

ARF013 Drinking Water Resilience

Risk Status Progress Report March 2021

Prepared: 22/02/21

Description of risk and impact

In accordance with our Risk Management Policy, adopted by Council August 2019, the “Drinking Water Resilience” risk was adopted at the 05/07/20 Council meeting as a top organisational risk. This risk was scored and prioritised using Council’s bespoke IDEATE methodology.

Council own and operate eight drinking water schemes supplied by 14 primary and supplementary sources and nine water treatment plants.

The primary source for Kaikohe, Kaitaia, Opononi, Rawene, Kawakawa and Paihia are surface water takes from local rivers and streams. Kerikeri also relies heavily on surface water as its secondary source. For each of these surface water takes Council hold a consent issued by the Northland Regional Council. The consents have conditions relating to many things but most importantly:

- the volume of water FNDC is authorised to take, and
- the instantaneous residual flow we are required to leave in the environment.

Surface water takes are impacted by droughts. Droughts typically cover a large geographically area; not just a single catchment or community. Irrespective of the volume of water FNDC is consented to take, there is a 20 percent chance each year that we will not be authorised to take water from the surface water sources for a week or more.

Group / SLT	Risk level	Inherent Risk	Risk description	Because of	There is a chance that...	leading to...
Infrastructure and Asset Management	Organisational	35	Strategic	Lack of freshwater resilience - long-term trends in rain fall coupled with changing and increasing consumer demands	Current freshwater supply systems will continue to not meet demand both now and into the future	Critical impact on our communities i.e. lengthy water restrictions; no/interrupted supply; costly economic consequences (affordability); extensive Health & Safety impacts across the district; economic and reputational risk from a failure to supply adequate potable and fresh water; negative environmental impacts.

The “Drinking Water Resilience” risk has been analysed as both an organisational and a strategic risk. A score of 35 or greater is in the high-risk category. Drinking Water Resilience scored 35:

To ensure clarity this risk excludes “Action for healthy waterways” new rules and regulations aimed to:

- stop further degradation of New Zealand's freshwater resources and improve water quality within 5 years
- reverse past damage and bring New Zealand's freshwater resources, waterways, and ecosystems to a healthy state within a generation.

Existing Treatments

1. Professionally managed water source and networks
2. Asset management plans
3. Water Supply Bylaw - this allows us to make water restrictions.
4. Water Shortage Management Plan – this outlines the processes and provides guidance on how water restrictions can be implemented to manage demand.
5. Water Shortage Management Committee is established with internal technical specialists who monitor and make recommendations on water restrictions to GMIAM.
6. Drought Communication Plan.
7. Ability to enact a dedicated drought response team (as used in the 19/20 drought).

High level treatment plan and progress up-date:

High level treatment plan:	Progress update:
Drought resilience work for 20/21 financial year.	Approved, work is underway and is expected to be delivered to plan. A large part of this program is externally funded through the Crown 3-waters reform.
Water shortage management plan.	Annual review completed, awaiting approval.
2021/2031 Long Term Plan.	Programme of work for water infrastructure has been developed.
Project Darwin – to understand asset knowledge to refine investment planning.	Underway. Pilot of the living asset plan by June 2021.
Crown 3-waters reform funding.	MOU signed. Funding agreement and delivery plan have been approved. The Funding Agreement and Delivery Plan submitted September 2020 included a portfolio of projects to be completed prior to March 2022. The projects are split roughly 60% capital in nature, and 40% operational. Of the 16 projects, 13 of these projects will improve resilience. Key projects include: <ul style="list-style-type: none"> • Kaitaia new water source • Kaikohe new water source • Update water safety plans across the district • Network model upgrades • Enhanced water leak management
Water Safety Plans	Water Safety Plans are being updated for each of our eight water schemes. This significant piece of work will be completed within the

	next 12 months and will inform our understanding on the resilience issues faced by each scheme.
Water Shortage Management Committee	Currently holding weekly meetings monitoring weather, river flows and consent conditions.
Drought Communication Plan	The “be water wise” campaign commenced December 2020.

Where are the gaps? / what more could we be doing?

In December 2020 the Assurance, Risk and Finance Committee attended a workshop to agree the residual risk score for ARF013, Drinking Water Resilience. Resilience is not only the ability to recover quickly from difficulties, it is also the ability to survive a crisis and thrive in a world of uncertainty. It is also more challenging to understand than risk. Due to the shortened workshop time available in December Elected Members were unable to assess their desired adaptive capacity to respond to events, articulated as residual risk score for staff to work towards. As a next step a staff workshop (16/01/2021) was held to understand our potential adaptive capacity based on current and first three years LTP drinking water resilience work. This, and further work, has identified three aspects to understanding our adaptive capacity – source, treatment and network, of which there are a number of contributing factors towards achieving resilience. Water Safety Plans are being updated for each of our eight water schemes. This significant piece of work will be completed within the next 12 months and will inform our understanding on the resilience issues faced by each scheme. When completed this assessment will then be used to inform the Assurance, Risk and Finance Committee discussion to develop a residual risk profile.

The solutions to the gaps identified below will become clearer as 3-water reforms become more advanced and with the enactment of the Water Services Bill. These gaps are:

- What are Council obligations in respect of non-public schemes?
- If a private scheme starts to impact ratepayer health what is Councils responsibility?
- Council needs to determine what level of residual risk are we prepared accept.
- The uncertainty of the ongoing ownership/management of these schemes under the Crowns proposed water supply reforms.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	March 2020	Report frequency:
	Stable		Responsible:	GM IAMs	Date accepted:	05/07/20	Three monthly