



**Report**            **04.306**  
**Date**             10 June 2004  
**File**              B/20/15/04

**Committee**       **Utility Services**  
**Author**           **Murray Kennedy, Strategy and Asset Manager**

## **Wholesale Water Supply Asset Management Plan 2004**

### **1. Purpose**

To obtain the Committee's endorsement of the Wholesale Water Supply Asset Management Plan 2004.

### **2. Background**

The first Wholesale Water Supply Asset Management Plan was endorsed by the Utility Services Committee at its meeting on 9 June 1998. This has been the basis for managing the assets in the intervening years.

Water supply is what might be regarded as a reasonably mature business, being based on assets often having very long lives. Incremental changes to business practices, population growth and the other factors that drive the Asset Management Plan have been relatively minor over the last few years. Essentially, a large percentage of the content of the previous Asset Management Plan is still valid.

However, good management practice dictates that the plan is updated from time to time and every five years is viewed as being an appropriate time frame for the wholesale water supply system. The reason for updating the plan this year rather than last year, which would have been the fifth year, is the asset valuation cycle which is also every five years, but last carried out in 1999.

### **3. Asset Management Plan**

The plan is intended to be a management tool and therefore is a live document. The Asset Management Plan is enclosed with this order paper as a separate document. Improvement targets within the plan are driven by setting service levels and these levels come from customer consultation, legislative compliance and Council policy. A number of key points in the plan are as follows:

- The assets are essentially in good condition. With regard to the pipelines, they were all laid either post 1950 or have been refurbished since that date if they were laid prior to the 1950s. This work was completed recently when the OK Main along the Petone foreshore was lined and the raw water

pipeline from the Orongorongo tunnel to the Wainuiomata water treatment plant was replaced. Even so, asset condition assessment is ongoing.

- The unexpected blip in the population growth means that the next source development may have to be brought forward. It had previously been expected that a new source would not have been required much before the year 2020. A separate paper to the Committee looks at this aspect.
- There are some uncertainties regarding the future Drinking Water Standards and the grading of raw water sources. This may require capital expenditure that has not been budgeted for so far.

The plan continues to place some emphasis on risk reduction, for example whether it is related to a seismic event, other natural occurring events, contamination, or breaching the 1 in 50 year drought standard for water supply.

#### **4. Basis of information**

Financial information presented in the Asset Management Plan is consistent with information outlined in the Greater Wellington Water Operating Plan.

Existing asset information has been derived primarily from GWW's Hansen electronic asset information system. Once the asset revaluation process is completed, the latest figures will be included in the plan before it is finalised and sent to our customers.

#### **5. Recommendations**

*That the Committee **endorse** the Wholesale Water Supply Asset Management Plan 2004.*

Report prepared by:

Report approved by:

**Murray Kennedy**  
Strategy and Asset Manager

**David Benham**  
Divisional Manager  
Utility Services