



**KAPITICOAST**  
D-I-S-T-R-I-C-T C-O-U-N-C-I-L

7.4.13  
GM01-011

The Mayor and Councillors  
**KAPITI COAST DISTRICT COUNCIL**

## **SUPPLEMENTARY WATER SUPPLY**

### **REASON FOR THE REPORT**

- 1.1. To examine the potential impact that the recommendation of the Special **Infrastructural** Services Committee of 8 May 2001 would have on Council's application for resource consent to take water **from** bores adjacent to the **Otaki** River.

### **BACKGROUND**

- 2.1. **has** known since August 1996 that the amount of water it could extract from the **Waikanae** River would be significantly reduced **from** January 2003. As a consequence it has spent significant time, money and effort **on** a supplementary source of water for the **Waikanae, Paraparaumu, Raumati** communities. Such a supply will be **used** to supplement the supply extracted **from** the **Waikanae** River, in times of low flow in that river.
- 2.2. Council resolved on 23 November 2000 to lodge application for resource consents for this supply. Some 149 submissions on this proposal have been received and a **pre-hearing** meeting was **conducted** by the Wellington Regional Council on 22 May 2001. **The hearing** is scheduled for 11 – 15 June 2001.
- 2.3. A special meeting of the **Infrastructural** Services Committee was held on 8 May 2001 **in** order to consider material requested **from** Wellington Regional Council regarding the purchase of water **from** the Regional Supply. **The** timing was such that **staff** were only able to attach a very brief covering report to that meeting.
- 2.4. The Committee, after debate, passed the following recommendation to be considered by Council on 31 May 2001.  
  
*“That in the interests of a bulk water supply for the Kapiti Coast, that the Wellington Regional Council be formally asked to provide accurate **costings** for the Kapiti Coast District Council, to get access to the Wellington Regional Council bulk water system and possible time that this could be achieved, including possible means of **financing** such a project.”*
- 2.5. The recommendation, it should be noted, refers to the provision of bulk water rather than a supplementary supply. It is not entirely clear what this means.
- 2.6. This is the 'first opportunity for a staff analysis of the proposal to be presented to Council.

## CONSIDERATIONS

### 3.1. Issues and Options

While the recommendation could be considered as a prudent and quite innocuous exploration of another possibility, the timing so close to the hearing does cause some potential **difficulties** that are outlined below.

It is clear that the issue will be raised by objectors at the hearing. This will take place before information being sought from the Regional Council can be assessed **by** Council.

If the Council is exploring the possibility of moving out of the provision of bulk water altogether, which might be inferred from the recommendation, we are then dealing with a major policy decision. **That** would impact upon the continued use of our existing three treatment plants, possible extension of the Regional Water Board area and other significant matters. Early resolution of this matter would be impossible given the size of these issues and the fact that different **governance** options for bulk water are being considered by the authorities **currently being** supplied.

#### **Permanent vs. Supplementary Supply**

All the **work** carried out by Council to **date on** this project has been on the basis that the new water source is a supplementary supply. That is, it will only be used when there is insufficient water available **from the Waikanae River** to meet demand. The **Waikanae River** has always been the permanent water source for Paraparaumu, **Raumati and Waikanae**.

However, it has always been made clear in the planning that a small permanent water take (<10%) for future water supplies for communities along the **pipeline** route (**Te Horo** etc.) is allowed for in **the** total quantity calculations. This permanent take has not been applied for **in** the current consent application as it will be some years before it is required.

It is therefore surprising to hear the proposal being **described** as a permanent supply. Such a description undermines Council's credibility. There has been a strong claim from opponents of the project that once the pipeline is in place, Council will take more and more water on a permanent basis from the **Otaki River**. Considerable efforts have been made to refute this claim as it simply has no logical **basis**. There is no reason to incur extra expense in piping water 16 km when there is **sufficient** water **in the Waikanae River**.

At a workshop in April 2000 the Project Manager clearly set out definitions of **Alternative**, Supplementary and Permanent supplies. so as to ensure that the basis for the project was clearly understood. All resolutions of Council clearly refer to the-requirement for a supplementary supply.

## Consideration of Alternatives

The proposal to connect to the Wellington Regional Council bulk supply network is nothing new. It was looked at in 1991 and in 1994. It was discounted as an option on grounds of cost at those times and has not been considered further since then.

The possibility of piping water from **Te Marua Lakes/Kaitoke** has been suggested in submissions. Having been raised, this matter will need to be addressed in Council's evidence to the hearing committee. Since it amounts to a **connection** to the Wellington Regional Council network, the **most** cost effective method of providing such a connection would have to be considered - most likely a connection up the State Highway from **Pukerua Bay** (rather than a new pipe across the **Akatarawas**). These options were **earlier** discounted on grounds of cost.

Legally, Council has no obligation to consider every possible **alternative**, and because the previous **findings** had clearly 'discounted this option no **mention** of it was made **in** the Assessment of **Environmental** Effects.

The legal obligation to consider **alternatives** extends to proposals that are viewed to have significant cultural or environmental **effects**, **which** it may be desirable to avoid if possible. In these cases it is for the applicant to identify what **alternatives** were considered in the process of deciding on the proposed project and to give reasons why the **particular** choice was **made**. There is no obligation to select the best **alternative** (as 'best' is a very subjective choice).

## Completion of the Assessment of Alternatives Process

Legally **there is no** obligation nor -is it practical to have worked through every possible alternative, but just to have given consideration to reasonable **alternatives**. It would, however, be a reasonable expectation of the consent authority that the -applicant had completed the assessment of the options it considered **as reasonable alternatives** prior to making an application for consents. If **in** 'considering the application, the consent authority takes the view that the proposal does have significant effects which it is desirable to avoid and it is aware that the applicant is considering another option then it is most likely to want to hear details on this before making a decision.

## Impact upon the Consent Hearing

The **Infrastructural Services** Committee is asking Council to get more **information on** the option to **connect** to the Wellington Regional Council network. This work would be being done over the time the hearing for the **Otaki Pipeline** application is scheduled (11 to 15 June). In the cold light of the law, if the hearing were to proceed then the consent authority would have to consider the application in front of them, and the effects of it. The fact that another **alternative** was in the process of being considered would not be strictly relevant. However; in the view of staff, if Council **adopts** the Committee's recommendations, Council cannot credibly appear at the consent hearing and adequately give reasons for the choice of the Otaki Pipeline project over

**alternatives** whilst it is awaiting further information on an option that it considers a possible **alternative**. If the consent authority, **after representation** from a submitter, considered that the matter may have a bearing on the outcome of the application it may adjourn the hearing and request **further** information.

If Council adopts the recommendations of the **Infrastructural Services Committee** then it should request that the hearing on the **Otaki Pipeline** be deferred until after the **information** has been made available and considered by Council. **However**, such a delay would mean that it would -be extremely difficult for Council to have the supplementary supply in place before the consent deadline on 1 January 2003, **and** thus there is a serious risk that the resource consent permitting the water take from the **Waikanae River** may be breached. If this were- to happen Council may face prosecution by the Wellington Regional Council.

### **Options Proposed by Wellington Regional Council**

The options of providing either 6 or 8 **Mega** Litres per day would- not meet Council's requirements for a supplementary supply. At least **12 Mega** Litres per day would be needed to service today's population under tight water restrictions when no water was available **from** the **Waikanae River**.

The only fair comparison that can be made is that Option 3 which provides up to **35 Mega** Litres per day because that is what the **Otaki Pipeline** will provide.

### **3.2 -Financial Considerations.**

If **alternatively**, a supplementary supply **is** being sought **from the** Wellington Regional Council, cost comparisons, like with like, can readily be made.

Currently the Wellington Regional Council equalises the cost of supplying water. to its constituent authorities. There is no guarantee that this would occur **for** an extension to **Kapiti**.

On present rates, our metered supply costs **50cents** to **70cents** per cubic metre. An initial engineering assessment of the cost to a **ratepayer** of water obtained from the Wellington Regional is of the order of **\$1.50** per cubic metre.

The Manager, Finance and Administration has analysed the data provided by the Wellington Regional Council. His analysis shows that the **additional** cost of pursuing the Wellington Regional Council option for bulk water would be **\$286 per connection**. Water rates for collection and treatment would treble and it is strongly recommended that no **further** action be taken in this regard.

His calculations are scheduled below:

### **Estimated Cost of Bulk Water Options**

#### **1) Own Plant with Otaki Pipeline**

|   | <b>\$000</b> | <b>Cost per Water<br/>Connection<br/>excl GST \$</b> |
|---|--------------|--|
| Operating Costs of Current Plant                            | 570          |  |
| Projects  | 30           |  |
|   | <u>600</u>   |  |
| Share of <b>Overheads</b>                                   | 217          |  |
| Pipeline Operating Costs                                    | 40           |  |
|   | <u>857</u>   |  |
| <u>Debt Servicing Costs of Otaki Pipeline \$10.2million</u> |              |  |
| Interest @ 7%   | 714          |  |
| Loan-Repayment provision @ 4.52% 20 years                   | 461          |  |
|   | <u>2,032</u> | 135  |

#### **2) Wellington Regional Council Proposal**

|  | <b>\$000</b>       | <b>Cost per Water<br/>Connection<br/>excl GST \$</b> |
|--|--------------------|--|
| Option to supply 35 million litres per day   |                    |  |
| Operating Costs of Pipeline  | 500                |  |
| Bulk Water Charge  | 2,450              |  |
|  | <u>2,950</u>       |  |
| <u>Capital Costs</u>   |                    |  |
| Pipeline   | <u>\$20million</u> |  |
| Additional Water Source  | <u>\$5million</u>  |  |
|  | \$25 -million      |  |
| <u>Debt Servicing Costs on \$25 million</u>  |                    |  |
| Interest @ 7%  | 1,750              |  |
| Loan Repayment Provision over 20 Years   | 1,130              |  |
|  | <u>5,830</u>       | 389  |
| Additional Annual Cost of Wellington Regional<br>Council proposal per water connection |                    | <u>\$254 excl GST<br/>or<br/>\$286 incl GST</u>      |

The other issue to be considered is that the estimated capital costs from the **Wellington Regional Council** proposal would push Council's **Debt Levels \$15million** above its maximum external debt levels of **\$70million**.

### **3.3 Other Considerations**

Cultural **concerns** about the transport of water **from** one **catchment** to another are not mitigated by this option, although a different **catchment** is involved.

Resource Consents would be required for a comparable supply of water to be taken **from** the Wellington Regional Council. This would include applying for consent for a new **Hutt River** source of water. Some consent issues **would** arise over the laying of pipe along the narrow Centennial Highway section of State Highway 1.

### **CONCLUSIONS.**

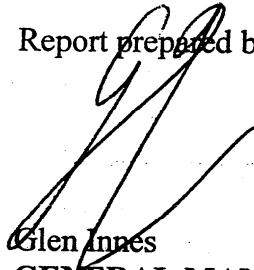
- 4.1. The exploration of another supplementary water supply source may prejudice the consent hearing due to be held shortly.
- 4.2. Further delay in the hearings will make it extremely **difficult** to have supplementary arrangements in place by the deadline of January 2003 when further restrictions on the **Waikanae** River will take effect.
- 4.3. Sourcing water from the Wellington Regional Council has been earlier discounted **on** the grounds of cost. Staff analysis of the Wellington Regional Council information shows that a significant cost differential remains. The size of that differential renders that -option unworthy of further study.
- 4.4. Using the Wellington Regional Council as the bulk water supplier to the District has major policy implications which could not be resolved in a matter of months.

### **RECOMMENDATIONS**

- 5.1. That Council notes that the option of drawing supplementary water **from** the Wellington-Regional Council was earlier discounted on the grounds of cost.
- 5.2. That Council accepts the latest staff analysis of the Wellington Regional Council data which shows the cost of that option are prohibitive and agrees that no further action is required.

- 5.3. That Council agrees-that using the Wellington Regional Council as supplier of its bulk water would represent a major change in policy direction, likely to result in significant cost increases to its consumers.

Report prepared by:



Glen Innes  
**GENERAL MANAGER**

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