

POINT OF ENTRY BUSINESS CASE

Project initiation date: 27 July 2023
Project title: **Beach Road WWPS Electrical Upgrade**
Hapū/iwi active partnership consideration: Inform (providing understanding)
Note: your consideration for active partnership must take into account [Tupua te Kawa](#) – a set of indigenous values at law.

This proposal is to upgrade the electrical systems and supply for the Pump station which is a key Asset for Whanganui delivering all the effluent the WWTP. Upgrade will ensure reliability and aim to avoid any emergency discharges to the river

Business case prepared by: Robert Snijders

Business owner: Deputy Chief Executive

[\[Link\] to guidelines "The PoE template explained..."](#)

PROBLEM / OPPORTUNITY STATEMENT

The age of the main switchboard is over 35 years old and is considered to be beyond its life expectancy (normally 25 years). It is still predominantly operating with the original switch gear from when the plant was commissioned in 1980. In addition, the incoming power supply and transformer were also installed at the same time and with increasing flows/loads over time are often operating at capacity.

Consequently, there is limited room to expand the operating capacity of the Pump Station for normal operating flow. During wet weather flow all the equipment is severely compromised due to electrical load placed on it and has to be closely managed. As a result, there is a risk of total failure of the plant in which case untreated effluent will overflow in to the river.

Finally, it is now difficult, if not impossible, to service or maintain the existing equipment as it is no longer supported by the manufacturers and replacement parts are no longer available.

BENEFITS STATEMENT

The upgrade will provide reliability in operation and level of service. Support future growth. There is also an opportunity to have commonality of equipment used across all plant across all of Whanganui which will provide better backup when reactive repairs are required.

Social Benefits:

- Maintain and improve Public and Aquatic Health,
- Secure operation of the wastewater network.

Economic Benefits:

- Reduced operational costs,
- Support growth of the city particularly to the west,
- Significantly reduce the risk of fines due to unconsented environmental discharges.

Environmental Benefits:

- Significantly reduce the likelihood of untreated wastewater entering the river.

Cultural Benefits:

- Will have direct and indirect benefit to the Whanganui River and Te Awa Tupua Act 2017.

STRATEGIC CASE

Aligns strongly with social, economic, environmental and cultural wellbeing values.

FINANCIAL CASE

An initial concept design and assessment of offsite electrical improvements is currently being carried out to assess likely costs

Year of LTP for delivery:	Y 1	Y 2	Y 3	Y 4	Y 5	Y 6	Y 7	Y 8	Y 9	Y 10
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$1.3M	\$650k	\$	\$	\$	\$	\$	\$	\$	\$
	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34

External funding contributions: Not an option

Capex \$	Opex \$	Funded by
(2024/25/26) \$1,950,000	No increase to existing Opex (possible reduction due to modernised plant)	WDC Capex

*Note: providing explanation via free text is also acceptable in the above boxes.

RISK EVALUATION

Collaboration required in accordance with Te AwaTupua Act 2017

Item	Potential Risk Event	Likelihood	Consequence
1	Delays obtaining equipment if project not advanced	Possible	Major
2	Existing equipment fails prior to commissioning new	Possible	Catastrophic
3	???	Choose an item.	Choose an item.

OPTIONS APPRAISAL

Option 1: Replace equipment in order to maintain current level of service, personnel involvement and risk of overflow to river

Option 2: Fully upgrade equipment including incoming electrical supply and backup to improve level of service, operation requirement and significantly reduced risk of overflow to river

Do Nothing / Status quo This is not an option as level of service will reduce over time with the river/environment being ultimately compromised.

STAKEHOLDER ANALYSIS

Stakeholder	Influences	Key interests & issues
WDC	High power/highly interested (Manage closely)	Budget Control, Regulatory Obligations, ??
Nga Tangata Tiaki o Whanganui	High power/highly interested (Manage closely)	Activity affecting the Whanganui River

Horizons regional Council	High power/highly interested (Manage closely)	Regulatory Control
Hapu Groups	High power/highly interested (Manage closely)	Activities affecting the Whanganui River

Project is in the LTP but at lower value. Will need to be advanced to avoid any breach of regulatory on consent compliance.

KEY CONSTRAINTS, DEPENDENCIES AND ASSUMPTIONS

Detailed design will need to be in place to order to invite contractors to tender. In addition the electrical loadings will need to feed back in to Powerco to finalise the lines upgrade and suitable transformer size.

NEXT STAGE

- Complete Design work,
- Confirm order with Powerco (subcontractor) to obtain transformer and lines upgrade (long lead in time – 12months approximately)
- Contract Documents for equipment and generator 2023/24
- Delivery 2024/25

Please contact the PMO (interim Stuart White: stuart.white@whanganui.govt.nz or 021738273) for any inquiries relating to this form or the business case process.

Team Leader/Project Manager Self-Review		Strategic Panel FINAL score	
Strategic Fit	5	Strategic Fit	5
Benefits	4	Benefits	4
Economic Impact	5	Economic Impact	2
Level of Service Improvements	5	Level of Service Improvements	2
Risk of doing nothing	5	Risk of doing nothing	5

*Note a copy of the anchored scoring matrix is available at the end of this document.

PROJECT MANAGEMENT OFFICE TO COMPLETE

Communications team level of involvement: Choose an item. (PMO to liaise with the Communications team)

ELT REVIEW

Date: Click or tap to enter a date.

ELT Minutes Reference: Click or tap here to enter text.

Agreed next steps:

Click or tap here to enter text.

If this project is **approved for a detailed business case**, then –

Name and job title of **Project Sponsor**

Click or tap here to enter text.

ANCHORED SCORING MATRIX

SCORE	Strategic Fit: <i>How well is this project aligned with our Strategic Vision for Whanganui?</i>	Benefits: <i>How valuable are the benefits this project delivers?</i>	Economic Impact: <i>How will this project contribute to the wider economic activity of the Whanganui District?</i>	Level of Service: <i>How well does this projects address shortfalls in our Level of Service?</i>	Risk of Doing Nothing: <i>What risks would NPDC be exposed to, if the investment is not made?</i>
Weight	35%	25%	20%	15%	5%
5	This investment plays a critical contribution to Council Objectives, Goals and Strategy.	This investment has a measureable Costs Benefit Ratio (CBR) and the benefits will return more than double the costs.	This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being at least three times the cost of the project.	This investment addresses critical (e.g. regulatory non-compliance or safety issues) shortfalls in our current levels of service.	WDC could be exposed to very high risks.
4	This investment is a direct component or enabler to achieve Council Objectives, Goals and Strategy.	This investment has a measureable Cost Benefit Ratio (CBR) and the benefits will return more than the costs.	This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being greater than the cost of the project.	This investment addresses significant (material user experience issues) shortfalls in our current levels of service	WDC could be exposed to high risks.
3	This investment contributes to a wider programmes of work designed to progress the Council strategic objectives and goals.	This investment has no measureable Cost Benefit Ratio but our community are clearly willing to pay for the benefits.	This project is the catalyst or key enabler for one-time only economic activity that is at least three times the cost of the project.	This investment addresses small (nuisance level issues) shortfalls in our current levels of service	WDC would be exposed to medium risks.
2	This investment is aligned to at least one of the Council strategic objectives and/or goals with limited direct contributions.	This investment has no measureable Cost Benefit Ratio and we think our community is willing to pay for the benefits, but we have not confirmed this.	This project is the catalyst or key enabler for one-time only economic activity that is greater than the cost of the project.	This investment makes no change to levels of service.	WDC would be exposed to low risks.
1	This investment has no direct contribution to Council goals and strategy.	The costs outweigh the benefits.	The economic benefit of this project is less than the cost of delivering the project.	This investment reduces levels of service.	WDC would have to put in a work around or keep using a poor or inefficient process.