

# STAFF REPORT

**TO:** Chairman and Members, Engineering Services Committee  
**FROM:** Jeff Cuthbertson, Utilities Asset Manager  
**DATE:** 23 March 2009  
**SUBJECT:** **STORMWATER AND WATER CAPITAL BUDGETS**

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## 1 PURPOSE

The purpose of this report is to seek approval from the Engineering Services Committee to reallocate approved capital expenditure within the Stormwater and Water budgets.

## 2 COMMENT

Council has had two stormwater projects that may exceed their approved budgets and a large unbudgeted expenditure for stormwater works in Gladstone Road, Richmond.

Council also has two unbudgeted water main replacements.

The intention is to reallocate previously approved capital expenditure to undertake the above works and not to raise additional loans or put the individual closed accounts in deficit for the current financial year.

## 3 BACKGROUND

### 3.1 Stormwater Projects

- **Upper Gibbs Road stormwater improvements, Collingwood**

Council has an approved stormwater capital budget of \$100,395 to undertake the above improvement works. Since investigating the problem, an additional issue has become apparent with the need to resolve the stormwater discharge off Swiftsure Street in conjunction with Upper Gibbs Road.

This stormwater issue has also had a lot of attention from the affected residents and has been reported to the Golden Bay Community Board on several occasions. The estimated cost to undertake the revised improvement works is \$300,000.

- **Kingsley Place stormwater improvements, Richmond**

Council has an approved stormwater capital budget of \$250,034 to undertake the stormwater improvement works. When the work was originally scoped and budgeted, the work was deemed to be relatively straightforward. Since the detailed design, the limitations within the area and the route of the pipe has meant that a number of obstacles and limited work space has resulted in the contractor incurring higher risk which has resulted in a higher tender price. In order to achieve the required grades and hydraulic capacity, the

extent of work required has also increased due to conflicts with existing. It is estimated that the total cost of the project will now be \$370,000.

- **Gladstone Road stormwater improvements**

My separate report to this meeting outlines the issues that have resulted in Council needing to part-fund the stormwater associated with the NZTA State Highway 6 project. It is estimated that Council's share of this work will be \$400,000.

### 3.2 Water Main Projects

- **Gladstone Road Water Main Improvements**

A separate report to this meeting outlines the issues relating to the need to relocate the 350mm diameter water main at the Gladstone Road/Queen Street intersection as it has been constructed within the stormwater conduit.

The cost of undertaking the capital works is \$180,000.

- **Talbot Street/Salisbury Road Intersection**

It is proposed as part of the upgrading of the intersection at Talbot Street and Salisbury Road to also replace the existing 100mm diameter asbestos water main with a new 150mm diameter main. It should be noted that this main has been scheduled for replacement in Years 2 and 3 of the Draft LTCCP. It was thought prudent to bring this section under the intersection improvements forward so as not to re-excavate the new seal.

The cost of undertaking the capital works is \$120,000.

## 4 FUNDING

Summary of funding required:

<b>Stormwater</b>	<b>Approved budget</b>	<b>Estimated cost</b>	<b>Shortfall to be funded</b>
Upper Gibbs Road	\$100,395	\$300,000	\$199,605
Kingsley Place	\$250,034	\$370,000	\$119,966
Gladstone Road	-	\$400,000	\$400,000
<b>Total shortfall requiring funding in the stormwater account</b>			<b>\$719,571</b>

<b>Water Main</b>	<b>Approved budget</b>	<b>Estimated cost</b>	<b>Shortfall to be funded</b>
Gladstone Road	-	\$180,000	\$180,000
Talbot Street	-	\$120,000	\$120,000
<b>Total shortfall requiring funding in the water account</b>			<b>\$300,000</b>

### 4.1 Proposed Budget Reallocations

- **Stormwater**

I refer to the report presented to the 27 November 2008 Engineering Services Committee whereby a budget change to bring forward the funding of the Park Drive and Salisbury Road stormwater improvements was requested. The funding source is loan-funded and amounted to \$1.46 million

I request that Council consider using this funding to source the stormwater project as indicated above.

A further report will be presented to the May 2009 Engineering Services Committee to review the scope of the works proposed in Park Drive and Salisbury Road.

- **Water**

Council has three projects nearing completion that have not expended their full capital budget:

<b>Project</b>	<b>Estimated budget unspent</b>
New reservoir investigations – Richmond	\$160,000
Richmond West preliminary design	\$100,000
Improvement works at Murchison	\$40,000
<b>Total</b>	<b>\$300,000</b>

I request that this funding be transferred to the unbudgeted water capital projects.

## **5 RECOMMENDATION**

**5.1 THAT the Engineering Services Committee approves the reallocation of funding within the stormwater account so that the works associated with Gladstone Road, Kingsley Place and Upper Gibbs Road can be undertaken in the 2008/2009 financial year.**

**5.2 THAT the Engineering Services Committee approves the reallocation of funding within the water account so that the works associated with Gladstone Road and Talbot Street can be undertaken in the 2008/2009 financial year.**

Jeff Cuthbertson  
**Utilities Asset Manager**