



Contribution to community outcomes

Essential services

Healthy community

Collect water from the Hutt, Wainuiomata and Orongorongo catchments and the Waiwhetu aquifer for public drinking water supply.

Treat water so that it meets the Ministry of Health's standards for drinking water.

Deliver water to the cities of Lower Hutt, Upper Hutt, Porirua and Wellington.

Assess the demand for water – now and in the future – and plan how such demands will be met, including developing future sources.

Healthy environment

Encourage people to use water wisely.

Manage catchments so that water treatment plants receive good quality water.

Prepared community

Maintain our pipes and plants, and build resilience in the system so that water can continue to be supplied after an emergency – or restored as quickly as possible.

Work with city councils to plan how water will be delivered to the community following an emergency event that disrupts supply.



Water supply

Key projects for 2008/09

Activity: Collect, treat and deliver water

- Supply water to our four Wellington metropolitan city council customers that complies with the New Zealand Drinking Water Standards: 2005. This includes chemical, aesthetic and microbiological compliance
- Ensure that the gradings of our water treatment plants are maintained. Two are graded A1 – the highest grading. Waterloo is graded B – the highest grading possible because chlorine is not added as requested by the Hutt City Council
- Ensure that there is sufficient water to meet the community's expectations in all reasonable circumstances, other than in an extreme drought, with a return period of 50 years or more. In 2007/08 the return period was 35 years
- Undertake a water conservation programme over the summer of 2008/09 to promote wise water use, particularly in regard to watering gardens
- Ensure that all resource consents are complied with as part of our environmental commitment
- Manage vegetation and control pests in the Council-owned water catchments to ensure that high-quality water enters our water treatment plants, thereby making treatment less expensive with less risk
- Publish a comprehensive business report on Greater Wellington's water supply activities which will be made available to our four Wellington metropolitan city council customers, and also distributed to public libraries and published on Greater Wellington's website. This is in addition to Greater Wellington's annual report

Activity: Plan to meet current and future demands for water

- Consider options for supplying water to our growing population. These options may include a new dam and/or water conservation measures and domestic metering
- Maintain our water supply assets. Capital expenditure of \$4,565,000 has been provided in 2008/09 to either replace existing assets or acquire new assets

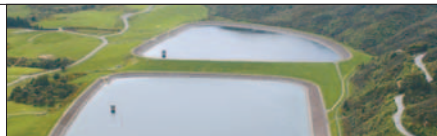
Activity: Plan for emergencies

- Improve the security and reduce the risks to our water supply, eg, by providing secondary emergency points of supply to the city customers
- Set aside \$750,000 for self-insurance of the water pipelines, Stuart Macaskill Lakes and pipeline tunnels



Key changes from the *2006–16 Ten-Year Plan (LTCCP)*

- The budgeted water supply expenditure for 2008/09 is \$28,790,805, which is \$1,142,985 less than the expenditure provided for in the LTCCP
- Capital expenditure on fixed infrastructure for 2008/09 in the LTCCP was shown as \$7,544,110. This amount will now be \$4,565,000. The major variation is the deferment by one year of a new Hutt River intake and associated pumping station at Te Marua. This has reduced expenditure by \$2 million. The other changes result from relatively minor refinements to the capital works programme



Water supply

Short-term targets – by 30 June 2009

Activity & Levels of service: Collect, treat and deliver water

- 1 Collect water from the Hutt, Wainuiomata and Orongorongo catchments and the Waiwhetu aquifer for public drinking water supply
- 2 Manage catchments so that water treatment plants receive good quality water
- 3 Treat water so that it meets the Ministry of Health's standards for drinking water
- 4 Deliver water to the cities of Lower Hutt, Upper Hutt, Porirua and Wellington

Target	Performance measures
Water will be supplied to the four cities within a total operating expenditure, excluding depreciation, of \$21,473,029	Expenditure on water supply does not exceed \$21,473,029
The collection, treatment and delivery of water will be managed to ensure the quality of water supplied continually complies with the Ministry of Health's New Zealand Drinking Water Standards: 2005	Water testing will be carried out by an International Accreditation NZ (IANZ) registered laboratory at various sampling points, in accordance with the requirements of the New Zealand Drinking Water Standards: 2005
The gradings of the water treatment plants at 1 July 2008 will be maintained, except for the plants that will be graded during the year. Regraded plants will receive the same or a better grade	The current gradings of water treatment plants will be maintained and operational staff will hold the relevant NZQA qualifications as required by Ministry of Health grading guidelines
Vegetation management and pest control measures will be carried out in water catchments in accordance with the Forestry Management Plan and within a \$142,000 budget, so that treatment plants receive good quality water	The work will be completed within the budget of \$142,000
Our four Wellington metropolitan city council customers will be provided with a business report by 30 November 2008, including: <ul style="list-style-type: none"> • Financial results for the preceding financial year ended 30 June • Actual quality compared with targeted performance • A list of interruptions to supply incidents, and time taken to respond and repair • A report on compliance with resource consent requirements • Status of ongoing service level agreements 	A business report will be provided to our customers by 30 November 2008



Short-term targets – by 30 June 2009

Activity & Levels of service: Plan to meet current and future demands for water

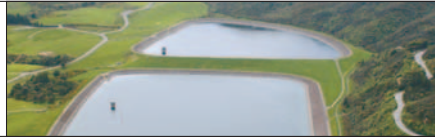
- 1 Assess the demand for water now and in the future and plan how such demands will be met, including developing new water sources
- 2 Encourage people to use water wisely

Target	Performance measures
Design of system enhancements will begin to enable supply for a population of 395,000	There will be sufficient water to meet the requirements of our growing population
Consultation will be carried out on the water supply strategy options	Consultation will be completed by 31 December 2008
A water conservation programme will be implemented, within a budget of \$185,000	The programme will be undertaken within budget

Activity & Level of service: Plan for emergencies

- 1 Maintain our pipes and plants, and build resilience in the system so that water can continue to be supplied after an emergency or restored as quickly as possible

Target	Performance measures
At least one customer emergency connection will be installed, within a budget of \$50,000	At least one emergency connection will be installed within budget
Hazard protection work will be undertaken at a cost not exceeding \$350,000	A sum not exceeding \$350,000 will be spent on protecting the fixed infrastructure from hazard events or improving the speed of repair



Water supply

Prospective funding impact statement

	2008/09 Plan \$000s	2008/09 LTCCP \$000s		2008/09 Plan \$000s	2008/09 LTCCP \$000s
FUNDING STATEMENT			OPERATING REVENUE		
General rate	-	-	Collect, treat and deliver water	24,400	27,171
Targeted rate	-	-	Total operating revenue	24,400	27,171
Water supply levy	23,460	25,635	OPERATING EXPENDITURE		
Government subsidies	-	-	Collect, treat and deliver water	25,864	26,736
Interest and dividends	1,027	797	Total operating expenditure	25,864	26,736
Other operating revenue	(87)	739	CAPITAL EXPENDITURE		
Operating revenue	24,400	27,171	Water sources	670	4,022
Direct operating expenditure	14,587	15,831	Water treatment plants	1,962	817
Finance costs	3,750	3,731	Pipelines	505	499
Depreciation	7,527	7,174	Pump stations	-	-
Operating expenditure	25,864	26,736	Reservoirs	200	1,591
Operating surplus/(deficit)	(1,464)	435	Monitoring and control	713	138
Less:			Seismic protection	350	265
Capital expenditure	5,207	7,694	Other	607	213
Proceeds from asset sales	(24)	(8)	Capital project expenditure	5,007	7,545
Loan funding	(5,009)	(7,545)	Land and buildings	-	-
Levy-funded capital expenditure	174	141	Plant and equipment	81	122
Debt repayment	4,131	5,921	Vehicles	119	27
Investment additions	1,777	1,547	Total capital expenditure	5,207	7,694
Operational reserve movements	-	-			
Working capital movements	(19)	-			
Non-cash items ⁽¹⁾	(7,527)	(7,174)			
Net funding required	-	-			

⁽¹⁾ Non-cash items includes depreciation