

Quarterly Review – Capacity (Wellington Water Management Limited)

Capacity has presented its report for the quarter ended 31 December 2004 for review. A summary of key findings is presented below and the full report is attached.

Highlights: achievements

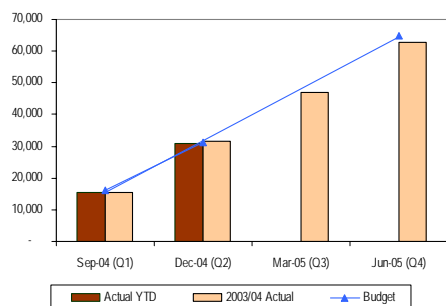
- The underground sewerage tank beneath the Michael Fowler car park was completed.
- Work on the main trunk sewer at Island Bay was completed.
- Stormwater monitoring was performed at 80 sites across the city and the summer beach sampling programme was planned.
- Three water mains contracts were completed and another five are in progress.

Activities during the quarter

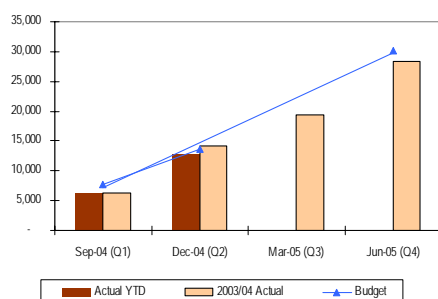
- Final amendments were made to the bulk water agreement between GWRC and WCC.
- Three asset management plans for Wellington City's water, wastewater and stormwater assets were completed and WCC commissioned an independent review of these. Some issues were noted where improvement could be made in the plans to meet the requirements of the Local Government Act 2002. Capacity will work with WCC to prioritise and implement these improvements.
- The Service Level Agreement between WCC, Hutt City Council and Capacity was executed on 15 December 2004.

Performance

Total Operating Expenditure (\$'000)
(cumulative)



Total Capital Expenditure (\$'000)
(cumulative)



Macro Key Performance Indicators

The following KPI's have been reported by the company

Measure	Annual Target	Quarter Target	Quarter Actual
# times bulk water substandard	Nil	Nil	Nil
Water quality complies NZ std	100%	100%	100%
% water complaints fixed in 6 hrs	n/a	n/a	100%
% days contaminant free sample	100%	100%	98.5%
\$4.175m savings	n/a	n/a	n/a

The SLA requires a savings model to be developed by 31 March 2005. This will define the \$4.175m savings targets over the five years.

No targets have been agreed for water complaints.

Financial Commentary

- There are no issues to note this quarter.

Note that individual project expenditure is reported within the shareholding councils. The performance charts list the aggregate project expenditure being managed on behalf of the Council.

Note also that a cash flow statement has not been provided to date, but will be in future reports.

Statement of Financial Performance

For the quarter ended 31 December 2004

\$'000	Q2 Actual	Q2 Budget	YTD Actual	YTD Budget	FY Budget
Income	1,204	1,229	2,292	2,390	4,887
Expenditure	1,204	1,229	2,292	2,390	4,887
Operating surplus	-	-	-	-	-

Operating margin

Statement of Financial Position

As at 31 December 2004

\$'000	YTD Actual	2003/04 Actual	FY Budget
Current assets	1,019	1,712	
Non-current assets	64	51	
Current liabilities	483	1,157	n/a
Non-current liabilities	14	20	
Equity	586	586	
Current ratio	1.7:1	1.5:1	
Equity ratio	41%	33%	

Statement of Cash Flows

For the quarter ended 31 December 2004

\$'000	YTD Actual	2003/04 Actual	FY Budget
Operating	(186)	(274)	
Investing	(13)	(19)	n/a
Financing	(6)	597	
Net	(205)	304	
Closing balance	99	304	

Note: FY Budgets are as approved in the Business Plan.

Contact officer:

Wayne Maxwell

Profile - Capacity (Wellington Water Management Limited)

Capacity (Wellington Water Management Ltd) is a council controlled trading organisation established in April 2004. Its primary role is to manage the water, wastewater and stormwater assets of its shareholding councils. Shareholders in 2004 are Hutt City Council and Wellington City Council.



In addition to the long term management of these assets Capacity was established with the objective and ability to pursue the development of related opportunities with other local authorities and organisations.

Entity Data

Established	5 th April 2004	
Board	Bryan Jackson (Chair) Keith Sutton Cr Alick Shaw (WCC) Cr Bryan Pepperell (WCC) Cr John Austad (HCC) Cr Ray Wallace (HCC)	<i>Term expires:</i> 30 Nov 06 30 Nov 06 31 Dec 07 * 31 Dec 07 * 31 Dec 04 31 Dec 04
CEO	David Hill	
Balance date	30 June	
Number of FTE staff	47.81	
Website	n/a	
Type of entity	Company	
LGA designation	CCTO	
By reason of	Board control: all trustees appointed by shareholding Councils	
Council interest	\$375,000 (book value)	
Type of interest	62.5% Shareholding	