Water Services Delivery Plan

Waitaki District Council

27 August 2025

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Part A: Statement of financial sustainability, delivery model, implementation plan and assurance

Statement that water services delivery is financially sustainable

This plan sets out Waitaki District Council's (WDC) proposed approach for the future delivery of three waters services within its district. The plan proposes delivery through an in-house business unit. This model sees improvements being made to the current delivery model to ensure:

- Greater transparency regarding financial ringfencing of revenue and expenditure for three waters activities
- The establishment of new governance functions, including the appointment of independent advisors to a council committee or sub-committee that is tasked with giving specific consideration to three waters service delivery
- The establishment of a new senior leadership position for three waters
- The establishment of a separate financial ledger to provide greater transparency around reporting.

The steps to ensure financial sustainability are outlined in WDC's implementation plan, included elsewhere within Part A of this plan.

WDC can confirm that this plan sets out a path for financially sustainable three waters services, in particular:

- **Investment** in three waters services is sufficient to address known and anticipated compliance standards, including drinking water standards and the proposed wastewater standards that have been released in draft form by Taumata Arowai. Investment in the three waters network is outlined in Part B (in response to issues identified and highlighted therein) and in the "Additional information" section of this plan.
- **Revenue** is sufficient to cover all operating cost from the 2027/28 financial year onwards. This includes full funding of depreciation and the generation of sufficient operating cash surpluses to cover investment in the renewal of assets over the ten-year period. Revenue is sufficient to support overall debt servicing requirements and compliance with relevant lending covenants and restrictions.
- **Financing** is sufficient to support investment in the overall capital programme. It is recognised that access to financing assumes that WDC will be able to obtain a credit rating from Fitch or Standard and Poor's, however initial discussions indicates that this is achievable. Council has committed to achieving a balanced budget for both water services, and broader council activities to assist in its efforts to obtain a credit rating.

Proposed delivery model

WDC has determined that its preferred delivery model is an in-house business unit. This is supported by the majority of submissions received by the public through WDC's consultation.

The proposed model includes changes to financial systems, reporting, governance arrangements and organisational structure, as indicated in the implementation plan.

The proposed model utilises the ability for Council to leverage its lending across its entire operating revenue, allowing total three waters borrowing at levels consistent with (or slightly higher than) the alternative model of a standalone water services organisation.

Improved delivery of capital works is expected to arise through a refocussing of WDC's Project Management Office (PMO), as major non-three waters projects near completion. The establishment of this group has already seen improved capital delivery across Council.

Once the preferred delivery model has been implemented, WDC will continue to consider opportunities to work with neighbouring councils, and water services organisations to provide more shared services or improved delivery arrangements where these are likely to benefit water consumers in the Waitaki District.

Financial ringfencing will be enhanced through the creation of a separate ledger for three waters services, and the separation of the roading and stormwater targeted rates. Drinking water and wastewater revenue and expenditure is already captured at a cost centre level.

Revenue will continue to be collected through the existing targeted rates approach and structure. A review will be completed of the existing rating approach to ensure it remains fit for purpose under the new model. The stormwater targeted rate (which is currently part of the roading targeted rate) will be separated following a review of WDC's revenue and financing policy. The specific detail regarding that targeted rate is yet to be determined and will be explored as part of that review.

The plan includes investment in the implementation of universal water metering. Following the installation and a testing period, WDC will consider the merits of transitioning to volumetric pricing for drinking water.

Implementation plan

Implementation of the proposed delivery model will occur over the next two financial years, as follows:

Immediately following the approval of this plan by the Department of Internal Affairs

- Commence work on an amendment to Council's existing 2025 – 2034 Long Term Plan (LTP) to reincorporate three waters services and reflect the revised three waters budgets that are set out within this plan.
- Incorporate budgeting changes to achieve a balanced budget at a whole of council level.
- Commence scoping work on the establishment of a new ledger and reporting requirements.

During the 2026/27 financial year

- Complete a review of the existing corporate overhead allocation approach to ensure fairness and transparency, and to ensure that overhead allocations can be justified.
- Implement a time-sheeting system to ensure that all time related to three waters service delivery is appropriately recorded and costed.
- Work with the newly elected council to determine the appropriate governance arrangements, and delegations.
- Complete a review of WDC's revenue and financing policy with a view to separating the roading and stormwater targeted rates. Changes to be implemented from 1 July 2027.
- Complete organisational design work to identify any necessary changes to the existing service delivery structure and establish reporting lines and responsibilities for the new senior leadership role for three waters.
- Undertake recruitment processes with sufficient time to ensure independent members for the new governance body are appointed in time to commence their roles from 1 July 2027.
- Commission the new ledger system for three waters.
- Begin recruit for a new senior leader for three waters in time to allow an appointment to be made prior to the proposed commencement date of 1 July 2027.
- Prepare the first water services strategy, and the 2027 – 2037 long term plan.

During the 2027/28 or 2028/29 financial year

- Undertake necessary work to obtain a credit rating to access increased levels of borrowing.

The financial projections also include an additional operating cost allowance for new roles to support regulatory compliance requirements and improved three waters service delivery commencing from the start of the 2027/28 financial year. These roles will be recruited once needs are better understood by WDC.

Consultation and engagement

Public consultation was undertaken between 6 May and 9 June 2025. Consultation sought feedback on four options including a joint Council Controlled Organisation (CCO) with Central Otago District Council, Clutha District Council, and Gore District Council (SWDW), a standalone CCO, an in house business unit, and a joint CCO with Canterbury councils. The SWDW option was identified as the proposed delivery model at the time of consultation.

Information was made accessible to the community through multiple channels, using clear language to support broad understanding and participation. For WDC consultation comprised**:**

- A Consultation Document and submission form.
- SWDW consultation material, including summary information and frequently asked questions, made available via WDC's online engagement website.
- Two joint mayoral videos delivered via social media and other Council digital platforms.
- Hard copy consultation materials published via local newspapers.
- Hard copies of the submission form and consultation materials available at **WDC** Customer Services Centres and libraries.
- Facebook livestreams.
- Stakeholder briefings and presentations upon request.

Where possible, public sessions were livestreamed and recordings made available online for those unable to attend in person. Throughout the consultation period, Council's consultation platform was regularly updated with additional information and responses to common questions.

Consultation Outcomes

WDC received a total of 300 submissions from individuals, organisations, and community groups. The in-house business unit received the highest level of support from respondents (54% of "first choice" selections), followed by the standalone CCO (21%) and the SWDW joint (15%).

Submitters were asked to rank their choices 1 to 4 and when taking in to account weighting of rankings the in-house business unit was still preferred (78%) followed by standalone CCO (72%) and the joint CCOs with South Canterbury councils (55%) and SWDW (44%)

The submissions therefore expressed a clear preference for WDC to continue to deliver water services itself (either through an in-house model or a standalone CCO).

Assurance and adoption of the Plan

This plan has been prepared with assistance from local government consultancy Morrison Low Advisory through a collaborative and iterative process with WDC management and staff members.

It has also been reviewed, in working draft form, by the Department of Internal Affairs, and feedback received from that review has been incorporated and addressed in this final version of the plan.

Budgeted investment in infrastructure included within the capital programme in this plan has been informed through the use of professional knowledge and judgement of WDC staff, and external consultants where appropriate. Investment to achieve compliance with Drinking Water Standards is well understood and is budgeted to occur in the 2026/27 financial year or earlier. Certainty regarding the total budget for investment required in later years of this plan is less certain, however estimates are considered to be reasonable.

The plan relies on a key assumption that a credit rating can be obtained. While the Department of Internal Affairs has expressed doubt over this assumption, subsequent discussions with Bancorp have indicated that with the actions outlined in this plan, a credit rating should be obtainable. This plan includes a commitment towards a balanced budget by the 2027/28 financial year, for both water services and whole of council operations to address the risk of obtaining a credit rating.

Council resolution to adopt the plan

Council resolved to adopt this plan in its meeting of 26 August 2025. The resolution to adopt this plan has been attached as Appendix 2.

Chief Executive's certification

I certify that this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information contained in the Plan is true and accurate.

Signed: _____

Name: Alex Parmley

Designation: Chief Executive

Council: Waitaki District Council

Date: 27 August 2025

Part B: Network Performance

Part B Overview

The Network Performance Section has been structured so the asset performance and compliance issues and future investment requirements are better linked. It broadly follows the Department of Internal Affairs' template content.

1. Description of water services in Waitaki District

Section 1 overview – This section covers:

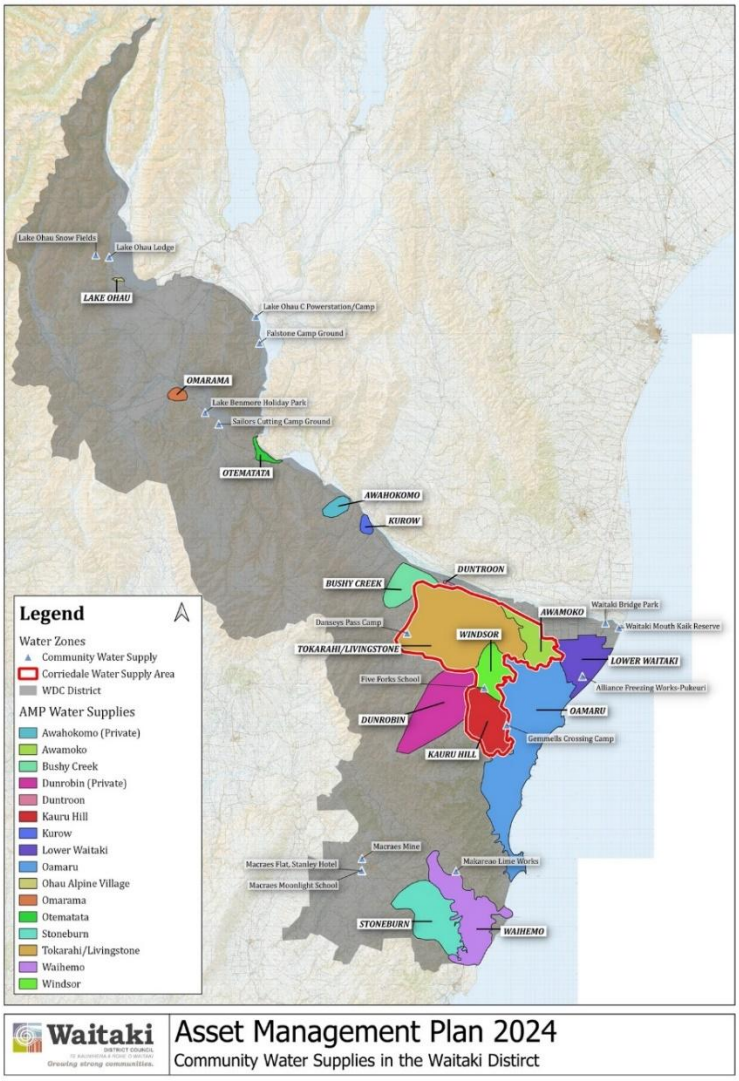
- Describes the district's water supply, wastewater, and stormwater schemes.
- Provides information on the number and location of residential and non-residential connections and unserviced areas.

The Waitaki District stretches from the Southern Alps to the Pacific Ocean, across Otago and Canterbury regions, with Ōamaru as the main urban centre with many smaller townships. The district covers a large area at 7,216km^2 and has a total population of 25,100. It is a relatively sparsely populated district compared with other South Island districts at 3.47 people per km^2.

1.1 Water supply scheme description

Number of schemes – Council provides water supply to 86% of the district's population through the operation of 15 individual domestic water supplies providing on-demand supply to urban areas and / or a continuous but restricted-supply for domestic-use and some stock-drinking water in rural areas.
These water schemes are categorised as follows and shown on the map below:

- Ōamaru – supplying a mix of on-demand and restricted zones (including formerly stand-alone supply areas of Weston, Enfield, Kakanui, Reidston, Maheno, Herbert-Waianakrua, Hampden-Moeraki).
- Waihemo - supplying a mix of on-demand and restricted zones from Palmerston south to Goodwood and inland to Dunback (formerly stand-alone supply zones).
- Five township supply systems (Kurow, Lake Ōhau, Ōmārama, Ōtematatā and Duntroon).
- Eight rural water supply systems operated by Council (Lower Waitaki, Bushy Creek, Stoneburn) or a third party (Awahokomo, Awamoko, Kauru Hill, Tokarahi, Windsor).



Number of connections – The number of connections by water supply schemes is detailed in the table below (as recorded in WDC's rates database).

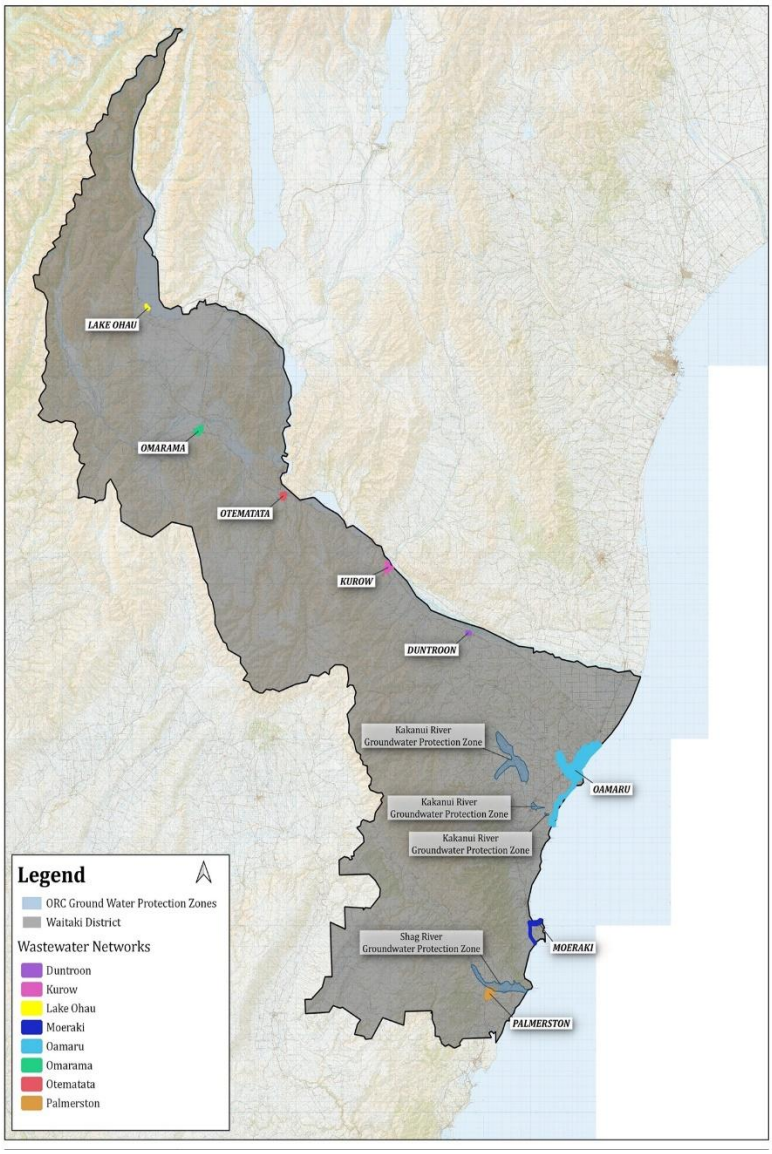
Serviced areas (by reticulated network)	Water supply schemes – numbers of connections
Residential	• Ōamaru / urban- 5384 • Ōamaru - Her- Waianak - 74 • Ōamaru / Enfield - 38 • Ōamaru / Ham Moe - 424 • Ōamaru / Kakanui -366 • Ōamaru / Weston -482 • Kurow - 205 • Lake Ōhau -56 • Ōmārama - 242 • Ōtematatā - 496 • Waihemo / Palmerston- 441 • Waihemo Dunback -72 • Waihemo Goodwood -37 • Awamoko - 18 • Duntroon - 49

Serviced areas (by reticulated network)	Water supply schemes – numbers of connections
	• Kauru Hill - 3 • Lower Waitaki - 39 • Bushy Creek - 1 • Stoneburn (rural) - 3 • Tokarahi - 42 • Waik/ Goodw -17 • Windsor - 11
Non residential	• Ōamaru / urban - 969 • Ōamaru / Her- Waianak - 239 • Ōamaru / Enfield - 99 • Ōamaru / Ham Moe - 136 • Ōamaru / Kakanui - 104 • Ōamaru / Weston - 413 • Kurow - 85 • Lake Ōhau - 74 • Ōmārama - 80 • Ōtematatā - 30 • Waihemo / Palmerston- 130 • Waihemo Dunback -92 • Waihemo Goodwood -120 • Awamoko - 74 • Duntroon - 18 • Kauru Hill - 71 • Lower Waitaki - 164 • Bushy Creek - 10 • Stoneburn - 59 • Tokarahi - 188 • Waik/ Goodw -10 • Windsor - 61

Unserviced areas – There are 869 households not connected to the public water supply system.

1.2 Wastewater scheme description

Number of schemes - Council operates eight wastewater systems (as shown on the map below) at Duntroon (limited-service area), Kurow, Lake Ōhau, Moeraki, Ōamaru (including Kakanui and Weston), Ōmārama, Ōtematatā, and Palmerston servicing a population of over 16,430 across the district.



Number of connections – The number of connections by wastewater schemes is detailed in the table below (as recorded in WDC's rates database).

Serviced areas (by reticulated network)	Wastewater schemes – numbers of connections
Residential	• Ōamaru - 5,239 • Ōamaru / Kakanui - 313 • Ōamaru / Weston - 399 • Duntroon -9 • Kurow - 196 • Lake Ōhau - 64 • Moeraki - 157 • Ōmārama - 227 • Otematata - 517 • Palmerston - 418

Serviced areas (by reticulated network)	Wastewater schemes – numbers of connections
Non residential	• Ōamaru - 610 • Ōamaru / Kakanui - 24 • Ōamaru / Weston - 51 • Duntroon - 0 • Kurow - 49 • Lake Ōhau - 0 • Moeraki - 11 • Ōmārama - 29 • Otematata - 20 • Palmerston - 80

Unserviced areas – There are 2,930 households not connected to the public wastewater system.

1.3 Stormwater scheme description

Number of schemes

Council operates stormwater systems in eight community areas in the Waitaki District (in Canterbury and Otago) which provide a degree of protection against rainfalls of a moderate intensity, as summarised in the table below.

Of these, only the Ōamaru, Ōtematatā, Palmerston and Weston systems are considered substantial. The remaining four systems in Ōmārama, Kurow, Lake Ōhau and Moeraki are small, consisting only one or two pipes each.

Region	Township serviced with public stormwater system
Otago	• Ōamaru • Weston • Moeraki • Palmerston
Canterbury	• Lake Ōhau • Ōmārama • Ōtematatā • Kurow

Number of connections – The number of connections by stormwater serviced townships is detailed in the table below (as recorded in WDC's rates database).

Serviced areas (by reticulated network)	Stormwater serviced townships – numbers of connections
Residential	• Ōamaru - 5,613 • Kurow - 203 • Lake Ōhau -132 • Moeraki - 203 • Ōmārama - 246 • Ōtematatā - 545 • Palmerston - 528 • Weston – 447

Serviced areas (by reticulated network)	Stormwater serviced townships – numbers of connections
Non residential	• Ōamaru - 1,057 • Kurow - 50 • Lake Ōhau -0 • Moeraki - 14 • Ōmārama - 64 • Ōtematatā - 25 • Palmerston - 104 • Weston – 88

Unserviced areas – It is estimated that 69% of the district's population have access to a public reticulated stormwater system with the remainder being served by individual soak pits and associated disposal systems. The private stormwater systems within the Waitaki District are Dunback, Duntroon, Gemmells Crossing Camp, Hampden, Herbert, Kakanui, Maheno, Moeraki, Reidston, Waitaki Bridge Park and Waitaki Mouth Kaik Reserve.

2. Asset management and service delivery

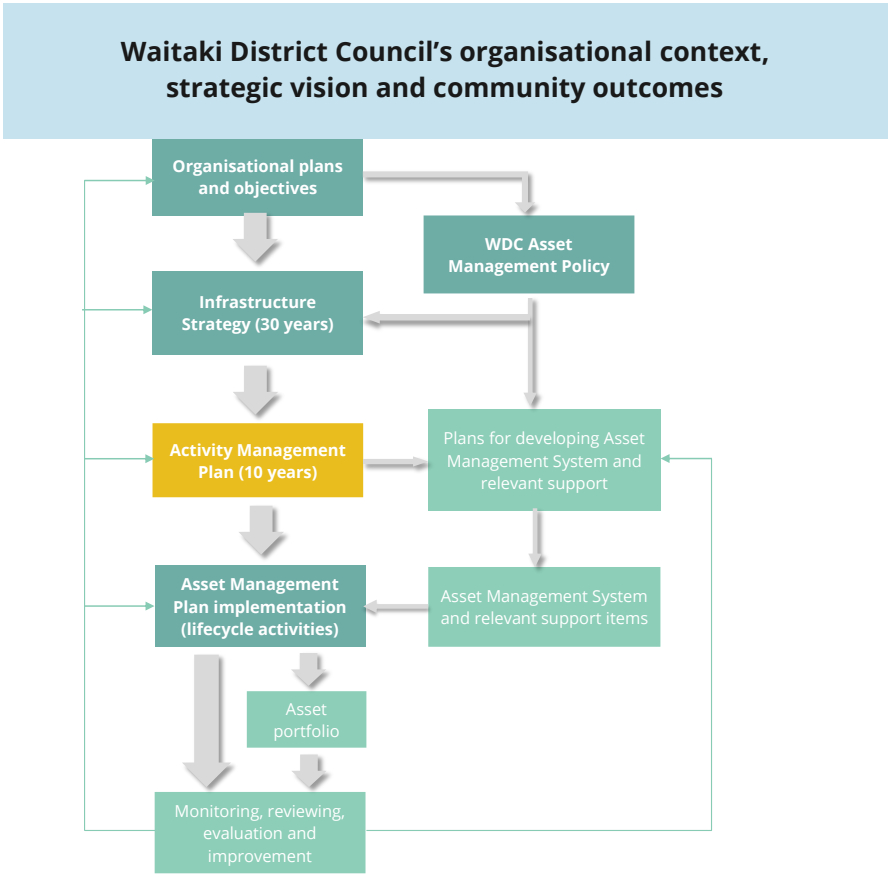
Section 2 overview – This section covers:

- Council's asset management (AM) approach including AM framework, maturity and systems.
- Current and proposed water services delivery arrangements.
- Historical delivery against planned investment including key steps to improve deliverability.

2.1 Asset management approach

Asset management framework - Council is committed to providing good quality infrastructure assets that serve the needs of the community. WDC follows good industry practice in its approach to asset management as defined in the IIMM and Āpōpō Guidelines.

WDC's asset management framework is shown in the diagram below. It shows the alignment and strategic linkages between our Council's Vision, Community Outcomes, Infrastructure Strategy, AMPs and the activities.



AM Policy and AMPs - The purpose of the Asset Management Policy is to define the principles and responsibilities that WDC applies when managing the infrastructure assets. The policy underpins and gives effect to WDC's Vision and LTP. The policy provides the overarching framework for the 30 Year Infrastructure Strategy and Asset Management Plans (AMP).

Council's Asset Management Policy was revised and adopted in July 2025. The purpose of the AM Policy is to:

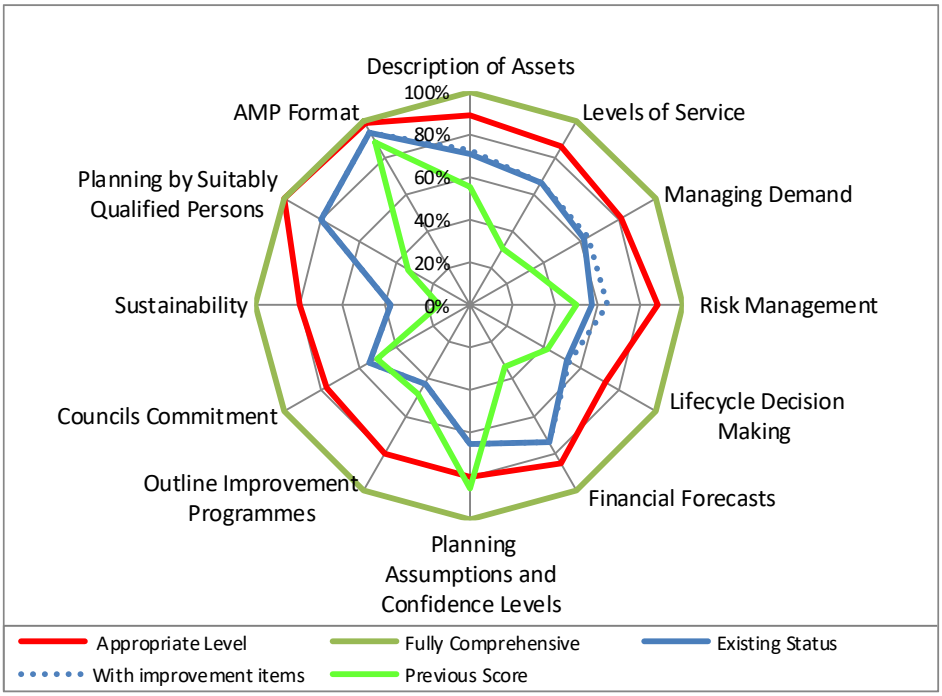
- Record Council's commitment to asset management as a core business practice.
- Outline the principles Council will apply to asset management.
- State the determined level of sophistication for asset management activity by asset portfolio.

Separate AMPs are prepared every three years for our water, wastewater, and stormwater supply activities. The AMPs are based on asset needs and inform the Long Term Plan process including the 30 year Infrastructure Strategy.

Asset management maturity – WDC's AM Policy sets the maturity level for the asset activities as shown below. WDC aims for a Core Plus / Intermediate level of asset management practice for three waters, operating at an advanced level as required to meet additional regulator-driven requirements.

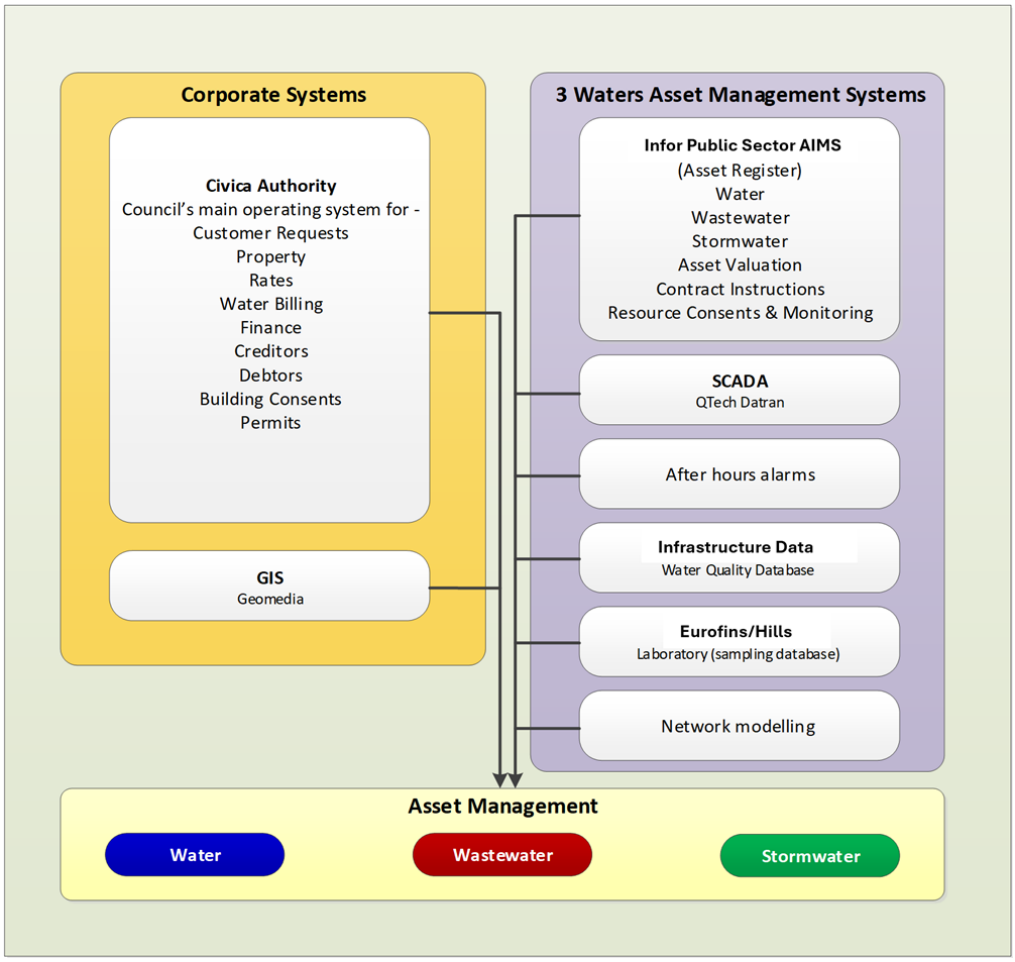
Activity / AM Level	Roads and Footpaths	Water, Wastewater and Stormwater	Waste Management and Minimisation	Parks, Reserves and Recreation Services	Property and Facilities
Advanced	*Waka Kotahi driven additional requirements*	*Regulator driven additional requirements*			
Core Plus / Intermediate					
Core					

The most recent external AMP assessment was undertaken by Waugh Infrastructure Management in 2017. The result of this assessment is shown in the figure below. Overall, the assessment indicates the AMPs assessed are improving over time and moving closer to the target appropriate practice level. It is expected that many of the remaining gaps identified will be closed during subsequent reviews and updates.



Asset management systems – Asset management information and data systems currently used in water services delivery are summarised in the diagram below. Note that the GIS platform has recently switched from Geomedia to ArcGIS and that network hydraulic models used InfoWorks WSP and ICM software packages.

A review of the asset management systems has been completed, and transition budget costings have been allowed for any system changes. This includes the performance of the SCADA and telemetry systems, compliance reporting processes and source data systems and the integration of asset management and financial systems to readily provide reliable compliance reporting information in the future.



2.2 Water services delivery arrangements

Current water services delivery arrangements

In house resources - The three water functions are split across the four Council directorates, including Strategy, Performance & Design (Asset Planning), Community Engagement & Experience (Customer Experience, Customer Services, Strategic Communications & Engagement), Support Services (Finance, Project Management Office, People and Capability, Digital Services) and Natural & Built Environment (Regulatory and Compliance, Infrastructure).

The recent restructuring of the water services in 2024 established a dedicated PMO to streamline and increase the Council's capital programme delivery capacity. Currently the PMO is primarily focused on the delivery of three significant projects for Council including the events centre, art gallery and a new road bridge. These major projects are expected to be completed in 2026 and the focus will become the delivery of Council's three waters capital programme. While there have been teething issues as new processes bed in, the recent resourcing review has identified operational refinements to improve and optimise delivery further.

Building capability - The new Assets Planning function will bring greater focus on asset planning and upfront investment planning so the current asset state is better understood. The dedicated asset planning team ensures this focus is not distracted with operational issues. It is recognised that there needs a greater focus on:

- Collecting data and using this to inform investment decisions.
- Proactive programmes such as leakage management and wastewater overflow mitigation strategies.

The building of internal PMO and AM capability will take time. The recent review identified capacity gaps and these have been addressed.

Outsourced delivery - Most of the operation and maintenance responsibilities for reticulation, treatment, storage and pumping facilities across Council schemes are contracted to SouthRoads Ltd. The SouthRoads contract is due to expire on 30 June 2027 and will need to be retendered or renewed.

Council has partnered with Corriedale Water Management Limited to ensure the delivery of operations, maintenance and day to day management of four water supplies (Awamoko, Kauru Hill, Tokarahi and Windsor) is undertaken to the required standard.

The capital programme is largely delivered through tendered contracts to the contracting market.

Future water services delivery arrangements

Council will be looking to put in place longer term contracts which streamline delivery through increased certainty for the market.

There are currently no plans to change the existing delivery arrangements, which have been recently established. The existing service delivery structure will not broadly change but Council will look to consolidate and improve the structure and embed in supporting processes. However, further work is required to verify the ring-fencing provisions to ensure accurate cost accounting for each activity. As a foundation for this, individual scheme costs are already being accounted for separately.

There will be a focus on the following functions to ensure WDC is able to support asset management, capital delivery and meeting compliance requirements:

- PMO – This new function can deliver the larger capital investment programmes, with a focus on the three waters capital programmes.
- Asset Planning – This new function can focus on asset planning and upfront investment planning so the projects are adequately scoped and considers long term issues. It will also undertake analysis of the current asset issues including asset failure and condition assessments. This analysis will inform the ongoing renewal programmes so they are risk based.
- Regulatory and Compliance – This team will continue to monitor drinking water and resource consent compliance and provide timely reports to the regulators – Otago and Canterbury Regional Councils, Water Services Authority Taumata Arowai and Commerce Commission. They will continue to work with other internal teams on any non-compliance issues to identify suitable and timely mitigation measures including operational and capital solutions.

It is expected that the current contracted out services will continue, pending a S17A review in 2027 which will consider whether the treatment of water and wastewater is best undertaken externally or internally.

2.3 Historical delivery against planned investment

Key points on historical capital investment - Overall, there was mixed achievement in delivering the capital programmes from 2018/19 to 2024/25. WDC has recognised that additional resources and capability were required to lift programme deliverability (see notes below).

Key points on historical capex delivery against planned investment are:

- Water supply – Although the overall results were generally reasonable and greater than the planned budget in some financial years, this was related to mainly deferred projects and cost escalation. The fluoridation of Oamaru water supply was an unbudgeted project. There was massive increase in projects delivered in 2020/21 than planned as WDC was in receipt of significant government funding to enable a number of major capital projects to proceed.
- Wastewater – Similar comments to water supply. Additional capital projects were undertaken in 2020/21 with funding from Government.
- Stormwater – There was no planned investment for stormwater in this period. All stormwater projects were unbudgeted and low level.

Note that the planned investment figures in the table below reflect the annual plan budgets set at the start of each year and will only reflect the LTP figure in year 1. They do not include any carry forward from previous years or mid-year adjustments.

Information for the 2024/25 is not currently available.

Water supply

Delivery against planned investment	Renewals investment for water supply				Total investment in water supply			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	6,800	9,950	5,194	**21,944**	13,805	30,359	5,284	49,448
Total actual investment		19,093	11,497	**30,590**		30,926	19,582	50,508
Delivery against planned investment (%)	**NA - current year**	**192%**	**221%**	**139%**	**NA - current year**	**102%**	**371%**	**102%**

Wastewater

Delivery against planned investment	Renewals investment for wastewater				Total investment in wastewater			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	915	6,369	2,119	**9,403**	2,322	7,397	3,079	12,798
Total actual investment		4,551	1,392			5,943	4,584	10,527
Delivery against planned investment (%)	**NA - current year**	**71%**	**66%**	**0%**	**NA - current year**	**80%**	**149%**	**82%**

Stormwater

Delivery against planned investment	Renewals investment for water services				Total investment in water services			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	-	-	-	**-**	-	-	-	-
Total actual investment	NA - current year	182	376	**558**	NA - current year	182	376	558
Delivery against planned investment (%)	**NA - current year**	**NA - unbudgeted**	**NA - unbudgeted**	**NA - unbudgeted**	**NA - current year**	**NA - unbudgeted**	**NA - unbudgeted**	**NA - unbudgeted**

Key steps to improve deliverability - The key steps WDC has undertaken to improve its deliverability of capital works are:

- The recent establishment of a PMO in 2024 and the restructuring of the delivery of water services internally was designed to improve capital delivery against budgets.
- There are internal project managers to deliver the capital programmes and external support is used as required.
- Introduction of integrated AM planning to inform effective capital investment decisions.
- Planned investment in stormwater renewals and new works for capacity upgrades has been allowed for in this WSDP.

3. Assets and renewals

Section 3 overview – This section covers:

- Description of current asset state in terms of age and condition, gaps in information and improvement programmes to address this.
- Identification of critical assets.
- Presentation of long term renewal profiles.
- Identification of capital renewal investments.

3.1 Current asset state – age and condition

Asset age and condition – The current state of the three water assets is shown in the table below (as per DIA template), with description on each activity outlined below.

For below ground water supply assets, a 1 to 5 condition rating is not used. Watermain failure data is used to analyse timely renewals to ensure unplanned interruptions are with an acceptable level. This is consistent with good industry practice.

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets *Note these values are for all water, wastewater, and stormwater assets, including plant and equipment.*	32.65	54.48	54.24
Above ground assets:			
Treatment plant/s (numbers)	13	8	NA
Percentage or number of above ground assets with a condition rating	0%	0%	0%
Percentage of above –ground assets in poor or very poor condition	NA	NA	NA
Below ground assets:			
Total km of reticulation	1,784	203	58
Percentage of network with condition grading	0%- failure data used	25%	0%
Percentage of network in poor or very poor condition	NA	6.7%	NA

Water supply networks

Generally, the water supply network is relatively young at about 33 years. The oldest pipes are 1880 cast iron gravity mains and these are performing better than expected. With pipe assets generally having an expected life of 100 years, more detailed investigations will be required to refine the renewals programme. However, the 1880s cast iron gravity main, serving as the source pipeline, has undergone non-invasive investigation, which has indicated that its overall condition is fair. External specialist advice indicates that 1880s cast iron gravity main does not need to be replaced in the short term but Council continues to monitor this.

Limited formal assessments have been undertaken to date on the above ground water supply assets beyond observations by treatment plant operators and network maintenance staff. There has also been non-invasive testing of water reservoirs.

Budget is allocated annually for condition assessments of above and below ground assets.

Wastewater networks

Historical CCTV records, supplemented by approximately 7km of more recent surveys completed over the past five years, have informed the current understanding of the condition of the wastewater pipe networks. However, much of this information is now dated. Recent inspections indicate that a general deterioration of the network condition over the last two decades.

Enhancing the understanding of network condition will enable more effective targeting of the renewals programme, ensuring that higher-cost investments are directed to the assets that are in the poorest condition and are categorised as critical. High inflow and infiltration levels are also an issue across many schemes. Budget has been allocated to support ongoing investigation work.

Some wastewater trunk mains in Oamaru have been identified as in poor condition and also need upgrading to cater for capacity during wet weather.

The condition of above ground assets and wastewater pumping stations has not been formally assessed for renewals planning. The operations contract is relied on to maintain the plant assets in a functional state.

Stormwater networks

The stormwater network is not considered old and, with the exception of some older limestone block culverts, is some way from reaching the end of its useful life. Some capital investment is required for upgrades to ensure sufficient capacity and budget is allowed for scoping the level of upgrades that are required.

Condition Improvement Programmes

Council is shifting from historical reactive management of its three water assets to a proactive management approach. There will be greater focus on the data collected and using this to inform planned investment decisions, rather than reactive renewals. Asset condition information informs the long term renewal investments.

Key actions for improving asset condition information are:

- Water supply:
    - Condition assessment of water infrastructure initially at $400k in 2026/27 then $200k per annum for remaining years.

- This will accelerate progress on confirming the useful life of the cast iron watermains in Oamaru. These old watermains are at the end of theoretical useful life and constitute the bulk of the water supply renewal backlog. The failure rates are low and there is probably considerable life remaining. Evidence is important to better understand the likely replacement timing for these critical watermains.

- Wastewater:
  - Condition assessment of wastewater infrastructure (excluding mains) at $150k per annum (from 2027/28).
  - Sewer main inspection and cleaning programme increasing from $150k to $250k per annum.
  - Condition assessment of manholes at $0.5m in total (spread over 5 years).
  - Additional wastewater monitoring at $400k (opex).
  - District wide inflow and infiltration programme estimated at $2.35m (10 year opex total).
- Stormwater:
  - Stormwater Main Inspection and Cleaning Programme at $1.15m in total (opex).

3.2 Critical assets

Critical assets are defined as assets that have a high consequence of failure (not necessarily a high probability of failure). The council undertook a systematic analysis of 3 waters assets in 2023-2024 using a consequence of failure framework to identify critical assets. The criticality assessment of the water assets resulted in compilation of High and Medium criticality assets for further analysis.

Criteria for considering criticality of water assets:

- Financial repair cost, pipe renewal values.
- Damage to property, proximity to adjacent property.
- Impact to transport network, roads and railways.
- Level of loss of service, extent of connections impacts.
- Key customer impacts, eg schools or hospitals.

The identified critical assets and the approach taken are summarised in the table below at activity levels.

Current approach taken	Critical water supply assets	Critical wastewater assets	Critical stormwater assets
Renewal timing is based on conservative base life and actual condition assessments of assets and estimated future deterioration. Our Infrastructure Strategy states that critical assets will be replaced before the end of their design life.	The 2011/12 assessment is that 66% of equipment assets are highly critical. It also found that, based on replacement value, the highest proportion of critical assets is within the water facilities where water is extracted, treated and stored.	All wastewater treatment plants and some truck mains, are considered critical assets. • 27% of all assets are highly critical • 78% of equipment is highly critical • 8% of mains are highly critical	Due to the limited and basic asset set, the stormwater assets were not included in the district wide criticality assessment.

Current approach taken	Critical water supply assets	Critical wastewater assets	Critical stormwater assets
Formal criticality assessments were undertaken for water supply in 2024, wastewater in 2023 and stormwater in 2012.	Based on the 2024 assessment, asbestos cement (AC), polyethylene (PE) and polyvinyl chloride (PVC) water mains feature across all criticality brackets. Pipes with high criticality (criticality value 5) are made of: • AC (3.8km), PE (6.9km) and cast-iron (10.2km) Pipes with a criticality value of 4) are made of: • AC (4.1km), PE (6.3 km) and cast-iron CI (7.4km) along with PVC (77.8 km) and a small amount of ductile iron (33m)	The Otago Lifelines Group's Vulnerability and Interdependency Study – August 2024 identifies three wastewater pump stations in Oamaru's Orwell Street, Beach Road and Regina Lane as the most critical for the Waitaki district.	However, the review of the 2011/12 criticality assessment needs to be progressed to ensure the criticality assessment is considered in prioritising inspections, investigations, maintenance and renewal strategies (IP 3W3). This review will consider inclusion of stormwater assets.

3.3 Renewal profiles

WDC has undertaken long term renewal modelling based on remaining useful life to 2060 to inform the 2025 LTP budget process. The following long term renewal profiles are based on the original 2025 LTP budget. This is being amended as part of the WSDP process to ensure there is sufficient and constant renewal investment long term to keep the renewal backlog to an acceptable level. These renewal profiles will be refined as better asset condition data is collected and analysed. We note that the renewals backlog in the first three years is artificial due to accounting procedures which extend the useful life of pipes at the end of life by three years.

Figure 1 Watermain renewal profile

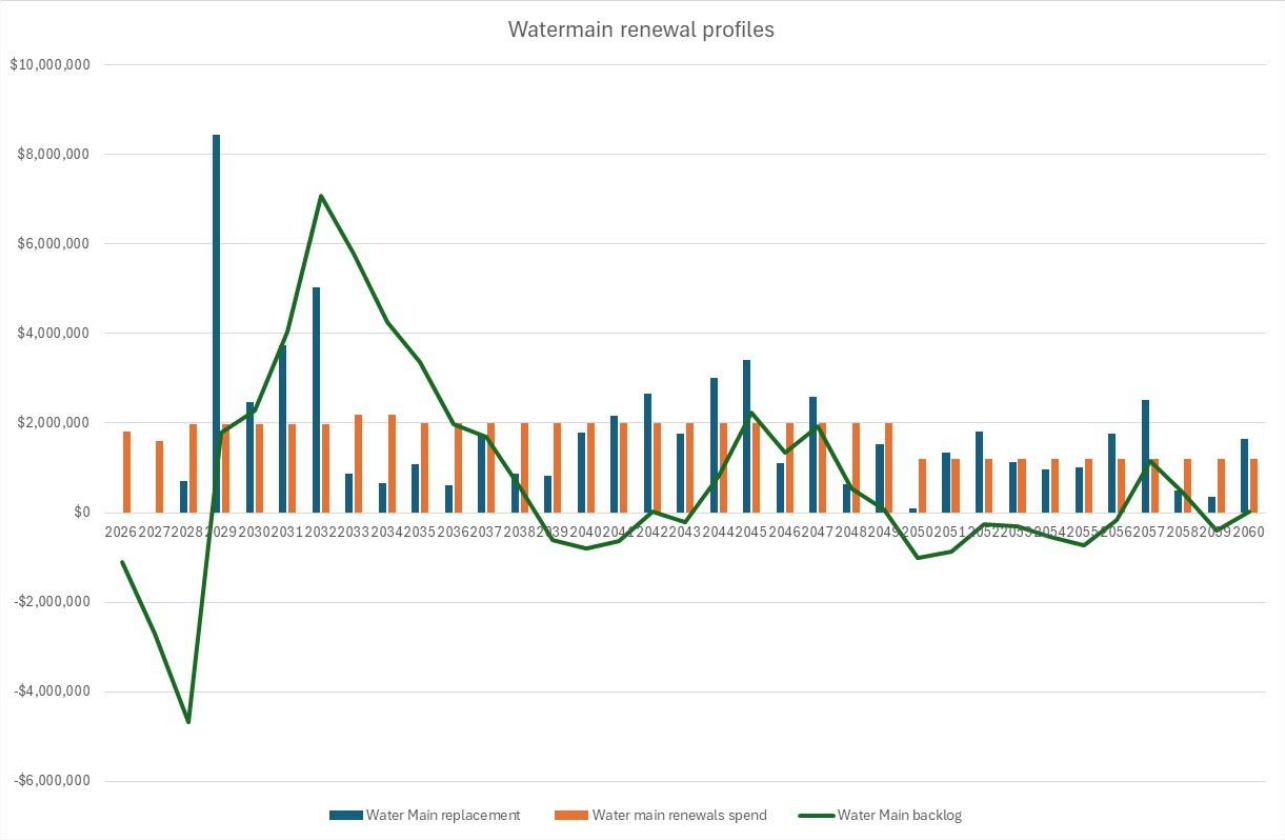


Figure 2 Wastewater main renewal profile

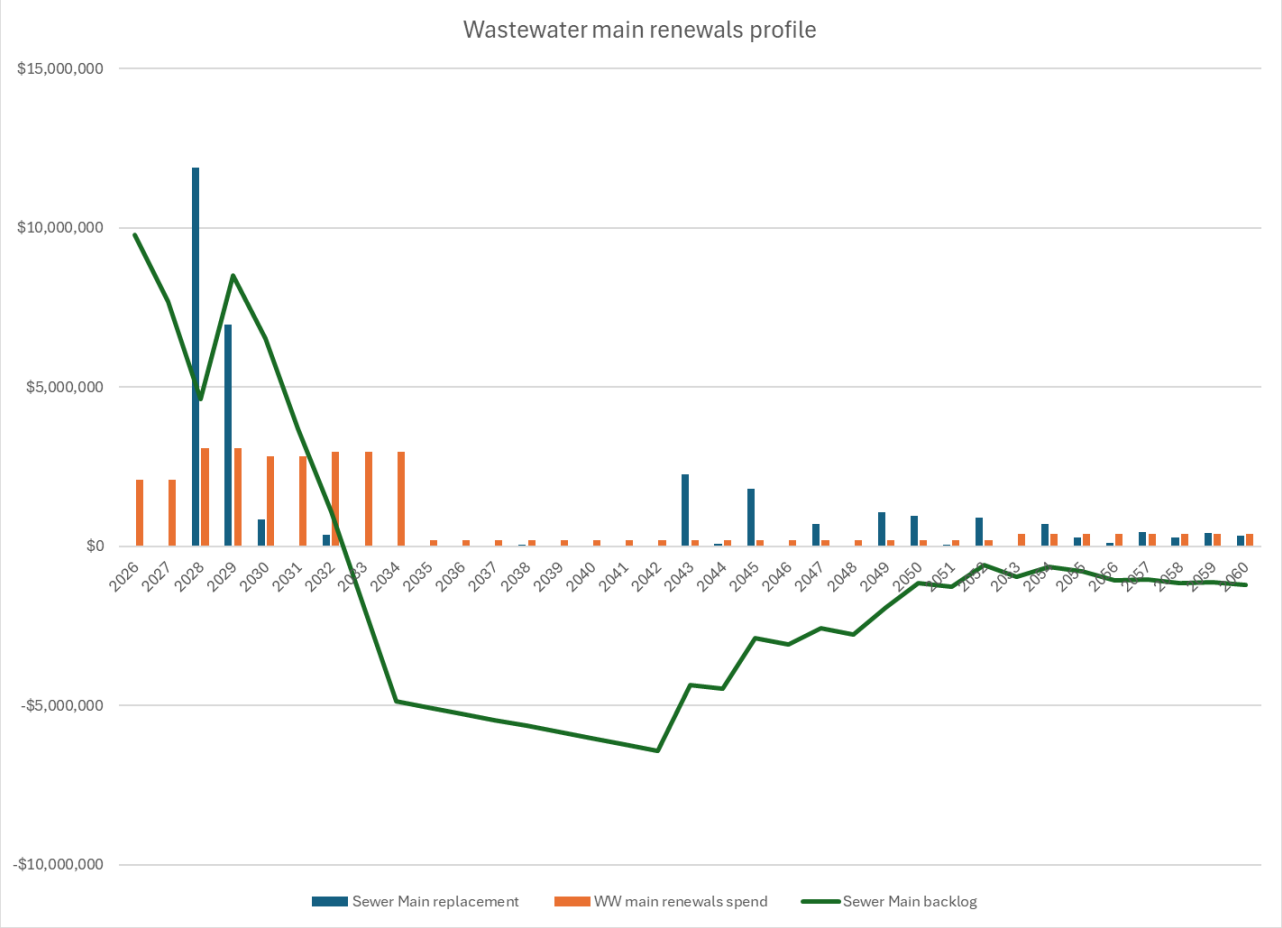
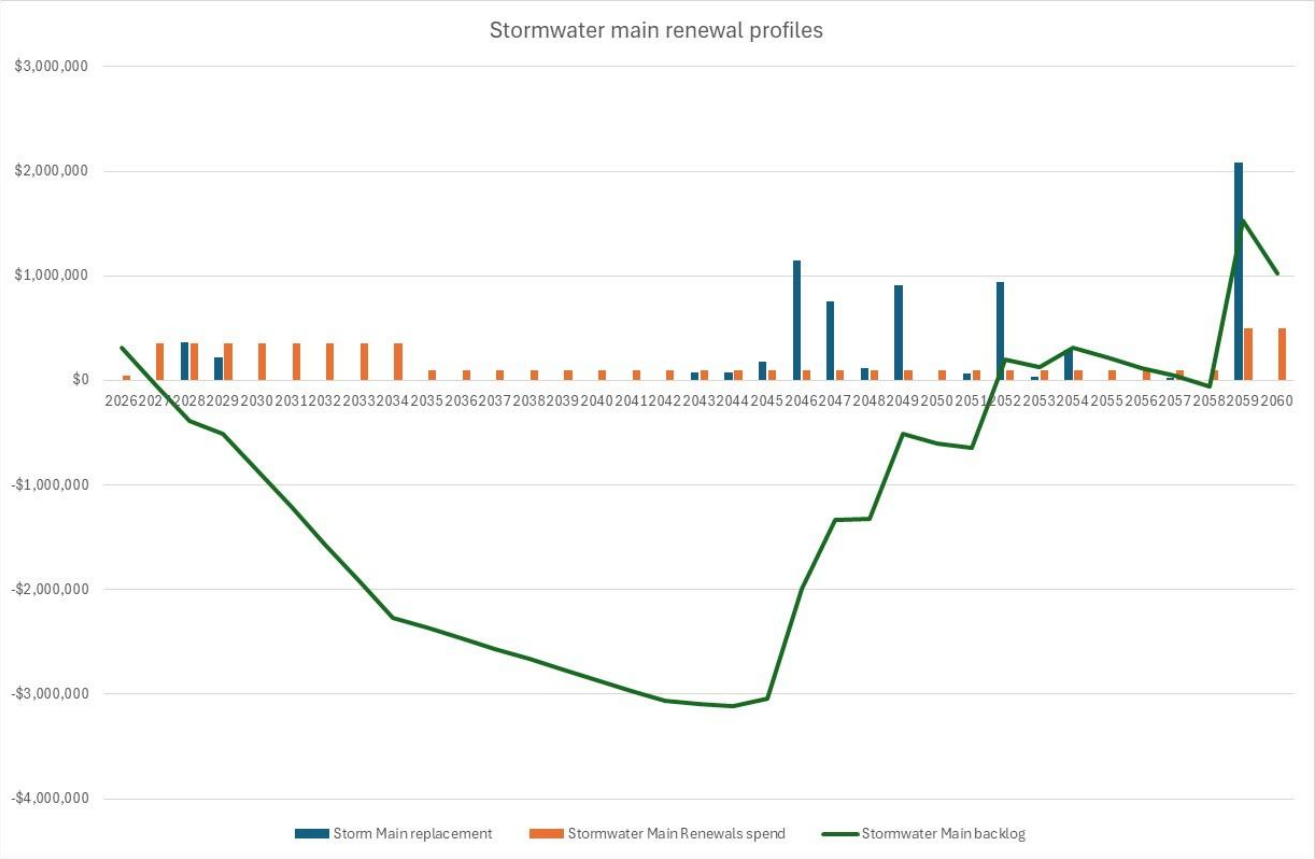


Figure 3 Stormwater main renewal profile



3.4 Capital renewal investments

The three water renewal investments have been prioritised as *must do in* this WSDP and cover multiple asset classes including consent renewal. The resulting 10-year renewals programmes are summarised in the table below with further detail on significant capital projects in Additional Information Section. The renewals programmes are based on asset age and condition information, renewal profiles and WDC's asset managers knowledge, and smoothed over the ten year period.

Activity	Asset class	10 year renewal forecast
Water supply	Watermains – urban	$11.56m
	Watermains – rural	$5.14m
	Facilities (building related) and water supply pump stations	$1.3m
	Treatment plants	$3m
	SCADA	$1.67m
	Resource consents	$295k
	Reservoirs – concrete tanks	$750k
	Oamaru Water Strategy Phases One (Build) & Two-Three (Plan)	$4.15m
	Condition assessments	$1.85m

Activity	Asset class	10 year renewal forecast
Wastewater	Oamaru wastewater main renewals	$18.585m
	Oamaru wastewater relocation / renewal - Orwell Street	$20.5m
	Sewer main renewals – urban and Palmerston	$5.82m
	Facilities (building related)	$1.7m
	Treatment plants – Oamaru	$960k
	Pump stations	$1.4m
	SCADA	$1.67m
	Resource consents	$215k
	Risk management plans	$295k
Stormwater	Stormwater mains	$2.85m
	Oamaru stormwater structure improvements	$250k
	Otago Stormwater Management Plan & Resource Consent Application	$260k

4. Growth

Section 4 overview – This section covers:

- Serviced population and network connection forecasts at district wide level.
- Proposed growth areas in term of household numbers.
- Identification of infrastructure capacity issues including abstraction / discharge limits.
- Managing demand through metering programme.
- Identification of capital growth investments.

4.1 Serviced population

WDC currently services most of the district's population for water supply at 86%, 66% for wastewater and 69% for stormwater. These percentages are expected to remain fairly consistent over the coming decade. The table below provides the 10 year serviced population forecast at activity level.

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total population[1]	24,934	25,246	25,554	25,855	26,148	26,432	26,706	26,969	27,220	27,458
Total serviced population [2]:										
Water supply	21,351	21,618	21,882	22,140	22,391	22,634	22,868	23,094	23,309	23,512
Wastewater	16,430	16,636	16,839	17,037	17,230	17,417	17,598	17,771	17,936	18,093
Stormwater	17,155	17,370	17,581	17,789	17,990	18,186	18,374	18,555	18,728	18,891
Total Household units[1]	10,618	10,767	10,909	11,043	11,171	11,290	11,401	11,508	11,610	11,706

The 10 year network connections forecast at district wide level is detailed in the table below.

Projected network connections	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total network residential connections[2]:										
Water supply	9,749	9,871	9,991	10,109	10,224	10,335	10,442	10,545	10,643	10,736
Wastewater	7,688	7,784	7,879	7,972	8,062	8,150	8,234	8,315	8,393	8,466
Stormwater	7,918	8,017	8,115	8,210	8,304	8,394	8,481	8,564	8,644	8,720
Total network non-residential connections[2]										
Water supply	2,226	2,254	2,281	2,308	2,334	2,360	2,384	2,408	2,430	2,451
Wastewater	659	667	675	683	691	699	706	713	719	726
Stormwater	1,449	1,467	1,485	1,503	1,520	1,536	1,552	1,567	1,582	1,596

[1] Data taken from 2025 WDC 3 Waters AMP.

[2] Data taken from WDC Network Environmental Performance Reporting for 2023-2024.

Stormwater data is based on rated properties recorded in WDC's financial system

4.2 Proposed growth areas

The total number of household units in Waitaki District is estimated to increase by:

- 11.9% by 2034 (1,242 household units).
- 24.5% by 2054 (2,567 household units).

These estimates are based on high growth-rate forecasts prepared for Council by Infometrics in 2024.

4.3 Infrastructure capacity constraints

Infrastructure capacity constraints have been identified with this plan. Any upgrades consider interrelated factors including population growth, asset renewals, resilience, and compliance requirements. Major infrastructure capacity upgrades in this plan are summarised in the table below.

Activity	Capacity upgrade project	Challenge	Management response
Water supply	Oamaru Water Strategy Source Resilience	Oamaru water supply will come under pressure from increasing demand, climate change, changes in land use, and changes to consenting for the Waitaki River water take.	Phase One implements the short term process improvement. Phase Two of the strategy is focused on raw water capacity. Phase Three will explore additional treatment plant capacity and hinterland supply.
	Lower Waitaki Capacity Upgrade	The water has known nitrate contamination at moderately elevated, but compliant levels. The current groundwater bores, pumps and infrastructure capacity are insufficient to meet the vastly increased 2070-year forecast demand and additional water is required.	It is proposed to connect to the Oamaru supply to reduce nitrate levels and provide capacity.
Wastewater	Overflow mitigation at Oamaru and Palmerston (studies and works)	Oamaru's wastewater network is, at certain times, not able to accommodate current wastewater flows, particularly during heavy rainfall events. There are multiple locations where wastewater overflows are known to occur across the network. Works to reduce the risks of overflows to prevent environmental contamination and protect public health.	It is necessary to improve the capacity of the Oamaru wastewater network to meet current volume in addition to accommodating future volume contributions. Works required to support overflow mitigation across the wastewater system. Design and construction of confirmed solution for Palmerston such as overflow storage, larger pumps and / or duplication of rising main.

Activity	Capacity upgrade project	Challenge	Management response
	Oamaru network upgrades, rising main duplication and additional pump station		Major network capacity includes relocating the Orwell Street Pump Station (a critical assets for the Ōamaru wastewater network), upgrading the Beach Road Pump Station (catchment area), the Ōamaru Creek Syphon upgrade, and duplicating the Ōamaru trunk rising main.

4.4 Managing demand

The key programmes to manage demand are summarised in the table below.

Activity	Programme	Challenge	Management response
Water supply	Universal water metering	Universal water metering reduces high water consumption and helps detect private water leakage that otherwise goes undetected. It promotes efficient water usage by customers and defers costly future investment in capacity upgrades. Nationally, water metering has delayed major infrastructure projects saving millions for ratepayers. Recent successful metering cases include Tauranga City Council and New Plymouth District Council. WDC currently only meters commercial and industrial users and domestic properties with high water use. Water demand was high by industry standards including: • Water consumption at 532 litres per person per day for 2023/24. • High water losses ranging from 31% to 49%. • Multiple water restrictions in the summer period to keep within the water take consent limits. (Refer to Section 5.1 on drinking water quality parameters for meeting regulatory standards on number of water restrictions).	A proactive metering programme is proposed in the capital programme estimated at $12million over three years (categorised as LOS project). The water meters will help to reduce the high-water leakage and customer water consumption.

Activity	Programme	Challenge	Management response
Wastewater	Inflow and infiltration	This is the term used to describe groundwater and stormwater entering into the dedicated wastewater system resulting in the system becoming overloaded and overflows occurring. Inflow is believed to be the most significant contributor to increased flows within the wastewater collection system in Ōamaru. High Inflow and infiltration also impacts wastewater treatment plant capacity.	A district wide inflow and infiltration programme proposed is estimated at $2.35m (10 year opex total). This will ensure the collection systems are maintained to operate at optimum capacity.
	Trade waste	Trade waste is commercial and industrial liquid waste discharged into our wastewater network for treatment. Compared to residential wastewater, trade waste has more associated risks. Trade waste customers contribute around half of all organic load to the Oamaru WWTP and projected to contribute closer to two thirds by 2070. Opportunities to address trade waste load may yield significant value in improving current WWTP performance but would not be sufficient to address forecast future load on their own. The list of potential customers and water demand patterns provides evidence that there is significant scope to expand the list of trade waste customers. This will ensure a fair allocation of collection, treatment, disposal and monitoring costs.	A proactive trade waste programme is estimated at $3.2m (ten year total starting in 2026/27). It will address: • Existing treatment capacity constraints. • Identify new trade waste customer so they are paying their fair allocation.

4.5 Growth investment

Water supply and wastewater network extension capital projects have been categorised as *should do* as part of the prioritisation process and consequently been included in this WSDP. Network extensions are required to support growth in revised district plan in areas not currently connected. This has been estimated at $3 million in total for water supply and wastewater ($1.5 million each). However, there are capital projects that have service level as the primary driver that also include a portion of growth, particularly upgrades. For example, pipe renewals will allow for future design volumes rather than simply replacing like-for-like.

5. Levels of service

Section 5 overview – This section covers:

- Water supply, wastewater and stormwater performance results for 2023/24.
- Disclosure of the drinking water parameters (based on DIA template table).
- Specific commentary on drinking water compliance, water leakage and firefighting.
- Identification of capital levels of service (LOS) investments.

5.1 Water LOS

Water service level achievement

The achievement against the water supply performance measures for 2023/24 are shown in the table below.

Level of service statement	Performance measure	2023/24 Target	2023/24 Results
Safety of drinking water	Full compliance with Drinking Water Quality Assurance Rules (2022) for: bacteria and protozoa compliance		
	• bacteria compliance	Achieved for all supplies	Not Achieved
	• protozoa compliance	Achieved for all supplies	Not Achieved
Maintenance of the reticulation network	The percentage of real water loss from Council's networked reticulation system	Maintain or reduce	Not Achieved Kurow: 49% Ōamaru: 42% Ōmārama: 31% Ōtematatā: 39% Palmerston: 33%)
Fault responses times	Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:		
	Attendance for urgent call-outs:	≤1 hr	0.6
	Resolution of urgent call-outs:	≤24 hrs	2.4
	Attendance for non-urgent call-outs:	≤2 days	0.5
	Resolution of non- urgent call-outs:	≤5 days	0.8
Customer satisfaction	The total number of complaints received about (per 1,000 connections): - drinking water clarity - drinking water taste - drinking water odour - drinking water pressure or flow - continuity of supply and Council's response to any of these issues	<25/1,000 connections	17
Demand management	The average consumption of drinking water per day per resident within Waitaki district	<500 litres per person per day	532

Commentary on specific areas

WDC did not achieve drinking water compliance, water loss and water consumption measures in 2023/24, with specific commentary as follows:

Drinking water compliance - WDC did not fully achieve drinking water compliance for 2023/24. The key points are:

- Only three of Council's 15 water supplies were compliant with the Drinking Water Quality Assurance Rules at the end of quarter 2, 2024/25. This is primarily due to the discontinuation of "secure bore water" treatment exemption. Six sites are awaiting treatment upgrades and have permanent boil water notices in place. The upgrades are on-hold until the release of the revised Acceptable Solutions for Mixed-Use Rural supplies. The Waihemo water supply has periodically been under "conserve water' notices during times of poor raw water quality or during summer months.
- Four sites that have already been upgraded are non-compliant due to not meeting minimum UV requirements or having no filtration to address source water quality variations.
- The Oamaru Water Treatment Plant currently experiences significantly reduced membrane lives. Investigations are underway to identify options for improved performance.
- All sites have Drinking Water Safety Plans and Source Water Risk Management Plans. Due to resourcing constraints, implementation of improvement items has been difficult and many remain outstanding.
- Waitaki has only been required to fluoridate the Oamaru Water Supply. The treatment is now in place and meeting requirements. It is expected that other larger supplies such as Palmerston will require fluoridation in the future.

Water leakage – WDC's water loss is much greater than acceptable industry levels as shown in the LOS table above particularly for Kurow and Oamaru at over 40%. WDC has historically allowed high leakage rates as it was more costly to repair pipes than source, treat and pump water. This was in an effort to maintain affordability.

WDC is shifting its water demand management approach from its historic focus on fixing leaks reactively to a proactive management approach. This shift will require time and in house capability to undertake the analysis.

Water supply parameters

Disclosure of the drinking water parameters (based on DIA template table) is shown in the table below. The adequacy of the water supply networks to cater for firefighting capability has historically been tested periodically by Fire and Emergency New Zealand for the urban townships. Firefighting capacity will be designed with any network upgrades scheduled in the capital programme.

Parameter	**Water supply scheme / achievement**
Drinking water supply quality:	
Bacterial compliance (E.coli)	No
Protozoa compliance	No
Chemical compliance	No

Parameter	Water supply scheme / achievement
Boiling water notices in place	8 in 2023/24 – Ohau, Bushy Creek, Awahokomo, Stoneburn, Lakes Camping Sites, Otematata, Kurow, Omarama supplies
	6 in 2022/23 - Ohau, Bushy Creek, Lakes Camping Sites, Waihemno, Lower Waitaki
Fluoridation	Yes (Oamaru only)
Average consumption of drinking water	532 l/person/day (2023/24)
Water restrictions in place (last 3 years)	Yes – 14 in 2023/24 – Oamaru, Kurow, Palmerston, Lower Waitaki, Windsor and Maheno
	8 in 2022/23 – Windsor, Waihemo, Awamoko and Lower Waitaki
Firefighting sufficient	Not measured

Water supply LOS Improvement Programme

Key actions for improving water LOS including drinking water compliance, leakage and firefighting are:

- Drinking water compliance:
    - Undertake various capital upgrade works by 2026/27 to ensure compliance with Drinking Water Standards.
    - This includes UV upgrades at four sites and installing filters at Otematata.
- Water leakage:
    - Continue with the leak detection programmes to identify water leaks proactively.
    - Bring forward the water metering programme. This will provide valuable data to identify high leakage areas and to also prepare the water loss calculation more accurately. It will identify private leaks that currently go undetected.
    - Continue replacing poor performing watermains based on analysis of failure data to ensure unplanned interruptions are minimised for our customers.
- Firefighting – Identify firefighting capacity requirements with any network upgrades scheduled in the capital programme.

5.2 Wastewater LOS

WDC achieved the wastewater performance measures in 2023/24 except for environmental compliance. One infringement notice for breach of an abatement notice issued in August 2023, relating to the Palmerston WWTP. There were also abatement notices for Oamaru WWTP but this was not captured in the 2023/24 Annual Report. Refer to Section 6 for detail on compliance.

Level of service statement	Performance measure	2023/24 Target	2023/24 Results
Systems and adequacy	The number of dry weather wastewater overflows from the Council's wastewater system, expressed per 1,000 sewerage connections to that wastewater system	<4/1,000 connections	2.2
Discharge compliance	Compliance with the Council's resource consents for discharge from its wastewater system. Measured by the number of: - abatement notices - infringement notices - enforcement orders - convictions received by Council in relation those resource consents	0	1 (Palmerston WWTP)
Fault response times	Median response time for attendance from the time that Council receives notification of a fault or blockage to the time that service personnel reach the site	<1 hr	0.9
	Median response time for a resolution from the time Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	<24 hrs	3.3
Customer satisfaction	The total number of complaints received about (per 1,000 connections): - wastewater odour - wastewater system faults - wastewater system blockages Council's response to issues with its wastewater system	<12/ 1,000 connections	9

5.3 Stormwater LOS

WDC achieved all stormwater performance measures in 2023/24.

Level of service statement	Performance measure	2023/24 Target	2023/24 Results
System adequacy	The number of flooding events that occur in the Waitaki District	0	0
	For each flooding event, the number of habitable floors affected (Expressed per 1,000 properties connected to the territorial authority's stormwater system)	0/1,000 connections	0
	Compliance with the Council's resource consents for discharge from its stormwater system. Measured by the number of: - abatement notices - infringement notices - enforcement orders - convictions received by Council in relation those resource consents	0	0
	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site	≤2 hrs	0
	The number of complaints received by Council about the performance of its stormwater system (per 1,000 connections to Council's stormwater system)	<8/1,000 connections	6

5.4 Capital LOS investment

The three waters LOS investments have been prioritised as *must do or should do in* this WSDP and cover drinking water compliance, leakage, metering and meeting consent requirements. The wastewater LOS are mainly driven by meeting consent requirements and reducing impacts on the environment ie overflow mitigation.

The resulting 10-year LOS programmes are summarised in the table below with further detail on significant capital projects in Additional Information Section. The commentary on the consent driven projects is detailed in Section 6.

Activity	Investment driver / sub programmes	10-year LOS forecast
Water supply	Awamoko Drinking Water Supply Upgrade	$1.5m
	Tokarahi Drinking Water Supply Upgrade	$2.1m
	Kurow Water Supply Compliance & Resilience Improvements	$1.5m
	Oamaru Water Strategy Source Resilience (Build)	$12m
	Lower Waitaki Capacity Upgrade	$2.67m
	District wide water resilience reservoirs	$5m
	Ardgowan Dam Upgrades	$1m
	Watermain upgrades – district wide, Oamaru North End Falling and Waihemo Urban & Rural Watermain Upgrades	$12.8m
	District wide water resilience reservoirs	$5m
	Backflow Prevention Plan	$1.85m
	Universal water metering	$12m
Wastewater	Overflow mitigation at Oamaru	$2.5m
	Oamaru network upgrades, rising main duplication and additional pump station	$23m
	Treatment plant upgrades to meet consent requirements	$8.6m
	Trade waste district wide	$3.2m
Stormwater	Oamaru stormwater upgrades	$10m

6. Regulatory Standards

Section 6 overview – This section covers:

- Disclosure of the consent compliance parameters (based on DIA template table).
- Status of current consents and expiry dates.
- Commentary on consent non-compliance.
- Summary of consent applications underway.

Drinking water compliance with quality standards is detailed in Section 5.

6.1 Consent compliance disclosure

Disclosure of the resource consent compliance with resource management parameters stated in the DIA template is shown in the table below.

Resource Management Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
Significant consents (note if consent is expired and operating on S124	Water supply take 14 Water discharge 0	Wastewater discharge water/land/air 13 Network 0	Stormwater discharge 1 Network 0
Expire in the next 10 years	6	5	0
Non-compliance:			
Significant risk non-compliance	2 – for Palmerston Water Take – abatement notice; Waihemo water take – abatement notice	3 – for Palmerston WWTP – infringement notice; Oamaru WWTP abatement notices	0
Moderate risk non-compliance	0	9	0
Low risk non-compliance	0	20	0
Active resource consent applications	0	5	0
Compliance actions (last 24 months):			
Warning	0	0	0
Abatement notice	1	3	0
Infringement notice	0	2	0
Enforcement order	0	0	0
Convictions	0	0	0

6.2 Current consents and expiry dates

WDC holds a number of water take and wastewater discharge permits for its drinking-water and wastewater treatment facilities. Due to Waitaki covering both Canterbury and Otago Regions, these have been issued, and are monitored by, both ECan and ORC. The status of current resource consents is detailed in Appendix 1.

Two consents are due to expire next year for the Duntroon wastewater treatment system. Council is preparing an application for a short-term consent, to continue current operation, until the new wastewater environmental performance standards are released, at which point it is expected a treatment upgrade will be required.

6.3 Consent non-compliances

WDC received the following significant non-compliance in 2023/24 and summarised in the template table above:

- Palmerston Water Take – An abatement notice was issued for breaching consent limits during the 2023/24 summer. It is still active but WDC will be applying to cancel it soon, as it was not breached this past summer.
- Palmerston Wastewater Treatment Plant – Abatement Notice was issued in October 2021. Infringement Notices were issued in March 2023 and September 2024. The original abatement has now been replaced and has a compliance date of 25 October 2025.
- Oamaru Wastewater Treatment Plant – Abatement Notices (two in total) were issued on 30 June 2022 and are still active. The compliance date has been extended to 1 October 2025.

A number of sites are currently not meeting consent requirements for the following reasons:

- Oamaru and Palmerston Wastewater Treatment Plants:
    - Ongoing significant non-compliances have occurred at Waitaki's largest wastewater treatment facilities, Oamaru and Palmerston Wastewater Treatment Plants. This has resulted in abatement notices for both sites and infringement notices for Palmerston.
    - While effluent quality has significantly improved following numerous small-moderate upgrades, some parameters are still non-compliant. Funding is in place for aeration and chemical dosing upgrades at Ōamaru, and ongoing operational improvements are underway at Palmerston to address faecal coliform levels.
    - However, additional UV treatment may still be required at Palmerston WWTP.
- Palmerston water take:
    - An abatement notice was also received for the Palmerston water take due to breaching the weekly volume limit in the late summer months of 2024.
    - Restrictions were put in place over the 2024/25 summer period and no further breaches occurred. Council will be applying to have the abatement notice lifted. It is expected that restrictions will be required every summer to maintain consent compliance.

6.3 Consent applications

Thirteen other consent applications are currently being prepared which are all for wastewater. These range from new consents (ECan identified that four of Council's wastewater facilities do not have land use and discharge to air consents and some do not have consents for pond seepage) to consent variations (change to condition parameters to bring the sites back into compliance).

WDC is in the process of preparing applications to apply for:

- Palmerston Wastewater Treatment Plant – standalone trade waste consent.
- Lake Ohau Wastewater Treatment Plant – land use, discharge to air and seepage consents.
- Omarama Wastewater Treatment Plant – land use and discharge to air consents.
- Otematata Wastewater Treatment Plant – land use and discharge to air consents.
- Kurow Wastewater Treatment Plant - land use, discharge to air and seepage consents.

6.4 Other consent considerations

Water quality monitoring bores are also required at the Kurow and Ōhau Wastewater Treatment plant disposal fields to assess potential impacts on groundwater quality.

The management of trade waste discharges and septage receival requires an overhaul to strengthen chain of custody systems and processes, and to enable more equitable allocation of costs to dischargers. While there are a variety of trade waste customers across the district, BX

Foods Redcastle Road abattoir accounts for most of the trade waste discharged to Waitaki's wastewater treatment plants. It represents approximately 25% of total inflows to the Ōamaru Wastewater Treatment Plant.

Going forward, it is likely that significant treatment upgrades will be needed for many wastewater facilities as consents expire and new ones are applied for. A lot of the smaller sites rely on oxidation pond treatment. Mechanical treatment may be needed to meet future consent limits at sites such as the Oamaru Wastewater Treatment Plant.

For drinking-water, more demand management will be required such as universal metering, leak detection and renewals to ensure volumes remain within consent limits (refer to Section 4.4 Managing Demand). While the Kurow water supply scheme and commercial customers are currently metered and charged for water use volumetrically, the balance of the water connections is not.

The water take consent for the Lower Waitaki Irrigation Company (LWIC) scheme, which supplies Oamaru with raw water, is currently undergoing renewal. Additional investment in the scheme is expected to be required as part of this process. Council has made provision to cover its potential share of any upgrade costs associated with the scheme. Additional investment may also be required for raw water storage ponds. However, this is subject to the outcome of the reconsenting process. This process and exact arrangements are still evolving.

7. Capital investment summary

Section 7 overview – This section covers:

- Provides linkages to other Part B sections that describe the infrastructure issues and management responses to these.
- Outlines the prioritisation process to identify a financially sustainable capital programme.
- Identifies the key capital investment strategies.
- Presents the ten-year capital forecast for water supply, wastewater and stormwater activities by investment driver.

7.1 Capital investment overview

WDC has reviewed its 10-year capital programme following its decision not to join Southern Water CCO and continue with in-house service delivery model. The 2025 LTP assumed that the three water assets will likely transfer at the beginning of year 3 and significantly reduced the proposed programme and balanced against district affordability issues.

WDC's projected 10-year capital investment forecast is summarised in the table below in Section 7.4. WDC's planned capital investment during this period is to address the identified network performance issues described in Sections 1 to 6 in Part B of this plan. This includes aging and poor condition assets, reducing water leakage, meeting levels of service, meeting drinking water and resource consent compliance and strengthening infrastructure resilience.

Council is shifting from historical reactive management of its 3 water assets to a proactive management approach. There will be greater focus on the data collected and using this to inform planned investment decisions. For example, asset condition information informs the development of the long term renewal investments.

WDC recognises the **importance of upfront planning** to make cost-effective investment decisions i.e. **spend to save.** WDC wishes to improve its integrated AM planning so there is suitable allowance for investigations and monitoring programmes such as leak detection and condition assessments. This will provide evidence to inform effective capital investment programmes.

7.2 Prioritisation process

A robust capital prioritisation process has been undertaken to identify the optimal investment scenario that address the various infrastructure issues that are affordable for Waitaki's community and meets the financial sustainability requirements for the WSDP to be acceptable to DIA.

The three investment options tested were:

1. Option 1 – base case level of investment (current 2025 LTP as a basis).
2. Option 2 – minimum level of investment that includes necessary compliance related costs but excludes growth related network extensions.
3. Option 3 – required investment scenario that includes some additional compliance, best practice and growth-related costs.

Option 3 was adopted for this plan. Refer to Parts D and E for further details.

7.3 Key capital investment strategies

This plan signals WDC lift in capital investment as part of its shift from reactive to private management of its three water assets. The key capital investment strategies include:

- Water supply investment strategies to address:
  - Awamoko and Tokarahi Drinking Water Supply Upgrades at $3.6m.
  - Reducing high water loss with universal water metering at $12million, urban and rural watermain renewals at $16.7m and continuing with leak detection (opex).
  - Oamaru Water Strategy Source Resilience (Build) at $12m.
  - Watermain upgrades to provide firefighting capacity and strengthening resilience at $12.8m.
- Wastewater investment strategies to address:
  - Oamaru wastewater main renewals at $18.585m.
  - Sewer main renewals at $5.82m to ensure service continuity.
  - Oamaru wastewater relocation / renewal - Orwell Street at $20.5m to ensure service continuity and protect the environment.
  - Oamaru network upgrades, rising main duplication and additional pump station at $23m to protect the environment.
  - Treatment plant upgrades to meet consent requirements at $8.6m.
- Stormwater investment strategies to address:
  - Oamaru stormwater upgrades to provide network capacity and improve flood protection at $10m.

7.4 Capital 10 year forecast

Projected investment in water services ($000s)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	0	0	0	0	305	318	329	339	347	355
Capital expenditure - to improve levels of services	7,005	8,250	4,337	9,574	14,558	7,954	2,961	7,341	7,517	5,845
Capital expenditure - to replace existing assets	6,800	3,660	5,349	5,044	3,072	3,080	3,099	3,260	4,566	3,535
Total projected investment for drinking water	13,805	11,910	9,685	14,618	17,934	11,351	6,388	10,940	12,430	9,735
Wastewater										
Capital expenditure - to meet additional demand	0	0	0	0	305	318	329	339	347	355
Capital expenditure - to improve levels of services	1,407	1,420	2,174	3,917	2,015	1,336	5,790	4,608	15,821	14,765
Capital expenditure - to replace existing assets	915	2,165	3,519	4,816	5,007	4,569	4,790	5,282	19,191	18,677
Total projected investment for wastewater	2,322	3,585	5,693	8,733	7,328	6,223	10,908	10,229	35,359	33,797
Stormwater										
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve levels of services	0	0	0	234	244	2,736	2,829	2,914	2,984	3,052
Capital expenditure - to replace existing assets	0	50	389	852	427	611	461	474	486	497
Total projected investment for stormwater	0	50	389	1,086	672	3,347	3,290	3,388	3,470	3,549
Total projected investment in water services	**16,128**	**15,545**	**15,768**	**24,437**	**25,934**	**20,921**	**20,586**	**24,556**	**51,259**	**47,082**

Part C: Revenue and financing arrangements

Revenue and charging arrangements

Charging and billing arrangements

The following arrangements apply to charges for water, wastewater and stormwater:

- Development contributions, based on Council's development contributions policy, are charged on new growth to recover the costs of growth investment
- Water:
    - A fixed targeted rate is charged for connected (or serviceable 50% charge) rating units, which differs by scheme.
    - A unit charge is levied on connections to rural water schemes, depending on the scheme. Units represent daily water entitlements and some connections will purchase multiple units.
    - High water users in Ōamau, Waihemo, Kurow, Lake Ōhau, Ōmārama and Ōtematatā pay a volumetric water charge per cubic metre of water use.
- Wastewater:
    - Fixed targeted rates are charged for sewerage based on the number of pans that are connected. Residential properties are considered to have only one pan.
- Stormwater rates are part of the roading targeted rate. This is a capital value-based rate.

To ensure ringfencing is maintained in the future, a separate stormwater rate will be introduced. No decision has been made to how this will be charged, and the introduction of a stormwater rate will be timed to occur in the 2027/28 financial year to align with the next LTP and the required revenue and financing policy review.

To support future financial sustainability and ringfencing requirements, it is noted that:

- Revenue and expenditure are currently targeted rate funded and allocated directly to cost centres. This arrangement is proposed to continue with the additional establishment of a separate three waters ledger to improve transparency.
- A review of overhead allocation approaches will be undertaken to ensure the share of corporate overheads funded by three waters activities is fair and equitable.
- An allowance has been made to allow for system improvements which should enable three waters activities to be included in a separate ledger, allowing for easier reporting.
- Additional allowances have been made to add additional accountability for three waters services through an improved organisational and governance structure.
- Additional allowances have also been made to support increased reporting and compliance requirements.

Water services revenue requirements and sources

Revenue requirements for the years covered by this plan are outlined in Parts D and E of this plan.

Revenue is expected to be primarily derived through targeted rates on properties to maintain ringfencing. Additional revenue is assumed to be received from fees and charges (mainly connection fees), and development contributions.

Development contribution revenue is currently assumed to be in line with projections in WDC's 2025- 2034 LTP and existing development contributions policy. Regular reviews of that policy will occur alongside the development of future long term plans and water services strategies.

WDC will consider alternative tools to fund investment in growth infrastructure, including development levies and targeted raters, when these tools are introduced.

Existing and projected commercial and industrial users' charges

Details on projected charges for three waters are presented in Part D of this document. That shows an increase in three waters charges of 136% from $1,468 to $3,465. No analysis has been completed for the impact of price increases on commercial customers as commercial customers typically pay a volumetric charge based on their water usage, meaning charges vary significantly within this consumer group.

Billing arrangements for commercial and industrial users are outlined in the "charging and billing arrangements section" above. Based on assessment of the rates database, the following proportions of current rates funding are derived from residential consumers, with the remainder from commercial and industrial users:

- Water is 63% residential
- Wastewater is 75% residential
- Stormwater is 72% residential.

The introduction of volumetric charging is likely to alter the proportions of revenue derived from different customer sectors.

The affordability of projected water services charges for communities

Affordability of water charges is a key concern for WDC. Based on 2023 census data, 31% of households in the Waitaki District have only one person and therefore have only a single income. The median household income in the Waitaki District was $68,900 in 2023 according to census data.

This plan shows water charges increasing as a percentage of median household income from 1.7% in 2026 to 3.7% in 2034. At 3.7% an increasing proportion of ratepayers will face affordability challenges.

WDC believes that the in-house delivery model provides the best opportunity to address acute affordability issues in the short to medium term. This is due to its ability to access existing hardship policies and tools such as the rates rebates scheme and rates postponement arrangements (which are particularly relevant for the large number of pensioners in the district who may be asset rich and cash poor).

Council's broader revenue base also provides a level of financial resilience that is less likely to be able to be achieved through a CCO arrangement.

This plan makes use of increased debt leveraging to balance affordability with the long term nature of capital investment and infrastructure assets used for the delivery of three waters services.

A future shift to volumetric pricing is also likely to result in a shift in terms of overall affordability and may result in improved affordability outcomes for single person households, although it is recognised that this will also result in increased charges for higher water users.

Funding and financing arrangements

Water services financing requirements and sources

The projected borrowing requirements and conformance with lending covenants and borrowing limits are set out in Part D of this plan. That shows three waters borrowing increasing from $56 million in 2025 to $201 million by 2034. Borrowing will be managed through:

- An appropriate mixture of fixed and floating rate stock
- An appropriate mixture of short and long term debenture stock
- Interest rate swap arrangements to provide an appropriate level of hedging to manage interest rate risk
- The majority of fixed term lending being acquired from LGFA
- Commercial paper where necessary

To support the level of lending set out in this plan, WDC will need to obtain a credit rating. Discussions with Bancorp suggest that WDC should be successful in obtaining a credit rating if the changes outlined in this plan are adopted. WDC will also undertake a broader review of its whole of council financial performance and seek to achieve a balanced budget prior to applying for any credit rating.

The financial strategy underpinning the financial information included in this plan includes:

- Depreciation is fully funded
- Consequential operating cash surpluses are applied toward the renewal of assets in the first instance
- Growth and level of service investment is funded with debt to match the future beneficiaries with payment obligations
- Development contributions are collected where, and to the extent, possible
- Debenture stock is renewed at the end of its term unless sufficient cash reserves are held to repay a portion
- Debt will be managed to stay within lending limits, with revenue raised where necessary to support this. This maximises available leverage to reduce overall water charges.

Internal borrowing arrangements

Council borrows externally at a whole of council level, with an internal treasury management function which allocate debt to relevant activities. All debt is backed with external borrowing.

Council has no internal lending arrangements between activities and does not propose to introduce any such arrangements.

Determination of debt attributed to water services

Council's three waters debt balance was agreed with the National Transition Unit (NTU) for the year ending 30 June 2023.

Debt is allocated directly to three waters activities at a cost centre level and is fully traceable at a cost centre level, with no internal lending currently in place. Movement in debt balances, and the current assumed level of three waters debt, are based on these cost centre allocations and the opening position agreed with the NTU.

Council intends to establish a separate ledger for the management of three waters finances going forward to streamline financial reporting and to be able to more transparently demonstrate the ringfencing of revenue and expenditure.

While Council intends to manage its external treasury function at a whole of council level into the future, three waters borrowing requirements will be fully traceable within the three waters ledger back to external lending facilities.

Insurance arrangements

The total carrying value of three waters infrastructure was $377,168,392 in the 2023/24 financial year (2023: 263,892,611).

Individual assets valued in excess of $1,000,000 and other items deemed critical are insured, the combined value of these assets for insurance purposes is $162,547,668 (2023: $105,411,533).

Council mitigates the risk related to the remaining assets through its membership of the Local Authority Protection Programme (LAPP), use of depreciation reserves and the Disaster Fund. Estimated cost of full replacement of the assets is $612,341,794, based on the latest valuation at 30 June 2024, and subsequent additions at cost or valuation, and can be analysed as follows:

- Water Supply schemes $272,042,498
- Wastewater (sewerage) schemes $282,749,279
- Stormwater (drainage) schemes $57,550,017

Council also relies on the Government's established risk sharing approach under the essential infrastructure recovery programme (and as documented in the guide to the National CDEM Plan) which assumes that 60% of the cost of horizontal infrastructure that is damaged in a natural disaster will be covered by Central Government.

Council has specific reserves to enable it to provide a rapid response to significant and damaging events and to meet uninsured losses that may arise. At 30 June 2024, the Disaster Fund stood at $2,025,805 (2023: $1,905,805), and the Insurance Excess Fund $203,094 (2023: $203,094). Council maintains committed cash facilities with its bankers to provide additional and immediate funding to meet any shortfall.

Part D: Financial sustainability assessment

Confirmation of financially sustainable delivery of water services

This section demonstrates that:

- Operating revenue is intended to fully cover operating costs including depreciation and finance costs from 2027.
- The three waters activity is not intended to generate an operating surplus but will generate cash surpluses.
- The increased revenue requirements will result in increased residential three waters charges, equating to 136% by 2034.
- Additional operating costs totalling $1 million per annum have been allowed for including:
    - Additional governance costs to support the addition of independent advisors on a committee or sub-committee of council that is tasked with considering three waters service delivery
    - Additional staff including regulatory reporting specialists, and a senior leadership position for three waters
    - Commerce commission and Taumata Arowai levies
    - Additional costs for audit and maintenance of a credit rating.
- Proposed investment in the network in total exceeds depreciation.
- Renewals investment falls below depreciation, but in part this is reflective of the age and performance of some assets, and the investment in new assets during the period (which increase depreciation but do not need to be replaced).
- Some level of service investment also accommodates growth and has a replacement component.
- The planned investment will result in a reduction in the average age of assets in the network.
- All capital expenditure included in this plan is fully funded through revenue or debt.
- Three waters debt does not exceed 500% of three waters revenue before 2034.

Actions required to achieve financially sustainable delivery of water services

Council recognises that current operating deficits in the three waters activity are not sustainable, and that current operating cash surpluses are not sufficient to support ongoing investment in its three waters infrastructure. This plan outlines a significant uplift in overall three waters operating revenue to achieve long term financial sustainability, coupled with efficient use of borrowings to manage overall affordability.

To achieve financial sustainability, Council proposes to:

- Fully fund its depreciation costs from the 2026/27 financial year onwards, to ensure that the renewal of assets is appropriately provided for.
- Increase operating expenditure to reflect the need to meet increasing regulatory requirements, capital delivery and improved asset management practices.
- Obtain a credit rating in the 2027/28 or 2028/29 financial year.

These steps will ensure that WDC is generating sufficient income to cover its day-to-day operating costs, provide for the renewal of its assets, and support the servicing of debt for its three waters infrastructure. Council will also be able to access sufficient debt to finance its capital investment programme.

Additional structural changes are also proposed including the engagement of independent members of a council committee or sub-committee tasked with oversight of three waters service delivery and the creation of a senior leadership role for three waters.

Costs for these structural changes, and additional reporting, compliance and auditing costs have been included in the financial projections produced for this plan.

Risks and constraints to achieving financially sustainable delivery of water services

This plan relies on a number of core assumptions and risks which may impact the future financial sustainability of three waters services. These are outlined below, including an assessment of the level or risk or any mitigations that are in place.

- Ability to access debt and the need to obtain a credit rating to access increased lending at 280% of total revenue. Costs have been allowed to complete the credit rating process and maintain the credit rating, however the process has not yet commenced. Discussions with Bancorp indicate that, with the improvements set out in this plan, WDC should be successful in obtaining a credit rating. WDC also intends to review its all of council financial position as part of its Long Term Plan amendment. To secure a credit rating, WDC intends to take necessary steps to ensure a balanced budget is achieved at a whole of council level through this process.
- The risk that the capital programme is inadequate or under costed. This will increase overall lending requirements and consequently will likely result in the need to generate additional revenue to manage overall borrowing requirements and conformance with lending covenants. The capital programme included within this plan has been thoroughly reviewed to ensure that investment responses to address compliance issues are included, however no independent cost estimation of capital projects has been completed. Cost estimates include contingency as appropriate depending on the scope, risk and timing of projects.
- Interest rate and inflation assumptions. Inflation is modelled using the BERL local government cost index inflators for water services. Interest is modelled based an average cost of borrowing of 5.52% for the duration of the plan. This is higher than current borrowing rates. Changes (particularly increases) to either of these assumptions would require WDC to further increase three waters charges if it is unable to find efficiencies elsewhere.
- Efficiencies arising through economic regulation and a shift to more proactive investment planning have not been factored into the financial projections in this plan. If any such efficiencies can be achieved, overall three waters charges may be lower than projected.
- Affordability constraints. If charges become unaffordable, charges may not be paid. The in-house model provides more opportunity for Council to apply rates postponement options, and the ability to levy rates
- Actions of the water services regulator. While this plan anticipates some regulatory changes that have been signalled, any change to the regulatory environment may have an impact on the capital programme and overall three waters charges.
- Actions of an economic regulator or the introduction of a rates cap that incorporates three waters. This plan assumes that WDC is able to increase water charges freely over the ten year period covered by this plan. If this is not possible, WDC may face debt constraints, or may have to bring forward any increases in revenue. WDC will continue to monitor progress in this space and update financial forecasts and price paths accordingly.

Financial sustainability assessment - revenue sufficiency

Projected water services revenues cover the projected costs of delivering water services

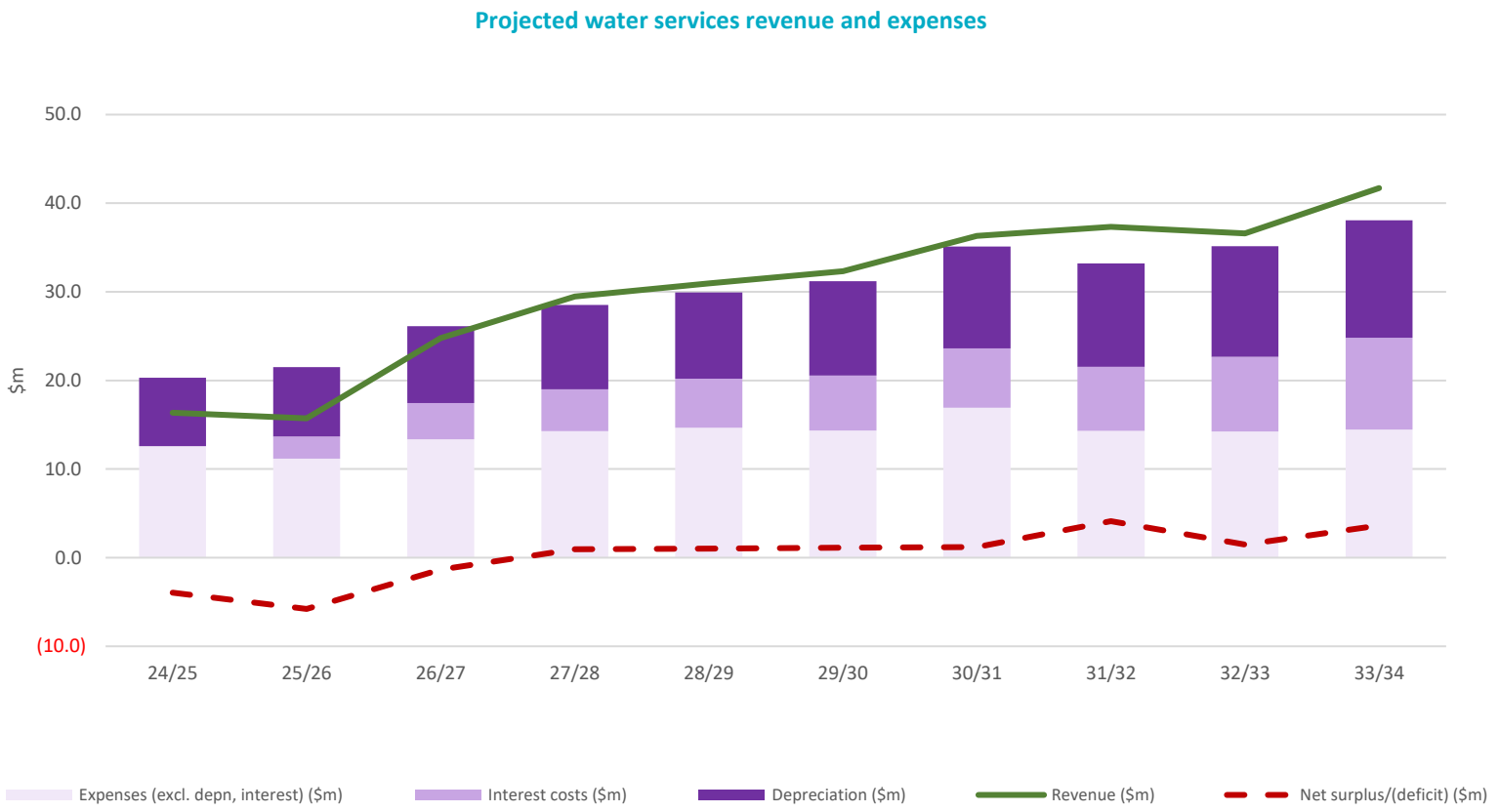
This section demonstrates that:

- Operating revenue is intended to fully cover operating costs including depreciation and finance costs from 2027
- The three waters activity is not intended to generate an operating surplus, but will generate cash surpluses
- The increased revenue requirements will result in increased residential three waters charges, equating to 136% by 2034.

Operating expenditure allowance includes an allowance for additional resourcing and compliance related costs, totalling $1m per annum from 2027/28. These will allow for improved ability to meet information disclosure requirements and improved asset management planning and capital works delivery, and include:

- Additional governance costs to support the addition of independent advisors on a committee or subcommittee of council that is tasked with considering three waters service delivery
- Additional staff including regulatory reporting specialists, and a senior leadership position for three waters
- Commerce commission and Taumata Arowai levies
- Additional costs for audit and maintenance of a credit rating.

The chart below shows revenue for three waters being sufficient to cover three waters operating costs from the 2027 financial year, where the three waters activity is expected to have a balanced budget. Operating deficits in the 2025/26 year are increased due to a de-sludging project at Oamaru wastewater treatment plant which is classified as an operational cost but is to be loan funded.


Projected water services revenue and expenses
50.0
40.0
30.0
20.0
10.0
0.0
(10.0)
$m
24/25
25/26
26/27
27/28
28/29
29/30
30/31
31/32
32/33
33/34
Expenses (excl. depn, interest) ($m)
Interest costs ($m)
Depreciation ($m)
Revenue ($m)
Net surplus/(deficit) ($m)

Average projected charges for water services over FY2024/25 to FY2033/34

The table below shows the average projected household charge for each of the three waters services under the proposed in-house delivery model at WDC. It shows:

- Projected charges increasing by 62% in 2026/27, and 136% by 2034.
- This results in average household charges increasing from 1.7% of median household income to 2.8% of median household income in the 2027 financial year
- Charges reach 3.7% of median household income in 2034.

Not all ratepayers within Waitaki District will receive all three services. Those ratepayers are expected to only pay for the services that they receive (subject to the application of availability charges for properties that are able to be connected). A detailed discussion on affordability is included within Part C of this plan.

WDC has considered alternative options for the introduction of price increases, particularly in relation to the 2026/27 financial year, but has determined that giving effect to the rise in one year is the most appropriate action because:

- There is uncertainty about the timing of any future pricing controls that may be introduced by the Commerce Commission, and in the event that such timing controls are introduced earlier than anticipated, any delay to price increases would compromise financial sustainability
- Equally, there is uncertainty about the timing or application of any proposed rates cap.
- Differing price increases will increase lending requirements in the short term and result in operating deficits across the three waters activity for some time. This may impact the ability to obtain a credit rating.
- Differing price increases will increase overall debt and consequently borrowing costs. This will have the effect of higher charges by 2034.

Potential charges after the proposed major increase is similar to the MBIE estimated monthly power cost of $195 per month.

Projected average charge per connection / rating unit (including GST)	**FY2024/25**	**FY2025/26**	**FY2026/27**	**FY2027/28**	**FY2028/29**	**FY2029/30**	**FY2030/31**	**FY2031/32**	**FY2032/33**	**FY2033/34**
Drinking water	968	878	1,206	1,516	1,585	1,656	1,684	1,819	1,709	1,848
Wastewater	458	437	905	911	935	943	1,253	1,111	1,132	1,391
Stormwater	42	36	84	139	141	140	160	189	195	226
Average charge per connection / rating unit	1,468	1,352	2,195	2,566	2,661	2,739	3,097	3,119	3,037	3,465
Increase in average charge	22.1%	-7.9%	62.4%	16.9%	3.7%	2.9%	13.1%	0.7%	-2.6%	14.1%
Water services charges as % of median household income	1.9%	1.7%	2.8%	3.1%	3.2%	3.2%	3.5%	3.4%	3.3%	3.7%

The 2023 Census identified that 31% of the households within the Waitaki District are single person households (the majority of which are assumed to be pensioners), while 64% of households comprise a single family. An assessment of average household three waters charges has against median incomes for these household compositions is outlined in the table below. The charges outlined in the table below are prior to the introduction of volumetric pricing.

It shows that:

- Average three waters charges for single person households will reach 8.4% of median household income for that population group within Waitaki District by 2034
- Average three waters household charges for single family households will reach 2.7% of median household income for that population sector in Waitaki District by 2034.

To the extent that single person households comprise pensioners that may have high levels of equity but low income, mechanisms already exist within councils to assist with affordability concerns. In particular, both rates postponement schemes and rates rebates are available to reduce the short-term financial burden for this sector. Additionally, this population sector is the most likely sector to benefit from the introduction of volumetric pricing, which should result in a significant reduction of drinking water charges.

Affordability for single family (or multiple family) households is better than otherwise indicated by looking at the overall median household income grouping within the Waitaki District. While volumetric pricing will ultimately disadvantage larger households, multi-family households make up a particularly small proportion of total households within the Waitaki District and targeted hardship policies may be able to be developed to assist if affordability constraints become a large concern.

WDC has already started discussions on potential methods of more targeted rates assistance, including consideration of wider sector initiatives such as the reverse mortgage scheme currently being investigated by the Local Government Funding Agency.

Affordability by population sector (prior to volumetric pricing)	**FY24/25**	**FY25/26**	**FY26/27**	**FY27/28**	**FY28/29**	**FY29/30**	**FY30/31**	**FY31/32**	**FY32/33**	**FY33/34**
Projected median household income in single person households	33,826	34,636	35,531	36,416	37,288	38,109	38,948	39,768	40,568	41,383
Water services charges as % of household income	4.3%	3.9%	6.2%	7.0%	7.1%	7.2%	8.0%	7.8%	7.5%	8.4%
Projected median household income in single family households	101,054	103,706	106,646	109,557	112,432	115,147	117,927	120,651	123,310	126,029
Water services charges as % of household income	1.5%	1.3%	2.1%	2.3%	2.4%	2.4%	2.6%	2.6%	2.5%	2.7%

Projected operating surpluses/(deficits) for water services

The operating surplus for three waters services under the WDC in house service delivery model in outlined in the table below. The calculation of operating surplus excludes capital grants and development contributions. The results show that:

- Revenue is modelled to break even or maintain a balanced budget (including fully funding depreciation) from the 2027/28 financial year. This means, over time, renewals are funded through depreciation recoveries.
- Additional revenue has been modelled to ensure compliance with lending covenants from 2031/32. This additional revenue is used to reduce overall borrowing requirements, having a long term impact of reducing charges through reduced borrowing costs
- The proposed approach is intended to utilise debt, where possible, to manage affordability and balance intergenerational outcomes.
- Debt is used to fund new level of service and growth-related infrastructure that will primarily benefit future water consumers. Debt is considered to be an appropriate funding tool for this reason.
- Operating deficits in the 2025/26 year are increased due to a de-sludging project at Oamaru wastewater treatment plant which is classified as an operational cost but is to be loan funded.

Operating surplus ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) excluding capital revenues	(4,362)	(6,664)	(2,259)	0	0	0	0	2,835	103	2,168	(8,179)
Total operating revenue	15,930	14,844	23,854	28,510	29,940	31,210	35,125	36,046	35,242	40,253	290,953
Operating surplus ratio	(27.4%)	(44.9%)	(9.5%)	0.0%	0.0%	0.0%	0.0%	7.9%	0.3%	5.4%	(2.8%)

Projected operating cash surpluses for water services

The table below shows the projected operating cash surplus for the combined three waters activity in WDC under the proposed in-house delivery model. Operating expenditure included within the calculation of surpluses includes provision for:

- Additional governance costs to support the addition of independent advisors on a committee or subcommittee of council that is tasked with considering three waters service delivery
- Additional staff including regulatory reporting specialists, and a senior leadership position for three waters
- Commerce commission and Taumata Arowai levies
- Additional costs for audit and maintenance of a credit rating.

The modelling shows operating cash surpluses growing from approximately 21% of operating revenue to over 60% of operating revenue over the 10-year period. Operating cash surpluses are applied towards:

- Payment of interest costs
- Investment in the renewal of assets
- Debt management through either:
    - Reducing the total amount of borrowing required to fund investment in level of service or growth assets
    - Repaying external borrowings.

Financial projections do not include specific provision for the regular repayment of debt. Debt is managed within lending covenants and is assumed to be leveraged in such a way as to balance long and short term affordability for ratepayers. Underlying borrowings are through a mixture of long and short term debenture stock, including a range of fixed and floating interest rates to manage exposure to interest rate risk.

Operating cash ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) + depreciation + interest costs - capital revenue	3,337	3,666	10,509	14,230	15,264	16,866	18,203	21,742	20,990	25,797	150,605
Total operating revenue	15,930	14,844	23,854	28,510	29,940	31,210	35,125	36,046	35,242	40,253	290,953
Operating cash ratio	21.0%	24.7%	44.1%	49.9%	51.0%	54.0%	51.8%	60.3%	59.6%	64.1%	51.8%

Financial sustainability assessment - investment sufficiency

Assessment of investment sufficiency

This section demonstrates that:

- Proposed investment in the network in total exceeds depreciation.
- Renewals investment exceeds depreciation and renewals backlogs are being effectively managed during the period and will be resolved by 2036.
- While growth investment appears low, a number of level of service projects also address growth issues, including:
    - The installation of water meters in the 2027/28 through 2029/30 financial years to assist in demand management and leak detection
    - Capacity upgrades for the Lower Waitaki scheme
    - Oamaru Water Source Strategy investment, to improve security of water supply and manage future capacity and demand constraints
    - Leak detection and mains renewals programmes which will reduce water loss.
- The planned investment will result in a reduction in the average age of assets in the network.

Full details about existing compliance issues, expiring consents, and network growth is provided in Part B, which sets out the planned investment response to address the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024.

All investment included in this section of the WSDP is funded through increased borrowing and operating cash surpluses.


Projected water services investment requirements
60.0
50.0
40.0
30.0
20.0
10.0
0.0
$m
24/25
25/26
26/27
27/28
28/29
29/30
30/31
31/32
32/33
33/34
To replace existing assets ($m)
To improve levels of service ($m)
To meet additional demand ($m)
Depreciation ($m)

Renewals requirements for water services

The table below shows planned investment in infrastructure renewals against forecast depreciation for WDC's three waters services. It shows:

- Investment in renewals is 11% greater than depreciation of the network.
- At an activity level, wastewater is 100% more than depreciation, while water is 33% lower than depreciation and stormwater is 33% lower than depreciation.
- The stormwater network is comparatively young, and the geology, topography and geographic location of the stormwater network means that the network is not under significant pressure, and flooding events are rare/limited.
- The water network includes a large percentage of cast iron watermains that are reaching or exceeding their estimated useful lives. Sampling and performance information indicates that the cast iron watermains are currently exceeding useful life expectations and may not need to be replaced as early as originally anticipated. Further work is required to validate the useful lives of these assets, and this may result in the ability to defer or reprioritise planned replacement of cast iron mains.

Planned renewals is advised through review of the ages, criticality and performance of each network.

The renewals profile of water, wastewater and stormwater assets in Waitaki is shown in Part B, section 3.3, of this plan. It shows that the renewals backlog for wastewater mains is fully resolved by 2033 and by 2036 the watermains renewals backlog is roughly equivalent to the annual planned renewals spend. There is no existing renewals backlog for stormwater mains.

Asset sustainability ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure on renewals	7,715	5,875	9,257	10,712	8,506	8,259	8,349	9,016	24,243	22,709	114,641
Depreciation	7,700	7,835	8,654	9,495	9,722	10,651	11,515	11,679	12,461	13,279	102,990
Asset sustainability ratio	0.2%	(25.0%)	7.0%	12.8%	(12.5%)	(22.5%)	(27.5%)	(22.8%)	94.6%	71.0%	11.3%

Total water services investment required over 10 years

The table below shows the planned investment in water services infrastructure in Waitaki over the 10 year period from 2024/25 to 2033/34. The data shows planned investment at 154% of depreciation over the period.

While there is significant investment included in the 2032/33 and 2033/34 financial years, this relates to two closely related projects that involve the duplication and relocation of a wastewater rising main in Oamaru. The project is intended to address resilience and capacity issues within the network and is not required during the early years of this plan.

Detailed investment requirements to meet compliance obligations are set out in Part B of this plan (Sections 5.1 and 6), and demonstrate that all known compliance issues have planned investment interventions.

Asset investment ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure	16,128	15,545	15,768	24,437	25,934	20,921	20,586	24,556	51,259	47,082	262,216
Depreciation	7,700	7,835	8,654	9,495	9,722	10,651	11,515	11,679	12,461	13,279	102,990
Asset investment ratio	109.5%	98.4%	82.2%	157.4%	166.7%	96.4%	78.8%	110.3%	311.4%	254.6%	154.6%

Average remaining useful life of network assets

The asset consumption ratio presented below shows the cumulative impact of investment in Waitaki's three waters infrastructure over time. Typically, an increasing asset consumption ratio shows that the average age of assets in the network is decreasing and the asset base is getting younger.

The ratio should be considered alongside other data outlined in this plan to assist in identifying the adequacy of investment in the network. Under this plan, WDC's planned investment will result in an overall improvement in the asset consumption ratio.

Combined with planned level of service investment and management of the renewals back log, performance against this ratio would indicate that the investment sufficiency test is being met. With assets having an estimated 69% of their life remaining on average, renewals investment is not expected to fully match depreciation in any given year.

Asset consumption ratio ($000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Book value of infrastructure assets	394,896	402,606	481,083	496,025	512,236	596,488	605,560	618,437	713,254	747,057
Total estimated replacement value of infrastructure assets	630,055	639,725	759,629	773,354	790,782	917,655	929,893	945,433	1,058,088	1,082,460
Asset consumption ratio	62.7%	62.9%	63.3%	64.1%	64.8%	65.0%	65.1%	65.4%	67.4%	69.0%

Financial sustainability assessment - financing sufficiency

Confirmation that sufficient funding and financing can be secured to deliver water services

The charts and tables in this section demonstrate that Council will deliver three waters services while maintaining compliance with all of council three waters lending covenants throughout the period covered by this WSDP. It also notes that:

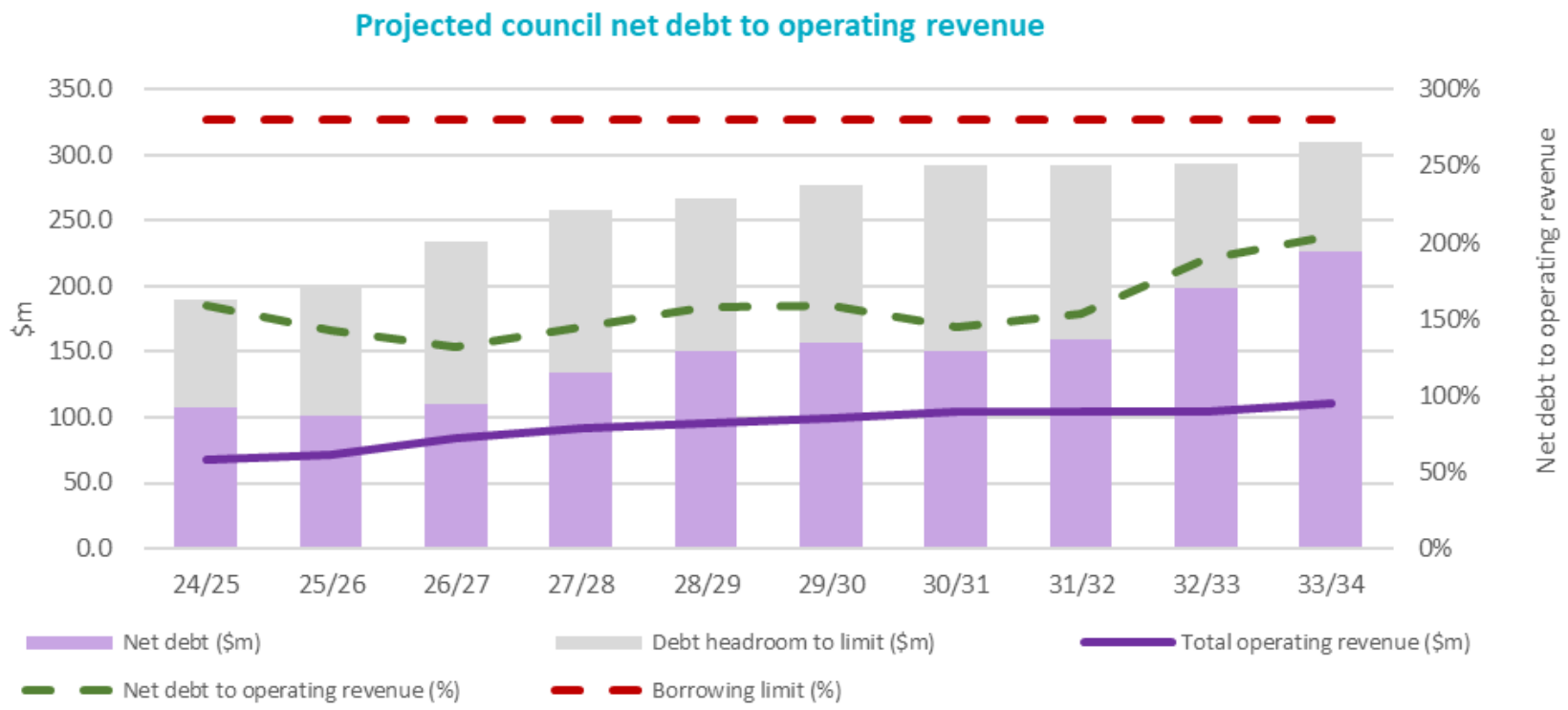
- No formal resolution has been made to adopt a three waters debt to three waters revenue internal borrowing limit
- All capital expenditure included in this plan is funded through revenue or debt
- Three waters debt does not exceed 500% of three waters revenue in 2034
- The in-house delivery model does not conform with the FFO to debt ratio that would have applied to a wholly owned WSCCO.

Financing sufficiency based on the overall debt and revenue projections in this plan is dependent on WDC successfully securing a credit rating by 30 June 2032 at the latest. An allowance has been made within this plan for WDC to secure such a credit rating in the 2027/28 or 2028/29 financial year, and early discussions with Bancorp have indicated that WDC should be able to secure a credit rating.

Projected council borrowings against borrowing limits

The chart below shows performance against all of council lending covenants. It shows total council debt remaining within lending covenants during the WSDP period. No breaches are forecast in 30 year long term modelling.

The chart shows Council's total debt to revenue ratio lending covenants at 280%. It is noted that WDC does not currently have a credit rating and will look to secure one prior to any forecast breach of WDC's current lending covenant (175% - currently forecast in 2032/33). Council has made a provision for the costs of securing such a rating within the operating budget presented in this plan. Discussions with Bancorp indicate that there are unlikely to be any difficulties in WDC securing a credit rating. Further detail regarding the risk of obtaining a credit rating has been outlined earlier within this part of the plan.

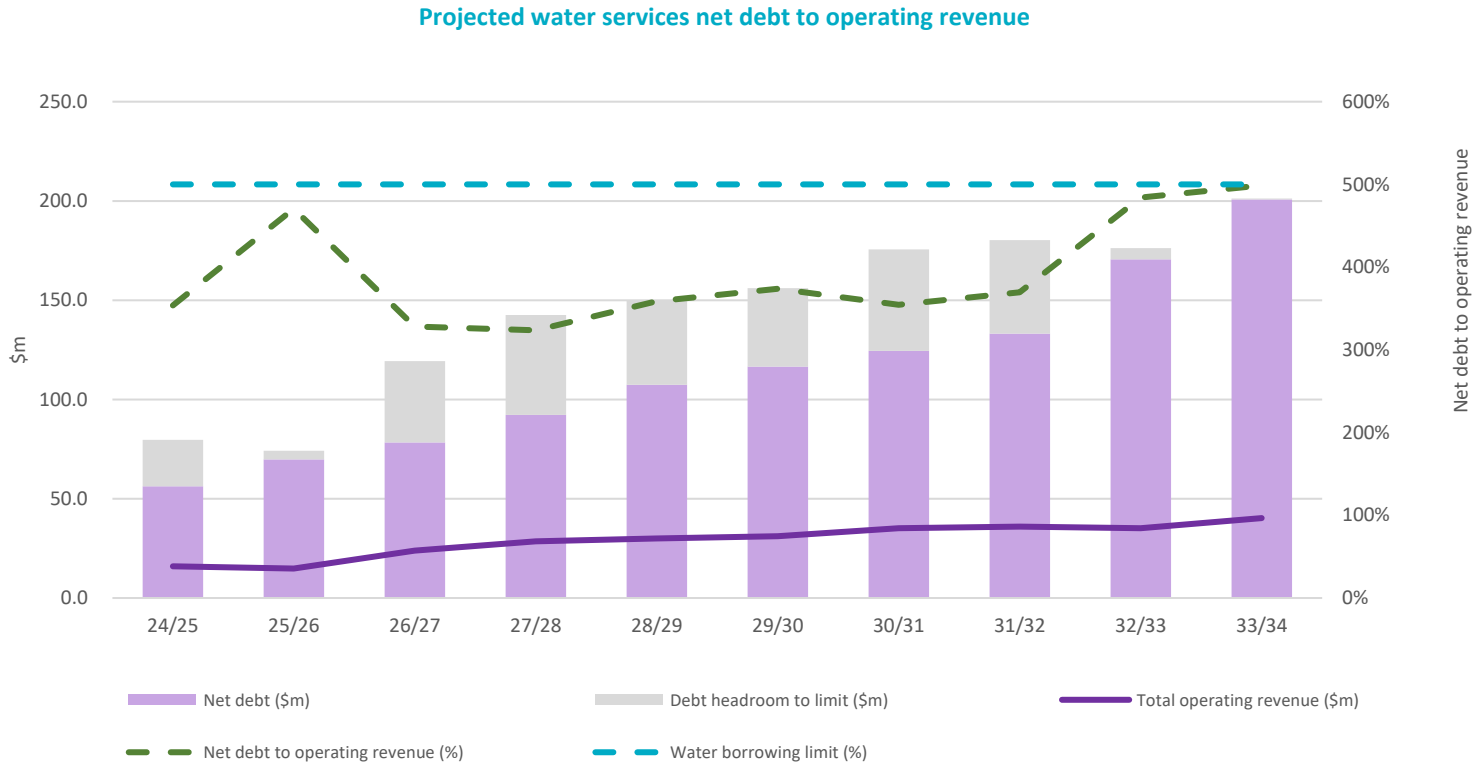


Projected water services borrowings against borrowing limits

The chart below shows three waters debt remaining below 500% of three waters revenue through to 2034. 500% is considered appropriate for the purposes of the plan, because three waters investment when compared to revenue is typically proportionally higher than other activities in Council.

No limit has been resolved by Council at this juncture, however, as highlighted in the previous chart, council wide debt stays within total council lending covenants.

The Council wide debt to revenue ratio has been removed from this chart as the other data contained within the chart is not directly comparable. Conformance with Council's overall lending covenants is outlined in the preceding section, which highlights that WDC is not expected to breach any lending covenants over the modelled period, subject to acquiring a credit rating.



Projected borrowings for water services

The analysis of the three waters debt to three waters revenue presented below reflects the proposed delivery model and includes all expected debt and revenue required to deliver the capital programme outlined in this plan and the anticipated operating costs for ongoing service delivery.

The calculation follows a consistent approach to that used by Council in determining compliance with LGFA lending covenants, specifically:

- Operating revenue excludes development contributions and capital grants
- Debt is gross debt and is entirely external, however there are no modelled three waters specific cash reserves. If such reserves are required, they will likely be managed through a liquidity facility and have no overall impact on the net debt position.

The analysis of three waters debt to revenue shows:

- Borrowing increases 256% between 2025 and 2034.
- Revenue increases 152% over the same time
- Significant uplift in investment in 2033 and 2034 relating to wastewater resilience projects and rising main replacement, and a consequential increase in debt during that time.
- Longer term modelling shows no breach in total council lending covenants.

Net debt to operating revenue ($000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	56,344	69,838	78,295	92,278	107,459	116,619	124,493	133,252	170,579	200,759
Operating revenue	15,930	14,844	23,854	28,510	29,940	31,210	35,125	36,046	35,242	40,253
Net debt to operating revenue	354%	470%	328%	324%	359%	374%	354%	370%	484%	499%

Borrowing headroom/(shortfall) for water services

The analysis of the three waters debt to three waters revenue presented below reflects the proposed delivery model and includes all expected debt and revenue required to deliver the capital programme outlined in this plan and the anticipated operating costs for ongoing service delivery.

The calculation follows a consistent approach to that used by Council in determining compliance with LGFA lending covenants, specifically:

- Operating revenue excludes development contributions and capital grants.
- Debt is gross debt and is entirely external, however there are no modelled three waters specific cash reserves. If such reserves are required, they will likely be managed through a liquidity facility and have no overall impact on the net debt position.
- A three waters debt to revenue limit of 500% has been used for this plan, however no formal adoption of a limit has been made by Council.
- 500% is considered appropriate for the purposes of the plan, because three waters investment when compared to revenue is typically proportionally higher than other activities in Council. This is also aligned with early guidance regarding WSCCO lending.
- Financing costs are fully covered by water revenue throughout (even in shortfall years).

The analysis shows:

- Three waters debt remaining below 500% of three waters revenue throughout the period covered by this plan.
- Borrowing headroom, when assessed against a 500% limit, diminishing by 2034.
- An increase in overall operating revenue to support increased borrowing and balance the cost of long term investment against affordability.

While three waters lending exceeds Council's overall combined debt to revenue limit, Council does not consider that this constitutes cross subsidisation as all costs relating to servicing three waters debt are fully funded from three waters revenue.

Borrowings headroom/(shortfall) against limit ($000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	15,930	14,844	23,854	28,510	29,940	31,210	35,125	36,046	35,242	40,253
Debt to revenue limit	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt	79,648	74,218	119,270	142,551	149,700	156,048	175,625	180,232	176,209	201,263
Total net debt	56,344	69,838	78,295	92,278	107,459	116,619	124,493	133,252	170,579	200,759
Borrowing headroom/ (shortfall) against limit	23,304	4,380	40,975	50,273	42,241	39,430	51,132	46,980	5,630	504

Free funds from operations

The Free Funds from Operations to Debt ratio has been calculated and presented in the table below. There are no specific guidelines regarding the calculation of Free Funds from Operations for an in-house delivery model (as proposed in this WSDP).

For the purposes of this plan, WDC has therefore assumed that the requirements for an equivalent sized WSCCO would apply. WDC had 11,625 drinking water connections in 2024/25, this means that the following approach has been applied:

- 50% of development contributions receipts have been included
- An FFO to debt limit of 10% has been applied and used in the calculation of available borrowing headroom.

The assessment of WDC's projected Free Funds from Operations analysis shows:

- The in-house model does not achieve this during the modelling period
- A different FFO may be more appropriate in an in-house delivery model due to different credit risk presented by a council with the legislative ability to charge a rate
- There is no headroom when measured based on FFO due to breaches of the 10% limit which is assumed to apply
- Higher leveraging of three waters debt to three waters revenue in an inhouse delivery model is appropriate given the relative scale of investment programmes and the desire to manage affordability.

Free funds from operations (FFO) to debt ratio (000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt	56,344	69,838	78,295	92,278	107,459	116,619	124,493	133,252	170,579	200,759
Funds from operations	3,433	1,391	6,624	9,735	9,980	10,928	11,814	14,835	12,906	15,811
FFO to debt ratio	6.1%	2.0%	8.5%	10.5%	9.3%	9.4%	9.5%	11.1%	7.6%	7.9%
Borrowing headroom ($000s)	(25,136)	(57,193)	(18,077)	(3,776)	(16,733)	(17,270)	(17,092)	1,610	(53,256)	(57,022)

Part E: Projected financial statements for water services

Combined water services

Funding impact statement

.	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	1	112	162	0	0	0	0	0	0	0
Targeted rates	15,286	13,340	22,308	27,108	28,515	29,758	33,642	34,531	33,693	38,668
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	643	1,391	1,384	1,402	1,425	1,452	1,483	1,515	1,549	1,584
Total operating funding	15,930	14,844	23,854	28,510	29,940	31,210	35,125	36,046	35,242	40,253
Applications of operating funding										
Payments to staff and suppliers	8,575	9,354	11,355	10,897	10,997	10,625	13,211	10,780	10,841	10,939
Finance costs	0	2,495	4,114	4,735	5,542	6,216	6,688	7,228	8,427	10,350
Internal charges and overheads applied	4,017	1,823	1,990	3,383	3,679	3,718	3,711	3,524	3,411	3,517
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	12,592	13,673	17,459	19,015	20,218	20,559	23,610	21,532	22,679	24,805
Surplus/(deficit) of operating funding	3,337	1,171	6,395	9,495	9,722	10,651	11,515	14,514	12,563	15,447
Sources of capital funding										
Subsidies and grants for capital expenditure	46	0	0	0	0	0	0	0	0	0
Development and financial contributions	382	880	916	959	1,030	1,111	1,197	1,283	1,369	1,455
Increase/(decrease) in debt	12,362	13,494	8,457	13,983	15,181	9,159	7,874	8,759	37,327	30,179
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	12,790	14,374	9,373	14,942	16,211	10,270	9,071	10,042	38,696	31,634

Applications of capital funding										
Capital expenditure - to meet additional demand	0	0	0	0	611	636	658	678	694	710
Capital expenditure - to improve levels of services	8,413	9,670	6,511	13,725	16,817	12,026	11,579	14,863	26,323	23,663
Capital expenditure - to replace existing assets	7,715	5,875	9,257	10,712	8,506	8,259	8,349	9,016	24,243	22,709
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	16,128	15,545	15,768	24,437	25,934	20,921	20,586	24,556	51,259	47,082
Surplus/(deficit) of capital funding	(3,337)	(1,171)	(6,395)	(9,495)	(9,722)	(10,651)	(11,515)	(14,514)	(12,563)	(15,447)
Funding balance	0	0	0	0	0	0	0	0	0	0

Statement of comprehensive revenue and expense

Statement of comprehensive revenue and expense ($000)	**FY24/25**	**FY25/26**	**FY26/27**	**FY27/28**	**FY28/29**	**FY29/30**	**FY30/31**	**FY31/32**	**FY32/33**	**FY33/34**
Operating revenue	15,930	14,844	23,854	28,510	29,940	31,210	35,125	36,046	35,242	40,253
Other revenue	428	880	916	959	1,030	1,111	1,197	1,283	1,369	1,455
Total revenue	16,358	15,724	24,770	29,469	30,970	32,321	36,322	37,329	36,611	41,708
Operating expenses	8,575	9,354	11,355	10,897	10,997	10,625	13,211	10,780	10,841	10,939
Finance costs	0	2,495	4,114	4,735	5,542	6,216	6,688	7,228	8,427	10,350
Overheads and support costs	4,017	1,823	1,990	3,383	3,679	3,718	3,711	3,524	3,411	3,517
Depreciation & amortisation	7,700	7,835	8,654	9,495	9,722	10,651	11,515	11,679	12,461	13,279
Total expenses	20,292	21,508	26,113	28,510	29,940	31,210	35,125	33,211	35,139	38,084
Net surplus / (deficit)	(3,934)	(5,784)	(1,343)	959	1,030	1,111	1,197	4,118	1,472	3,623
Revaluation of infrastructure assets	0	0	71,363	0	0	73,982	0	0	56,018	0
Total comprehensive income	(3,934)	(5,784)	70,021	959	1,030	75,093	1,197	4,118	57,490	3,623
Cash surplus / (deficit) from operations (excl depreciation)	3,766	2,051	7,311	10,454	10,752	11,762	12,712	15,797	13,932	16,902

Statement of cashflows

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	3,766	2,051	7,311	10,454	10,752	11,762	12,712	15,797	13,932	16,902
[other items]										
Net cashflows from operating activities	3,766	2,051	7,311	10,454	10,752	11,762	12,712	15,797	13,932	16,902
Cashflows from investment activities										
[other items]										
Capital expenditure	(16,128)	(15,545)	(15,768)	(24,437)	(25,934)	(20,921)	(20,586)	(24,556)	(51,259)	(47,082)
Net cashflows from investment activities	(16,128)	(15,545)	(15,768)	(24,437)	(25,934)	(20,921)	(20,586)	(24,556)	(51,259)	(47,082)
Cashflows from financing activities										
New borrowings	12,362	13,494	8,457	13,983	15,181	9,159	7,874	8,759	37,327	30,179
Repayment of borrowings										
Net cashflows from financing activities	12,362	13,494	8,457	13,983	15,181	9,159	7,874	8,759	37,327	30,179
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year	0	0	0	0	0	0	0	0	0	0

Statement of financial position

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	394,896	402,606	481,083	496,025	512,236	596,488	605,560	618,437	713,254	747,057
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	394,896	402,606	481,083	496,025	512,236	596,488	605,560	618,437	713,254	747,057
Liabilities										
Borrowings - current portion	56,344	69,838	78,295	92,278	107,459	116,619	124,493	133,252	170,579	200,759
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	56,344	69,838	78,295	92,278	107,459	116,619	124,493	133,252	170,579	200,759
Net assets	338,552	332,768	402,788	403,747	404,777	479,870	481,067	485,185	542,675	546,298
Equity										
Revaluation reserve	0	0	71,363	71,363	71,363	145,345	145,345	145,345	201,363	201,363
Other reserves	338,552	332,768	331,425	332,384	333,414	334,525	335,722	339,840	341,311	344,935
Total equity	338,552	332,768	402,788	403,747	404,777	479,870	481,067	485,185	542,675	546,298

Drinking water

Funding impact statement

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	1	112	162							
Targeted rates	11,417	9,801	13,838	17,947	18,990	20,062	20,594	22,490	21,267	23,222
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	(80)	525	518	534	552	571	592	613	635	658
Total operating funding	11,338	10,438	14,518	18,481	19,542	20,633	21,187	23,104	21,903	23,880
Applications of operating funding										
Payments to staff and suppliers	5,870	5,742	5,769	6,674	6,815	6,798	6,825	6,869	6,913	6,951
Finance costs	0	2,061	3,704	4,068	4,609	5,036	5,110	5,153	5,247	5,375
Internal charges and overheads applied	2,656	847	924	2,020	2,204	2,263	2,187	2,143	2,074	2,146
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	8,526	8,649	10,396	12,761	13,627	14,097	14,122	14,165	14,234	14,472
Surplus/(deficit) of operating funding	2,812	1,788	4,122	5,719	5,915	6,536	7,065	8,939	7,668	9,408
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	149	636	640	651	684	727	775	823	871	919
Increase/(decrease) in debt	10,844	9,486	4,924	8,248	11,335	4,088	(1,451)	1,178	3,891	(592)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	10,993	10,122	5,564	8,899	12,019	4,815	(676)	2,001	4,762	327

Applications of capital funding										
Capital expenditure - to meet additional demand	0	0	0	0	305	318	329	339	347	355
Capital expenditure - to improve levels of services	7,005	8,250	4,337	9,574	14,558	7,954	2,961	7,341	7,517	5,845
Capital expenditure - to replace existing assets	6,800	3,660	5,349	5,044	3,072	3,080	3,099	3,260	4,566	3,535
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	13,805	11,910	9,685	14,618	17,934	11,351	6,388	10,940	12,430	9,735
Surplus/(deficit) of capital funding	(2,812)	(1,788)	(4,122)	(5,719)	(5,915)	(6,536)	(7,065)	(8,939)	(7,668)	(9,408)
Funding balance	0	0	0	0	0	0	0	0	0	0

Statement of comprehensive revenue and expense

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	11,338	10,438	14,518	18,481	19,542	20,633	21,187	23,104	21,903	23,880
Other revenue	149	636	640	651	684	727	775	823	871	919
Total revenue	11,487	11,074	15,158	19,132	20,226	21,360	21,962	23,927	22,774	24,799
Operating expenses	5,870	5,742	5,769	6,674	6,815	6,798	6,825	6,869	6,913	6,951
Finance costs	0	2,061	3,704	4,068	4,609	5,036	5,110	5,153	5,247	5,375
Overheads and support costs	2,656	847	924	2,020	2,204	2,263	2,187	2,143	2,074	2,146
Depreciation & amortisation	4,546	4,668	5,188	5,719	5,915	6,536	7,065	7,152	7,604	8,043
Total expenses	13,072	13,317	15,585	18,481	19,542	20,633	21,187	21,318	21,838	22,515
Net surplus / (deficit)	(1,585)	(2,244)	(427)	651	684	727	775	2,609	936	2,284
Revaluation of infrastructure assets	0	0	33,451	0	0	35,758	0	0	26,383	0
Total comprehensive income	(1,585)	(2,244)	33,025	651	684	36,485	775	2,609	27,319	2,284
Cash surplus / (deficit) from operations (excl depreciation)	2,961	2,424	4,762	6,370	6,599	7,263	7,840	9,762	8,539	10,327

Statement of cashflows

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	2,961	2,424	4,762	6,370	6,599	7,263	7,840	9,762	8,539	10,327
[other items]										
Net cashflows from operating activities	2,961	2,424	4,762	6,370	6,599	7,263	7,840	9,762	8,539	10,327
Cashflows from investment activities										
[other items]										
Capital expenditure	(13,805)	(11,910)	(9,685)	(14,618)	(17,934)	(11,351)	(6,388)	(10,940)	(12,430)	(9,735)
Net cashflows from investment activities	(13,805)	(11,910)	(9,685)	(14,618)	(17,934)	(11,351)	(6,388)	(10,940)	(12,430)	(9,735)
Cashflows from financing activities										
New borrowings	10,844	9,486	4,924	8,248	11,335	4,088	(1,451)	1,178	3,891	(592)
Repayment of borrowings										
Net cashflows from financing activities	10,844	9,486	4,924	8,248	11,335	4,088	(1,451)	1,178	3,891	(592)
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year	0	0	0	0	0	0	0	0	0	0

Statement of financial position

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	181,478	188,720	226,668	235,566	247,586	288,159	287,483	291,270	322,481	324,172
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	181,478	188,720	226,668	235,566	247,586	288,159	287,483	291,270	322,481	324,172
Liabilities										
Borrowings - current portion	54,826	64,312	69,235	77,483	88,818	92,907	91,455	92,633	96,525	95,933
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	54,826	64,312	69,235	77,483	88,818	92,907	91,455	92,633	96,525	95,933
Net assets	126,651	124,408	157,432	158,083	158,767	195,253	196,028	198,637	225,956	228,240
Equity										
Revaluation reserve	0	0	33,451	33,451	33,451	69,210	69,210	69,210	95,593	95,593
Other reserves	126,651	124,408	123,981	124,632	125,316	126,043	126,818	129,427	130,363	132,646
Total equity	126,651	124,408	157,432	158,083	158,767	195,253	196,028	198,637	225,956	228,240

Wastewater

Funding impact statement

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	3,484	3,204	7,666	7,828	8,150	8,315	11,453	10,144	10,447	13,143
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	723	867	866	868	873	881	891	902	914	927
Total operating funding	4,207	4,070	8,532	8,696	9,024	9,196	12,344	11,046	11,361	14,070
Applications of operating funding										
Payments to staff and suppliers	2,497	3,491	5,465	3,796	3,754	3,513	6,060	3,572	3,576	3,623
Finance costs	0	401	399	641	890	1,060	1,312	1,663	2,628	4,274
Internal charges and overheads applied	1,177	677	741	1,061	1,153	1,144	1,222	1,086	1,050	1,075
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,674	4,568	6,605	5,498	5,796	5,716	8,594	6,321	7,254	8,971
Surplus/(deficit) of operating funding	532	(498)	1,927	3,198	3,227	3,480	3,750	4,725	4,107	5,098
Sources of capital funding										
Subsidies and grants for capital expenditure	46	0	0	0	0	0	0	0	0	0
Development and financial contributions	233	244	276	308	346	384	422	460	498	536
Increase/(decrease) in debt	1,510	3,839	3,490	5,227	3,754	2,359	6,736	5,044	30,754	28,163
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	1,790	4,083	3,766	5,535	4,100	2,743	7,158	5,504	31,252	28,699

Applications of capital funding										
Capital expenditure - to meet additional demand	0	0	0	0	305	318	329	339	347	355
Capital expenditure - to improve levels of services	1,407	1,420	2,174	3,917	2,015	1,336	5,790	4,608	15,821	14,765
Capital expenditure - to replace existing assets	915	2,165	3,519	4,816	5,007	4,569	4,790	5,282	19,191	18,677
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	2,322	3,585	5,693	8,733	7,328	6,223	10,908	10,229	35,359	33,797
Surplus/(deficit) of capital funding	(532)	498	(1,927)	(3,198)	(3,227)	(3,480)	(3,750)	(4,725)	(4,107)	(5,098)
Funding balance	0	0	0	0	0	0	0	0	0	0

Statement of comprehensive revenue and expense

Statement of comprehensive revenue and expense ($000)	**FY24/25**	**FY25/26**	**FY26/27**	**FY27/28**	**FY28/29**	**FY29/30**	**FY30/31**	**FY31/32**	**FY32/33**	**FY33/34**
Operating revenue	4,207	4,070	8,532	8,696	9,024	9,196	12,344	11,046	11,361	14,070
Other revenue	279	244	276	308	346	384	422	460	498	536
Total revenue	4,486	4,314	8,808	9,004	9,370	9,580	12,766	11,506	11,859	14,606
Operating expenses	2,497	3,491	5,465	3,796	3,754	3,513	6,060	3,572	3,576	3,623
Finance costs	0	401	399	641	890	1,060	1,312	1,663	2,628	4,274
Overheads and support costs	1,177	677	741	1,061	1,153	1,144	1,222	1,086	1,050	1,075
Depreciation & amortisation	2,664	2,677	2,932	3,198	3,227	3,480	3,750	3,802	4,074	4,394
Total expenses	6,338	7,246	9,537	8,696	9,024	9,196	12,344	10,123	11,328	13,365
Net surplus / (deficit)	(1,852)	(2,931)	(729)	308	346	384	422	1,383	531	1,241
Revaluation of infrastructure assets	0	0	32,782	0	0	33,237	0	0	25,334	0
Total comprehensive income	(1,852)	(2,931)	32,054	308	346	33,621	422	1,383	25,866	1,241
Cash surplus / (deficit) from operations (excl depreciation)	812	(254)	2,203	3,506	3,573	3,864	4,172	5,185	4,605	5,634

Statement of cashflows

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	812	(254)	2,203	3,506	3,573	3,864	4,172	5,185	4,605	5,634
[other items]										
Net cashflows from operating activities	812	(254)	2,203	3,506	3,573	3,864	4,172	5,185	4,605	5,634
Cashflows from investment activities										
[other items]										
Capital expenditure	(2,322)	(3,585)	(5,693)	(8,733)	(7,328)	(6,223)	(10,908)	(10,229)	(35,359)	(33,797)
Net cashflows from investment activities	(2,322)	(3,585)	(5,693)	(8,733)	(7,328)	(6,223)	(10,908)	(10,229)	(35,359)	(33,797)
Cashflows from financing activities										
New borrowings	1,510	3,839	3,490	5,227	3,754	2,359	6,736	5,044	30,754	28,163
Repayment of borrowings										
Net cashflows from financing activities	1,510	3,839	3,490	5,227	3,754	2,359	6,736	5,044	30,754	28,163
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year	0	0	0	0	0	0	0	0	0	0

Statement of financial position

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	184,037	184,945	220,489	226,024	230,125	266,104	273,263	279,689	336,309	365,713
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	184,037	184,945	220,489	226,024	230,125	266,104	273,263	279,689	336,309	365,713
Liabilities										
Borrowings - current portion	1,510	5,350	8,840	14,067	17,822	20,181	26,917	31,961	62,715	90,878
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	1,510	5,350	8,840	14,067	17,822	20,181	26,917	31,961	62,715	90,878
Net assets	182,527	179,596	211,649	211,957	212,303	245,924	246,346	247,729	273,594	274,835
Equity										
Revaluation reserve	0	0	32,782	32,782	32,782	66,019	66,019	66,019	91,353	91,353
Other reserves	182,527	179,596	178,867	179,175	179,521	179,905	180,327	181,710	182,241	183,482
Total equity	182,527	179,596	211,649	211,957	212,303	245,924	246,346	247,729	273,594	274,835

Stormwater

Funding impact statement

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	385	336	803	1,333	1,374	1,381	1,595	1,897	1,978	2,303
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0
Total operating funding	385	336	803	1,333	1,374	1,381	1,595	1,897	1,978	2,303
Applications of operating funding										
Payments to staff and suppliers	208	122	122	427	429	314	327	339	352	365
Finance costs	0	34	11	26	43	120	266	411	552	701
Internal charges and overheads applied	184	299	325	302	322	312	301	296	286	296
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	392	455	457	755	794	746	894	1,046	1,191	1,362
Surplus/(deficit) of operating funding	(7)	(119)	346	578	580	635	700	851	788	941
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	7	169	43	508	92	2,712	2,589	2,538	2,682	2,608
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	7	169	43	508	92	2,712	2,589	2,538	2,682	2,608

Applications of capital funding										
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve levels of services	0	0	0	234	244	2,736	2,829	2,914	2,984	3,052
Capital expenditure - to replace existing assets	0	50	389	852	427	611	461	474	486	497
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	0	50	389	1,086	672	3,347	3,290	3,388	3,470	3,549
Surplus/(deficit) of capital funding	7	119	(346)	(578)	(580)	(635)	(700)	(851)	(788)	(941)
Funding balance	0	0	0	0	0	0	0	0	0	0

Statement of comprehensive revenue and expense

Statement of comprehensive revenue and expense ($000)	**FY24/25**	**FY25/26**	**FY26/27**	**FY27/28**	**FY28/29**	**FY29/30**	**FY30/31**	**FY31/32**	**FY32/33**	**FY33/34**
Operating revenue	385	336	803	1,333	1,374	1,381	1,595	1,897	1,978	2,303
Other revenue	0	0	0	0	0	0	0	0	0	0
Total revenue	385	336	803	1,333	1,374	1,381	1,595	1,897	1,978	2,303
Operating expenses	208	122	122	427	429	314	327	339	352	365
Finance costs	0	34	11	26	43	120	266	411	552	701
Overheads and support costs	184	299	325	302	322	312	301	296	286	296
Depreciation & amortisation	490	490	534	578	580	635	700	725	783	842
Total expenses	882	945	991	1,333	1,374	1,381	1,595	1,771	1,974	2,204
Net surplus / (deficit)	(497)	(609)	(187)	0	0	0	0	126	5	99
Revaluation of infrastructure assets	0	0	5,130	0	0	4,987	0	0	4,301	0
Total comprehensive income	(497)	(609)	4,943	0	0	4,987	0	126	4,305	99
Cash surplus / (deficit) from operations (excl depreciation)	(7)	(119)	346	578	580	635	700	851	788	941

Statement of cashflows

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	(7)	(119)	346	578	580	635	700	851	788	941
[other items]										
Net cashflows from operating activities	(7)	(119)	346	578	580	635	700	851	788	941
Cashflows from investment activities										
[other items]										
Capital expenditure	0	(50)	(389)	(1,086)	(672)	(3,347)	(3,290)	(3,388)	(3,470)	(3,549)
Net cashflows from investment activities	0	(50)	(389)	(1,086)	(672)	(3,347)	(3,290)	(3,388)	(3,470)	(3,549)
Cashflows from financing activities										
New borrowings	7	169	43	508	92	2,712	2,589	2,538	2,682	2,608
Repayment of borrowings										
Net cashflows from financing activities	7	169	43	508	92	2,712	2,589	2,538	2,682	2,608
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year	0	0	0	0	0	0	0	0	0	0

Statement of financial position

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	29,381	28,941	33,926	34,434	34,526	42,225	44,814	47,478	54,465	57,172
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	29,381	28,941	33,926	34,434	34,526	42,225	44,814	47,478	54,465	57,172
Liabilities										
Borrowings - current portion	7	176	219	727	819	3,531	6,121	8,658	11,340	13,948
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	7	176	219	727	819	3,531	6,121	8,658	11,340	13,948
Net assets	29,374	28,764	33,707	33,707	33,707	38,693	38,693	38,819	43,124	43,224
Equity										
Revaluation reserve	0	0	5,130	5,130	5,130	10,116	10,116	10,116	14,417	14,417
Other reserves	29,374	28,764	28,577	28,577	28,577	28,577	28,577	28,703	28,707	28,807
Total equity	29,374	28,764	33,707	33,707	33,707	38,693	38,693	38,819	43,124	43,224

Water Services Delivery Plan: additional information

Significant capital projects

The significant capital projects outlined below are expressed in current dollars (uninflated). They include all projects over $1 million, and any projects identified elsewhere in this plan as being necessary to meet compliance, growth or consent renewal requirements.

These tables will not reconcile perfectly with other tables in this plan that set out capital requirements due to the exclusion of inflation (in this table) and the exclusion of projects which do not meet the significance threshold.

Significant capital projects - drinking water	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projects to meet additional demand									
Network extensions				250,000	250,000	250,000	250,000	250,000	250,000
Total investment to meet additional demand	0	0	0	250,000	250,000	250,000	250,000	250,000	250,000
Projects to improve levels of services									
Awamoko Drinking Water Supply Upgrade	1,500,000								
Tokarahi Drinking Water Supply Upgrade	2,100,000								
Bushy Creek Drinking Water Supply Upgrade	600,000								
Kauru Hill Drinking Water Supply Upgrade	860,000								
Windsor Drinking Water Supply Upgrade	800,000								
Stoneburn Drinking Water Supply Upgrade	500,000								
Backflow Prevention Plan	150,000	750,000	950,000						
Lower Waitaki Capacity Upgrade				2,670,000					
Waihemo Urban & Rural Water Main Upgrades	1,000,000	750,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Oamaru North End Falling Water Main Upgrade		100,000	3,000,000	3,000,000					
Oamaru Water Strategy Source Resilience (Build)				2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Water Main Upgrades							1,500,000	1,500,000	200,000
Otematata DWS Upgrade - Install Filters		500,000							
UV upgrades at 4 supplies		800,000							
Ardgowan Dam Upgrades	100,000	900,000							

Kurow Water Supply Compliance & Resilience Improvements	1,500,000								
Universal Water Metering			4,000,000	4,000,000	4,000,000				
District Wide water resilience reservoirs							1,666,667	1,666,667	1,666,667
Total investment to improve levels of services	9,110,000	3,800,000	8,200,000	11,920,000	6,250,000	2,250,000	5,416,667	5,416,667	4,116,667
Projects to replace existing assets									
Oamaru Water Facilities Renewals (building related)	100,000	500,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Oamaru Urban Water Main Renewals (pipes etc)	500,000	500,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000
Rural Water Main Renewals (district wide)	200,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
SCADA Renewals (Water)	0	500,000	650,000	325,000	65,000	65,000	65,000		
Oamaru Rural Water Main Renewals	860,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Oamaru Water Strategy Phases One (Build) & Two-Three (Plan)	200,000	2,600,000	1,350,000						
Oamaru Water Treatment Plant Renewals	1,700,000	100,000	100,000	100,000	200,000	200,000	200,000	200,000	200,000
Urban Water Main Renewals (Valley townships)	100,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total investment to replace existing assets	3,660,000	4,810,000	4,190,000	2,515,000	2,355,000	2,355,000	2,355,000	2,290,000	2,290,000
Total investment in drinking water assets	12,770,000	8,610,000	12,390,000	14,685,000	8,855,000	4,855,000	8,021,667	7,956,667	6,656,667

Significant capital projects - wastewater	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projects to meet additional demand									
Network extensions	0	0	0	250,000	250,000	250,000	250,000	250,000	250,000
Total investment to meet additional demand	0	0	0	250,000	250,000	250,000	250,000	250,000	250,000
Projects to improve levels of services									
Duntroon Wastewater Treatment Plant Upgrade		200,000	2,400,000						
Oamaru Wastewater Overflow Mitigation					500,000	1,000,000	1,000,000		
Oamaru Wastewater Treatment Plant Interim Improvements	1,000,000	1,000,000							
Beach Road Catchment Upgrade						3,000,000			
Kurow Wastewater Treatment Plant Upgrade				1,000,000					
Oamaru Additional Wastewater Pump Station								1,000,000	
Palmerston Wastewater Overflow Mitigation			150,000	150,000	150,000				
Oamaru Creek - Wastewater Syphon Capacity Upgrade							2,000,000		
Oamaru Duplicate Wastewater Rising Main								10,000,000	10,000,000
Tradewaste		400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Total investment to improve levels of services	1,000,000	1,600,000	2,950,000	1,550,000	1,050,000	4,400,000	3,400,000	11,400,000	10,400,000
Projects to replace existing assets									
Oamaru Wastewater Main Renewals	2,100,000	2,035,000	2,000,000	2,000,000	2,000,000	2,000,000	2,150,000	2,150,000	2,150,000
Urban Wastewater Mains Renewals/Upgrades			260,000	260,000	260,000	260,000	260,000	260,000	260,000
SCADA Renewals (Wastewater)		500,000	650,000	325,000	65,000	65,000	65,000		
Palmerston Wastewater Main Renewals			750,000	750,000	500,000	500,000	500,000	500,000	500,000
Oamaru Wastewater Pumpstation Renewals			200,000	200,000	200,000	200,000	200,000	200,000	200,000
Oamaru Wastewater Relocation/Renewal - Orwell St		500,000		500,000	500,000	500,000	500,000	10,000,000	8,000,000
Wastewater Facilities Renewals							100,000	100,000	1,500,000
Total investment to replace existing assets	2,100,000	3,035,000	3,860,000	4,035,000	3,525,000	3,525,000	3,775,000	13,210,000	12,610,000
Total investment in wastewater assets	3,100,000	4,635,000	6,810,000	5,835,000	4,825,000	8,175,000	7,425,000	24,860,000	23,260,000

Significant capital projects - stormwater	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projects to meet additional demand									
Total investment to meet additional demand	0	0	0	0	0	0	0	0	0
Projects to improve levels of services									
Oamaru Stormwater Upgrades				0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total investment to improve levels of services					2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Projects to replace existing assets									
Stormwater Main Renewals	50,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Total investment to replace existing assets	50,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Total investment in stormwater assets	50,000	350,000	350,000	350,000	2,350,000	2,350,000	2,350,000	2,350,000	2,350,000

Risks and assumptions

Parameters	Drinking supply	Wastewater	Stormwater
Key Risks • Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g. providing for growth, climate change • Sludge removal	Palmerston water demand has exceeded permitted abstraction limits and whilst restrictions have temporarily resolved compliance without further water demand management interventions exceedances are likely to reoccur. The removal of funding for reticulating water supplies to small settlements leaves them vulnerable to poor water quality from onsite systems. The removal of many growth-related projects mean growth may not be able to be accommodated if it occurs outside of the assumed rate and locations Unfunded pre-treatment and raw water storage may be required on the Omaru Scheme depending on the outcome of the supplying irrigation scheme consent requirements. High water demand and estimated losses may lead to schemes exceeding their water abstraction limits. The lack of robust asset condition information will impact the ability to programme renewals efficiently and potentially lead to critical asset or network runaway failures. And under recovery of costs. If the estimated life of the assets is over estimated insufficient depreciation will be recovered from current users leaving inequitable intergenerational costs for future users and insufficient borrowing capacity for needed future renewals	The removal of many growth-related projects mean growth may not be able to be accommodated if it occurs outside of the assumed rate and locations Trade waste discharge costs may not be being fully recovered from users and septage and trade waste present a risk to the stable operation of treatment processes if not well controlled. The lack of robust asset condition information will impact the ability to programme renewals efficiently and potentially lead to critical asset or network runaway failures. And under recovery of costs. If the estimated life of the assets is over estimated insufficient depreciation will be recovered from current users leaving inequitable intergenerational costs for future users and insufficient borrowing capacity for needed future renewals. The WSDP plan includes funding to remove sludge from the Oamaru WWTP oxidation ponds. There is no allowance for the disposal of this sludge and it is assumed that this will be allowed to be spread over land at the WWTP. If consent is not granted to do this from Otago Regional Council then WDC will need to dispose of this sludge at a landfill. Oamaru landfill is not consented to receive sludge, and Palmerston landfill will be closed. This means sludge will need to be disposed of out of district at a significant cost.	The lack of robust asset condition information will impact the ability to programme renewals efficiently and potentially lead to critical asset or network runaway failures. And under recovery of costs. If the estimated life of the assets is over estimated insufficient depreciation will be recovered from current users leaving inequitable intergenerational costs for future users and insufficient borrowing capacity for needed future renewals. If condition is better than assumed, or useful lives longer than assumed, there is a risk of over recovery from current water consumers, and over investment in the network. As these risks are better understood, financial projections are likely to need revision.

Parameters	Drinking supply	Wastewater	Stormwater
Significant assumptions • Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g. providing for growth, climate change	Minimal growth is expected in the district and the current infrastructure can accommodate it. Networks will continue to perform at the required levels with the planned level of investment. No significant investment will be required in asset management systems and processes to meet future regulatory requirements. The combination of water metering and the active leakage control programme will be sufficient to address the water losses from the networks. The Oamaru water strategy covers multiple interlinked capital projects. It is still being refined and capex projects and timing will likely change. The Lower Waitaki is the best water source and the reconsenting process by LW Irrigation Company is still active. The	Minimal growth is expected in the district and the current infrastructure can accommodate it. Networks will continue to perform at the required levels with the planned level of investment. No significant investment will be required in asset management systems and processes to meet future regulatory requirements. The Oamaru wastewater strategy covers multiple interlinked capital projects. It is still being refined and capex projects and timing will likely change.	Minimal growth is expected in the district and the current infrastructure can accommodate what it. Networks will continue to perform at the required levels with the planned level of investment. No significant investment will be required in asset management systems and processes to meet future regulatory requirements.

Appendix 1 – Resource consents

Water supply

Region	Location	Consent No.	Expiry Date	Allowable Take (m³/day)	Comments
Canterbury	**Alamodome**	CRC 940476	10-Nov-2028	225	Infiltration Gallery in Awahokomo Stream Bed
	Awamoko	Sand Filter - Water from Lower Waitaki Irrigation Race			
	Duntroon	CRC 982133	9-Sep-2033	306	Groundwater Via Bore
	Kurow	CRC 940477	10-Nov-2028	2419	Groundwater Via Bore - (3 Bores)
	Ōhau	CRC 001915	21 June 2035	2.2 l/s	Groundwater Via Infiltration Gallery
	Ōmārama	CRC194088	10 Sep 2034	345	To take water from Old Man Creek
		CRC213794	23-Dec-2032	3,240	Infiltration Gallery adjacent to Ōmārama Stream
	Bushy Creek	CRC084382	18 Apr-2046	1,512m³/ consecutive 7 days	Take and use water for Bushy Creek
	Ōtematatā	CRC185065	8 May 2044	4,380	Take surface water from Ōtematatā Stream bed
	Tokarahi	CRC 960857	13-Dec-2030	1750	Infiltration Gallery adjacent to Maerewhenua
Otago	**Kauru Hill**	RM15.240.01	1-May-2051	611	Infiltration Gallery in the Kauru River
	Lower Waitaki	RM11.019.1	01 Mar-2046	1,728	Take groundwater from Lower Waitaki Plains aquifer for community supply
	Ōamaru	CRC224708	2 Mar-2030	Varies depending on river flow	Surface water – This is not a council consent. Council buy shares off LWIC, but have additional volume allocated/held/guaranteed through LW Zone Committee
	Stoneburn	RM17.121.01	1-Sep-2052	360	Surface Water Intake from North Branch of Waikouaiti River – Primary Allocation
		RM17.121.02	1-Sep-2052	40	Surface Water Intake from North Branch of Waikouaiti River – Supplementary Allocation
	Waihemo	RM11.025.1	21 Mar-2046	11,427 m³/week	Take water from Shag Alluvium aquifer for community supply
	Windsor	RM15.240.02	1-May-2051	569	River Intake on Kakanui River

Wastewater

Region	Location	Consent No.	Expiry Date	Allowable Discharge	Comments
Canterbury	Ōhau	CRC 000426	1-Nov-2034	160m3/day	Discharge 160m3/day of oxidation pond effluent to ground via soakage trench
	Ōmārama	CRC200183	4 Dec 2044		To discharge contaminants into land.
	Otematata	CRC 012181	19-Dec-2038	22 l/s	Discharge contaminants into water during extreme rainfall events
		CRC 094041	1 June 2038		Discharge contaminants to land
	Kurow	CRC 062249	31 May 2030	15 l/s maximum	Discharge contaminants to land
	Duntroon	CRC213039	24 Feb 2026	Septic tank	To use land for a community wastewater treatment system
		CRC201709	24 Feb 2026	8,800 Litres per day	To discharge domestic wastewater to land from a community wastewater treatment system
Otago	Ōamaru	ORC 2002.656	30-Apr-2038	Not applicable	Discharge to air, odours and aerosols from the Ōamaru Treatment Plant
		ORC 2002.655	30-Apr-2038	7500m3/day	Discharge of 7500m3/day of treated effluent to Landon Creek
		ORC 2002.704	30-Apr-2038	7500m3/day	Discharge of 7500m3/day of treated effluent to Land
		ORC 2004.163	1 Apr 2028	Not applicable	Discharge to air odours resulting from the removal of sludge
	Moeraki	RM 16.008.01	20 Jan 2053		To discharge contaminants to air
		RM 16.008.02	20 Jan 2053	25 l/s 225 m^3/day	To discharge contaminants to land
	Palmerston	RM11.096.01.V2	23 March 2046	350 m^3/day	Discharge treated wastewater to land from the Palmerston wastewater treatment plant
	Otago Region	ORC 98255	1-June-2018	Not applicable	Discharge chemically inert, non-toxic, non-radioactive tracer dye to natural water

Stormwater

Record number	CRC186252
Consent location	Lake Ohau Village, Omarama, Otematata, Kurow, & Duntroon, Waitaki District
Comments	To discharge contaminants to land and water.
Commencement date	05 Dec 2019
Date this record number was issued	05 Dec 2019
Permit type	Discharge Permit (s15)
Record type	New Consent
Expiry date	05 Dec 2044

Appendix 2 – Council resolution

Waitaki
DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI
Growing strong communities.

Phone 03 433 0300
Web www.waitaki.govt.nz

Office 20 Thames Street
Private Bag 50058
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Waitaki District Council

CERTIFIED MINUTE

From the public minutes of the Waitaki District Council meeting held on 26 August, 2025 under public agenda item 7.1. Related to the confirmation and adoption of the Local Water Done Well water services delivery plan model.

7.1 LOCAL WATER DONE WELL WATER SERVICES DELIVERY PLAN MODEL CONFIRMATION AND ADOPTION

RESOLVED WDC 2025/001

Moved: Cr Jim Thomson
Seconded: Cr Tim Blackler

That Council:
Approves the following changes to information previously considered to be included in the Water Services Delivery Plan:

a) Additional budgeted expenditure of $9,790,000 to address compliance issues identified in the WSDP development process.
b) Additional expenditure of $9,450,000 to address resilience and renewal issues identified in the WSDP development process.
c) To increase charges in an approach to achieve a balanced budget and revenue sufficiency to meet operational, investment and borrowing costs.

CARRIED

The Mayor and Cr Hopkins asked for their votes against the motion to be recorded.

RESOLVED WDC 2025/002

Moved: Cr Jim Thomson
Seconded: Cr Tim Blackler

Approves the Water Services Delivery Plan, subject to any adjustments required by the above decisions, set out in Attachment 1 for submission to the Department of Internal Affairs by 3 September 2025 for acceptance.

CARRIED

The Mayor and Cr Hopkins asked for their votes against the motion to be recorded.

RESOLVED WDC 2025/003
Moved: Cr Jim Thomson
Seconded: Cr Tim Blackler

Notes that in accordance with section 18 of the Local Government (Water Services Preliminary Arrangements) Act 2024, the Chief Executive must provide certification to the Department of Internal Affairs in respect of the information provided by Waitaki District Council that the Water Services Delivery Plan complies with the Local Government (Water Services Preliminary Arrangements) Act 2024 and that the information contained in the plan is true and accurate.

CARRIED

The Mayor asked for his vote against the motion to be recorded.

RESOLVED WDC 2025/004
Moved: Cr Jim Thomson
Seconded: Cr Tim Blackler

Delegates to the Chief Executive the authority to finalise the plan including making minor amendments to the Water Services Delivery Plan (if required) in advance of submission to the Department of Internal Affairs.

CARRIED

RESOLVED WDC 2025/005
Moved: Cr Jim Thomson
Seconded: Cr Tim Blackler

Notes the willingness of the Council to explore future opportunities for collaboration with other Councils in relation to water services delivery.

CARRIED

Certified as a correct record of the meeting decisions.

Dated this 27th of August, 2025.

Gary Kircher

Mayor for Waitaki/Chair of Waitaki District Council