
	Fuel systems / Plant	Tank replacement project has been completed with certification to be undertaken ASAP
	Buildings	The building is in good condition with some internal painting planned.



Horseshoe Bay vegetation in lines



Unit 2 ready for removal



Damaged belt and pipe from Unit 5 failure on 26/1/21

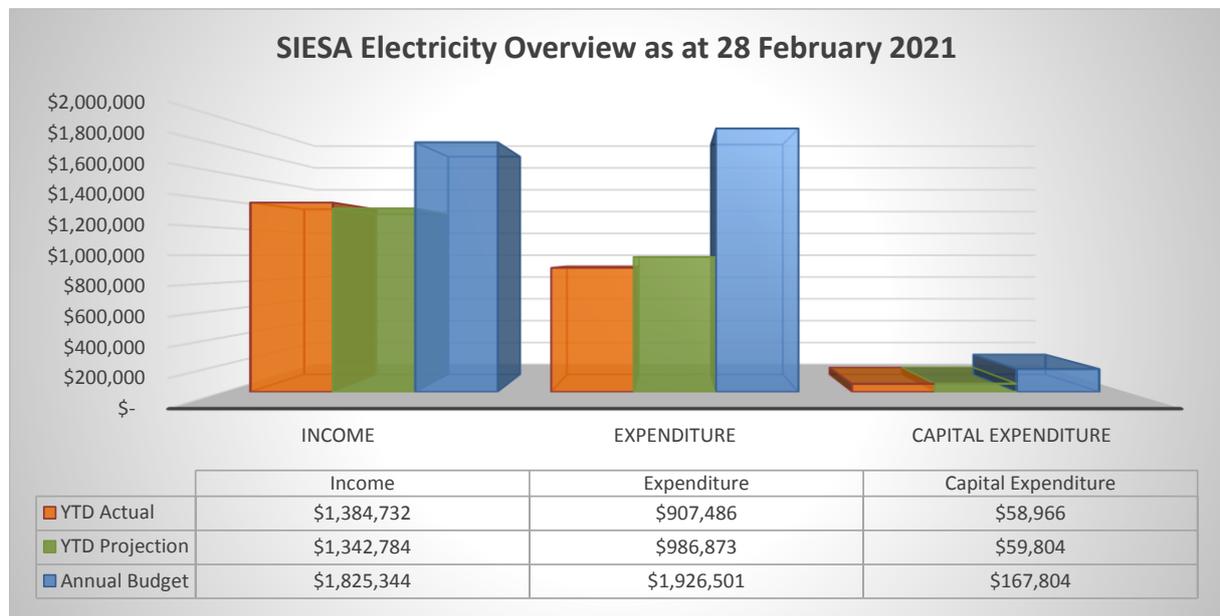
SIESA - Financial Report to 28 February 2021

Record No: R/21/3/11392
Author: Joanie Nel, Management Accountant
Approved by: Anne Robson, Chief Financial Officer

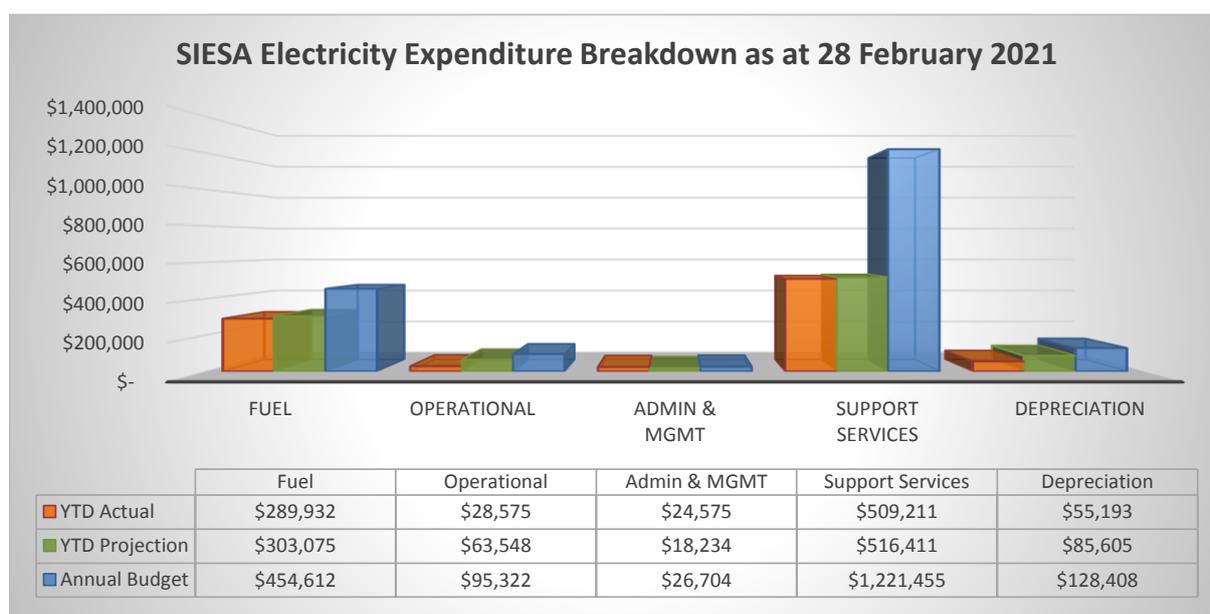
Decision Recommendation Information

SIESA electricity operations

- SIESA electricity generation net profit for the year to date is \$477,246 compared with a projected year to date profit of \$355,911. Key reasons for this variance are noted in the report below.

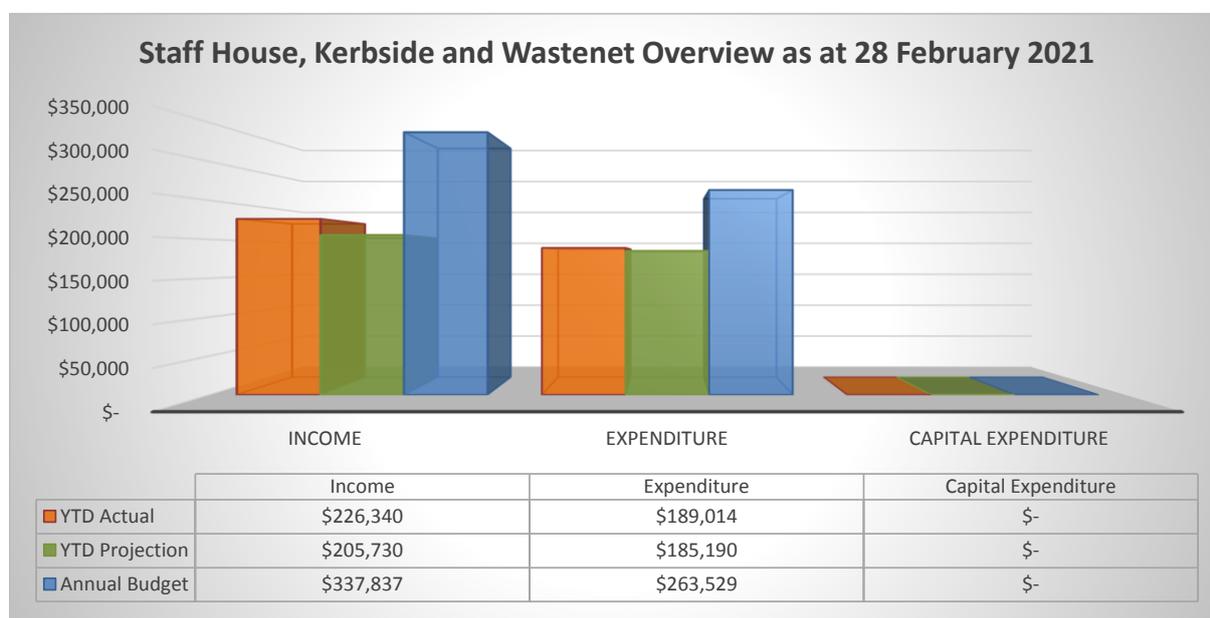


- Total income for the year to date is \$1,384,732 which is \$41,948 over projection. The key reasons are the increases in consumption of power (45,087 units, \$62,967) and increased connection fee income (\$8,500). These increases have been off-set by lower internal electricity income earned compared to projection (\$13,700), lower grant income to projection (\$5,000) and lower interest earned on the bank term deposit of \$11,298.
- Currently staff are reconciling the funds received from MBIE for the wind farm project with the costs incurred to date. At the conclusion of this reconciliation, any excess monies will be returned to MBIE.

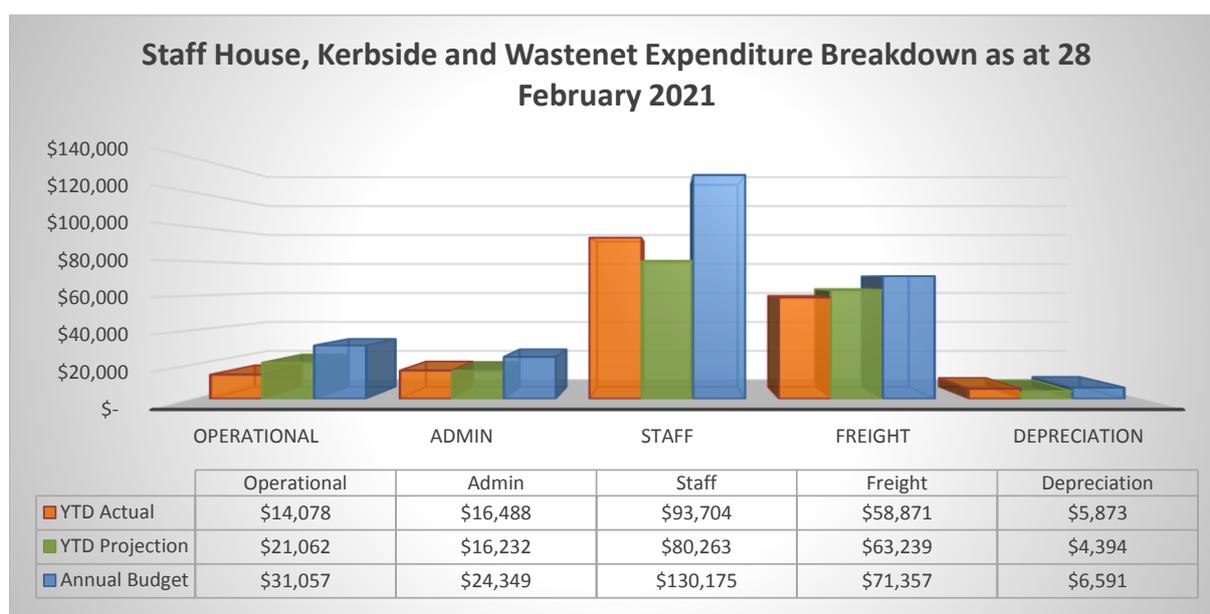


- 4 Total operating expenditure for the year to date is \$907,486, \$79,386 under budget due to the following:
- support services costs were under projection due to the contract re-negotiation for management fees (\$7,200).
 - administration and management costs are over projection (\$6,304) due to higher material damage insurance costs compared to projection (as well as consultants' costs for work done on the resource consent for the wind power project (funded by a grant from MBIE).
 - operational costs are \$34,973 under projection due to less maintenance being required than has been budgeted for, during the financial year.
 - fuel costs are \$13,143 under projection. Overall fuel prices have decreased during the year. In February 2020 the diesel price was 101c per litre versus 89c per litre in February 2021.
 - depreciation costs are \$30,412 under projection as a result of less capital work being completed in prior years that the budgeted depreciation charge has been based on.
- 5 Capital expenditure for the year to date is on par with projection at \$58,966. The costs incurred during the year relate to the remainder of the work done on the replacement of the fuel tanks (\$23,621) the low conductors replaced at Lee Bay Road (\$4,338) and the Power cable at Ringa Ringa Road (\$20,000). There is also a cost of \$11,000 included in the GL which was for a part purchase order for the Horseshoe Bay Road project on Stewart Island and coded to SIESA as part of the installation of the ducting as per the "stage 3 ring-feed project". During the February 2020 round of forecasting, all budgets for the remainder of the SIESA projects were cancelled due to the age of the programme as the budgets had been developed a number of years back. There is a separate report to the Stewart Island community Board requesting retrospective unbudgeted expenditure of \$15,991 for the work done in relation to the telecommunication and electricity beneath the Horseshoe bay walking track to be funded from the SIESA reserves as the work has already been done as part of the construction of the footpath.

Staff house, kerbside and Wastenet operations



- 6 SIESA staff house, kerbside and Wastenet operations net profit for the year to date is \$37,326, compared to a projected net profit of \$20,540.
- 7 Overall income for the year to date is \$20,610 above projection. The waste recovery centre being over projection due to the phasing of the budgeted income for internal waste/kerbside income, the phasing of which has been corrected for the remainder of the financial year going forward.



- 8 Overall expenditure for the year to date is \$189,014 (\$3,824 above projection). Freight costs and operational costs are below projection with lower plant maintenance and vehicle costs, this is offset by increased staff costs.

Recommendation

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled “SIESA - Financial Report to 28 February 2021” dated 17 March 2021.**

Attachments

There are no attachments for this report.