

Report 04.49

9 February 2004

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Report of the Meeting of the Utility Services Committee held in the Wellington Regional Council Chamber, The Regional Council Centre, 142 Wakefield Street, Wellington on Monday, 9 February 2004 at 9.30am

Matters for Council decision are shown in bold type and enclosed in a box
Matters for information of Council are in italic type

Present

Councillors Werry (Chairperson), Aitken, Laidlaw, Long, McDavitt, Shields and Thomas

Officers Present

Messrs Benham, Darroch, Kennedy, Laidlow, Leonard, Morrison, Nugent and Sells

Public Business

Procedural Items

US 117 **Apologies**

Resolved

(Cr Laidlaw/Cr Aitken)

That the apology from Councillor Kirton be confirmed.

US 118 **Public Participation**

There were no members of the public who wished to participate in the meeting.

US 119 **Confirmation of Minutes**

Resolved

(Cr Laidlaw/Cr Aitken)

That the public and public excluded minutes of the meeting of 25 November 2003, Report 03.740 and Report PE 04.4, be confirmed, the public excluded to remain confidential.

Matter for Recommendation

US 120 **Wholesale Water Capital Works Programme 2003-2004: Half Year Review**

Report 04.43

File: B/25/01/02

This report is to be considered at the Policy, Finance and Strategy Committee.

Matter for Information

US 121 **Divisional Report**

Report 04.32

File: O/02/01/10

Resolved

(Cr Aitken/Cr Werry)

That the report be received and the information noted.

US 122 **Questions**

Debt Repayment and the Insurance Fund

Councillor Werry said that during last year's visit to the four cities, some Councils had suggested that the *self insurance fund* could be *invested* into debt redemption. The supporting argument for this was that the deposit earnings from the fund were less than the interest that would be saved by reducing debt.

Mr Benham said that this had been discussed at a recent Treasury Management Group meeting. It was noted that the gap between interest earned by the fund and the interest saved by redeeming debt had been narrowed by increases in the deposit rate. Also, penalty interest would apply on debt which was repaid earlier than scheduled and this needed to be taken into account. Mr Benham also said that the Council had taken steps to restructure our derivative portfolio, which has effectively moved the return on the fund from 5.3% to 6.6%.

Councillor Werry noted that the point of the fund was to ensure that funds were immediately available in the event of a major disaster. It was suggested this matter be further discussed during the business plan workshops.

Emergency Management of Water Supply

Mr Morrison said there were no easy answers to ensure the continuation of water supplies in the region if a major earthquake occurred. Initially water will be stored in the main reservoirs of the Territorial Authorities by the operation of auto shut-off valves and these should supply limited volumes of water while repairs are taking place.

Mr Morrison also said portable drinking water plants were not presently under consideration.

US 123 General

There were no matters of general business.

The meeting closed at 10.40am.

CR R J WERRY
Chairperson

Date:

Wellington Regional Council – 9 March 2004

To be moved:

That the report of the meeting of the Utility Services Committee held on 9 February 2004, Items US 117 to US 119 and US 121 to US 123, be adopted.
