



## **Christchurch City Council**

# **PARKS AND RECREATION COMMITTEE AGENDA**

## **SPECIAL MEETING**

**TUESDAY 8 DECEMBER 1998**

**AT 12.30 PM**

**IN THE NO 3 COMMITTEE ROOM, CIVIC OFFICES**

**Committee:** Councillor Graham Condon (Chairman), The Mayor, Mr Garry Moore, Councillors Carole Anderton, Paddy Austin, Erin Baker, Sally Buck, David Buist, Barry Corbett, Ishwar Ganda, Pat Harrow and Gail Sheriff.

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- Note:**
1. Councillors are requested to bring the Waterways, Wetlands and Drainage Utilities Asset Management Plan with them to the meeting. The plan was circulated with the agenda for the Committee's November meeting.
  2. A light lunch will be available at 12.30 pm.

## 1. APOLOGIES

## 2. WATERWAYS, WETLANDS AND DRAINAGE UTILITIES ASSET MANAGEMENT PLAN

RR 8829

<b>Officer responsible</b> Water Services Manager	<b>Author</b> Ken Couling
Corporate Plan Output: Waterways and Wetlands (Vol 3, Ch 9.3)	

The purpose of this report is to seek Council approval for the adoption of an asset management plan for the “built”, or “utility” components of Christchurch’s waterways, wetlands and drainage system.

### INTRODUCTION

Christchurch’s waterways, wetlands and drainage system is an important part of the city’s infrastructure. It is made up of “natural” assets such as rivers, streams, hill waterways and wetlands; and “built” infrastructural assets such as stormwater pipes, utility waterways, drainage structures and pumping stations.

In August or September 1999 the Committee will be presented with an asset management strategy for the natural component of the waterways and wetlands of Christchurch. An asset management strategy for the “built” component of the drainage system is the subject of this agenda item and the “Waterways, Wetlands and Drainage Utilities Asset Management Plan” report was separately circulated to the Committee with the agenda for the Committee’s 30 November 1998 meeting.

### BACKGROUND

Through the Local Government Amendment Act (No 3) 1996 local authorities are required to prepare and adopt long-term (10 year plus) financial strategies for their infrastructural assets. Asset management plans provide an ideal framework for technical, economic and financial inputs relating to infrastructural assets and their impact on long-term financial strategies. Although the Christchurch City Council has already provided a 10 year budget of capital expenditure including expenditure on infrastructural assets for several years, its commitment to supporting this expenditure programme with asset management plans for each type of infrastructural asset is more recent, dating from 1996.

The objective of asset management plans (AMPs) is to ensure that the most cost-effective long-term asset management options reflecting agreed levels of service (LOS) are adopted, the cost of deferred maintenance is quantified and that improved accountability and understanding of current performance occurs through effective performance monitoring.

The traditional infrastructural asset management approach based on quantifying the asset, assessing its condition, defining an acceptable level of service and developing a programme which maintained the asset at the LOS in perpetuity was used to develop the AMP.

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**RESULTS OF ASSET MANAGEMENT PLANNING TO DATE**

The utilities assets are quantified in Table 1 below:

**Table 1: Utilities Assets**

Stormwater pipes	504 km
Subsoil drains	unknown
Utility waterways	130 km
Retention and soakage basins	6
Stopbanks	14.5 km
Tidal control structure	1
Pumping stations	23

The replacement value of these assets is estimated to be \$430 million and the current valuation is estimated to be \$213 million.

The existing LOS was adopted for drainage utilities by the City Council following the “trade-off” workshops and “Your City, Your Choice” submissions.

The AMP document before the Committee identifies a 20-year maintenance and capital expenditure programme which will continue to deliver the existing LOS over the period. Annual maintenance expenditure is expected to rise gradually from \$1,765,000 in 1999/2000 to \$2,271,100 at the end of the period. Projected city growth accounts for almost all of this increase.

Annual capital expenditure of approximately \$3 million over each of the next 20 years is expected to be required to maintain the existing LOS.

A review of the AMP will be carried out within three years in accordance with audit recommendations.

**DISCUSSION**

The annual capital expenditure requirement of approximately \$3 million indicated by the AMP exceeds the existing 10 year capital expenditure budget. The two budgets are compared in Table 2 below (1999/00 is year 1).

Year	1	2	3	4	5	6	7	8	9	10
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
AMP Budget	2,950	3,048	3,096	3,096	3,096	3,036	3,076	3,069	3,026	3,036
Profit 1990/00 Budget	1,476	1,603	2,813	2,591	2,311	1,798	1,925	2,035	2,545	3,036
Budget Shortfall	1,474	1,445	283	505	785	1,238	1,151	1,034	481	0

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An additional annual provision ranging from \$283,000 in year 3 (2002/03) to \$1,474,000 in 1999/00 is required to maintain LOS. The Water Services Unit has included a "bid" for the additional \$1,474,000 for 1999/00 in the "pink pages" of the draft annual plan and budget.

The fundamental reason for the difference between AMP capital funding requirements and existing provisions is that the current budget originally prepared in 1994 is inadequate. It was based on a works programme for the median city growth scenario at the time. Figures have been increased each year in accordance with the official cost escalation guidelines only, but the works programme has not been reviewed until now. The 1998/99 budget is \$2,486,000 which supports the present level of activity. The draft 1999/00 budget of \$1,476,000 based on 1994 planning represents a big drop in the level of activity.

In the event, city growth has exceeded median predictions and has impacted on the need for stormwater capacity improvements and waterway rehabilitation. The waterways improvements draft budget has been increased from next year to reflect this need and strong feedback from the LOS focus groups about open drains. Both residents and elected members were in agreement that open drains through residential lots were very undesirable. They needed to be improved by "naturalisation" or piping.

This AMP provides for naturalisation or piping for over three quarters of the open drains through residential areas over the next 45 years. Some of the remainder will be piped as part of private development while a few concrete-lined waterways in good condition will remain as they are.

A waterway condition survey has just been completed. Although the survey indicated that the remaining life of waterway lining is generally as previously expected, a boost to the relining programme is needed between year 3 to 10 to replace specific reaches in rapidly deteriorating condition.

### **FUTURE CAPITAL EXPENDITURE OPTIONS**

The broad options available for the future capital expenditure programme are to:

- (a) Permanently reduce the present level of activity and LOS so that expenditure is significantly reduced to match the current 10 year budget.
- (b) Delay some but not all of the projects identified in the "pink pages" of the draft 1999/00 budget and increase the annual allocation in 3 steps up to approximately \$3.1m in year 3.
- (c) Increase the annual level of activity and expenditure above present levels by approximately 20% from 1999/00 to maintain the existing LOS.

To implement the first option programmes such as the "naturalisation" and piping of open drains through residential areas and pipeline improvements to reduce ponding on streets would have to be reduced drastically.

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The second option needs to be considered project by project. For example, funds requested for the Disraeli Street pipeline, Corsers Stream culvert and Mannings Drain culvert projects represent Water Services share of City Streets priority projects. City Streets Unit would have to meet full project cost if no funds are available from the Water Services budget.

Other projects such as Avon River stopbank along Hulverstone Drive, Kruses Drain flood relief and timbered waterway relining could be delayed if the risk of house flooding and waterway collapse is acceptable in the meantime.

The difficulty with the third option is how to fund the budget shortfall of \$1,474,000 and \$1,445,000 in 1999/00 and 2000/01 respectively.

The second option is the most appealing because it represents a long-term commitment to the present LOS and is compatible with the annual plan and budget process. The annual budget round for financial years 1999/00 and 2000/01 can provide the mechanism for project by project assessment against other Council funding priorities.

**Recommendation:** It is suggested that the Committee:

1. Adopt the Waterways, Wetlands and Drainage Utilities Asset Management Plan in principle.
2. Recommend to the Annual Plan Working Party that:
  - (i) A long-term commitment be made to maintain the present level-of-service by:
    - (a) Budgeting for a gradual increase in maintenance expenditure over each of the next 20 years from \$1,765,000 in 1999/2000 to \$2,271,000 at the end of the period.
    - (b) Budgeting for capital expenditure of approximately \$3 million per year from year 3.
  - (ii) A stepped increase be provided in the capital expenditure budget for waterways, wetlands and drainage utilities over the next three years. The increase will be subject to project by project assessment though the 1999/2000 and 2000/01 budget rounds.

**Chairman's Recommendation:** For discussion.