

# Water Services Delivery Plan

New Plymouth District Council  
NPDC Water Services Council Controlled  
Organisation (WSCCO)

April 2025

This is an incomplete working draft

# Contents

<b>Part A: Statement of financial sustainability, delivery model, implementation plan and assurance.....</b>	<b>3</b>
Statement that water services delivery is financially sustainable..... <b>Error! Bookmark not defined.</b>	
Proposed delivery model .....	3
Implementation plan .....	4
Consultation and engagement .....	5
Assurance and adoption of the Plan .....	5
<b>Part B: Network performance.....</b>	<b>6</b>
Investment to meet levels of service, regulatory standards and growth needs.....	6
<b>Part C: Revenue and financing arrangements .....</b>	<b>19</b>
Revenue and charging arrangements .....	19
Funding and financing arrangements .....	22
<b>Part D: Financial sustainability assessment .....</b>	<b>24</b>
Confirmation of financially sustainable delivery of water services .....	24
Financially sustainable assessment - revenue sufficiency .....	25
Financially sustainable assessment - investment sufficiency .....	29
Financially sustainable assessment - financing sufficiency .....	32
<b>Part E: Projected financial statements for water services .....</b>	<b>35</b>
<b>Water Services Delivery Plan: additional information .....</b>	<b>Error! Bookmark not defined.</b>
Significant capital projects .....	37
Risks and assumptions .....	44

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

### Statement that water services delivery is financially sustainable

#### Financially sustainable water services provision

The New Plymouth District Council's (NPDC) preferred delivery model for water and wastewater is by way of an asset owning Water Services Council Controlled Organisation (WSCCO). Stormwater (including flood protection) will be retained in house with the option of the WSCCO delivering this service under contract explored as part of the establishment process. As such a separate WSDP for stormwater has been prepared the accompanies this document.

NPDC intends to complete transitional arrangements by way of establishing WSCCO governance, service level agreements with Council and the introduction of the new planning and accountability framework for water services by 30 June 2026.

NPDC can confirm that a NPDC WSCCO meets the financial sustainability requirements, specifically:

- Projected waters revenue is sufficient to cover the costs of delivering water services, including sufficient infrastructure investment and meeting increasing regulatory requirements.
- The proposed level of investment as outlined in the NPDC Long-Term Plan is sufficient to meet levels of services, regulatory requirements and provide for growth. In addition, the proposed level of investment can be fully funded by projected revenues
- The projected council borrowings are within council borrowing limits and meet associated LGFA covenants.

### Proposed delivery model

#### Proposed model to deliver financially sustainable water services

##### The proposed model to deliver water services

New Plymouth District Council intends to deliver water services independently through the creation of a WSCCO and is therefore not seeking to partner with other councils at this time. It remains open to exploring the inclusion of additional councils' services in the future.

By creating a WSCCO, NPDC will improve on its ability to provide high quality water services to our community while ensuring there is sufficient capacity to increase investment in infrastructure and meet regulatory requirements.

As part of the establishment of the WSCCO, water services revenues will be separated from other council financials.

The WSCCO will be governed by a Professional Board chosen by the NPDC Councillors driven by a Statement of Expectations and a corresponding Statement of Expectations as per the figure below.



A NPDC WSCCO was chosen as our preferred delivery model due to the following:

- a) Agreement could not be reached with our regional partners to create a Regional WSCCO which was the preferred model.
- b) A WSCCO is financially sustainable as it can access LGFA funding and increased debt caps.
- c) Separation from Council decision-making will provide an enhanced strategic focus to provide future growth capacity
- d) It provides the 'scaffolding' for future mergers either within the Taranaki region, or outside.

Initially there are no changes to revenue collection methods anticipated and Council will continue to collect the revenue on behalf of the WSCCO. Over time as part of the entity establishment the responsibility will transition to the new entity. In addition, water charges will change to be at least partly based on volumetric consumption. This is expected to occur in June 2027.

## Implementation plan

### Implementation plan

#### Implementing the proposed service delivery model

As NPDC is proposing to deliver water services by way of a single council/NPDC WSCCO. The following actions will be completed:

- a. WSCCO governance establishment
- b. Service level agreements with council/NPDC
- c. Transition of water and wastewater staff to WSCCO
- d. Development of a three-yearly water services strategy, independent of the LTP
- e. Implementation of a new reporting and accountability framework
- f. Development of water services financial statements and other required reporting mechanisms.

Once this plan is accepted, it is anticipated that the above will be actioned within *6 months*.

NPDC will have completed its transition by *30 June 2026*.

## Consultation and engagement

### Consultation and engagement

#### Consultation and engagement undertaken

Community consultation was undertaken, including three options; Enhanced Status Quo (In-House Business Unit), NPDC Water Services CCO and Regional/Taranaki Water Services CCO.

Consultation was held between 30 April and 30 May 2025, with the results of consultation reported to full Council to inform a final decision on 22 July 2025.

{Summary of consultation findings to be included once compiled}

## Assurance and adoption of the Plan

### Assurance and adoption of the Plan

The Act requires that each Plan that is submitted to the Secretary for Local Government for acceptance must include a certification, made by the Chief Executive of the council(s) to which the Plan relates, that:

- The Plan complies with the Act; and
- The information contained in the Plan is true and accurate.

While the Act does not require Plans to be verified independently, to ensure that the information is true and accurate, Councils may wish to either seek independent advice to verify the accuracy of information provided in the Plan or assess their Plan in-house. While not a mandatory requirement, we recommend considering the matters set out below when certifying the Plan.

When certifying the Plan, the Chief Executive of the council(s) may include commentary on:

- The levels of confidence in the underlying information included in the Plan. This could include comment on the level of confidence in regulatory compliance, asset condition, investment requirements, asset valuations or certainty around financial projections.
- Any material risks or constraints that may impact on the delivery of water services, the ability to implement the Plan or to achieve financially sustainable water services provision by 30 June 2028.
- Any assurance processes undertaken to verify the accuracy of information included in the Plan.

#### Council resolution to adopt the Plan

This Water Services Delivery Plan was adopted by the Council at the Extraordinary Meeting on 22 July 2025. A copy of each resolution is attached in Appendix xxx.

#### Certification of the Chief Executive of New Plymouth District Council

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: \_\_\_\_\_

[Approved by]

Gareth Green

**Chief Executive, New Plymouth District Council**

Date: \_\_\_\_\_

## Part B: Network performance

### Investment to meet levels of service, regulatory standards and growth needs

#### Investment required in water services

##### Serviced population

NPDC currently service 83% of the district population for water and 78% for wastewater. These ratio's are expected to remain roughly the same over the next 10 years, with the exception of wastewater which is expected to increase when the new Urenui and Onaero Wastewater Treatment Scheme is commissioned. The tables below give a more detailed view of the serviced population

Water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	2044/45	2053/44
Service d population	75,643	76,828	78,337	79,571	80,826	82,087	83,012	84,210	85,016	85,736	90,977	91,795
Unserviced population	15,366	15,247	14,820	14,689	14,555	14,413	14,575	14,405	14,538	14,652	16,799	18,993
Total residential connections	29,719	30,067	30,420	30,781	31,147	31,512	31,867	32,203	32,509	32,782	35,194	36,178
Total non-residential connection	2,534	2,562	2,590	2,619	2,648	2,677	2,707	2,737	2,767	2,798	2,991	3,159
<b>Waste water</b>												
Service d population	71,360	72,479	73,905	75,070	76,255	77,446	79,233	80,377	81,146	81,832	86,832	87,599
Unserviced population	19,649	19,596	19,252	19,190	19,126	19,054	18,354	18,238	18,408	18,556	20,944	23,189
Total residential connection	28,116	28,445	28,780	29,120	29,467	29,812	30,511	30,833	31,126	31,387	33,697	34,639
Total non-residential connection	2,195	2,219	2,244	2,269	2,294	2,319	2,345	2,371	2,397	2,423	2,590	2,735

Source: FY2024/25 are from the figures provided for the National Environmental Performance Measures.

Assumptions: Residential connection forecast growth is based on forecast population growth and non-residential connections is based on employment business growth.

Urenui and Onaero wastewater scheme comes on line in the 2030/31 financial year.

### Serviced areas

The serviced areas are split into five water supplies (four that are discrete and with its own treatment plant and one non-potable supply (Dudley Rd)), three wastewater supplies, each discrete and with its own treatment plant.

When the Urenui and Onaero wastewater scheme comes on line this will reduce to two wastewater schemes as the Urenui Domain and Onaero Domain will be amalgamated into the new scheme. The Dudley Rd non-potable water supply feeds two properties with water for stock purposes. The water comes from the Inglewood supply contingency intake and is fed via a dedicated main. Letters are sent on an annual basis to advise the customers that the water is for non-potable use only. The Waitara Industrial Water Supply is a mothballed scheme that was used to supply non-potable water to agricultural and industrial customers in Waitara. Council is in the process of closing the last remaining contract associated with this scheme after which it will be decommissioned.

The only significant unreticulated community in the district for water is Egmont Village. Reticulating Egmont village was last discussed over 10yrs ago when the community was roughly 50/50 support/not support reticulation and no further work has been done since. There are six communities that do not have reticulated wastewater, of these, Urenui and Onaero will be reticulated as part of the proposed Urenui and Onaero Wastewater Scheme. No work has been done to date to understand the risk posed by having wastewater managed through septic tanks or the community views on reticulation.

Serviced areas (by reticulated network)	Water supply (scheme – number of connections)	Wastewater (scheme – number of connections)
Residential areas (If more than one identify separately)	New Plymouth - 26,976 Inglewood - 1,683 Oakura - 778 Okato - 282	New Plymouth - 27,690 Urenui Domain - 140 Onaero Domain - 20
Non-residential areas (If more than one identify separately)	New Plymouth - 2,316 Inglewood – 140 Inglewood, Dudley Rd User Group (non-potable) – 2 Oakura - 33 Okato – 45 Waitara Industrial Supply - 0	New Plymouth - 2,195
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	None	n/a
Areas that do not receive water services (If more than one identify separately)	Egmont Village - 129 Tongaporutu - 50 Rural areas across the district	Egmont Village - 129 Lepperton - 139 Okato - 254 Onaero - 60 Urenui - 170 Tongaporutu - 50 Rural areas across the district
Proposed growth areas Planned (as identified in district plan) Infrastructure enabled (as identified and funded in LTP)	Structure Plan Development Areas (SPDA): Puketapu SPDA – 647 Carrington SPDA - 231 Patterson SPDA – 165 Junction SPDA – 79 Johnston SPDA - 135	

The Councils target level of service and actual levels of service for the 22/23 FY are shown in the table below for each activity

Measure	Target	Result
Water		

Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and DWQAR 2022.	Full Compliance	Substantially Achieved (Technical non-compliance associated with sampling rules for one month)
Our level of compliance with Part 5 of the Drinking-water Standards (protozoal compliance criteria).	Full Compliance	Full Compliance
The percentage of real water loss from NPDC's networked reticulation system	<20%	19%
The median response time to urgent callouts (from the time that NPDC receives notification to the time that service personnel reach the site)	<1hr	0.58 hrs
The median resolution time for urgent callouts (from the time NPDC receives notification, to the time that service personnel confirm resolution of the fault or interruption).	<4hrs for mains <250mm dia <8hrs for mains ≥250mm dia	1.51hrs for mains <250mm dia No callouts for mains ≥250mm dia
The median response time to non-urgent callouts (from the time NPDC receives notification to the time that service personnel reach the site).	<70hrs	42.76 hrs
The median resolution time for non-urgent callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	<116hrs	64.88 hrs
The total number of complaints (per 1,000 connections) received about any of the following: <ul style="list-style-type: none"> <li>• drinking water clarity, taste or odour;</li> <li>• drinking water pressure or flow;</li> <li>• continuity of supply; and</li> <li>• NPDC's response to any of these issues.</li> </ul>	<16	16.91
Average consumption of drinking water per day per resident within New Plymouth district.	300L/p/day	315
The number of abatement notices received.	None	One
The number of infringement notices received	None	None
Number of enforcement orders received.	None	None
Number of convictions received	None	None
<b>Wastewater</b>		
The total number of complaints (per 1,000 connections) received about any of the following: <ul style="list-style-type: none"> <li>• sewerage odour;</li> <li>• system faults or blockages;</li> <li>• NPDC's response to any of these issues.</li> </ul>	<13	5.38
The number of dry weather sewerage overflows per 1,000 connections to the wastewater system.	<1.5	0.16
The number of abatement notices received.	0	1
The number of infringement notices received.	0	0
The number of enforcement orders received.	0	0
The number of convictions received.	0	0

The median response time to sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel reach the site).	<1hr	0.64 hrs
The median resolution time for sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	<4hr for <250dia <8hr for ≥250dia	2.02 hrs No callouts
The total number of complaints received about sewerage odour; system faults or blockages; or NPDC's response to issues with the sewerage system (per 1,000 connected properties).	<13	5.38

#### Assessment of the current condition and lifespan of the water services network

The age and condition of the water services networks is provided in the table below and more information can be found in sections 5 and 6 of the asset management plans.

The condition assessment for the below ground water assets is predominantly age based with some PCat, EPulse and AC coupon sampling done on specific assets and/or to inform the wider age-based assessment. Below ground wastewater condition assessment is a mix of CCTV and age-based condition assessment. For wastewater 30% of the network had been inspected between 2014 and 2024.

For above ground assets, pipe bridges have scheduled inspections, and any issues identified are rectified but the condition information is not recorded. There is no formalised condition assessment program in place for any of the other above ground assets.

The backlog of renewals for Water is around \$58M, and Wastewater \$40M. The funding detailed in this plan is expected to significantly reduce or eliminate these backlogs. The below ground assets are generally considered to be well maintained with minimal if any maintenance backlog. However, many of the above ground assets are not accurately captured in the asset management system and do not have the required maintenance schedules. Therefore, it is expected that there could be a significant maintenance backlog for these above ground assets.

The Water Supply network has had a comprehensive asset criticality assessment undertaken in 2022. Critical asset identification for Wastewater has been carried out by the Asset Owner, in accordance with the adopted NPDC critical asset definition.

Parameters	Drinking supply
<b>Average age of Network Assets</b>	35 years
<b>Critical Assets</b>	22 Identified - <i>reliable</i>
<b>Above ground assets</b>	
<ul style="list-style-type: none"> <li>Treatment plant/s</li> </ul>	[4] – <i>highly reliable</i>
<ul style="list-style-type: none"> <li>Percentage or number of above ground assets with a condition rating</li> </ul>	[75%] – <i>uncertain</i>
<ul style="list-style-type: none"> <li>Percentage of above –ground assets in poor or very poor condition</li> </ul>	[13%] – <i>very uncertain</i>
<b>Below ground assets</b>	
<ul style="list-style-type: none"> <li>Total Km of reticulation</li> </ul>	[1047 Km] - <i>reliable</i>
<ul style="list-style-type: none"> <li>Percentage of network with condition grading</li> </ul>	[90%] - <i>reliable</i>
<ul style="list-style-type: none"> <li>Percentage of network in poor or very poor condition</li> </ul>	[25%] - <i>reliable</i>

Source: The data in the table is from Taumata Arowai NEPM reporting, as at 30 June 2024.

The data in the text is from the AMP's. These sources differ slightly due to the date upon which the data was obtained.

## Asset management approach

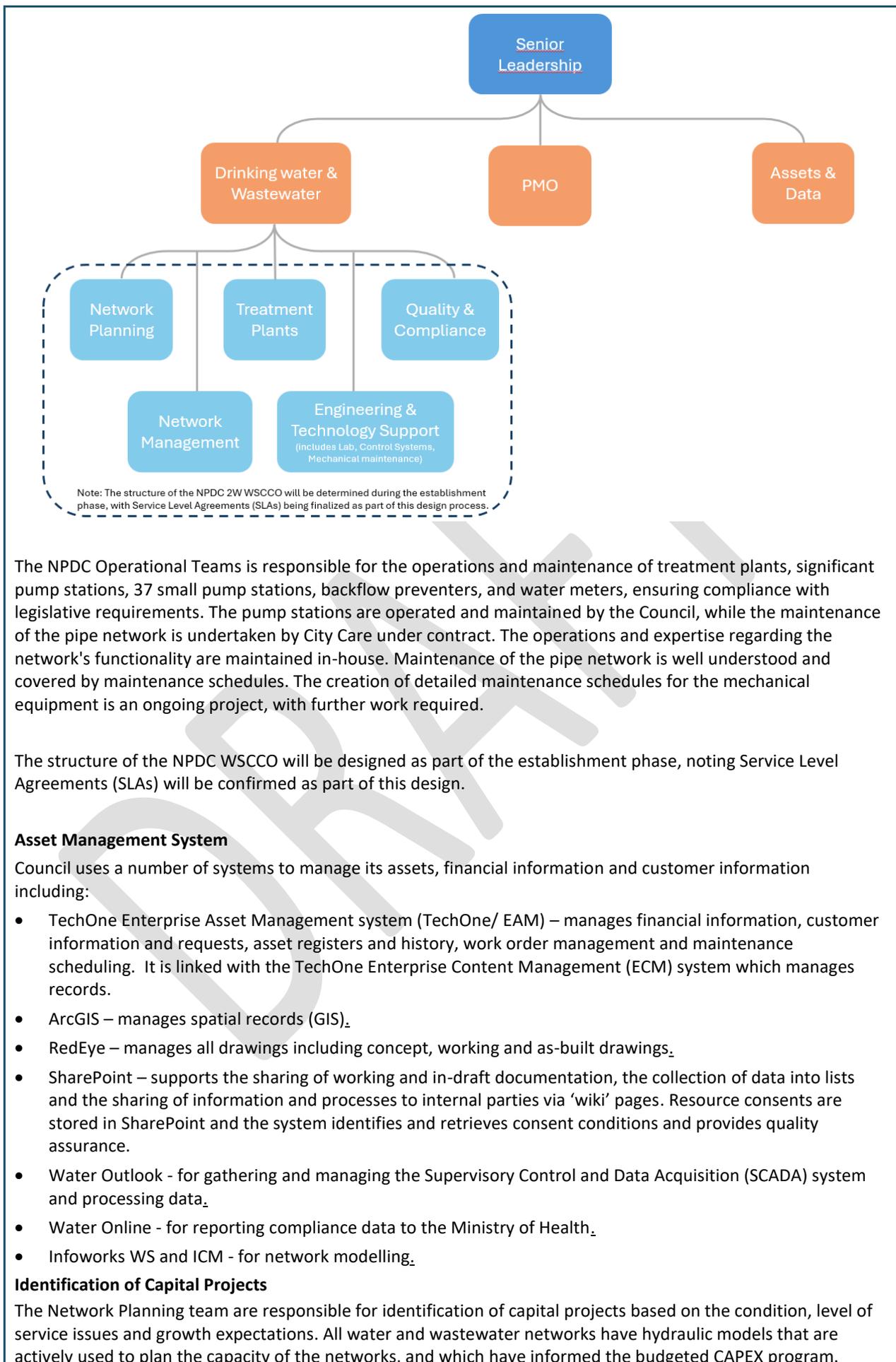
### Asset Management Framework

NPDC currently follow ISO55001/55002 (asset management) and ISO 9001 (quality management) in their approach to asset management. More specifically the approach is captured in a hierarchy of documents that as shown in the figure below. These documents are updated on a 3yr cycle in line with the LTP.



### Service Delivery Mechanisms

The structure of the key teams that deliver the three waters activity for council is shown in the figure below. In addition there are also a number of other teams including finance, HR, IT etc that the provide supporting services.



Master planning has recently been completed for all water treatment plants. The master plan for the Wastewater Treatment Plant is due for updating following a number of recent upgrade projects, and allowance has been made for a peak flow storage facility to manage capacity constraints.

Once the need for a capital project has been identified a business case is developed following the councils P3M (Portfolio, Program and Project Management) Framework and handed over to the Projects team for delivery.

### Statement of regulatory compliance

#### Compliance

Currently NPDC is compliant with all regulatory requirements with the following exceptions:

- An abatement notice regarding the need to install fish screens on the water supply intakes at Lake Mangamahoe. Work is underway to address this and is expected to be completed in 2026.
- Four abatement notices regarding fish passage at various in-stream culverts in the district. Work to address these is complete and awaiting TRC signoff.
- Achieving compliance with the voluntary code of practice for firefighting (SNZ PAS 4509:2008) is considered impractical for most if not all water supplies in New Zealand due to cost and water quality implications and difficulties with measuring compliance. To address this NPDC has developed a draft target level of service in conjunction with FENZ that is considered to appropriately balance the needs for firefighting with what the network can practically provide. Some upgrades are required to achieve this and funding has been allowed for these upgrades in years 11 to 30 of the proposed CAPEX plan.
- The Highlands Park Dam is classified as dangerous under the Building (Dam Safety) Regulations 2022. Work is underway to determine how this will be addressed and budget has been allowed for implementing the outcome of this investigations by 2034.

More details on NPDC's compliance are provided in the table below and in Appendix A.

#### Expired consents operating under S124

There are 10 consents that have expired and are operating under S124. The delay in processing all these consents is mostly due to a processing backlog at the Taranaki Regional Council (TRC). Of these the most significant are the Inglewood and New Plymouth abstraction consents for which both are delayed by the processing backlog and the intention is to try and get them resolved, or at least the process underway before this plan is submitted. For more detail on specific consents refer to Appendix A.

#### Active Resource Consent Applications

There is one active resource consent application at this time; a land use consent for an existing sewage pipeline. However, an application to discharge treated wastewater land consent for the Urenui and Onaero Wastewater Treatment Scheme is expected to be lodged soon.

#### Consents requiring renewal in the next 10 years.

NPDC have 37 consents expiring over the next 10 years - 11 for water (of which 3 will be surrendered), and 14 for wastewater (of which seven will be surrendered). All consents are considered to minor and/or low risk with the following exceptions:

- *AUTH144852.01.01 – Application of Bioboost® to land Waikato:* This activity and its associated consent are somewhat unique in New Zealand and therefore subject to reconsenting risk. Should this consent not be renewed it would negatively impact on the viability of the Bioboost® market and sales meaning an alternative reuse or disposal route need to be found.

#### Consents to be surrendered

As per the above and as detailed in Appendix A, there are a number of consents that will be surrendered for various reasons, however four of these are significant enough to require a special note:

- *Consent 1449 - To intermittently discharge treated municipal wastewater into the Kurapete Stream from the Inglewood Oxidation Ponds:* This consent expires in 2033 and would be challenging to renew. NPDC have several projects in the LTP to significantly reduce the frequency of this discharge and thus the need for a consent. These include the Inglewood wastewater overflows program, Eastern sewer network

realignment, plus an upgrade of the pump station and oxidation ponds themselves. The successful delivery of all these projects is required before this consent can be surrendered.

- *Consent 0786 – Emergency discharge of untreated wastewater into the Tasman Sea from the Waitara Outfall:* This consent expires in 2041. Under Policy 29 of the Taranaki Regional Coastal Plan (2023), this discharge has to be progressively reduced and eliminated over the course of the existing consent as it will not be renewed. To address this \$22M of CAPEX funding has been allocated between now and 2039 to address these overflows.
- *Consents 02046-4 and 01389-4 Discharge sewage via soakage in Urenui and Onaero):* These soakage fields are undersized for the flows being received, are at risk of coastal erosion and the location of the Urenui facility is culturally offensive to Iwi. There is a project underway to build a new facility to replace these that is funded in the LTP.

#### **Anticipated Future Regulatory Requirements**

There are currently no anticipated future regulatory requirements that NPDC will not meet. However, there are a number of items for which there is potential for compliance challenges depending on the details of the final regulation. These are:

- The Taranaki Regional Freshwater Plan is expected to be updated in 2025. This has the potential to impact on the following:
  - Currently the application of Bioboost® to land is a permitted activity in the Taranaki region and is undertaken under a certificate of compliance. There is the potential this could change under the new Freshwater Plan. Council is engaging with the TRC as the plan develops to manage this risk.
  - Three of New Plymouth's four water supplies effectively operate off a run of the river source meaning there is limited ability to reduce the take during periods of low flow to meet environmental needs. Any change in the rules around this, or the minimum flows that have to be left in the river, could have a significant impact on the cost of these delivering these services. Council is implementing water conservation measures, including universal water metering, to reduce the volume of water required from these sources. It has also budgeted for the development of groundwater sources to supplement the new Plymouth supply, further reducing the impact on the river.
- There are new legislative requirements being considered for emerging organic contaminants that could have a significant impact on the ability to apply Bioboost® to land in a cost-effective way. Council is reviewing the proposed regulations as they are released and submitting on the proposals in conjunction with Water NZ and other councils that apply biosolids to land.
- NPDC does not currently have a wastewater network discharge consent or containment standard. This may be required in the future either by Taumata Arowai or TRC. To manage this risk, NPDC are currently upgrading their wastewater network with a target containment standard of between a 1:5 and 1:20 year ARI depending on affordability. This is considered to be relatively high when compared to other jurisdictions so is expected to meet or exceed any externally imposed standard.

There is the potential for the Director-General of Health to require the fluoridation of the Inglewood, Okato and Oakura water supplies in the future. This has not been budgeted for in the Long-Term Plan or Infrastructure Strategy.

Parameters	Drinking supply schemes	Wastewater schemes
<b>Drinking water supply</b> <b>New Plymouth</b> <ul style="list-style-type: none"> <li>Bacterial compliance (E.coli)</li> <li>Protozoa compliance</li> <li>Chemical compliance</li> <li>Boiling water notices in place</li> <li>Fluoridation</li> <li>Average consumption of drinking water</li> <li>Water restrictions in place (last 3 years)</li> <li>Firefighting sufficient</li> </ul> <b>Inglewood</b> <ul style="list-style-type: none"> <li>Bacterial compliance (E.coli)</li> <li>Protozoa compliance</li> <li>Chemical compliance</li> <li>Boiling water notices in place</li> <li>Fluoridation</li> <li>Average consumption of drinking water</li> <li>Water restrictions in place (last 3 years)</li> <li>Firefighting sufficient</li> </ul> <b>Oakura</b> <ul style="list-style-type: none"> <li>Bacterial compliance (E.coli)</li> <li>Protozoa compliance</li> <li>Chemical compliance</li> <li>Boiling water notices in place</li> <li>Fluoridation</li> <li>Average consumption of drinking water</li> <li>Water restrictions in place (last 3 years)</li> <li>Firefighting sufficient</li> </ul> <b>Okato</b> <ul style="list-style-type: none"> <li>Bacterial compliance (E.coli)</li> <li>Protozoa compliance</li> <li>Chemical compliance</li> <li>Boiling water notices in place</li> <li>Fluoridation</li> <li>Average consumption of drinking water</li> <li>Water restrictions in place (last 3 years)</li> <li>Firefighting sufficient</li> </ul>	[yes] [yes] [yes] [0 notices in place for last 3 years] [yes] [300 l/person/day] [yes] [90% >= FW2 <sup>1</sup> ] [yes] [yes] [yes] [0 notices in place for last 3 years] [no] [300 l/person/day] [yes] 90% >= FW2 <sup>1</sup> [yes] [yes] [yes] [0 notices in place for last 3 years] [no] [300 l/person/day] [yes] 90% >= FW2 <sup>1</sup>	n/a
<b>Resource Management</b> <ul style="list-style-type: none"> <li>Significant consents (note if consent is expired and operating on S124)</li> <li>Expire in the next 10 years</li> <li>Non-compliance: <ul style="list-style-type: none"> <li>Significant risk non-compliance</li> <li>Moderate risk non-compliance</li> <li>Low risk non-compliance</li> </ul> </li> <li>Active resource consent applications</li> </ul>	5 Water abstraction consents, 2 of which are operating on S124 3 water discharge consents, 2 of which are operating on S124  There are 11 consents expiring in the next 10 years of which 3 are expected to be surrendered. 6 consents are operating on S124 and are expected to be surrendered.  NPDC has one active non-compliance that is expected to be resolved by 2026	4 Discharge to water consents, 2 to land, 1 to air; 1 of which is operating on S124  [See above – statement of Regulatory Compliance]  [N/A]

<ul style="list-style-type: none"> <li>• Compliance actions (last 24 months):             <ul style="list-style-type: none"> <li>• Warning</li> <li>• Abatement notice</li> <li>• Infringement notice</li> <li>• Enforcement order</li> <li>• Convictions</li> </ul> </li> </ul>	<p>[Five awaiting final decision, one awaiting pre-hearing</p> <p>[N/A] [EAC-24748, EAC-24905]</p> <p>[N/A] [N/A] [number]</p>	<p>Two awaiting final decision</p> <p>[N/A] [EAC-23206, EAC-23207]</p> <p>[EAC-25863] [N/A] [N/A]</p>
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**Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements**

The sections below provide a brief description of the current state of planning for each water activity, the key drivers for investment and the significant projects. Please note the project values are uninflated and across the 30 years considered in the financial model.

**Water Supply**

As described above the Water supply activity is largely compliant with its regulatory requirements with only minor upgrades required that are well underway. Planning for the water supply activity is also well advanced having commenced in earnest in 2015 and continuing to occur. The capital works program is therefore largely focused on growth, resilience and renewals as detailed below:

- Water Conservation (nearly complete): The residents of the New Plymouth District do not use water efficiently. To address this a water conservation program has been developed, including universal water metering and volumetric billing. Installation of water meters is currently underway and due for completion in 2025. Volumetric billing will follow at a yet to be agreed timeframe. This, along with other water conservation measures proposed is expected to achieve a 25% reduction in consumption by 2030 with further reductions possible beyond this date. This is expected to enable growth by freeing up capacity and reduce the environmental impact of the activity.
- NPWTP Upgrades (\$26.3M): There are a number of improvements required at the NPWTP to address resilience issues, staff welfare issues and the approach to chemicals with the bulk of this work happening between 2026 and 2032.
- Supplementary Water Source (\$31M): To address growth and resilience drivers the council is investigating the creation of ground water source(s) to supplement Lake Mangamahoe for the New Plymouth scheme between 2026 and 2039
- Central and Eastern feeder (\$8.5M): This project will address capacity constraints, resilience issues and critical infrastructure renewal needs and is programmed to occur between 2031 and 2034.
- Smart Rd Reservoir and Trunk main (\$23.8M): A new reservoir and trunk main is required to enable growth in the Smart Rd growth area between 2026 and 2039
- Carrington Rd Trunk Main (\$5.3M): A new trunk main is required to enable growth in the Carrington Rd area between 2026 and 2027
- Oakura Trunk Main (\$5.9M): A new trunk main is required to enable growth in Oakura (2026-2029)
- Renewals 2024-2034 (\$89.5M): There is an estimated renewal backlog of \$58M and \$57M of renewals requires between 2024 and 2034. The capital works program aims to reduce the backlog by approximately 50% to \$25.5M.
- Renewals 2035-2054 (\$126M). This is based on eliminating the backlog by 2044 then renewing as required.

**Wastewater**

The wastewater activity is currently fully compliant with regulatory requirements although significant investment to develop the Urenui and Onaero Wastewater Scheme, and upgrades of the Waitara and Inglewood networks are required to keep it that way.

Planning for the network requirements is well progressed with comprehensive models having been developed over the last couple of years and projects are now underway to address the issues identified as detailed below. Planning for the wastewater treatment plant is somewhat out of date (last revision 2010) and requires updating. However allowance has been made for a buffer storage tank and upgrades at the end of the current consent period in the CAPEX program.

Overall, the major drivers for spend on the wastewater activity are maintaining compliance (through reduction of overflows), growth and renewals. The key projects for the next 30yrs are:

- Urenui and Onaero Wastewater Scheme (\$33M): New wastewater scheme for the Urenui and Onaero townships and domains by 2031 to address undersized systems at both campgrounds and contamination from failing septic tanks in the townships.
- Waimea Valley Trunk Main (\$4.5M): Extend the existing sewer network to service the Growth Area around Tukapa St in 2027-2029.
- Eastern Sewer Network Realignment (\$13M): New wastewater trunk main system to address capacity constraints and allow growth in the eastern suburbs between 2029 and 2036.
- Thermal Dryer (nearly complete): Complete the renewal of the thermal dryer currently underway and due for completion in 2026
- Bell Block Trunk Main Upgrade (\$6.2M): Upgrade of the bell block trunk main to address capacity constraints.
- Mangati Pumpstation Emergency Storage (\$6M): Installation of emergency storage for the Mangati pumpstation to reduce the risk of overflows to the environment by 2027.
- Corbett Park and Shearer Reserve Pumpstation (\$8.8M): Upgrade of the existing pumpstations to address resilience issues and improve health and safety between 2043 and 2045.
- Inglewood Network Upgrades (\$23.4M): Upgrade of pipes and the pumpstation to address capacity constraints in the Inglewood network and reduce the risk of overflows. Necessary to allow the surrendering of consent 1449. Work is programmed to occur between now and 2040.
- Watara Network Upgrades (\$22.5M): Upgrade of pipes and pumpstations to address resilience and capacity issues in the Waitara network and reduce the risk of overflows. Necessary to allow the surrendering of consent 0786. Work is programmed to occur between now and 2040.
- NPWWTP Upgrades (\$35M): Creation of a WWTP Master Plan and buffer storage facility to accommodate growth in 2028-2030, then allowance for a further upgrade in 49-54 to capture consent renewal requirements and additional growth.
- Smart Rd Trunk Main (\$10M): Installation of trunk main(s) to service the Smart Rd growth area between 2031 and 2036.
- Overflow Reduction (\$10M): Network upgrades and installation of emergency storage to reduce the risk of network overflows between 2039 and 2049.
- Renewals 2024-2034 (\$139M): Using age to determine renewals requirements indicates that \$82M of renewals is required over the 10yr AMP period made up of \$40M of backlog and \$42M of new renewals. However, this is considered to underestimate the problem when compared to the available condition data, thus the budget of \$139M. The actual required budget will depend on the results of further condition monitoring, but the budget provided is expected to remove or at least significantly reduce the backlog.
- Renewals 2035-2054 (\$292M): This is based on the backlog being eliminated by 2034 and using age-based renewals to forecast forward. It includes a significant increase in budget towards the end to renew many assets that become due for renewal.

The table below summarises the projected investment for each water

Project investment in water services	FY2024 /25	FY2025 /26	FY2026 /27	FY2027 /28	FY2028 /29	FY2029 /30	FY2030 /31	FY2031 /32	FY2032 /33	FY2033 /34

<b>Drinking Water</b>										
Capital expenditure - to meet additional demand	5,757	4,453	5,205	5,274	3,244	460	639	2,505	4,310	5,201
Capital expenditure - to improve levels of services	3,761	5,461	4,925	5,115	7,443	7,825	7,572	6,141	1,951	2,808
Capital expenditure - to replace existing assets	6,907	8,935	10,611	8,425	6,651	6,990	6,924	11,166	11,758	11,738
<b>Total projected investment for drinking water</b>	<b>16,424</b>	<b>18,849</b>	<b>20,741</b>	<b>18,814</b>	<b>17,338</b>	<b>15,276</b>	<b>15,136</b>	<b>19,812</b>	<b>18,019</b>	<b>19,747</b>
<b>Wastewater</b>										
Capital expenditure - to meet additional demand	4,749	2,637	1,540	6,020	11,053	7,966	4,861	5,240	5,339	7,406
Capital expenditure - to improve levels of services	17,224	18,851	5,632	12,995	16,605	8,396	5,573	2,793	5,647	5,271
Capital expenditure - to replace existing assets	8,658	12,073	13,595	12,976	20,215	19,721	14,170	11,812	12,746	12,372
<b>Total projected investment for wastewater</b>	<b>30,631</b>	<b>33,561</b>	<b>20,767</b>	<b>31,991</b>	<b>47,873</b>	<b>36,083</b>	<b>24,604</b>	<b>19,845</b>	<b>23,732</b>	<b>25,048</b>

<b>Total project investment in water services</b>	47,056	52,410	41,507	50,805	65,211	51,359	39,739	39,657	41,751	44,795
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#### Historical delivery against planned investment

New Plymouth District Council have delivered around 95% of both the renewals investment and overall CAPEX since 2018. This includes a doubling investment from around \$23M in 2018/19 to a \$53M in 2024/25. This increase is expected to continue to a peak of \$84M in 2028/29 before decreasing to an average of around \$70M towards the end of the 30yrs.

This increase has been managed through a range of measures including: the creation of a dedicated Three Waters Planning Team and significantly increased funding for planning, development and implementation of the P3M (Portfolio, Program and Project Management) Framework in 2020 including an increased focus on the creation of robust business cases, streamlining procurement through the creation of panel contracts and other long term broad delivery mechanisms. The 5% under delivery over this time is due a variety of factors including projects coming in under budget, consenting and other delays etc.

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)	\$15,570k	\$48,350k	\$30,110k	\$94,030k	\$47,060k	\$114,850k	\$66,430k	\$228,340k
Total actual investment	Not available yet	\$35,963k	\$27,020k	Not available yet	Not available yet	\$114,141k	\$60,460k	Not available yet
Delivery against planned investment (%)	Not available yet	74.4%	89.7%	Not available yet	Not available yet	99.4%	91.0%	Not available yet

To continue to improve delivery NPDC is:

- Continuing to invest in Three Waters planning. In the case of water this is represented by pushing forward with high-risk elements such as land acquisition and consenting so that these are completed and the project is ready to commence well in advance of capital funding becoming available. In the case of wastewater, this is represented by the creation of the Wastewater Treatment Plant Master Plan, the I&I pilot underway in Inglewood and planned for Waitara and the ongoing creation of robust business cases before projects are handed over to Projects.
- Appointed a panel of four consultants and 3 contractors to facilitate the design and delivery of the more routine Three Waters projects.
- Continuous improvement in the P3M Framework and its implementation.

The capital program has been designed to minimise peaks and troughs in the workload and where these do occur they have been smoothed over the preceding and subsequent years where possible. When they do occur the panel contracts and use of contract project managers is expected to be able to adsorb the additional work.

## Part C: Revenue and financing arrangements

### Revenue and charging arrangements

#### Revenue and charging arrangements

##### Charging and billing arrangements

Note: Due to timing this section has been completed based on the financial information in the 2024/34 Long-Term Plan. This will be updated by the budgets in the 2025/26 Annual Plan, which will in turn be used to update the numbers in the section below. As a result, these costs do not include the regulator levy or any allowance for additional regulation beyond what was in place in 2023.

NPDC have a consistent tariff structure across the District. All three waters have ringfenced funding and are run to generate a neutral balance sheet over time. NPDC has identified numerous council services including water, and wastewater, supported by TechnologyOne software which allows for the grouping of cost centres into council activities.

#### Water

##### Current Approach

Funding for the water activity comes from eight sources as follows:

- *General rates* – 5% of the rates requirement is sourced from general rates to reflect the benefit to the wider community of the water network.
- *Uniform Annual Charge* – This applies to most standard residential properties excluding high users such as houses with pools or automatic watering systems. It is a targeted rate being a fixed amount per separately used or inhabited part of a rating unit (SUIP) which is connected to a water supply by an annual water charge or on demand supply of water by meter. The amount per SUIP is \$475.65/ year excl GST.
- *Water Half Charge* – This applies to all properties that are within 100 metres of a serviceable pipeline and are not connected to a Council supply. The water half charge is a targeted rate being a fixed amount per SUIP. The amount per SUIP is \$237.83/ year excl GST.
- *On demand supplies of water by meter* – This applies to all extraordinary customers (includes all commercial, industrial properties plus residential properties with a pool or automatic watering system). These customers pay a fixed charge per SUIP of a rating unit and a consumption charge based on the cubic meter of water used. The charges are:
  - Fixed charge of \$48.00/year excl GST per SUIP of a rating unit.
  - A consumption charge of 1.894/m<sup>3</sup> excl GST for consumption up to or equal to 50,000m per annum
  - A consumption charge of \$1.914/m<sup>3</sup> excl GST for consumption in excess of 50,000m<sup>3</sup> per annum
- *Restricted Flow* – This applies to all customers that are supplied with water via a restricted flow connection (this applies to most rural customers). This is a fixed charge determined by the (user nominated) volume of water able to be supplied within a fixed time period to a SUIP. The amount per cubic metre is \$297.39 excl GST.
- *Waitara Industrial Water Supply* – The Long-Term Plan lists a consumption charge per cubic meter of untreated water provided via the Waitara Industrial Supply. In practice this is not used as no one is connected to this scheme and council are in the process of closing the final contract associated with it and intend to decommission the associated infrastructure
- *Development Contributions* – The Council charges a development contribution per Household Equivalent Unit (HUE). There are two components to the charge, a district wide component and a component that only applies to properties serviced by the New Plymouth scheme.
- *One-off fees and charges* – The Council charge a fee for specific one-off activities including; obtaining a new water connection, installation of a water meter, disconnection from the network, a one-off water meter reading, change in restrictor size and the use of a water filling point.

### Proposed Approach

NPDC are currently in the process of installing water meters on every property with the intention to move to volumetric billing in the 2027/28 financial year, with a year of mock billing prior (2026/27).

The council is still in the process of determining the tariff structure for this change so this is not covered. Council is also intending to undertake a review of the Revenue and Financing Policy as part of the 2027-37 LTP process. The implications of this are unclear at this stage.

To align with the requirements of clause 60.6.a the 5% charge on general rates has been removed from FY 27/28 onwards for the purposes of financial modelling. The final decision on how this is approached will be made as part of the 27-37 LTP process.

### Wastewater

#### Current Approach

Funding for the wastewater activity comes from eight sources as follows:

- *General rates* – 5% of the rates requirement is sourced from general rates to reflect the benefit to the wider community of the wastewater network.
- *Annual Sewer Charge for Residential* – This applies to all residential properties. It is a targeted rate being a fixed amount SUIP connected either directly or indirectly through a private drain to a public sewerage drain. The amount per SUIP is \$646.09/year excl GST.
- *Annual Sewer Charge for commercial/industrial and schools* – This applies to all commercial and industrial properties and schools. It is a targeted rate charged per water closet or urinal to each SUIP connected either directly or indirectly through a private drain to a public sewerage drain. The rates excl GST for this are given in the table below:

Number of water closets or urinals	Annual Charge per water closet or urinal
1-2	\$646.09
3	\$548.70
4	\$484.35
5	\$420.00
6-10	\$387.83
11-15	\$355.65
16-20	\$342.61
21 or more	\$323.04

- *Sewer Half Charge* – This applies to all properties that are within 100 metres of a serviceable pipeline and are not connected to a Council supply. The water half charge is a targeted rate being a fixed amount per SUIP of \$323.04/year excl GST.
- *Expansion of Sewerage Scheme Charges (Ōākura)* – This applies to all properties where an agreement to connect was obtained but the rating unit has not yet connected. It is a targeted rate being a fixed amount per SUIP of \$323.04/year excl GST.
- *Trade waste Charges* – NPDC have a tradewaste bylaw and associated charges. Trade waste charges are derived using the average of the last two years and the current projected year opex cost proportioned to Volume (29%), Biochemical oxygen demand (46%), Suspended Solids (23.5) and metals (1.5%). The unit costs for the 24/25 FY are \$1.40/m<sup>3</sup> volume, \$1.47/kg-SS, \$2.99/kg-BOD, \$418.71/kg of copper, \$697.86/kg of Nickel and \$139.57/kg of Zinc. The Trade waste charge therefore becomes:  

$$\text{Trade waste charge} = \text{VC}_v + \text{kg-ss } C_{\text{SS}} + \text{kg-BOD } C_{\text{BOD}} + \text{kg-TCu } C_{\text{TCu}} + \text{kg-TNi } C_{\text{TNi}} + \text{kg-TZn } C_{\text{TZn}}$$
 In addition, compliance monitoring costs are charged for based on cost recovery.
- *Development Contributions* – The Council charges a development contribution per Household Equivalent Unit (HUE). There are two components to the charge, a district wide component and a component that only applies to properties within the Waimea Catchment.
- *One-off fees and charges* – The Council charge a fee for obtaining a new sewer connection and disconnection from the network.

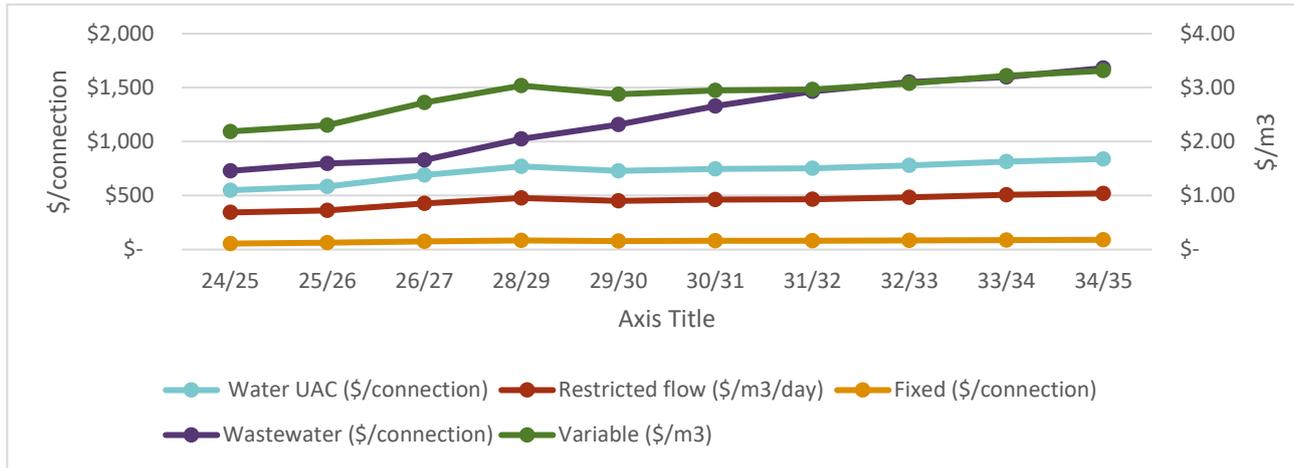
**Proposed Approach**

To align with the requirements of clause 60.6.a the 5% charge on general rates has been removed from FY 27/28 onwards for the purposes of financial modelling. The final decision on how this is approached will be made as part of the 27-37 LTP process

There are other changes proposed at this time, however should volumetric billing of wastewater become permitted this will form part of the tariff structure assessment carried out under the universal water metering project.

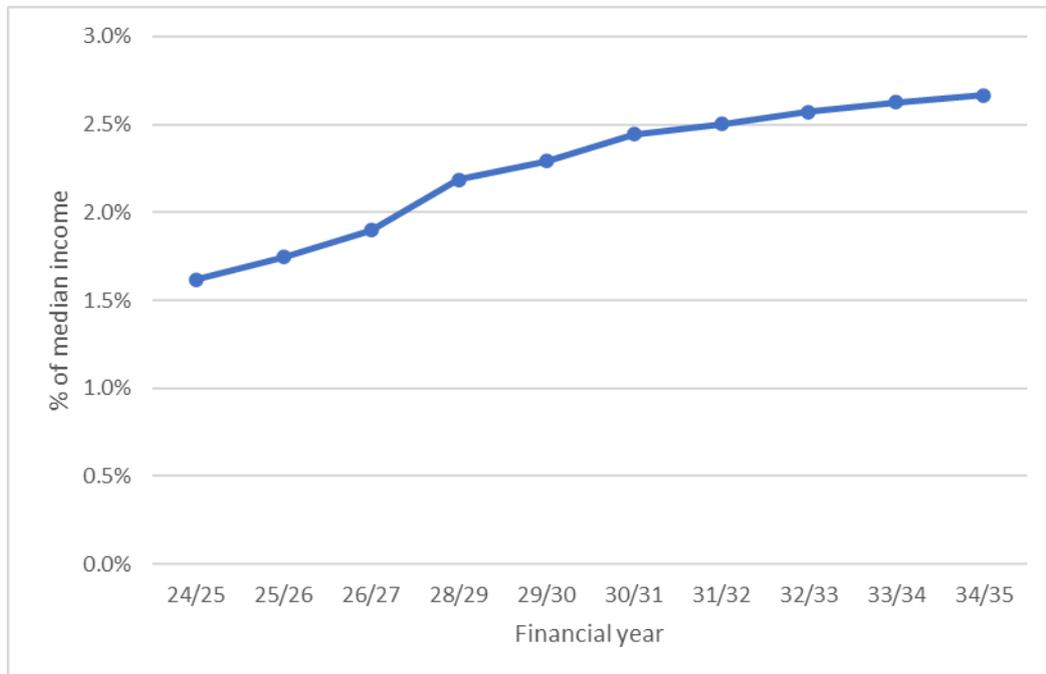
**Projected users' charges**

The key projected user charges for water are given in the figure below for water and wastewater. Note: these do not include the 5% that is sourced from general rates prior to 2027/28 FY.



**The affordability of projected water services charges for communities**

The cost of three waters services is expected to start at 1.6% of median household income and increase to 2.7% (allowing for 3% inflation on median household income) over 10 yrs as shown in the figure below. This equates to water being unaffordable for 22% of the community increasing to 35% of the community using less than 4% of household income as the measure of affordability.



## Funding and financing arrangements

### Funding and financing arrangements

#### Water services financing requirements and sources

NPDC net debt 'in relation to 2Waters Services' is expected to increase from \$151M to \$208M over the 10 years of the LTP 2024-34.

For the New Plymouth CCO model, working capital would be funded in accordance with the Council Treasury management policy, with invoices for revenue & expenses accounted for on an accruals basis.

The Council limits on debt are:

- NPDC debt servicing limit of 10% of planned revenue.
- NPDC interest expense lower than 12.5% of rates.
- NPDC planned debt lower than 135% of total revenue.
- LGFA debt servicing limit of 20% of planned revenue.
- LGFA interest expense lower than 30% of rates.
- LGFA planned debt lower than 280% of total revenue. (500% for 2waters CCO)
- LGFA guarantee from NPDC (shareholder Council)
- Council does not currently have a specific limit for 3 waters debt. In the absence of this we have used a 500% debt to revenue ratio as a guide for the balance of this document.

The planned borrowings over the 10 years are within external limits (except for debt affordability benchmark which marginally exceeds the NPDC limit in the last three years of the LTP 2024-34, NPDC will review annually).

The Financial strategy adopted in the LTP 2024-34 is for Revenue to fund operations, renewals capex and debt repayments (with Service level capex being funded from borrowing, and Growth capex funded from future Development Contributions).

NPDC manage entity debt and calculate Council Services debt at annual balance date. The tenor, refinancing, interest rate risk and debt repayment are managed in accordance with the Treasury Management guidelines.

<https://www.npdc.govt.nz/council/strategies-plans-and-policies/policies/treasury-management-policy/>

#### Internal borrowing arrangements

NPDC manage entity borrowing, at annual balance date the debt balance is calculated per Council Service, with interest and repayment costs.

There is no change to the internal borrowing approach up to and beyond 30 June 2028.

NPDC approach of calculating Council Service debt achieves the ringfencing requirement for annual funding.

#### Determination of debt attributed to water services

NPDC calculates debt for Council services (from the underlying projects) and maintains a list of required annual repayments per activity.

The total value of water and wastewater services borrowings plus overdrawn reserves as of the 30th June 2024 was \$151M and the net debt to operating revenue ratio was 393%.

#### Insurance arrangements

NPDC is a contributing member of the Local Authorities Protection Programme (LAPP) for Three Water underground assets. Being a member of the Local Authority Protection Programme (LAPP) mutual fund provides cover for losses of (generally underground) structures in the water, and wastewater, networks as a consequence of a natural disaster. Cover for the LAPP membership is for two events of up to an amount of \$300m for each event.

The claim threshold of \$1m is the amount of damage which must be reached before a member can make a LAPP claim and includes a deductible amount of \$400k NPDC must pay towards a claim for their 40% share once the threshold has been reached. The future of this programme is unclear with the current legislation. NPDC would need to seek new insurance protection should the LAPP wind up as a result of Local Water Done Well – this is TBC.

The National Seismic Hazard modelling (Oct 2022) required a reset of the LAPP Probable Maximum Loss cover limit that has been considered and priced into our insurance work programme. Ongoing risk evaluation and loss modelling assessment impacting water services assets are undertaken for LAPP on an ongoing basis.

Insurance Management Policy for water services:

Insurance review policy and asset identification standards – NPDC has an Insurance Framework that is reviewed every 3 years. As part of improving its asset management practice generally the Council is gradually improving the quality of its asset information to facilitate more effective management of its assets. This means that we are now better placed to complete the modelling needed to calculate the Probable Maximum Loss that will likely need to be covered (through a mix of insurance (external and self), and borrowing) potentially as a prerequisite for any central government assistance in the event of a natural disaster. Aside from improving decisions around asset maintenance, renewal, upgrade or replacement, higher quality information will lead to a better understanding of how resilient our assets might be during a significant natural event. This will, in turn, help our insurers to define their risk profile in this region and increase their comfort level about the accuracy of that profile.

Key insurable risks, a description of risk appetite/tolerance and identified mitigations – NPDC insures \$1.69b of water assets via the LAPP cover, with \$2.77b of assets and values protected representation optimized replacement costs.

DRAFT

## Part D: Financial sustainability assessment

### Confirmation of financially sustainable delivery of water services

Financially sustainable water services provision
<b>Confirmation of financially sustainable delivery of water services by 30 June 2028</b>
<p>NPDC 2W CCO can confirm that it is currently financially sustainable. Confirmation of financial sustainability includes confirmation that:</p> <ul style="list-style-type: none"> <li>• NPDC has sufficient revenue, including servicing of debt, to deliver water services required in the 30yr capital program.</li> <li>• The 30yr capital programme includes sufficient investment to meet levels of service, regulatory requirements and provide for growth.</li> <li>• NPDC has appropriate funding and financing arrangements to fund the 30 yr capital programme with additional headroom for unknown investments.</li> </ul> <p>Details and evidence of financial sustainability are included in the remaining sections of Part D.</p>
<b>Actions required to achieve financially sustainable delivery of water services</b>
<p>Council is currently achieving financial sustainability. As demonstrated in the graphs below, NPDC 2W CCO will remain well below the legislated net debt to revenue limit and LGFA borrowing covenants.</p>
<b>Risks and constraints to achieving financially sustainable delivery of water services</b>
<p><b>Risk:</b> CAPEX programme is materially different from projection</p> <p><b>Mitigation:</b> Programme will be revised quarterly, and debt, interest and affordability projections will be updated accordingly. NPDC has significant headroom before reaching LGFA borrowing covenants to allow taking on additional debt if required.</p> <p><b>Risk:</b> Real inflation is higher than projected.</p> <p><b>Mitigation:</b> Programme will be revised quarterly, taking into account external factors. NPDC has significant headroom between LGFA debt to revenue limits and DIA financial prudence indicators to allow taking on additional debt if required</p> <p><b>Risk:</b> Legislation, particularly in relation to infrastructure standards, is yet to be confirmed.</p> <p><b>Mitigation:</b> Legislation is not expected to significantly differ from current approach as in most cases NPDC is consistent with, or ahead of, national best practice.</p> <p><b>Risk:</b> Natural disaster could put fiscal pressure on NPDC.</p> <p><b>Mitigation:</b> Councils PIF provides liquid capital should Council need it.</p> <p>There are no foreseeable constraints on achieving financially sustainable delivery of water services as this is occurring already.</p>

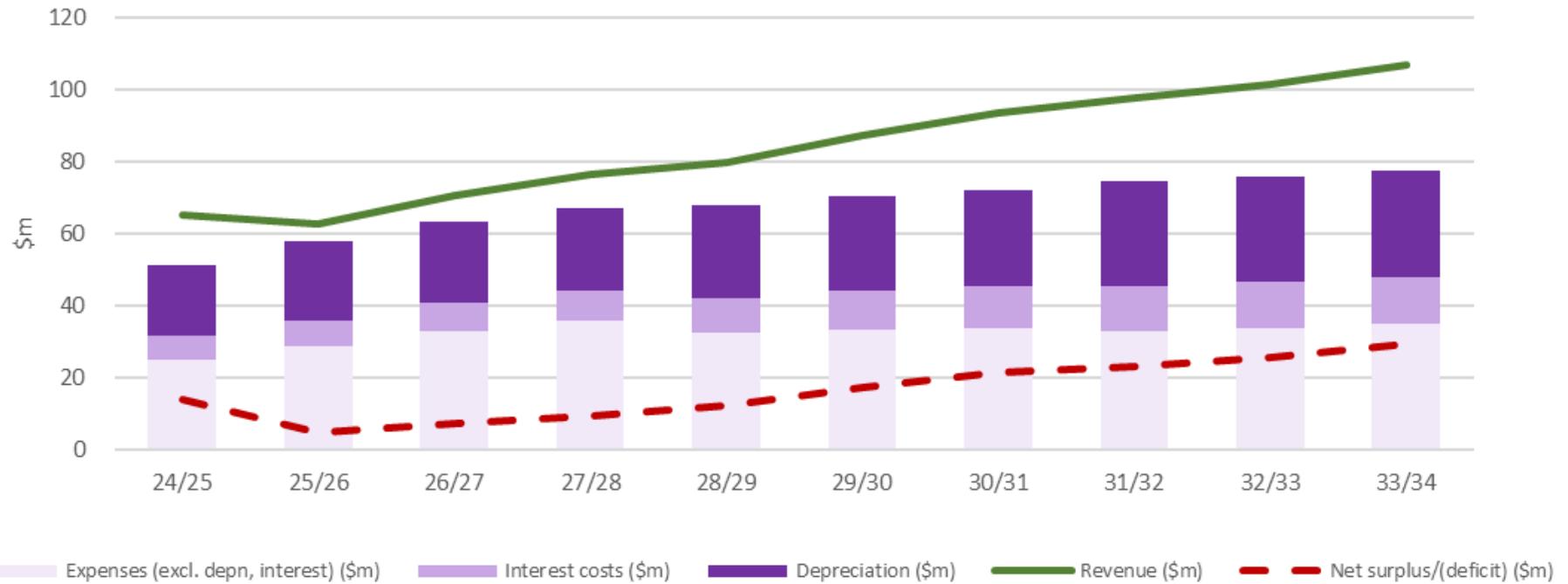
## Financially sustainable assessment - revenue sufficiency

### Assessment of revenue sufficiency

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

The projected water services revenue exceeds expenses in all years, with the surplus being used to fund debt repayments.

Projected water services revenue and expenses



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

Median household income for 2023/24 is \$89,000 and inflated at 3%.

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	550	584	692	770	729	747	752	781	816	839
Wastewater	729	798	831	1025	1158	1329	1465	1552	1599	1681
<b>Average charge per connection / rating unit</b>	<b>1,279</b>	<b>1,382</b>	<b>1,522</b>	<b>1,796</b>	<b>1,887</b>	<b>2,076</b>	<b>2,217</b>	<b>2,333</b>	<b>2,415</b>	<b>2,520</b>
Increase in average charge	13%	8%	10%	18%	5%	10%	7%	5%	4%	4%
<b>Water services charges as % of median household income</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.6%</b>	<b>1.8%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.2%</b>

**Projected operating surpluses/(deficits) for water services**

*In this section, councils are requested to populate the financial measure “Operating Surplus Ratio” [Operating surplus excluding capital revenues, divided by operating revenues]. This ratio is an indicator of whether operating revenue is sufficient to cover operating expenses. Where this ratio percentage is negative, this represents the percentage increase required for revenues to cover costs. Councils should specify the unit of measurement in the table (for example, \$k or \$m).*

<b>Operating surplus ratio (whether revenues cover costs)</b>	<b>FY2024/25</b>	<b>FY2025/26</b>	<b>FY2026/27</b>	<b>FY2027/28</b>	<b>FY2028/29</b>	<b>FY2029/30</b>	<b>FY2030/31</b>	<b>FY2031/32</b>	<b>FY2032/33</b>	<b>FY2033/34</b>
Operating surplus/(deficit) excluding capital revenues – combined water services	(4,340)	(3,760)	(2,877)	753	2,953	7,252	10,744	13,051	15,882	18,955
Operating revenue – combined water services	47,000	54,120	60,259	67,748	70,665	77,459	82,779	87,684	91,726	96,346
<b>Operating surplus ratio</b>	<b>(9.2%)</b>	<b>(6.9%)</b>	<b>(4.8%)</b>	<b>1.1%</b>	<b>4.2%</b>	<b>9.4%</b>	<b>13.0%</b>	<b>14.9%</b>	<b>17.3%</b>	<b>19.7%</b>

The NPDC 2WS CCO model has an ‘operating surplus ratio’ for the first 3 years that is in deficit.

The NPDC target is to fully fund renewal capital expenditure on a 10 year average basis, our Asset Management Plan developed with the LTP includes a ramping up of Capital expenditure to replace existing assets, these renewals will be partially debt funded for the first few years of the LTP, with the overdrawn reserves being repaid and topped up within the first eight years of the LTP.

Any future surplus that is determined as unnecessary is available to allow a lower rates increase (or higher debt repayments). The NZ contracting supplier chain has passed on some hefty inflation increases over the past few years meaning that the accuracy of expenditure estimates ‘are simply the best estimate of the future that we have today’.

**Projected operating cash surpluses for water services**

<b>Operating cash ratio (whether revenues cover costs)</b>	<b>FY2024/25</b>	<b>FY2025/26</b>	<b>FY2026/27</b>	<b>FY2027/28</b>	<b>FY2028/29</b>	<b>FY2029/30</b>	<b>FY2030/31</b>	<b>FY2031/32</b>	<b>FY2032/33</b>	<b>FY2033/34</b>
Operating surplus/(deficit) + depreciation + interest costs - capital revenues	22,040	25,510	27,183	32,003	38,403	44,302	49,034	54,781	57,872	61,575
Operating revenue – combined water services	47,000	54,120	60,259	67,748	70,665	77,459	82,779	87,684	91,726	96,346
<b>Operating cash ratio</b>	<b>46.9%</b>	<b>47.1%</b>	<b>45.1%</b>	<b>47.2%</b>	<b>54.3%</b>	<b>57.2%</b>	<b>59.2%</b>	<b>62.5%</b>	<b>63.1%</b>	<b>63.9%</b>

The NPDC 2WS CCO model has an 'operating cash ratio' that is in surplus across all years. However this is not sufficient in the first three years to meet the Renewals investment required. NPDC chose to keep rates increases affordable meaning these renewals will be debt funded for the first few years of the LTP, with the overdrawn reserves being repaid and topped up within the first eight years of the LTP.

Any future surplus that is determined as unnecessary is available for lower rates increase (or higher debt repayments). The NZ contracting supplier chain has passed on some hefty inflation increases over the past few years meaning that the accuracy of expenditure estimates 'are simply the best estimate of the future that we have today'.

## Financially sustainable assessment - investment sufficiency

### Assessment of investment sufficiency

**Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth**

NPDC Asset Management Plan to support the LTP meets all levels of service, regulatory and district growth requirements.

NPDC 2WS CCO has sufficient debt headroom to finance the required investments.

The investment sufficiency test has been met by NPDC 2WS CCO.

Projected water services investment requirements



**Renewals requirements for water services**

Asset sustainability ratio \$k	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital expenditure on renewals – all water services assets	15,570	21,000	24,210	21,410	26,870	26,713	21,098	22,981	24,512	24,109
Depreciation – all water services assets	19,800	22,210	22,410	22,980	25,860	26,110	26,480	29,220	29,220	29,620
<b>Asset sustainability ratio</b>	(21.4%)	(5.4%)	8.0%	(6.8%)	3.9%	2.3%	(20.3%)	(21.4%)	(16.1%)	(18.6%)

- See section 5.3 *Renewal Plan of the Three Waters AMPs for details on the forecast renewals spend and supporting information.*

The NPDC Asset Management Plans identifies assets in poor condition that require replacement. NPDC LTP Infrastructure Strategy acknowledges a backlog of renewals delivery. The first two years are due to the ramping up of the renewals program to get on top of the backlog. The next 4 years reflect the increased investment to address the backlog. The Asset Sustainability Ratio is negative over the first two years as the local contractors continue to 'resource up' to deliver a step-increase of activity, the ratio then becomes positive. From 2030/31 onwards the ratio becomes negative, however there is sufficient surpluses to deliver investment if required. The ratio becomes negative due to a reduction in renewals capital in 2030/31 as the WWTP main control and laboratory renewal project is completed coinciding with the asset revaluation in 2031/32 causing a step increase in depreciation. NPDC Renewals Capital expenditure is adjusted for inflated annually, whereas the Asset revaluation is completed triennially, which has the effect of a step increase to depreciation in years 2025/26, 2028/29 and 2031/32.

**Total water services investment required over 10 years**

Asset investment ratio \$K	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total capital expenditure – all water services assets	47,060	52,400	41,500	50,810	65,210	51,349	39,740	39,661	41,762	44,795
Depreciation – all water services assets	19,800	22,210	22,410	22,980	25,860	26,110	26,480	29,220	29,220	29,620
<b>Asset investment ratio</b>	137.7%	135.9%	85.2%	121.1%	152.2%	96.7%	50.1%	35.7%	42.9%	51.2%

- See section 5 *Lifecycle Management Plan of the Three Waters AMPs for details on total forecast capital expenditure, key service deficiencies and the basis for forecast expenditure*

The proposed level of investment for potable water has been determined based on a rigorous planning process that commenced in 2015 and is ongoing. The wastewater planning process is of moderate maturity, having commenced in 2021, with the issues well understood but the investment required to resolve still being clarified.

The Asset investment ratio over the 10 period is positive and unchanged from the infrastructure strategy, LTP and asset management plans.

## Average remaining useful life of network assets

Asset consumption ratio	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Book value of water infrastructure assets	742,720	789,249	827,281	874,139	932,720	977,546	1,010,357	1,041,005	1,073,326	1,108,894
Replacement value of water infrastructure assets	1,462,315	1,546,886	1,625,511	1,713,708	1,816,620	1,906,117	1,983,980	2,063,320	2,144,285	2,229,822
<b>Asset consumption ratio</b>	50.8%	51.0%	50.9%	51.0%	51.3%	51.3%	50.9%	50.5%	50.1%	49.7%

- *See section 5.3 Renewal Plan of the Three Waters AMPs for details on remaining useful life of assets, renewals backlog and forecast expenditure.*

The Asset consumption ratio holds steady at around 50% over the 10 years.

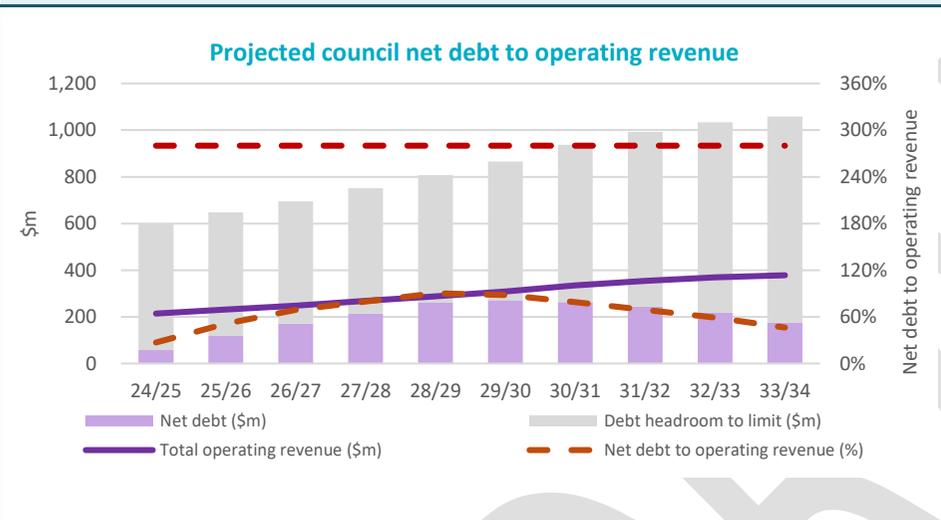
NPDC records remaining life and could calculate a weighted average remaining life.

## Financially sustainable assessment - financing sufficiency

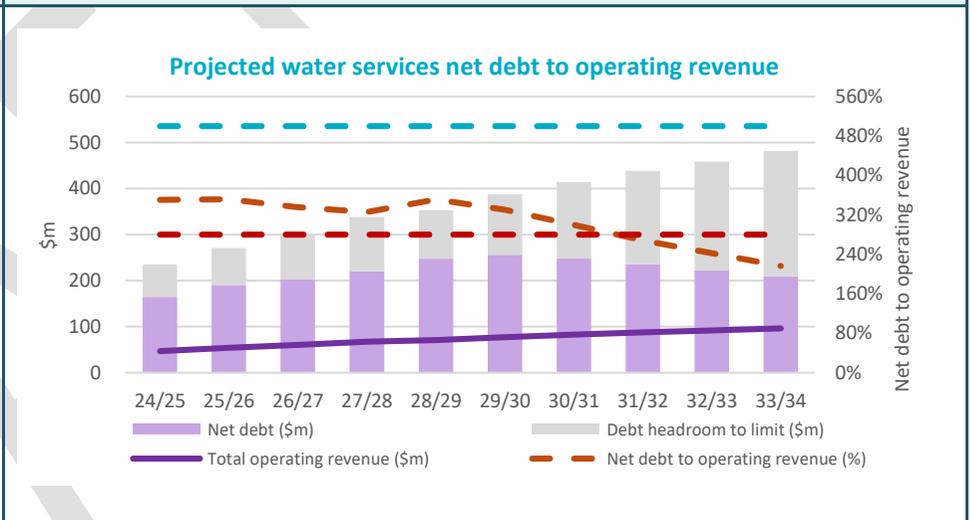
### Assessment of financing sufficiency

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

#### Projected council borrowings against borrowing limits



#### Projected water services borrowings against borrowing limits



**Projected borrowings for water services**

<b>Net debt to operating revenue \$k</b>	<b>FY2024/25</b>	<b>FY2025/26</b>	<b>FY2026/27</b>	<b>FY2027/28</b>	<b>FY2028/29</b>	<b>FY2029/30</b>	<b>FY2030/31</b>	<b>FY2031/32</b>	<b>FY2032/33</b>	<b>FY2033/34</b>
Net debt attributed to water services (gross debt less cash)	164,755	190,295	202,173	220,822	248,030	256,118	248,137	235,637	222,577	208,557
Operating revenue – combined water services	47,000	54,120	60,259	67,748	70,665	77,459	82,779	87,684	91,726	96,346
<b>Net debt to operating revenue %</b>	<b>351%</b>	<b>352%</b>	<b>336%</b>	<b>326%</b>	<b>351%</b>	<b>331%</b>	<b>300%</b>	<b>269%</b>	<b>243%</b>	<b>216%</b>

NPDC drawdown debt to fund day-to-day cashflow requirements, for further detail refer to the Treasury Management Policy.

**The NPDC 2WS CCO will require a Debt Guarantee from Shareholder Council.**

NPDC 2WS CCO net debt to operating revenue is within the proposed Water Services borrowing limit.

**Borrowing headroom/(shortfall) for water services**

<b>Borrowing headroom/(shortfall) against limit \$k</b>	<b>FY2024/25</b>	<b>FY2025/26</b>	<b>FY2026/27</b>	<b>FY2027/28</b>	<b>FY2028/29</b>	<b>FY2029/30</b>	<b>FY2030/31</b>	<b>FY2031/32</b>	<b>FY2032/33</b>	<b>FY2033/34</b>
Operating revenue	47,000	54,120	60,259	67,748	70,665	77,459	82,779	87,684	91,726	96,346
Debt to revenue limit for water services (%)	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
<b>Maximum allowable net debt at borrowing limit</b>	<b>235,000</b>	<b>270,600</b>	<b>301,293</b>	<b>338,741</b>	<b>353,326</b>	<b>387,294</b>	<b>413,896</b>	<b>438,418</b>	<b>458,630</b>	<b>481,732</b>
Projected net debt attributed to water services	164,755	190,295	202,173	220,822	248,030	256,118	248,137	235,637	222,577	208,557
<b>Borrowing headroom/(shortfall) against limit</b>	<b>70,245</b>	<b>80,305</b>	<b>99,120</b>	<b>117,919</b>	<b>105,296</b>	<b>131,175</b>	<b>165,759</b>	<b>202,782</b>	<b>236,053</b>	<b>273,175</b>

NPDC 2WS CCO has a positive projected borrowing headroom across all years.

NPDC 2WS CCO will need to create a Net debt to revenue limit for Water Services **to be agreed with the Shareholder Council guaranteeing the debt.**

**Free funds from operations**

<b>Free funds from operations</b>	<b>FY2024/25</b>	<b>FY2025/26</b>	<b>FY2026/27</b>	<b>FY2027/28</b>	<b>FY2028/29</b>	<b>FY2029/30</b>	<b>FY2030/31</b>	<b>FY2031/32</b>	<b>FY2032/33</b>	<b>FY2033/34</b>
Projected net debt attributed to water services	164,755	190,295	202,173	220,822	248,030	256,118	248,137	235,637	222,577	208,557
Projected free funds from operations – water services	15,460	18,450	19,533	23,733	28,813	33,362	37,224	42,271	45,102	48,575
<b>Free funds from operations to net debt ratio</b>	9.4%	9.7%	9.7%	10.7%	11.6%	13.0%	15.0%	17.9%	20.3%	23.3%

The NPDC 2WS CCO FFO ratio increases over time, this is in line with the NPDC Financial Strategy to increase Rates income to fund Renewals Capital expenditure.

## Part E: Projected financial statements for water services

### Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Cashflows from operating activities</b>										
Cash surplus/(deficit) from operations	33,660	26,860	29,622	32,162	38,002	43,260	47,722	52,161	54,822	58,815
[Other items]	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from operating activities</b>	<b>33,660</b>	<b>26,860</b>	<b>29,622</b>	<b>32,162</b>	<b>38,002</b>	<b>43,260</b>	<b>47,722</b>	<b>52,161</b>	<b>54,822</b>	<b>58,815</b>
<b>Cashflows from investing activities</b>										
Capital expenditure – infrastructure assets	(47,060)	(52,400)	(41,500)	(50,810)	(65,210)	(51,349)	(39,740)	(39,661)	(41,762)	(44,795)
[Other items]	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from investing activities</b>	<b>(47,060)</b>	<b>(52,400)</b>	<b>(41,500)</b>	<b>(50,810)</b>	<b>(65,210)</b>	<b>(51,349)</b>	<b>(39,740)</b>	<b>(39,661)</b>	<b>(41,762)</b>	<b>(44,795)</b>
<b>Cashflows from financing activities</b>										
New borrowings	11,260	21,390	6,018	19,988	32,408	17,108	5,608	480	740	3,180
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from financing activities</b>	<b>11,260</b>	<b>21,390</b>	<b>6,018</b>	<b>19,988</b>	<b>32,408</b>	<b>17,108</b>	<b>5,608</b>	<b>480</b>	<b>740</b>	<b>3,180</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,140)</b>	<b>(4,150)</b>	<b>(5,860)</b>	<b>1,340</b>	<b>5,200</b>	<b>9,020</b>	<b>13,590</b>	<b>12,980</b>	<b>13,800</b>	<b>17,200</b>
Cash and cash equivalents at beginning of year	(20,151)	(22,291)	(26,441)	(32,301)	(30,961)	(25,761)	(16,741)	(3,151)	9,829	23,629
<b>Cash and cash equivalents at end of year</b>	<b>(22,291)</b>	<b>(26,441)</b>	<b>(32,301)</b>	<b>(30,961)</b>	<b>(25,761)</b>	<b>(16,741)</b>	<b>(3,151)</b>	<b>9,829</b>	<b>23,629</b>	<b>40,829</b>

**Projected statement of financial position**

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Assets</b>										
Cash and cash equivalents	(22,291)	(26,441)	(32,301)	(30,961)	(25,761)	(16,741)	(3,151)	9,829	23,629	40,829
Infrastructure assets	742,720	789,249	827,281	874,139	932,720	977,546	1,010,357	1,041,005	1,073,326	1,108,894
<b>Total assets</b>	<b>720,429</b>	<b>762,808</b>	<b>794,980</b>	<b>843,178</b>	<b>906,959</b>	<b>960,805</b>	<b>1,007,206</b>	<b>1,050,834</b>	<b>1,096,955</b>	<b>1,149,723</b>
<b>Liabilities</b>										
Borrowings – current portion	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	142,464	163,854	169,872	189,861	222,269	239,377	244,986	245,466	246,206	249,386
<b>Total liabilities</b>	<b>142,464</b>	<b>163,854</b>	<b>169,872</b>	<b>189,861</b>	<b>222,269</b>	<b>239,377</b>	<b>244,986</b>	<b>245,466</b>	<b>246,206</b>	<b>249,386</b>
<b>Net assets</b>	<b>577,965</b>	<b>598,954</b>	<b>625,108</b>	<b>653,317</b>	<b>684,690</b>	<b>721,427</b>	<b>762,220</b>	<b>805,368</b>	<b>850,750</b>	<b>900,338</b>
<b>Equity</b>										
Revaluation reserves	753,593	769,933	788,875	807,902	827,133	846,720	866,271	886,478	906,258	926,651
Other reserves	(175,628)	(170,978)	(163,767)	(154,585)	(142,443)	(125,293)	(104,051)	(81,110)	(55,508)	(26,313)
<b>Total equity</b>	<b>577,965</b>	<b>598,954</b>	<b>625,108</b>	<b>653,317</b>	<b>684,690</b>	<b>721,427</b>	<b>762,220</b>	<b>805,368</b>	<b>850,750</b>	<b>900,338</b>

# Water Services Delivery Plan: additional information

## Significant capital projects

Significant capital projects										
SIGNIFICANT CAPITAL PROJECTS – DRINKING WATER										
Significant capital projects – drinking water (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Projects to meet additional demand</b>										
Water Services For Subdivisions In Unserved Areas	159.4	162.9	166.9	171.4	173.8	177.3	181.5	184.0	187.5	190.9
Central and Eastern Feeder Renewal	-	-	-	-	-	80.5	457.3	2,258.4	3,713.7	3,780.4
Universal Water Metering (WMP)	4,477.0	1,815.9	-	-	-	-	-	-	-	-
Supplementary Water Source	-	-	322.3	329.7	-	-	-	-	95.0	386.7
Patterson Road Growth Area Water Main	685.0	-	-	-	-	-	-	-	-	-
Veale Rd Pump station inlet and outlet upgrade	-	-	-	-	26.8	202.1	-	-	-	-
PC2 Microbiology Laboratory	-	-	21.6	-	-	-	-	-	-	-
Barrett Road Trunk Main Completion	-	-	-	-	-	-	-	62.1	314.1	-
Smart Road Reservoir - Land Acquisition	-	-	1,078.0	-	-	-	-	-	-	-
Smart Rd Reservoir and Water Supply Trunk Main	-	-	-	-	-	-	-	-	-	842.8
Carrington Zone Water Supply Improvements (Growth)	280.8	2,473.8	2,533.3	-	-	-	-	-	-	-
Oakura water supply new trunk main (Growth)	-	-	582.1	2,977.6	3,043.2	-	-	-	-	-

Puketapu Development Area - water supply upgrades	154.5	-	500.5	1,795.4	-	-	-	-	-	-
<b>Total investment to meet additional demand (\$K)</b>	<b>5,756.7</b>	<b>4,452.7</b>	<b>5,204.7</b>	<b>5,274.0</b>	<b>3,243.7</b>	<b>459.8</b>	<b>638.8</b>	<b>2,504.5</b>	<b>4,310.3</b>	<b>5,200.8</b>
<b>Projects to improve levels of services</b>										
Mountain Road Reservoirs new Easement re-route	-	-	-	55.1	-	-	-	-	-	-
Water reticulation minor augmentation programme	149.4	152.6	156.3	159.9	163.4	166.70	170.03	173.26	176.55	179.72
NP WTP Intake Fish Screen	686.6	890.8	-	-	-	-	-	-	-	-
NPWTP Major Upgrades	103.0	526.4	1,131.9	2,205.6	5,551.0	7,610.68	7,364.24	5,711.64	-	-
Universal Water Metering (WMP)	2,011.4	815.8	-	-	-	-	-	-	-	-
Supplementary Water Source	-	-	2,157.1	2,206.7	-	-	-	-	635.59	2,588.02
Water Customer Equipment Renewals	33.5	34.2	35.0	35.8	36.6	37.36	38.11	38.83	39.57	40.28
Installation of Backflow Preventors	267.8	273.7	280.3	286.7	-	-	-	-	-	-
Inglewood Contingency Intake Fish Exclusion	-	-	-	165.4	1,127.1	-	-	-	-	-
Inglewood WTP Sludge Management	181.5	789.5	808.5	-	-	-	-	-	-	-
Patterson Road Growth Area Water Main	36.1	-	-	-	-	-	-	-	-	-
Veale Rd Pump station inlet and outlet upgrade	-	-	-	-	1.4	10.63	-	-	-	-
PC2 Microbiology Laboratory	-	-	194.0	-	-	-	-	-	-	-
NPWTP River intake fish screen and upgrade	274.0	1,820.1	-	-	-	-	-	-	-	-
Barrett Road Trunk Main Completion	-	-	-	-	-	-	-	217.47	1,099.50	-
Carrington Zone Water Supply Improvements (Growth)	17.9	157.9	161.7	-	-	-	-	-	-	-

Waitara resilience water main (Phase 3)	-	-	-	-	563.6	-	-	-	-	-
<b>Total investment to meet improve levels of services (\$K)</b>	<b>3,761.1</b>	<b>5,461.0</b>	<b>4,924.8</b>	<b>5,115.3</b>	<b>7,443.1</b>	<b>7,825.4</b>	<b>7,572.4</b>	<b>6,141.2</b>	<b>1,951.2</b>	<b>2,808.0</b>
<b>Projects to replace existing assets</b>										
Mountain Road Reservoirs new Easement re-route	-	-	-	55.1	-	-	-	-	-	-
Resource Consent Renewals Water	103.0	147.4	97.0	27.6	-	80.48	58.63	298.73	608.81	309.87
Water Electrical Renewals I&E	309.0	315.8	323.4	330.8	338.1	344.89	351.80	358.47	365.28	371.84
Emergency Water P&E Renewals	123.6	126.4	129.4	132.4	135.3	138.01	140.77	143.44	146.17	148.79
Emergency Water Reticulation Renewals	51.5	105.3	323.4	330.8	338.1	344.89	351.80	358.47	365.28	371.84
Water Building Renewals	11.7	25.3	29.1	83.8	28.2	34.49	82.09	85.44	36.53	275.78
Water Customer Equipment Renewals	636.0	650.0	665.7	681.0	696.0	709.91	724.11	737.85	751.87	765.37
Water Reticulation Renewals Budget	3,512.7	5,689.8	7,675.4	6,003.5	4,833.4	4,935.32	5,039.20	8,973.73	9,144.25	9,308.43
Water P&E Renewals WTP - Programmed (Medium)	827.1	1,779.1	1,368.0	779.9	169.1	172.45	175.90	179.24	182.64	185.92
Oakura - Wairau trunk main renewal	1,317.6	-	-	-	-	-	-	-	-	-
NPWTP Sludge Cone Gravelectic Weigh Cell Replacement	-	-	-	-	112.7	229.93	-	-	-	-
NPWTP River intake fish screen and upgrade	14.4	95.8	-	-	-	-	-	-	-	-
Barrett Road Trunk Main Completion	-	-	-	-	-	-	-	31.07	157.07	-
<b>Total investment to replace existing assets (\$K)</b>	<b>6,906.7</b>	<b>8,934.8</b>	<b>10,611.3</b>	<b>8,425.0</b>	<b>6,650.9</b>	<b>6,990.4</b>	<b>6,924.3</b>	<b>11,166.4</b>	<b>11,757.9</b>	<b>11,737.9</b>
<b>Total investment in drinking water assets</b>	<b>16,424.5</b>	<b>18,848.6</b>	<b>20,740.9</b>	<b>18,814.4</b>	<b>17,337.7</b>	<b>15,275.5</b>	<b>15,135.5</b>	<b>19,812.2</b>	<b>18,019.5</b>	<b>19,746.7</b>

## SIGNIFICANT CAPITAL PROJECTS – WASTEWATER

Significant capital projects – wastewater (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Projects to meet additional demand</b>										
Waimea Valley Sewer Extension	-	-	431.2	2,205.6	2,254.2	-	-	-	-	-
Sewer Services For Subdivisions In Unserved Areas	108.2	110.5	113.2	115.8	118.3	120.7	123.1	125.5	127.8	130.1
Upgrading of Huatoki Valley Sewer Main	-	-	111.5	1,140.3	-	-	-	-	-	-
Wastewater Model Build and Update	20.6	21.1	21.6	22.1	1,082.0	1,103.7	23.5	23.9	24.4	1,983.2
Eastern Sewer Network Realignment	-	-	-	-	563.6	574.8	2,345.3	2,389.8	2,435.2	2,478.9
Junction Growth Area Sewer Upgrade Thames	-	-	-	-	-	-	516.0	-	-	-
TDF Crown Infrastructure funded Thermal	2,163.0	1,621.2	-	-	-	-	-	-	-	-
Sutherland Patterson Sewer Main	2,231.0	-	-	-	-	-	-	-	-	-
NPWWTP Master Plan and Buffer Storage - PROGRAMME	-	-	-	-	5,635.5	5,748.2	-	-	-	-
Parklands Ave Extension Puketapu Sewer Main	103.0	526.4	-	1,654.2	497.6	-	-	-	-	-
Smart Road Growth Sewer	-	-	-	-	-	-	-	2,389.8	2,435.2	2,478.9
Junction Street Growth Area Sewer PS	-	-	-	-	-	-	1,031.9	-	-	-
Junction Street Growth Area downstream sewer capacity upgrad	-	-	-	-	-	50.6	516.0	-	-	-
Inglewood Wastewater Overflows - PROGRAMME	103.0	315.8	646.8	661.7	450.8	138.0	70.4	71.7	73.1	86.8
Equipment for new WWTP Laboratory Building	-	-	-	-	225.4	-	-	-	-	-
Waitara Wastewater Overflows PROGRAMME	20.6	42.1	215.6	220.6	225.4	229.9	234.5	239.0	243.5	247.9

<b>Total investment to meet additional demand (\$K)</b>	4,749.3	2,637.0	1,539.8	6,020.2	11,052.9	7,965.9	4,860.6	5,239.7	5,339.2	7,405.8
<b>Projects to improve levels of services</b>										
Urenui & Onaero Sewer System	1,740.7	2,894.9	2,964.5	11,028.0	11,271.0	3,650.1	3,723.2	-	-	-
Upgrading of Huatoki Valley Sewer Main	-	-	7.1	72.8	-	-	-	-	-	-
Wastewater Model Build and Update	5.2	5.3	5.4	5.5	270.5	275.9	5.9	6.0	6.1	495.8
Junction Growth Area Sewer Upgrade Thames	-	-	-	-	-	-	70.4	-	-	-
Sewer Lining & Rehab of Pipes	115.9	118.4	121.3	124.1	126.8	129.3	131.9	134.4	137.0	139.4
Inglewood Dump Station	57.6	-	-	-	-	-	-	-	-	-
TDF Crown Infrastructure funded Thermal	13,287.0	9,958.5	-	-	-	-	-	-	-	-
NPWWTP Septage Reception	-	-	-	-	-	-	117.3	1,194.9	-	-
Bell Block Trunk Sewer - Capacity Upgrade	-	-	-	-	3,471.5	3,540.9	-	-	-	-
Mangati SPS Emergency Storage	772.5	4,737.2	808.5	-	-	-	-	-	-	-
Inglewood Oxidation Ponds and Pump Station Upgrade Project	-	-	-	-	-	-	410.4	836.4	4,870.4	3,966.3
Sutherland Patterson Sewer Main	117.4	-	-	-	-	-	-	-	-	-
Land Disposal Trial adjacent to NPWWTP	-	-	-	-	-	57.5	293.2	-	-	-
NPWWTP Siemens Blowers Air Control Upgrade	-	-	-	-	112.7	-	-	-	-	-
Junction Street Growth Area Sewer PS	-	-	-	-	-	-	140.7	-	-	-
Junction Street Growth Area downstream sewer capacity upgrad	-	-	-	-	-	6.9	70.4	-	-	-
Inglewood Wastewater Overflows - PROGRAMME	206.0	631.6	1,293.6	1,323.4	901.7	275.9	140.7	143.4	146.1	173.5
Waitara Wastewater Overflows PROGRAMME	41.2	84.2	431.2	441.1	450.8	459.9	469.1	478.0	487.0	495.8
Disposal of sludge from NPWWTP large lagoon	206.0	421.1	-	-	-	-	-	-	-	-

Inglewood SPS Screenings Process Water Upgrade	257.5	-	-	-	-	-	-	-	-	-
Waitara TPS HP Washwater System	417.2	-	-	-	-	-	-	-	-	-
<b>Total investment to meet improve levels of services (\$K)</b>	<b>17,224.1</b>	<b>18,851.2</b>	<b>5,631.6</b>	<b>12,994.8</b>	<b>16,605.0</b>	<b>8,396.5</b>	<b>5,573.0</b>	<b>2,793.1</b>	<b>5,646.7</b>	<b>5,270.9</b>
<b>Projects to replace existing assets</b>										
West Quay Pump Station	-	2,526.5	377.3	-	-	-	-	-	-	-
Laboratory Minor Equipment Renewals	7.2	7.4	8.6	8.8	9.0	9.2	9.4	9.6	9.7	9.9
Emergency Wastewater Retic Network Renewals	-	-	-	242.6	248.0	252.9	258.0	262.9	267.9	272.7
Waitara Outfall Pipeline Renewals	61.8	63.2	64.7	66.2	67.6	69.0	70.4	71.7	73.1	74.4
Resource Consent Renewals Wastewater	319.3	631.6	970.2	-	338.1	-	-	-	-	-
Wastewater General I&E Renewals	309.0	684.3	646.8	330.8	338.1	344.9	351.8	358.5	365.3	371.8
Wastewater Building Renewals	25.8	317.9	90.6	168.7	108.2	149.5	5.9	186.4	255.7	116.5
Laboratory Major Equipment Renewals	30.9	31.6	32.3	33.1	33.8	34.5	17.6	23.9	18.3	99.2
Sewer Lining & Rehab of Pipes	656.6	671.1	687.2	703.0	718.5	732.9	747.6	761.8	776.2	790.2
Wastewater Reticulation Renewals Budget	4,635.0	4,737.2	7,007.0	7,168.2	7,326.2	7,472.7	7,622.2	7,766.9	7,914.5	8,056.6
Wastewater Treatment Plant & Equipment Renewals	902.3	639.0	481.9	427.9	703.3	1,101.9	1,288.2	590.3	1,251.1	709.0
New Plymout Outfall Pipeline Renewals	77.3	79.0	80.9	55.1	56.4	57.5	58.6	59.7	60.9	62.0
Automation contol data management system	20.6	21.1	21.6	22.1	22.5	23.0	23.5	23.9	24.4	24.8
Inglewood Wastewater Overflows - PROGRAMME	206.0	631.6	1,293.6	1,323.4	901.7	275.9	140.7	143.4	146.1	173.5
Waitara Wastewater Overflows PROGRAMME	41.2	84.2	431.2	441.1	450.8	459.9	469.1	478.0	487.0	495.8
Wastewater small pumpstation renewals - BUDGET	103.0	105.3	107.8	110.3	112.7	115.0	117.3	119.5	121.8	123.9
Main Control and Laboratory Building Replacement	-	-	215.6	992.5	7,878.4	7,702.6	2,052.1	-	-	-
Wastewater P&E Reticulation Renewals	824.0	842.2	862.4	882.2	901.7	919.7	938.1	955.9	974.1	991.6

Waitara TPS HP Washwater System	417.2	-	-	-	-	-	-	-	-	-
WW529 Waitara WW Upgrades	20.6	-	-	-	-	-	-	-	-	-
Onaero Wastewater Leach Field Replacement	-	-	215.6	-	-	-	-	-	-	-
<b>Total investment to replace existing assets (\$K)</b>	<b>8,657.7</b>	<b>12,072.9</b>	<b>13,595.2</b>	<b>12,976.1</b>	<b>20,215.1</b>	<b>19,721.1</b>	<b>14,170.3</b>	<b>11,812.2</b>	<b>12,745.9</b>	<b>12,371.8</b>
<b>Total investment in wastewater assets</b>	<b>30,631.1</b>	<b>33,561.1</b>	<b>20,766.6</b>	<b>31,991.1</b>	<b>47,873.0</b>	<b>36,083.5</b>	<b>24,604.0</b>	<b>19,845.0</b>	<b>23,731.8</b>	<b>25,048.5</b>

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## Risks and assumptions

Disclosure of risks and material assumptions for water services delivery		
Parameters	Drinking supply	Wastewater
<p><b>Key Risks</b></p> <ul style="list-style-type: none"> <li>• Future water service delivery</li> <li>• Network performance</li> <li>• Regulatory compliance</li> <li>• Delivery of Capital Programme</li> <li>• Organisational capacity</li> </ul> <p>Long term issues e.g. providing for growth, climate change</p>	<p>See Water Supply AMP section 6.2</p> <ul style="list-style-type: none"> <li>• Ageing infrastructure</li> <li>• Severe weather/natural disaster</li> <li>• Accident or malicious action resulting in service delivery failure</li> <li>• Implementation of Te Mana o te Wai principles could require reduction of allowable water take for supply</li> <li>• Prosecution due to non-compliance with Health and Safety at Work (Hazardous Substances) Regulations</li> <li>• Inability to obtain resource consent(s) for an additional water source</li> <li>• Insufficient planning and funding for growth</li> <li>• Inadequate provision of water for firefighting</li> <li>• Enforcement from breaches of resource consent conditions</li> <li>• Contamination of potable water from backflow</li> </ul>	<p>See Wastewater AMP section 6.2</p> <ul style="list-style-type: none"> <li>• Untreated wastewater overflows in Inglewood and Waitara due to sewer capacity constraints</li> <li>• Destruction of critical electrical distribution board resulting in service disruption of &gt; 1 week</li> <li>• Enforcement from breaches of resource consent conditions</li> <li>• Mangati pump station overflow due to insufficient storage</li> <li>• Waitara Wastewater Transfer Pump Station is susceptible to earthquake damage due to physical location on a stopbank of the Waitara River</li> </ul> <p>Reduced operating efficiency due to illegal dumping or high volumes of trade waste</p>
<p><b>Significant assumptions</b></p> <ul style="list-style-type: none"> <li>• Future water service delivery</li> <li>• Network performance</li> <li>• Regulatory compliance</li> <li>• Delivery of Capital Programme</li> <li>• Organisational capacity</li> <li>• Long term issues e.g. providing for growth, climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Growth projections</li> <li>• Ability to adapt to changing legislation without significant funding or process changes</li> <li>• Accuracy of modelling</li> <li>• Climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Growth projections</li> <li>• Ability to adapt to changing legislation without significant funding or process changes</li> <li>• Accuracy of modelling</li> <li>• Climate change</li> </ul>

## Appendix A

**DRINKING WATER CONSENTS*****Expiring in the next 10 years***

Resource Consent Reference Number	Type of Resource Consent	Expiry Date for Resource Consent	Status	Non-Compliance	Compliance Actions (last 24 mos.)	Comments
<b>04510-2.0 (Inglewood Water Take)</b>	Water take	1-Jun-21	Operating under s124 RMA			
<b>00126-5.0 (Waiongana Water Take)</b>	Water take	1-Jun-31	Active			Expected to be surrendered. Supply is mothballed and budget has been allocated to decommission the assets in 29/30.
<b>03934-3.0 (Inglewood Contingency Water Take)</b>	Water take	1-Jun-21	Operating under s124 RMA			
<b>00026-4.0 (Okato Water Take)</b>	Water take	1-Jun-37	Active			
<b>01278-4.0 (Water take from Wairau Stream)</b>	Water take	1-Jun-31	Active			Contingency intake.
<b>05869-2.0 (backwash discharge to Ngatoro Stream)</b>	Discharge to water	1-Jun-21	Operating under s124 RMA			
<b>04816-2.0 (Waiongana Stream intake structures)</b>	Land use	1-Jun-20	Operating under s124 RMA			Expected to be surrendered. Supply is mothballed and budget has been allocated to remove the structure in 29/30
<b>9959-1 (Groundwater bore Okato)</b>	Land use		No expiry date. Granted 17 August 2007,			

			review dates June 2019, and at every 6 years after that.			
<b>7146-1 (Production water bores and groundwater monitoring piezometers)</b>	Land use		No expiry date. Granted 17 August 2007, review dates June 2014, and at every 6 years after that.			
<b>05713-2.0 (Oakura Water Intake Weir)</b>	Land use	1-Jun-31	Active			Contingency intake.
<b>05188-1.0 (Inglewood Water Contingency Intake Weir)</b>	Land use	1-Jun-15	Operating under s124 RMA			
<b>00673-3.0 (discharge stormwater from NP WTP)</b>	Discharge to water	1-Jun-26	Active			
<b>00672-3.0 (discharge wastewater from NP WTP)</b>	Discharge to water	1-Jun-26	Active			
<b>04509-2.0 (Inglewood Infiltration Gallery)</b>	Land use	1-Jun-27	Active			
<b>04805-3.0 (Okato Weir &amp; Infiltration Gallery)</b>	Land use	1-Jun-37	Active			
<b>10770-1.0 (Drill bore 250 @ Oakura)</b>	Land use		No expiry date. Granted 19 September 2019, review date Jun			

			2021 and at every 6 years after that.			
<b>07122-1.0 (Discharge treated ground water onto land in vicinity of Korito Stream)</b>	Discharge to land	1-Jun-26	Active			
<b>02055-3.1 (NP Water Take)</b>	Water take	1-Jun-21	Operating under s124 RMA	Abatement EAC-24748, fish screens on intakes		
<b>06114-2.0 (Oakura bores)</b>	Water take	1-Jun-49	Active			
<b>06643-2.0 (Weir in the Mangorei Stream)</b>	Land use	1-Jun-32	Active			Structure has been removed so consent will be surrendered
<b>7173-1</b>	Land use	1-Jun-26	Active			Structure has been removed so consent will be surrendered
<b>7509-1 (Bridge over Waimea Stream)</b>	Land use	1-Jun-26	Active			
<b>10571-1.0 (dual culvert tributary of Waiwhakaiho River)</b>	Land use	1-Jun-32	Active			

## WASTEWATER CONSENTS

### Expiring in the next 10 years

Resource Consent Reference Number	Type of Resource Consent	Expiry Date for Resource Consent	Status	Non-Compliance	Compliance Actions (last 24 mos.)	Comments
<b>01449-5.0 (Ing. Oxi Pond)</b>	Discharge to water	1-Jun-33	Active			No plan to renew; multiple LTP projects for Inglewood

<b>10963-1.0 (West Quay SPS construction)</b>	Discharge to water	1-Jun-27	Active			No plan to renew; construction complete
<b>02982-4.0 (discharge leachate from NPWWTP sludge lagoon)</b>	Discharge to water	1-Jun-20	Operating under s124 RMA			Lagoon emptied; TRC assessing whether consent is still required
<b>00882-4.1 (NP effluent to outfall)</b>	Discharge to water	1-Jun-41	Active			
<b>04593-3.0 (NP Marine Effluent Outfall)</b>	Coastal permit	1-Jun-41	Active			
<b>07861-1.0 (Emergency discharge Waitara Outfall)</b>	Coastal permit	1-Jun-41	Active			
<b>02046-4 (discharge sewage via soakage Urenui)</b>	Discharge to land	1-Jun-34	Active	Multiple instances of flow exceedances prior to reconsenting	EAC-23207 – Abatement notice, withdrawn by TRC on 23 September 2023 EAC-25863 – Infringement Notice	No plan to renew; Urenui/Onaero WWTP project in LTP will replace.
<b>04599-2.0 (Waitara Marine Outfall Structure)</b>	Coastal permit	1-Jun-21	Operating under s124 RMA			Being assessed by TRC as a permitted activity under new RCP
<b>01389-4 (discharge treated sewage via soakage Onaero)</b>	Discharge to land	1-Jun-34	Active	Multiple instances of flow exceedances prior to reconsenting	EAC-23206 – Abatement notice, withdrawn by TRC on 23 September 2023	No plan to renew; Urenui/Onaero WWTP project in LTP will replace.
<b>04740-2.0 (Air Contaminants NP WWTP)</b>	Discharge to air	1-Jun-26	Active			No plan to renew; will not be necessary once new TDF is operational
<b>10456-1.0 (Culvert in Tangaroa Reserve)</b>	Land-use consent	1-Jun-33	Active			

<b>05834-1 (Trunk main under Te Henui &amp; Waiwhakaiho)</b>	Coastal permit	1-Jun-25	Active			
<b>06939-1.0 (Sewer main on Oakura Bridge)</b>	Coastal permit	1-Jun-41	Active			
<b>04595-3.0 (Eliot Street Wastewater Outfall)</b>	Coastal permit	1-Jun-32	Active			
<b>7241-1 (Sewage pipeline)</b>	Land-use consent	1-Jun-26	Active			
<b>6940-1 (Pipe bridge over Waiongana Stream)</b>	Land-use consent	1-Jun-26	Active			
<b>7874-1 (Pipeline under Mangati Stream)</b>	Land-use consent	1-Jun-26	Active			
<b>0448-4.0 (Dairy effluent discharge in Onaero)</b>	Discharge to water	1-Dec-45	Active			
<b>11251-1.0 (Temporary dams Huatoki Stream)</b>	Land-use consent	1-Jun-34	Active			No plan to renew; for construction only
<b>11261-1.0 (Sewer main)</b>	Land-use consent	1-Jun-56	Active			
<b>11262-1.0 (Temporary diversion for sewer main install)</b>	Water permit	1-Jun-34	Active			No plan to renew; for construction only
<b>09451-0 (Spreading of Bioboost® to land, Taranaki)</b>	Certificate of Compliance Land-use	N/A	Active			Adheres to Rule 31 of current RFWP
<b>AUTH144852.01.01 (Bioboost® to land Waikato)</b>	Discharge to land	2-Jul-34	Active			