

13. WATER SUPPLY ASSET MANAGEMENT PLAN 2002

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The purpose of this report is to gain approval for the revised Watersupply Asset Management Plan.

BACKGROUND

A summary of the Watersupply Asset Management Plan 2002 was presented to a Sustainable Transport and Utilities Committee workshop on 18 April 2002. The Plan (attached) demonstrates that:

- City growth (Statistics NZ medium growth projections) can be accommodated until 2021 without significantly increasing the overall water take
- Current levels of service are appropriate and cost effective
- The 10-year Capital Works Programme can be reduced by a total of \$17.5 million compared to the 2002/03 draft Budget
- Reduction of \$500,000 per year can be made in direct operating costs compared to 1998 Asset Management Plan
- All asset management practice areas showed an improvement compared to 2001 benchmarking and a target of approaching industry best practice by 2005 is achievable.

It is not expected that new water sources outside Christchurch will be required for at least 15 years. The plan allows for the development of a new wellfield in Selwyn District in the 15 to 20 year period. This scenario will be investigated further once the proposed Water Chapter of Environment Canterbury's Natural Resources Regional Plan is released (due in 2003).

An outcome of the plan is that water rates are not expected to increase above the rate of inflation compared to the 2001/02, year for at least 15 years.

TRIPLE BOTTOM LINE AUDIT

	Condition	Meets Condition	How it Helps Meet Condition
The Natural Step			
N1	Reduce non-renewable resource use	✓	Reduction in pipe renewals
N2	Eliminate emission of harmful substances	-	
N3	Protect and restore biodiversity and ecosystems	-	
N4	People needs met fairly and efficiently	✓	Considered through level of service review
The People Step			
P1	Basic needs met	✓	Through level of service review
P2	Full potential developed	-	
P3	Social capital enhanced	-	
P4	Culture and identity protected	-	
P5	Governance and participatory democracy strengthened	✓	Summary document allows informed decision making
The Economic Step			
E1	Effective and efficient use of all resources	✓	Purpose of plan
E2	Job rich local economy	-	
E3	Financial sustainability	✓✓	20 year projections shown
✓✓	Significant positive impact (Project aiming to have positive impact in area)	- Neutral	x Negative impact
✓	Positive impact		xx Significant negative impact (project aiming opposite direction to condition)
Some initiatives could have a tick and a cross in the rating box and would then need an explanation of each in the comments box.			

- Recommendation:**
1. That the Watersupply Asset Management Plan 2002 as reported in the summary document dated May 2002 be adopted.
 2. That the watersupply capital works and long term operating projections be adjusted in conjunction with the Financial Services Unit, to reflect the Watersupply Asset Management Plan 2002.

Chairman's

Recommendation: That the above recommendation be adopted.