



*caring about you & your environment*

**Report No. 02.742**

19 November 2002

File: O/02/01/10

ceh\reports\02-742

Report to the Utility Services Committee  
from David Benham, Divisional Manager, Utility Services

## **Divisional Report**

### **1. Purpose**

To:

- Comment on the Utility Services Division financial performance for the four months ended 31 October 2002.
- Receive the attached activity reports to 31 October 2002 (Attachment 1).
- Outline various areas of interest or activity.

### **2. Divisional Performance for Four Months Ended 31 October 2002**

#### **2.1 Water Supply**

Although it is relatively early in the year, the financial and operational performance is satisfactory, with no material variances to report.

#### **2.2 Plantation Forestry**

As previously reported, the first quarter results were disappointing, with significant road maintenance costs incurred during the winter months.

October has produced a very much improved result and we are now cautiously forecasting a year end position that should be no worse than budget.

Last Year to Date		Year to Date Actual \$000s	Year to Date Budget \$000s	Year End Forecast \$000s	Year End Budget \$000s
<b>Water Supply</b>					
8,854	Income	8,746	8,682	26,032	26,032
7,801	Expenditure	8,165	8,466	25,468	25,468
<b>1,053</b>	<b>Operating Surplus</b>	<b>581</b>	<b>216</b>	<b>564</b>	<b>564</b>
350	Operations	(6)	-	-	-
174	Strategy and Asset	303	-	-	-
460	Support Services	249	208	562	562
52	Engineering Consultancy	35	5	1	1
17	Laboratory Services	-	3	1	1
<b>1,053</b>	<b>Operating Surplus/(Deficit)</b>	<b>581</b>	<b>216</b>	<b>564</b>	<b>564</b>
<b>Plantation Forestry</b>					
1,179	Income	1,277	1,050	3,151	3,151
1,289	Expenditure	1,661	1,122	3,375	3,375
<b>(110)</b>	<b>Operating Surplus/(Deficit)</b>	<b>(384)</b>	<b>(72)</b>	<b>(224)</b>	<b>(224)</b>

### 3. Emergency Water Supply Project

Water supply in an emergency was considered at the Utility Services Committee meeting held on 7 December 2001. That meeting resolved as follows:

*The Committee approves the preparation of a draft plan to supply water during an emergency when delivery by pipeline is not possible.*

The project was established in February 2002, to examine the "gap" that exists between local emergency supplies (household and council) and the restoration of wholesale water supplies following a major earthquake. The overall project objective is the production of an integrated plan, which summarises the response and recovery strategy to be adopted by the five councils in the Region to deliver water to end users.

The project team consists of the water supply and emergency response managers of the

five councils, with representatives from the New Zealand Fire Service and hospital authorities. The team is co-ordinated by Water Group staff and facilitated by an external consultant.

A review was carried out of the key system vulnerabilities, the estimated local short-term water storage, alternative local raw water sources and the adequacy of response plans across all councils. One major finding is that councils are at different levels of vulnerability and have had different emphases in their response planning.

A draft strategy paper has been prepared and the various participants are now assessing this. Although the paper is not finalised, the findings from it provide a significant amount of information that can be used as a basis of mitigation proposals to be advanced through the annual plan processes of the five councils. An analysis of the implications for regional and local water supply networks of a rupture of the Wellington Fault leads to the following observations:

- The cities will be affected in different ways.
- There will be many competing community priorities to be managed.
- The timeframes for partial and full restoration cannot be estimated reliably.
- Recovery processes will involve planning, prioritising and resourcing a major capital works programme at the same time as undertaking urgent repairs.

While a rupture of the Wellington Fault represents essentially a worst case planning scenario for the metropolitan water supply system, there is a range of other regional earthquake sources that would also cause significant physical and operational impacts on the system.

The enhancement programme has identified a large number of individual planning activities and projects that need to be undertaken by all organisations over the next two to five years. This involves investment in physical work and commitment of time from both the water supply and emergency management arms of each of the councils.

The proposal is that, when complete and agreed, the strategy document will be forwarded for implementation to the Civil Defence Emergency Management Group, which is to be set up next year under the *Civil Defence Emergency Management Act 2002*.

We expect the final report will be available for presentation in the New Year.

#### 4. **Summer Water Conservation Campaign - December 2002 to February 2003**

##### 4.1 **Background**

As previously reported, the summer watering of gardens is the main focus of our conservation effort. Water conservation is still considered important by a majority of people, so the strategy of encouraging behaviour change among the conservation minded segment of the population remains unchanged.

Our most recent research indicates that many gardeners are aware of appropriate gardening methods but do not perceive a pressing need to use them. Two of the widely held misconceptions identified - that gardening does not use much water in summer and that no water used for gardening is wasted - are apparently major barriers to greater effort to conserve garden water. These misconceptions will be a target of our water conservation advertising this summer, while continuing to promote a few simple measures that would, if adopted, reduce demand for garden water.

Television will again be the main form of communication, with community newspapers, radio (courtesy of Corporate Communications), *Elements* and the Internet being used in support.

The main differences between last summer's advertising campaign and that planned for this year are:

- The extent of increased water use in Wellington's four cities during summer - up to 50 percent more - will be promoted and linked to increased garden watering.
- How garden water can be wasted will be demonstrated. Three areas of waste will be targeted: evaporation, untargeted watering, and overwatering, along with generally appropriate solutions.
- A new television commercial campaign is being used, reflecting 'wear-out' of the previous advertising campaign and adoption of a fresh approach (animation) that has been endorsed by a sample of local gardeners.

The campaign has been developed in response to the results of in-depth interviews with gardeners from Lower Hutt, Upper Hutt, Porirua and Wellington.

## 4.2 **Cost**

The cost of developing three 15 second television commercial campaigns (one for each of the three types of wastage) is \$44,500, while airtime over six weeks will cost \$17,800, a total of \$62,300. The equivalent development figure for the "Maggie Barry" television commercial campaign was \$39,600, while airtime was \$36,000, a total of \$75,600. The reduced cost for airtime is because of 15 second television commercial campaigns costing 60 percent of a 30 second version.

Using 15 second advertisements has the advantage of freeing up budget in subsequent years for additional conservation activities. Andrew Cutler has been consulted about the

campaign and has expressed his support. He would also like to see social marketing techniques adopted in future years to complement advertising. Co-ordination with the Corporate Communications' proposed social marketing strategy has been discussed in general with Andrew Cutler and it is envisaged that further discussions will occur once that strategy is more fully developed.

The creation and placement of advertising in community newspapers to cover the metropolitan Wellington area will cost approximately \$9,500.

#### 4.3 **Customers**

The four customer councils have been supportive of the strategy and tactical approach used in recent years, including the use of television as the main communication vehicle. They have been provided with details of the campaign's development for the coming summer, with feedback received being entirely positive. We are (at time of writing) in contact with Kapiti Coast District Council about its continued association with the campaign.

### 5. **Insurance Review**

Damage assessment reviews have been undertaken of the insured and self-insured assets, to gain a better understanding of the damage levels following a major earthquake. The Council's insurance brokers are now using these reports to investigate the cost of a range of insurance products, so the Council can consider the appropriate mix for insurance and self-insurance, and the level of deductibles. It had been expected that this information would be available for the Council's final Policy, Finance and Strategy Committee meeting for the year in December. This now appears to be unlikely. Accordingly, it is proposed to make an assessment when details of the insurance products are known and include this information in the budget process for 2003/4. The background information and the assessment will then be placed before the Committee as part of the budget approval process in February 2003.

### 6. **Kapiti Water**

At Kapiti Coast District Council's request, Wellington Regional Council representatives presented the pipeline proposal to that Council on 22 October. This consisted of a summary of the formal proposal sent to Kapiti Coast District Council in June. We also suggested to Kapiti Coast District Council that it might wish to consider entering into a water management agreement with Wellington Regional Council for the ongoing management of its system.

The Divisional Manager, Environment and I were also invited by a Kapiti business group to discuss the various Kapiti water issues from our particular perspectives. This meeting took place on 4 November.

**7. Recommendation**

*That the report be received and the information noted.*

Report prepared by:

DAVID BENHAM  
Divisional Manager, Utility Services

**Attachment**

1 Utility Services Division's Activity Reports to 31 October 2002