

Report 11.332  
Date 5 July 2011  
File B/20/01/02

Committee Social and Cultural Wellbeing Committee  
Author Tony Shaw, Manager, Development & Strategy

## Retention of current security of supply standard for wholesale water

### 1. Purpose

To advise the Committee of feedback received from the four city council water supply customers and to seek a decision on retaining the current security of supply standard for wholesale water.

### 2. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act).

#### Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance policy and decision-making guidelines. Officers recommend that the matter be considered to have low significance.

The decision recommended is to retain the existing policy regarding the security of supply for wholesale water. Any proposed capital projects that result in the future from the application of the security of supply standard will be subject to public consultation and the test of significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

### 3. Background

The current security of supply standard of 1 in 50-year drought (alternatively expressed as 2% annual shortfall probability or 2% ASP) is one of the important parameters used to determine when development of water supply infrastructure is necessary.

The security of supply standard has been reviewed by MWH NZ Ltd against a number of similar water suppliers in New Zealand and overseas. Their report

recommended the 1 in 50-year drought standard as a reasonable target for Greater Wellington. Committee report 11.59 of 21 February 2011 provided information and comment on the MWH review.

Approval was received from the Committee to provide the information to the water supply managers of our four city council customers and to seek feedback on the standard. Feedback has now been received from each of the four cities supporting retention of the current 1 in 50-year (2% ASP) security of supply standard.

#### **4. Comment**

All four city council customers agreed with the existing security of supply standard. Some customers see the 1 in 50-year standard as an interim measure to be reviewed when there is a significant change in circumstances, such as changes in climatic conditions and following substantial additions to wholesale water supply capacity.

Officers agree that it is appropriate to review the security of supply standard from time to time (as done in this instance) to ensure the timing of future infrastructure developments continue to meet the needs of the community. Officers also agree that a further review would be timely following completion of major augmentation, such as a new water storage lake.

Since climate change is expected to be gradual, the impact of changes in weather patterns, temperature and rainfall on the security of supply will also be gradual. The timing of any review of the security of supply standard based on the impact of climate change would need to be determined over time through analysis of the results from Greater Wellington's water supply modelling.

#### **5. Communication**

It is not proposed to make a public media statement.

#### **6. Recommendations**

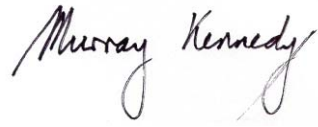
*That the Committee:*

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Agrees to retain the current security of supply standard for the wholesale water supply, expressed as a 1 in 50-year drought standard or 2% annual shortfall probability, and include this in the Council's proposed Long Term Plan 2012 -22.***
4. ***Agrees that the standard will be reviewed following a substantial increase in wholesale water supply capacity and when found necessary due to the impact of climate change.***

Report prepared by:

**Tony Shaw**  
Manager, Development &  
Strategy

Report approved by:

A handwritten signature in black ink that reads "Murray Kennedy". The signature is written in a cursive style with a large, looping 'M' and 'K'.

**Murray Kennedy**  
General Manager, Utilities  
and Services