Horowhenua District Council, Palmerston North City Council, Rangitikei District Council

Water Services Delivery Plan

August 2025

Contents

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

Introduction

The nature of the collaboration

Initial consideration – a fully regional approach

Following the General Election on 14 October 2023, the Chief Executives of the seven territorial authorities in the Horizons region – i.e. Ruapehu District Council, Whanganui District Council, Rangitīkei District Council, Manawatū District Council, Palmerston North City Council, Horowhenua District Council and Tararua District Council – decided to explore the feasibility of a regional Water Services Council Controlled Organisation (WS-CCO) to deliver water services. This group of councils had been 'Entity E' under the previous Government's reform programme. An external consultant was engaged to develop a financial model while a staff working group considered other (non-financial) aspects of such a collaboration.

Particular attention was given to evaluating the impact of including within the joint organisation Palmerston North's Nature Call wastewater project or having this funded separately and solely by Palmerston North CC. The conclusion was to include it, recognising that, over time, all the Councils would have substantial projects and that a collective approach was the most effective mechanism.

The financial model assumed harmonisation of pricing across the whole area covered by the seven councils. This resulted in Manawatū District indicating that it did not favour continuing collaboration because the financial model showed there would be higher charges for its community than if it delivered the services itself.

Understanding the delivery models

In August 2024, the Government released details of the policy decisions which would inform the Local Government (Water Services) Bill, introduced into Parliament in December 2024. This provided clarity over the range of delivery models available, in particular the multi-council Council WS-CCO, a single council WS-CCO and an enhanced in-house model – all of which giving effect to the Government's requirement for ring-fencing revenue and meeting its financial sustainability criteria by 30 June 2028.

Tararua District Council was simultaneously exploring collaboration with the three Wairarapa district councils, eventually opting to propose joining them as the preferred model. Horowhenua District Council was also exploring joining the Wellington arrangement, but decided to exit that, in favour of a joint arrangement with Kāpiti Coast District Council or a sub-regional group including Manawatū District Council and Palmerston North City Council. External modelling was commissioned to analyse the implications of this, using a 'local pricing' mechanism rather than full harmonisation. Subsequently, Manawatū and Kāpiti confirmed that they would continue an in-house delivery arrangement leaving Palmerston North and Horowhenua potentially forming a WS-CCO together.

A three-council, four-council or a five-council WS-CCO?

With Manawatū exiting the full regional collaboration, Rangitīkei, Ruapehu and Whanganui gave consideration to forming a joint WS-CCO among themselves, undertook further financial modelling, and consulted on that. However, decisions by Ruapehu and Whanganui were postponed beyond the time indicated in consultation documents, in part from recognising the need to give stronger effect to their obligations under the statutory provisions for the Whanganui and Whangaehu rivers. Before any of these three councils made their decision, Palmerston North invited them to consider joining with it and Horowhenua, i.e. to form a five-council WS-CCO. These discussions during May 2025 were informed by announcements from the Local Government Funding Agency (LGFA) on its borrowing covenants which would apply to WS-CCOs and presentations from the Commerce Commission on its role as economic regulator. As a result, Rangitīkei resolved to join with Palmerston North and Horowhenua and both councils resolved accordingly.

Work in developing this plan allowed for Ruapehu and/or Whanganui to be included, with those two Councils deciding in July 2025 on their delivery model.

On 9 July 2025, Ruapehu District Council resolved to partner with Whanganui District Council, in a two-council WS-CCO. On 15 July 2025 Whanganui District Council resolved to establish a two-council WS-CCO with Ruapehu District Council as its future Water Service Delivery Model, subject to the decision of that Council.

The outcome of these decisions is that the WS-CCO contemplated under this water services delivery plan is to established by Horowhenua District Council, Palmerston North City Council and Rangitīkei District Council jointly. References to "the Councils" in this document accordingly refer to these three councils.

While the plan has been developed as a joint WS-CCO for the 3 Councils mentioned above, all of the Councils consulted on various joint WSCCO options, and remain open to allowing other councils to join, subject to necessary due diligence and approval processes. All Councils consider that increasing the scale of the CCO will likely deliver increased benefits, as outlined in this WSDP.

Strategic setting

Long-term plans

All Councils adopted their audited 2024-2034 (HDC 2024-2044) long-term plans in the normal legislative timeframe, i.e. before 30 June 2024, not delaying adoption for three months nor opting for a 2025-2034 long-term plan and a 2024/25 annual plan.

All noted the uncertainty about the Government's impending changes to the delivery of three waters services. At the time of adoption, no details on the options for water services delivery had been announced so the adopted long-term plans could not show the effect of transferring three waters assets to a new water organisation.

Although public consultation on an amendment to the Councils' Long Term Plans is not required if the amendment is confined to the effect of transferring the delivery of three waters services as proposed in this Water Services Delivery Plan, the councils have opted for the transfer of assets from 1 July 2027 (ie. The start date for their next long-term plans), as the date for the WS-CCO to be fully operational, and the date when the transfer of assets is in place.

The ten-year budgets in these plans and the 30-year infrastructure strategies they contained have been the basis for this Water Services Delivery Plan.

District plans and growth strategies

All councils have operative District Plans and have taken steps to address where growth (especially for housing) should occur and the implications for three waters infrastructure.

Horowhenua

Plan Change 6A proposes to rezone 22ha of land on the northwest of Levin, which would provide sections for 400-500 houses. This is one of the growth areas identified in the Horowhenua Growth Strategy 2040. The structure plan for the subdivision will provide for stormwater to be managed through soak pits and rainwater tanks on private properties as well as swales, dry ponds (dual function as reserves) and reserves. Public consultation closed in May 2025.

The Council expects that the Ōtaki to North of Levin (Ō2NL) highway, set to be finished by the end of 2029, will make it more attractive for people to live in the district.

Palmerston North

The Future Development Strategy for the city, adopted in June 2024, was prepared in consultation with Horizons Regional Council. It informs where land rezoning will be prioritised to support housing and business needs, with specific consideration to growth-related infrastructure needs. It acknowledges that new bores for water supply will be needed, that pressure sewer systems will be required because most growth areas will be further away from the wastewater plant, and that stormwater management is a significant constraint, potentially best addressed by restoring urban streams and nature-based stormwater management where possible.

An annual Implementation Plan tracks the relevant Plan Changes, for example at Aokautere and Kākātangiata. The strategy is scheduled for review in 2027.

Rangitīkei

Pae Tawhiti Rangitīkei Beyond (adopted in 2023) lays the groundwork for Council's infrastructure planning to support the anticipated population growth in the next 30 years.

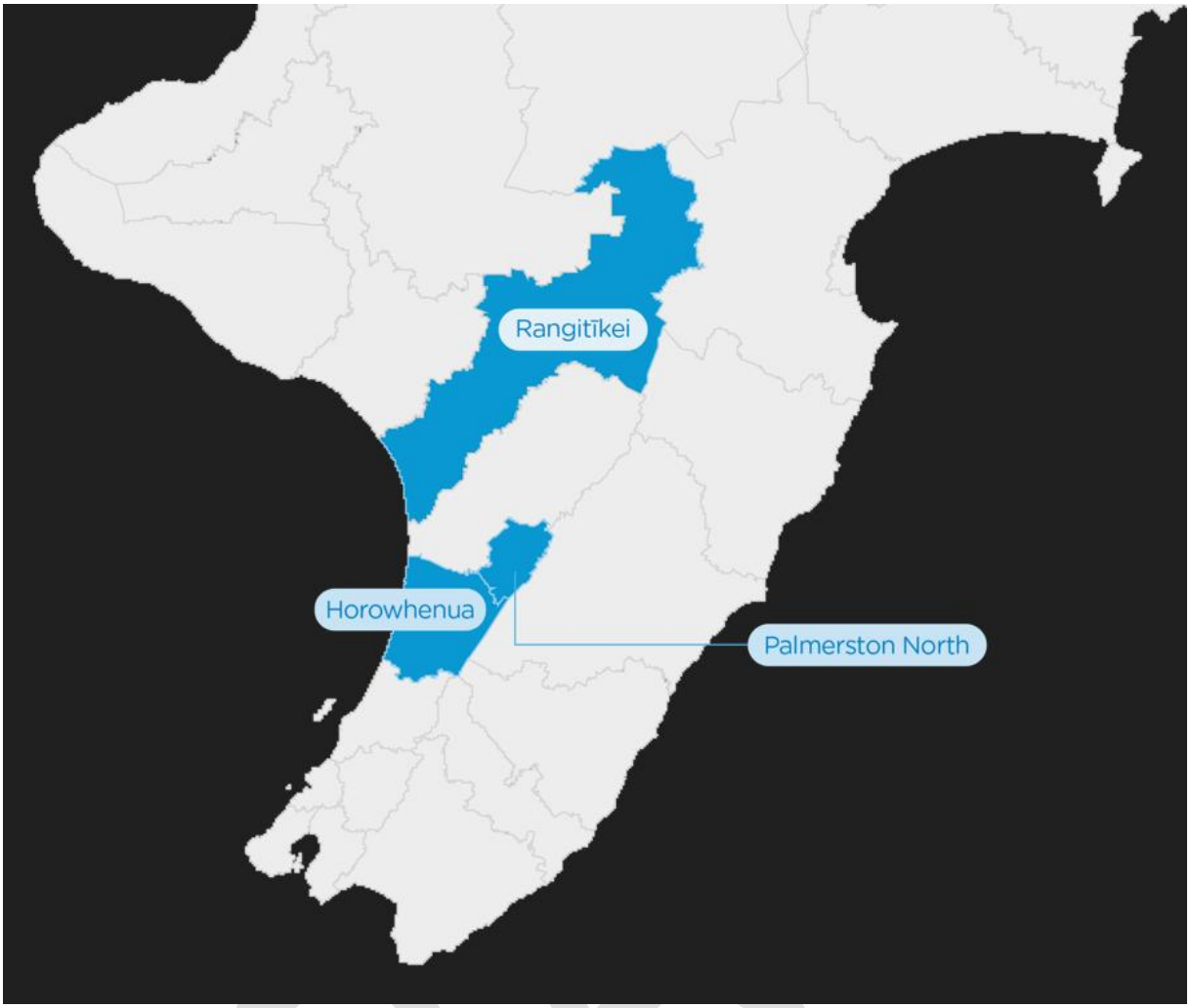
Plan Change 3, using Better Off Funding, is giving specific consideration to where residential growth is best located in Bulls, Marton and Mangaweka, with specialist studies over the consequential needs for three waters infrastructure. A formal decision is expected in September 2026.

Regional context

One Plan is the resource management planning document for the Horizons Region. It combines the Regional Policy Statement, Regional Plan and Coastal Plan. Plan Change 3 (Urban development) reflects the requirement of the National Policy Statement on Urban Development: fully operative from 16 May 2025, it requires the provision, in Levin, Feilding, Palmerston North and Whanganui, of sufficient development capacity to meet the expected demand for housing and business land.

Accelerate 35: the Manawatū-Whanganui Economic Action Plan is the strategic roadmap to accelerate economic and social growth in the Manawatū-Whanganui region. The Lead Team Programme's aims include improving infrastructure.

The Manawatū-Whanganui Climate Change Joint Committee's action plan recognises that urban water supplies will be affected by reduced rainfall and drought, recommends that councils commit to encouraging on-site stormwater management and prioritising nature-based solutions in response to flooding, coastal issues, storm water, and erosion.



Statement that water services delivery is financially sustainable

Statement that water services delivery is financially sustainable

Financially sustainable water services provision

his plan demonstrates that water, wastewater and stormwater Services in the Horowhenua District Council (Horowhenua District), Palmerston North City Council (Palmerston North City) and Rangitīkei District Council (Rangitīkei District) will be delivered in a financially sustainable manner by a joint water services council-controlled organisation (WS-CCO) by 30 June 2028.

The plan covers all water services, including any for which assets are not transferred to the WS-CCO but retained by a Council. The costs and revenues shown in the plan are thus comprehensive.

The value of stormwater assets for Rangitikei and Horowhenua District Councils is low relative to their water and wastewater systems, and the Plan reflects this in the relatively low projected future investment planned. Moreover, Rangitikei District Council does not hold a network discharge (or any) consents for its stormwater systems, and hence there is a low amount budgeted for Levels of Service improvements within Rangitikei District.

The following table shows the various delivery modes for each of the Councils.

Council	**Horowhenua**	**Palmerston North**	**Rangitīkei**
Water	Assets to transfer	Assets to transfer	Assets to transfer (excepting mixed-use rural water supplies)
Wastewater	Assets to transfer	Assets to transfer	Assets to transfer
Stormwater	Dedicated assets to transfer Assets with primary use for other activities to be retained in-house	Dedicated assets and responsibility to transfer (other than in than in the transport corridor)	Responsibility for providing all stormwater services to transfer; assets to transfer (other than in the transport corridor)
Other			

*Some stormwater services will remain with each of the councils. In part, this reflects the provisions of the Local Government (Water Services) Bill which prohibits transferring stormwater assets in the transport corridor to the WS-CCO.[1]

The plan sets out how the joint delivery model provides sufficient revenue, sufficient investment and sufficient debt to respond to the combined areas growth and renewal needs, manage water quality in line with legislative requirements and ensure resilient services for its communities.

Financial modelling for the plan was undertaken by Whanganui District (initially for the three-council WS-CCO including Rangitīkei and Ruapehu) and Morrison Low (initially for the four-council WS-CCO including Horowhenua District, Kāpiti District, Manawatū District and Palmerston North City). While the specific numbers varied, the trends were the same eg lower costs per household as scale increases. The output charts from each confirmed compliance with the three financial sustainability tests from 1 July 2028.

This modelling has been predicated on:

- investment requirements for ten consecutive years, as set out in the Councils' adopted (and audited) long-term plans for 2024-2034, but with regard for the following twenty years,
- maintaining current levels of service commitments as set out in the Councils adopted (and audited) long-term plans for 2024-2034 (HDC 2024-2044),

[1] Local Government (Water Services) Bill: clause 10.

- agreement on the likely cost of transition to a water services WS-CCO and the efficiencies which could reasonably be anticipated from it.
- agreement that there will be price harmonisation *within each council area* but not across the whole area covered by the WS-CCO: the starting point for this is 'local charging' used to finalise financial projections for the WS-CCO,
- understanding that the WS-CCO will transition customers charged based on capital value to a combination of volumetric and/or fixed charges within a five-year transition period commencing 1 July 2027 (the WS-CCO's establishment date) as required by legislation.

- **Strategic issues affecting investment**

The combined WS-CCO area faces considerable compliance, renewal and resilience and growth challenges that require major investment in three waters infrastructure over the next ten years and beyond. The Strategic issues which have been responded to include:

- **Achieving and maintaining compliance:** many wastewater treatment plants, especially in Rangitīkei, face compliance challenges, operating on continuance rights under section 124 of the Resource Management Act. In addition, there are other resource consents in all Councils expiring in the next decade, which will require renewal, the most significant one is the discharge consent for the wastewater treatment plant for Palmerston North, or commonly known as the 'Nature Calls' project (relating to the treatment and disposal of the city's wastewater).
- This work will be done in the context of new wastewater environmental standards (expected to be finalised by the Water Services Authority in late 2025) which has the potential to provide a faster consenting process and less costly solutions. However, it is expected that the Water Services Authority will be rigorous in enforcing compliance, meaning that the WS-CCO will prioritise obtaining new consents for those facilities which are currently operating under section 124 or have expired. If necessary, the WS-CCO has the capacity to absorb additional debt to fund this work.
- **Achieving a consistent level of service which reflects (if not exceeds) the highest current standard achieved by a particular Council:** currently there is considerable variation in the levels of service, partly reflecting the differences in servicing remote, dispersed communities and dense urban environments Investment decisions by the WS-CCO are a key factor in addressing this.
- **Ensuring a balance between the smaller, more remote rural communities and the larger urban communities:** there is considerable variation in scale between the three waters infrastructure of the Councils. While priorities will ultimately be determined by the WS-CCO Board, this plan deliberately retains the timing of investment projected by the Councils in their long-term plans, with some further refinement.
- **Looking after what we have**: timely renewal of aging infrastructure is critical to avoid failure with consequent loss of water supply, unwanted discharge of wastewater and/or excesses of stormwater. Councils have varying age and condition profiles and variable condition asset condition data.
- **Resilience of service**: the WS-CCO area has considerable variation in treatment and reticulation operations which has been and will be disrupted through weather events. Climate change is intensifying the effects of these. However, the joint WS-CCO has the greatest capacity of the various delivery models considered by the Councils to absorb additional debt or fund additional work if needed to anticipate or respond to such emergencies, and to do so in a coordinated and standardised manner
- **Response to growth**: All the Councils expect some growth, particularly in Horowhenua and Palmerston North. The anticipated combined population across the WS-CCO area increase by 2034 is 1.1%. The Government's Growing for Housing Growth programme means Councils will be required to enable more development, in more areas. This will have implications regarding how and where the WS-CCO invests, particularly in Horowhenua and Palmerston North. Infrastructure investment will need to anticipate development in key growth areas. While all

the Councils have growth/spatial plans and district plans, it is likely that central Government policy changes to national directions will have impact on these plans and their intended effect.

- **Achieving greater efficiencies:**
- Given the significant values of projects planned for Wastewater (eg Palmerston North's Nature Calls project and Marton-Bulls and Taihape WWTP's) expected to be delivered in the next decade, there is potential alignment and synergies in the procurement of design and building contracts to achieve even greater capex efficiencies for these projects, over and above those included in the financial modelling
- Getting the best medium- and long-term outcomes at the best price for customers
- Providing opportunity to retain key staff and suppliers we already employ or engage locally

Sufficient investment

- Planned capital investments are sufficient to address strategic issues, including new and renewed infrastructure to meet levels of service, compliance, demand management, resource consenting, and to service growth. These investment needs are outlined in further detail in Part B. Network Performance.
- The financial projections are based on *current* regulatory standards. It has been assumed that the new wastewater environmental standards will not mean additional cost, and more likely lower costs – but that is likely to be offset by the need to renew consents operating under the continuance provisions of the Resource Management Act.
- Analysis of Investment Sufficiency is further detailed in Section D.3 Financial Sustainability Assessment - Investment Sufficiency.

Sufficient revenue

- Water, wastewater and stormwater revenues are projected to increase significantly over the first ten years and be sufficient to achieve financial sustainability by 30 June 2028.
- A conservative approach has been taken in estimating revenue from development contributions, reflecting current different approaches taken by the Councils.
- The potential impact of the Commerce Commission as economic regulator is not yet clear. The initial information disclosure requirements may not be much more onerous than the measures currently required under the Local Government Act. However, longer-term the WS-CCO will be subject to scrutiny in terms of its revenue alongside its investment.
- Although the projected average cost of three waters increases from 1.7% of median household income averaged across the three districts to 2.8% by year ten, this is not significantly higher than DIA's implied benchmark of 2.5% of median household income.
- Analysis of Revenue Sufficiency is further detailed in Section D.2 Financial Sustainability Assessment - Revenue Sufficiency.

Sufficient financing

- Financing of water and wastewater investments can be maintained at an FFO/debt ratio of 8% which supersedes the 500% debt to revenue ratio from 1 July 2027, assuming the WS-CCO will have access to financing through the LGFA. The Councils understand and will comply with the financial covenants set by the LGFA. Up until that time, the financing must be within the limits set by the LGFA for each Council. This confirms that the WS-CCO will have sufficient financing.
- Where Councils are retaining mixed use stormwater assets (or, in the case for Rangitīkei, mixed-use rural water supplies) after 1 July 2027, this is feasible within their Council-wide debt to revenue limit for every year modelled.
- The collective debt headroom available to the WS-CCO, is projected to be $62.8 million in 2033-34.
- Analysis of Financing Sufficiency is further detailed in Sections C.2 Funding and Financing Arrangements and D.4 Financial Sustainability Assessment - Financing Sufficiency.

Proposed delivery model

Proposed model to deliver financially sustainable water services

The proposed model to deliver water services

The joint water services council-controlled organisation (WS-CCO)

Three water services for the Horowhenua District, Palmerston North City and Rangitīkei District combined servicing area will be delivered by a joint water services council-controlled organisation (WS-CCO). The WS-CCO will generally own water supply, wastewater and stormwater infrastructure assets: where assets continue to be owned by a council, the WS-CCO will provide the relevant services to that Council under a service contract.

Following analysis, financial modelling and community consultation processes, Horowhenua District, Palmerston North City and Rangitīkei District resolved to establish a Multi-Council WS-CCO as the future water services delivery option. Financial modelling provides confidence that this delivery model will deliver greater scale benefits for the community in terms of three waters services than single council delivery options, while nurturing the water resources in the area.

The WS-CCO will be open to have other councils to join it in future, and as allowed for in legislation.

The WS-CCO will:

- be dedicated to deliver water services for all the Councils and ensure financially viable and environmentally sustainable operations.
- provide communities with confidence that requirements set by the Water Services Authority and the Commerce Commission (as economic regulator) will be met in a timely way and without penalty
- ensure meaningful recognition of kaitiakitanga and participation of Mana whenua within governance, management and operational structures of the WS-CCO.

The Councils agree through their Collaboration Agreement to outline the process to form a WS-CCO and the approach to completing the Water Services Delivery Plan, transition planning and through to the services structure for Day 1 to be resourced by a transition team from within the Councils, providing the necessary functions for the WS-CCO to function at Day 1 and empowering the WS-CCO Establishment Board to make future decisions guided by the Statement of Expectations.

Scope of services

The WS-CCO will own, manage and operate all transferred water supply infrastructure, wastewater assets and stormwater assets and deliver the services currently provided by each Council. This includes the abstraction, treatment, supply and distribution of drinking water, as well as the collection, treatment and disposal of wastewater. The WS-CCO may maintain or enter agreements with others to provide components of these services where required.

The WS-CCO will not undertake any services which are not related to three waters services.

Those Councils retaining ownership of some stormwater assets (and mixed-use rural water supplies) may contract the WS-CCO to provide relevant services including strategy, planning, consenting, project design, delivery, maintenance, engineering and related services. These will be included in the WS-CCO's Water Services Strategy.

The WS-CCO may additionally:

- provide non-urban stormwater services to each council by agreement.
- support water-related infrastructure in parks, transport corridors and other public assets, where aligned with council strategics and agreed service arrangements.
- support water-related services to marae,
- provide water services to non-shareholding local authorities or other water services WS-CCOs, and
- (with the agreement of the shareholders) extend water-related infrastructure to communities not currently serviced.

Anticipated benefits

Three waters services are critical to the health and wellbeing of our communities. The anticipated benefits for all three waters by transitioning to the multi-council WS-CCO service delivery model include:

Benefit	**Description**
A holistic approach to water	Offers a coordinated approach to support and improve the quality and health of the water resources within the WS-CCO area, recognising the statutory protections over the Whangaehu River and obligations from Treaty settlements.
Better for water users / Improved customer experience	Puts customers at the centre through a sole focus on waters across the joint area, delivers (in time) consistent levels of service for all customers.
Improved governance	The WS-CCO will be governed by a skills based board that will provide specialised governance through the requirements set out in clause 40 of Bill 3.
Improved financial efficiency	Greater borrowing capacity will support planned capital investment and provides increased debt headroom for anticipating or responding to emergencies.
Improved environment for staff	The WS-CCO will require staff in all locations currently serviced by the Councils to maintain (if not improve) the current levels of service. But it will also allow new opportunities for specialisation, including in-depth knowledge of the requirements of the Water Services Authority and the Commerce Commission.
Improved compliance	The WS-CCO will be giving priority to addressing consents operating under continuance provisions or fully expired, and to ensuring issues raised by the Water Services Authority and the Commerce Commission are dealt with efficiently and effectively.

Operational effectiveness	Reduction in duplication – parts, chemicals, process over time. A more stable operating environment (less subject to changes in local political situation). Enables (in time) standardisation of processes and systems, energy efficiencies and improved data quality and reliability.
Opportunities of scale	Bigger programme of work promotes optimised resource allocation, provides greater purchasing power to negotiate better contracts and secure more favourable pricing, improved regulatory engagement and consolidation/coordination of consenting activities, speeds up compliance response where required,
Supports coordinated and boundaryless planning and investment	Although the boundaries of the participating Councils are not wholly contiguous, the arrangement could enable infrastructure to support community growth and other development across Council boundaries.
Coordinated emergency management and responses	Adopting standard response protocols and actions for water services across the entire WS-CCO area will provide for improved coordination and effectiveness in emergencies.
Regional contribution	Open for others to join when the time is right, with the potential to further increase the benefits.
Opportunities for other activities	Once the WS-CCO is established, Councils will be able to give greater focus for their other activities over which they exercise a greater level of local discretion.

Ringfencing of water services revenue

1. Prior to transition (Pre-1 July 2027)

- Each council will maintain financial systems that enables balance sheet separation of financial transactions attributed specifically to water, wastewater and stormwater activities.
- Shareholding Councils retain operational responsibility for three waters services prior to the transition.

2. Following transition (From 1 July 2027)

- Water, wastewater and stormwater assets and service delivery will generally be transitioned to the WS-CCO, which will operate as a standalone legal entity with its own balance sheet and financial reporting structure.
- The WS-CCO will manage all revenues, operating expenses, capital investments and debt servicing for the water, wastewater and stormwater assets transferred.
- The WS-CCO revenue will be ringfenced for water, wastewater and stormwater purposes only.

- Each Council will maintain balance sheet, revenue separation and revenue sufficiency for those water, wastewater and stormwater assets not transferred to the WS-CCO irrespective of whether the revenue is retained by the Council for managing those assets or forwarded to the WS-CCO because of a service agreement to manage those assets.

Revenue collection

The Councils currently operate a mix of usage-based charges and rates based on capital and land value. The WS-CCO will, where water, wastewater or stormwater is charged based on capital or land value, transition to charging based on combination of volumetric and/or fixed charges over a five-year period for connected properties as prescribed in legislation. This transition aims to create a fairer, more transparent and financially sustainable pricing structure for water services while ensuring cost recovery and investment. It will be subject to oversight from the Commerce Commission.

With agreement from the WS-CCO, each Council may continue to set and collect rates for the provision of stormwater services (and Rangitīkei may do this for its mixed-use rural water supplies).

Transition Period and Phased Implementation

Prior to transition - (Pre-1 July 2027)

- Councils continue collecting water charges through rates and other sundry invoicing mechanisms and continue to be responsible for all water services.
- Water services revenue and expenditure is tracked separately.

Following transition (From 1 July 2027 – 30 June 2032)

- WS-CCO sets water, wastewater and stormwater charges and councils collect charges on behalf of the WS-CCO using existing billing systems.
- Existing volumetric or load based charging continues.
- The proportion of charges based on capital and land value reduces in each year of the transition as required by the legislation.
- The timing of direct billing by the WS-CCO may vary between the councils, depending on where the WS-CCO inherits or implements universal water metering.
- Where Councils retain assets, they will ensure the associated activities are financially sustainable by 30 June 2028.
- Price harmonisation will continue *within each Council area* but not across the whole WS-CCO area, unless otherwise directed by the Commerce Commission.
- The revenue pathway and charging transition will be set out in the WS-CCO's Water Services Strategy and Development Contributions Policy.

Final Phase (by 30 June 2032)

- Complete transition to WS-CCO direct billing
- Pricing structure will be determined by the WS-CCO Board (in accordance with the Water Services Strategy)
- Revenue sufficiency and cost coverage (WS-CCO to ensure revenues are sufficient to cover):
  a. operational costs,
  b. capital expenditure,
  c. debt servicing and financial obligations, and
  d. support mechanisms such as Government rate rebate program.

In preparing this WSDP, the Councils undertook comprehensive financial modelling of various service delivery options with its neighbouring councils. The Councils preferred option is to transfer its water assets and services to a new multi council Water Council-Controlled Organisation (WS-CCO).

Model selection

The preferred option was selected based on the following factors and benefits:

- This model was selected for its ability to consolidate resources, provide economies of scale including operational efficiencies and enhance service efficiency while maintaining local ownership and control.
- Over the long term, the multi council WSC-CO will provide affordable water service delivery for all communities.
- This option aligns with central Government's expectations that councils pursue multi-Council WS-CCOs.

Entity set up

This model involves the three councils - jointly establishing a limited liability water organisation with ownership arrangements set out in a shareholder agreement in compliance with the legislation.

The governance structure will include a shareholder committee, comprising representatives from the participating councils and Mana whenua, that will be responsible for setting shareholder expectations, appointing board members, and overseeing performance.

An independent water organisation board will handle operational and financial decisions, ensuring alignment with the agreed statement of expectations and statutory objectives. Accountability measures include regular performance reporting to shareholder councils, the preparation of an annual report, and adherence to legislative requirements.

Equally important is appreciating the sustainability offered through the WS-CCOs access to, an FFO ratio of 8% which is equivalent to 500% debt to revenue ratio, funding option offered through the LGFA supported by the asset life of the payback period.

Water services revenues to be ringfenced

Water services revenues will be ringfenced from other council business through separate financial accounts, dedicated revenue streams, and robust policies to prevent cross-subsidisation. Revenue collection will rely on water-specific charges, rates, or fees, set transparently to ensure all service provision costs are covered.

These measures will be supported by detailed implementation plans, outlining regulatory compliance, financial projections, and long-term sustainability under the proposed delivery model. Regular audits and reporting will reinforce accountability and ensure funds are used exclusively for water services.

The new entity will establish financial structure, balance sheet, debt arrangements, charging and pricing. The new water organisation will be totally separate from the shareholding councils.

The Commerce Commission as the new water economic regulator will monitor the pricing of water under any delivery model adopted. This may include the introduction of universal water metering at a future date to ensure fair and equitable charging for water consumers.

Implementation plan

Implementation plan

Implementing the proposed service delivery model

Implementing the WS-CCO

This implementation plan outlines the proposals and undertakings (including process, milestones and timeframes) to establish the WS-CCO as a fully effective entity and meeting all statutory requirements. Through their Collaboration Agreement, Horowhenua District, Palmerston North City and Rangitīkei District have committed to manage the implementation process following acceptance of this plan.

Principles guiding the implementation process

- A compelling case for change
- Working with Mana whenua across the three council areas
- Commitment to kaitiakitanga, the statutory protections over the Whangaehu River, and the individual Council's
- Minimum Viable Product (MVP) approach across all transition planning,
- Staff affected by the transition kept fully informed and involved
- Uninterrupted water services delivery and no reduction in levels of service
- Shared services approach to support the establishment of the WS-CCO, with the WS-CCO transitioning away from this during the five years following establishment.
- Debt-funded establishment costs,
- Design for potential future mergers with other councils or other WS-CCO's.

WS-CCO ownership structure

Horowhenua District, Palmerston North City and Rangitīkei District will be the establishment shareholders for the joint WS-CCO.

The WS-CCO will own and manage water, wastewater and stormwater infrastructure assets transferred to it by the shareholding Councils.

The apportionment of shares is set by the constitution and shareholders' agreement. This apportionment does not affect voting rights of the individual Councils in the Shareholders' Committee: each Council has the same voting rights.

Engagement with Mana whenua

The shareholders will require the WS-WS-CCO to honour Te Tiriti o Waitangi – the Treaty of Waitangi, the Treaty Settlements within its area of operation and ongoing relationships with Mana whenua[2] and will give effect to the statutory recognition of Te Waiū o te ika (Whangaehu River).

The commitments made by individual Councils to Mana whenua arising from Treaty settlements include protection of specific water resources. The Councils collectively are committed to ensuring that through the development of a WS-WS-CCO those commitments are honoured.

The proposed governance and oversight arrangements for the WS-CCO are intended to promote participation by Mana whenua, through membership either on or alongside the Shareholders' Committee and/or through a Kaitiakitanga Water Services Advisory Group. Where other mechanisms are identified by Mana whenua to give effect to their Kaitiaki responsibilities, the WS-CCO will work in good faith to accommodate these aspirations. Finalising these structures is noted in the Implementation Plan.

[2] Mana whenua for Rangitikei includes the Ratana community

Control and financial rights

Each Council's control and financial rights will be clearly defined within the shareholders' agreement and the constitution of the WS-CCO.

The WS-CCO will set its own charges and manage its own balance sheet and debt under the oversight of an independent, professional board appointed through the Shareholders' Committee. It is not expected that the WS-CCO will be paying dividends to the shareholding Councils within the first five years of its operations.

Shareholder support

The Councils (as shareholders) will provide proportional financial support to enable LGFA borrowing at an FFO ratio of 8% which is equivalent to a debt to revenue ratio of up to 500%. As at 1 July 2027, the financial support will be based on the proportional level of debt transferred by each council.

All the Councils will provide shared services to the WS-CCO through a transition period to ensure service continuity.

Timeframes and Milestones

Implementation of the new water service delivery model takes a three-phased approach (as tabulated below) from 1 July 2025 to 30 June 2027. This has a dual focus – ensuring operational readiness of the WS-CCO while maintaining service continuity. A key assumption is that the WS-CCO will progressively develop its own systems and processes, gradually unwinding shared services arrangements. In addition, Mana whenua engagement across all three phases is assumed.

The intended changes in treatment of revenue collection during the implementation phase is addressed in section A3.5 above.

The table on the following page sets out the three phases, noting the key matters to be addressed in each phase. It notes amendments to the Bill recommended by the Finance and Expenditure Committee's report to Parliament, 3 July 2025.

Phase 1: **1 July 2025-30 June 2026** **Councils' preparations**	**Phase 2:** **1 July 2026 – 30 June 2027** **WS-CCO legally established**	**Phase 3:** **1 July 2027** **WS-CCO Operational**
• Commitment Agreement signed by Council Chief Executives • Project team and governance structures in place • Completion of Water Services Delivery Plan • Agreement by Councils on what assets they propose to continue to own and how they will be serviced and funded • Preparation for relationship with LGFA and other funding providers • Agreement by Councils on involvement of mana whenua in the structure of the WS-CCO • Foundational documents completed: ○ Constitution	• 12-month establishment phase • TBC Appointment of Directors (beyond Establishment Board) • Councils continue to deliver and fund three waters services until 30 June 2027 • Shareholders issue its (interim) Statement of Expectations (by 31 December 2026)[3] • First Water Services Strategy and associated charging regime prepared (by 30 June 2027)[4] • First annual budget (for 2027/28) adopted by 30 June 2027[5] • Treasury function established including bank counterparties	• WS-CCO delivers three waters services as set out in transfer agreements and service agreements with Councils and executes borrowing covenant with the LGFA • WS-CCO is responsible for regulatory compliance (and paying levies imposed by those agencies). • Shareholders issue a Statement of Expectations • Preparation of business systems to allow withdrawal of Shared Services from the Councils (with anticipated completion in five years) • First half-yearly report (1 July-31 December 2027) by 29 February 2028[8]

[3] Currently, clause 185 of the Local Government (Water Services) Bill

[4] Currently clause 5 in Schedule 1 of the Local Government (Water Services) Bill

[5] Currently clause 200 of the Local Government (Water Services) Act. The Finance and Expenditure Committee recommends that for the first year, the annual budget is the financial statements and funding impact statement for that year in the water services strategy.

[8] Currently clause 208 of the Local Government (Water Services) Bill.

○ Shareholders' Agreement • Location of WS-CCO headquarters arranged • WS-CCO registered as a company • Appointment of Directors (TBC if Establishment Board) • Appointment of interim WS-CCO Chief Executive	• Employment of Council staff confirmed following offers from the individual Chief Executives[6] • Shared services arrangements with the Councils confirmed to enable Day 1 operation. • Councils confirm holders of current contracts required on Day 1 are willing to be novated for the WS-CCO (and arrange that) • Transfer agreements (as prescribed in legislation[7]) adopted by resolution of the Councils for 30 June 2027 execution. • Borrowing covenant for the WS-CCO agreed with LGFA (to take effect from 1 July 2027) • Transfer of debt agreed with the Councils (including that related to transition costs incurred by them) • Any other actions required to ensure successful transition on Day 1.	• Second annual budget adopted by 30 June 2028 (for 2028/29 financial year) by 30 June 2028[9] • Confirm full financial sustainability by 30 June 2028[10] • Significance and engagement policy (by 30 June 2028)[11] • First assessment of communities' access to drinking water, stormwater and wastewater services by 31 August 2028[12] • First annual report (for 2027/28 financial year) by 30 September 2028[13] • First trade waste discharge plan (if delegated by the Councils) by 30 June 2029[14] • First stormwater risk management plan (in collaboration with the Councils) by 30 June 2030[15] • Consider (in discussion with the Councils) preparing a separate development contributions policy or having one or more the Council's policy extend to the WS-CCO.[16]

[6] Currently clauses 1-3 in Schedule 1 of the Local Government (Water Services) Bill.

[7] Currently clause 11 and Schedule 2 of the Local Government (Water Services) Bill

[9] Currently clause 200 of the Local Government (Water Services) Bill.

[10] Section 13, Local Government (Water Services Preliminary Arrangements) Act.

[11] Finance and Expenditure Committee recommends new clause 30E(2).

[12] Clauses 58B and 58D Local Government (Water Services) Bill: recommendation from the Finance and Expenditure Committee. (Three years after commencement of the Act.)

[13] Currently clause 6 in Schedule 1 of the Local Government (Water Services) Bill.

[14] Currently clause 150 of the Local Government (Water Services) Bill. Finance and Expenditure recommended adding' discharge' to the title.

[15] Clauses 165-166 of the Local Government (Water Services) Bill. Finance and Expenditure Committee recommends three years after establishment rather than two.

[16] Currently clause 93 of the Local Government (Water Services) Bill.

Consultation and engagement

Consultation and engagement – Horowhenua District

Consultation and engagement undertaken

Consultation background

This is one of the biggest decisions our Council will make for our district. As part of the Government's Local Water Done Well programme and new legislation, HDC consulted with its community on how we may deliver water services in the future.

HDC also coordinated community engagement with our neighbouring councils as practical as possible so there was clear and consistent messaging.

With New Zealand facing significant challenges when it comes to maintaining and upgrading essential infrastructure like roads, water, and electricity. The cost of this work is putting pressure on both government agencies and local government including HDC. This ultimately outlines the underlying options on how we deliver our water services into the future.

Each option had pros and cons, but one thing is clear. The more people who help share the cost of water services in the future, the better for everyone. This was a complicated issue to consult on, so HDC worked hard to engage and involve our community providing the opportunity to contribute through having a say on the options available for the future delivery of our water services.

In modelling the proposed delivery options, HDC focused on ensuring that the preferred water service delivery model was:

1. Fit for purpose.

2. Financially sustainable.

3. Subject to more oversight and regulations on quality and cost.

HDC consultation process

HDC realised early on the challenges associated with having a large asset base in infrastructure and a relatively small connection base (13,700) compared to surrounding councils. We understood that there would be advantages to working together in collaboration with other neighbouring Councils.

Initially we teamed up with nine other Councils from the Greater Wellington and Wairarapa Region to the South and eight other councils from Manawatu/Whanganui or Horizons Regional Council Catchment to the North. We have looked at everything from our assets, proposed work, structures of organisations, impact on existing staff, Iwi/hāpu involvement, community involvement, legal aspects, digital and software needs, and of course the financial implications.

We have prepared for water reform by bringing local water operations and maintenance in house in November 2024. This has saved us $1m in operational costs and giving us the best possible opportunity to be reform ready.

Key consultation milestones

- Consultation Document Approval - 26 Feb 2025
- Community consultation - 10 March to 10 April 2025
- Hearings - 30 April 2025
- Service delivery options Council Decision - 4 June 2025
- WSDP Council approval - 6 August 2025.

HDC's main methods used to consult with its community on LWDW and its preferred service delivery options were:

- Consultation Document was made available on Council's website.
- Facilitated drop in sessions and Citizens Panel Workshop during March 2025.
- Provided feedback form for community to submit on their preferred service delivery options via online platform, dedicated email address, post or dropping off at Council's offices.

Consultation Option	**Percentage of submitters who supported this option**
Option 1: A Water Services Organisation jointly owned by Horowhenua District Council, Palmerston North City Council, Manawatū District Council and Kāpiti Coast District Council.	56% (53 submissions)
Option 2: A Water Services Organisation jointly owned by all willing councils from the Manawatū-Whanganui and Kāpiti regions.	9% (8 submissions)
Option 3: Status Quo	31% (29 submissions)
No Preference identified	4% (4 submissions)

Consultation and engagement – Palmerston North City

Consultation and engagement undertaken

In early January to mid-February Council conducted a pre-engagement campaign with the community. The campaign focussed on bringing the community up to speed with the pending changes and to ensure they were informed of these prior to council going to consultation. This campaign included:

- The distribution of an information flyer via the rates bills and handed out at key community events
- The launch of a website, newspaper and radio ads. An education campaign via social media focussing on Councils water assets; and
- The hosting of public tours of facilities such as the Wastewater Treatment Plant

At its meeting on 12 February 2025, Palmerston North City Council resolved to adopt the Local Water Done Well Consultation Document. Consultation ran from 27 February – March 30th. The consultation document set out Councils proposal and sought views on three options:

1. A multi council-controlled organisation with Horowhenua, Manawatu and Kapiti Coast District Council
2. A multi council-controlled organisation with one or more other Councils within the Horizons Regional Council boundary; and
3. In-house business unit (status quo with changes)

In addition to the community ranking the options, we also asked the community to select their top six values from a list of 11 options. The intent of this was to understand the communities' priorities and to assist Elected Members in their decision-making.

A robust engagement, communication and marketing approach ensured our community were well informed and had the ability to have their say in a range of ways that suit them.

During consultation there was significant engagement with the community including:

- Attendance at large scale events eg Central District Field Days, Rural Games, Esplanade Day, Massey Orientation Week and a one off 'pool party' established specifically with engagement in mind
- 5 drop in sessions across the city's library network; and
- 7 sector and reference group meetings

The website played a pivotal role as the electronic home for Local Water Done Well. During consultation 5,378 people visited the hub 12,623 times. Social media platforms were extensively used during consultation. Across all platforms posts and ads were seen 214,787 times and engaged with (eg commented, reacted, shared) 28,818 times.

Council received 291 submissions to the consultation. Seven submitters requested to speak at the public hearing held as part of the Sustainability Committee meeting held on 16 April. Key themes from submissions:

- Submitters want an affordable option for the future and are open to collaborating with a wide range of councils
- Most viewed collaboration positively and recognised the importance of scale
- Providing a consistent water service at the same level or better ranked the highest of all the values
- Collaboration with our closest neighbours was seen as a high priority
- Submitters struggled to understand why Council could not continue to deliver water services as they do now

Option	Description	Selection
1	Establish a multi-council WSCCO with four councils – Palmerston North, Horowhenua, Manawatu and Kapiti District Coast	198 of 291 supported this as their first preference (68%)
2	Establish a multi-council WSCCO with one or more councils within the M-W region	195 of 291 submitters supported this as their second preference (67%)
3	Status Quo with changes	Consulted on but not legally compliant for council

We had a wide range of age groups that submitted, the breakdown is shown below:

Age group	Number
10 to 39	67
40 to 69	124
69 plus	69
Anonymous age	31

Consultation and engagement – Rangitikei District

Consultation and engagement undertaken

At its meeting on 26 February 2025, Rangitikei District Council resolved to adopt the Local Water Done Well Consultation Document (subject to minor editorial changes) for public consultation and the final approval by His Worship the Mayor.

Consultation opened on 5 March 2025 and closed on 2 April 2025. The Consultation Document 'Where's Water @ Rangitīkei?' sought views on three models:

- Model 1 (Council's preferred option): A WS-CCO with Rangitīkei District Council, Whanganui District Council, Ruapehu District Council;
- Model 2: Maintain the current water services delivery model – in-house management (the 'enhanced status quo');
- Model 3: A WS-CCO with as many councils in the Manawatū-Whanganui region as possible (noting that other councils in the region have chosen different models as their preferred model).

Council's communication team shared one media release at the beginning of consultation titled "Rangitīkei District Council prefers a collaborative approach to future water services delivery".

Social media proved to be an especially effective platform for the Local Water Done Well consultation, allowing Council to understand and answer resident questions directly, and break down a complicated topic into easily digestible pieces of content.

Council's communication team created and shared nine Local Water Done Well social media posts during the consultation period, encouraging conversation and engagement from residents about what Local Water Done Well means for them. In total, Council's Local Water Done Well content reached just over 30,000 Facebook accounts. Roughly 40% of Councils online following resides in Rangitīkei, so the reach for this content went much further.

Ninety submissions were received to the Consultation Document. One submitter asked to speak with Council: the hearing was held in the Marton Council Chamber on 16 April 2025.

Community meetings were held in Bulls, Taihape and Marton and responses made to comments and queries posted on Council's Facebook page.

The breakdown of locations provided by submitters is as follows:

Marton	56	66.7% (of the 84 submitters providing addresses)
Bulls	17	20.2%
Hunterville	8	9.5%
Taihape	3	3.6%
Not stated	6	::

The Consultation Document invited submitters to rate their level of support for each of the three models, using a score from between 1 and 10, on the basis that 1 meant no support' 10 meant 'full support', asking what were the key factors influencing their rating of each of the three models and whether there was another model which they would like the Council to consider. 86 of the 90 submitters provided scores.

The following table totals the scores for each option and calculates a mean. It also shows the number of submitters who fully supported a model (i.e. scored 10) and those who did not support a model at all (i.e. scored 1).

	Scoring of models		
	1	2	3
	535	422	332
Mean score	**6.22**	**4.91**	**3.86**
Scoring '10'	26	23	12
Scoring '1'	19	28	38

While this table shows stronger support for Council's proposed model (Model 1) than the other two models, and with a significantly lower number of submitters totally opposed, there is some support for the in-house model (Model 2), although there was a greater number of submitters who were totally opposed. The least popular – and the one most obviously not supported is the 'as many councils as possible in the Horizons region (Model 3).

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.*

In addition to internal quality assurance processes, the following independent assurance has been undertaken:

- External peer review of the financial aspects of the plan.
- Review of initial draft WSDP (service delivery aspects) by Internal Affairs for Rangitīkei-Ruapehu-Whanganui collaboration.
- Review by DIA of draft plan for Horowhenua/Palmerston North/Rangitikei collaboration
- Review by Simpson Grierson for legal compliance on Horowhenua/Palmerston North/Rangitikei collaboration

The below is our current estimate of our levels of confidence in the underlying information included in the Plan.

Regulatory Compliance: There is a high level of confidence in compliance supported by internal documentation and existing compliance frameworks, including reports from Horizons Regional Council and from the auditors for each Council.

Asset Management: There is a high level of confidence that the asset information and approach outlined in the plan are consistent with the respective council's asset management information and practices.

Investment Requirements and Asset Condition: There is a high level of confidence that the investments and asset information within the plan is consistent with the respective councils' asset management plans, condition assessment methodologies and current understanding of optimised investment. There are limitations with quality and quantum of condition assessment information.

Financial Projections: There is a high level of confidence that baseline financial projections are consistent with each council's baseline planning documents, particularly their long-term plans.

Horowhenua District Council resolution to adopt the Plan

Councils must adopt their Plans by resolution. In order to demonstrate compliance with this requirement, it is expected that councils will include the resolution date and a copy of the decision to adopt the Plan. For a joint Plan, this resolution to adopt the Plan must be completed by each council to which the Plan relates.

Palmerston North City Council resolution to adopt the Plan

Councils must adopt their Plans by resolution. In order to demonstrate compliance with this requirement, it is expected that councils will include the resolution date and a copy of the decision to adopt the Plan. For a joint Plan, this resolution to adopt the Plan must be completed by each council to which the Plan relates.

Rangitikei District Council resolution to adopt the Plan

Councils must adopt their Plans by resolution. In order to demonstrate compliance with this requirement, it is expected that councils will include the resolution date and a copy of the decision to adopt the Plan. For a joint Plan, this resolution to adopt the Plan must be completed by each council to which the Plan relates.

Certification of the Chief Executive of Horowhenua District Council

The Council Chief Executive can complete the following certification statement to demonstrate compliance. For joint Plans, this certification statement should be modified to certify only the information provided by the council in the preparation of the Plan, as opposed to all information included in the Plan.

I certify that the information relating to the Horowhenua District Council in this Water Services Delivery Plan:

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

Signed: _____
Name: Monique Davidson
Designation: Chief Executive
Council: Horowhenua District Council
Date: _____

Certification of the Chief Executive of Palmerston North City Council

The Council Chief Executive can complete the following certification statement to demonstrate compliance. For joint Plans, this certification statement should be modified to certify only the information provided by the council in the preparation of the Plan, as opposed to all information included in the Plan.

I certify that the information relating to the Palmerston North City Council in this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information contained in the Plan as pertaining to Palmerston North City Council is true and accurate.

Signed: _____
Name: Waid Crockett
Designation: Chief Executive
Council: Palmerston North City Council
Date: _____

Certification of the Chief Executive of Rangitikei District Council

The Council Chief Executive can complete the following certification statement to demonstrate compliance. For joint Plans, this certification statement should be modified to certify only the information provided by the council in the preparation of the Plan, as opposed to all information included in the Plan.

I certify that the information relating to the Rangitikei District Council in this Water Services Delivery Plan:

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

Signed: _____
Name: Carol Gordon
Designation: Chief Executive
Council: Rangitikei District Council
Date: _____

Compliance Table provided by Simpson Grierson on the WSDP

CONTENT REQUIREMENT UNDER PRELIMINARY ARRANGEMENTS ACT	JOINT WSDP REFERENCE
13(1)(a) – current state of water services network	Part B, pages 69-76
13(1)(b) – current levels of service	Part B, pages 33 – 68 and 85 - 89
13(1)(c)(i) – areas in the district that do and do not receive water services	Part B, pages 33 – 35, 50 – 52 and 56 - 58
13(1)(c)(ii) – water services infrastructure associated with providing for population growth and development capacity	Part B, pages 49 – 50, 55 – 56, and 67 - 68
13(1)(d) – whether/to what extent water services comply with current and anticipated regulatory requirements	Part B, pages 85 - 110
13(1)(e)(i) – description of any non-compliance with current and anticipated regulatory requirements	Part B, pages 85 - 110
13(1)(e)(ii) – how the proposed delivery model will assist to ensure water services will comply with regulatory requirements	Part B, pages 13 - 15
13(1)(f)(i) – capex and opex required to deliver water services	Part B, pages 111 – 116 (capex); Part E, pages 162 – 179 (opex)
13(1)(f)(ii) – capex and opex required to ensure water services comply with regulatory requirements	Part B, pages 111 – 116 (capex); Part E, pages 162 – 179 (opex)
13(1)(g)(i) – operating costs and revenue required to deliver water services over plan period	Part E, pages 162 - 179
13(1)(g)(ii) – projected capex on water services infrastructure	Part B, pages 111 - 116
13(1)(g)(iii) – projected borrowing to deliver water services	Part D, pages 152 – 158
13(1)(h) – current condition, lifespan, and value of the water services networks	Part B, pages 69 - 76
13(1)(i) – asset management approach for delivering water services	Part B, pages 76 - 84
13(1)(j) – issues, constraints, and risks that impact on delivering water services	Additional information pages 186 -198
13(1)(k) – anticipated or proposed model for delivering water services	Part A, pages 13 - 17
13(1)(l) – how revenue from, and delivery of, water services will be separated from territorial authority's other functions and activities	Part A, pages 15 - 16

13(1)(m) – consultation undertaken on proposed model	Part A, pages 21 - 25
13(1)(n) – what the territorial authorities propose to do to ensure delivery of water services will be financially sustainable by 30 June 2028	Part A, pages 7 – 12; Part D, pages 142 - 158
13(1)(o)(i) – implementation plan for delivering proposed model	Part A, pages 18 - 20
13(1)(o)(ii) – implementation plan setting out the actions that the territorial authorities will take to ensure delivery of services it will be providing will be financially sustainable by 30 June 2028	Part A, pages 7 -12 and 18 – 20; Part D, pages 142 - 158
13(2)(a) – process for delivering the proposed model	Part A, pages 18 – 20
13(2)(b) – commitment by each territorial authority to give effect to the proposed model once plan accepted	Part A, page 4, page 18, page 26
13(2)(c) – name of territorial authority committing to model	Part A, page 4, page 18, page 26
13(2)(d) – timeframes and milestones for delivering proposed model	Part A, pages 19 -20
14(1)(a) – which territorial authorities will be parties to proposed model	Part A, page 4, page 18, page 26
14(1)(b) – water services to be delivered under proposed model	Part A, page 9
14(1)(d) – likely form of the joint arrangement e.g. joint WSWS-CCO	Part A, pages 13 - 20
14(2)(a), (b) and (c) – to the extent that information is available, the ownership structure, governance structure and rights under proposed model	Part A, pages 18 - 19
15(1)(a) – plan must cover at least 10 financial years starting from 2024-25	Parts A - E
15(2) – plan must provide the required information in detail for the first 3 financial years covered by the plan and outline in relation to subsequent years covered by the plan	Parts B - E
18(2) and (3) – plan must include certification from each chief executive of each territorial authority that the plan complies with the Act and the information in the plan is true and accurate	Part A, page 27

Part B: Network performance

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

Investment required in water services

Serviced population

Horowhenua District Council

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	29,001	29,546	30,115	30,653	31,212	31,796	32,368	33,011	33,660	34,321
Total ws residential connections	12,456	12,668	12,883	13,102	13,325	13,551	13,782	14,016	14,255	14,497
Total ws non-residential connections	1,539	1,566	1,592	1,619	1,647	1,675	1,703	1,732	1,762	1,792
Total ww residential connections	11,760	11,960	12,164	12,370	12,580	12,795	13,012	13,233	13,458	13,687
Total ww non-residential connections	1,453	1,478	1,503	1,529	1,555	1,581	1,608	1,636	1,663	1,692
Total sw residential connections	12,326	12,535	12,749	12,965	13,185	13,410	13,638	13,869	14,105	14,345
Total sw non-residential connections	1,523	1,549	1,576	1,602	1,630	1,657	1,686	1,714	1,743	1,773
Unserviced population (estimate)	9,158	9,330	9,510	9,680	9,857	10,041	10,221	10,425	10,629	10,838

Sources: Serviced Population – use number of connections over total property numbers (18,856 properties in 23/24 Annual Report as a proportion; applied to total population of 36,693, about76%); uses population projections as per 2024 LTP

Connections - LWDW Base Model 2025 – HDC & PNCC - SQ1 – Rows 50 to 51 for ws, rows 101 to 102 for ww; rows 152 to 153 for sw

Palmerston North City Council

The following table outlines key population metrics relevant to Palmerston North City's 3 Waters services. Table 1 provides a detailed assessment of the current population receiving water services, those not serviced, and projections for future population growth over the next 10 years. It also includes the number of residential and non-residential connections representing the serviced population.

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	87,522	88,207	88,914	89,654	90,438	91,272	92,143	93,029	93,915	94,779

Non-serviced population	7,611	7,670	7,732	7,796	7,864	7,937	8,012	8,090	8,166	8,242
Total residential connections	31,489	31,919	32.309	32,731	33,086	33,354	33,622	34,290	34,958	35,708
Total non-residential connections	2,470	2,489	2,508	2,528	2,547	2,566	2,585	2,604	2,623	2,643

Table 1: Projected Service Population

These figures represent a projected average population increase of 0.8% per year over the first 10 years. Beyond the 10-year horizon the average projected population increase per year is similar, being 1.0% and 0.7% over years 11 to 20 and 21 to 30 respectively.

Assumptions and caveats

1. *Serviced population has been derived from estimates and projections used to inform our Strategic Asset Management Plan, Infrastructure Strategy and the Palmerston North Future Development Strategy 2024(FDS). Split between residential and non-residential has been calculated by applying 8% non – residential and 92% ratio against the total population estimate projection for each year.*
2. *No direct information is available for the growth in non-residential connections therefore a default growth rate of 19 additional connections based on population growth across the period. No consideration has been made regarding the capacity that may be delivered at each additional connection.*
3. *The number of connections is different for water, wastewater, and stormwater services. The number provided is indicative of each.*

Rangitikei District

Total residential connections have been determined by using the mean of urban water, wastewater and stormwater connections. Total non-residential connections is the total of mixed-use rural water supply connections. Rangitikei's 2024-2034 long-term plan assumed an annual population growth of 0.5%.

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	12,609	12,671	12,733	12,798	12,863	12,924	12,990	13,055	13,122	13,187
Unserviced population	3,591	3,610	3,629	3,646	3,663	3,685	3,702	3,720	3,737	3,756
Total residential connections	4,666[17]	4,689	4,712	4,736	4,760	4,783	4,807	4,831	4,856	4,880
Total non-residential connections	201[18]	202	203	204	205	206	207	208	209	210

Total Projected Serviced Populations - combined

Projected serviced population	**FY2024/25**	**FY2025/26**	**FY2026/27**	**FY2027/28**	**FY2028/29**	**FY2029/30**	**FY2030/31**	**FY2031/32**	**FY2032/33**	**FY2033/34**
Serviced population	129,132	130,424	131,762	133,105	134,513	135,992	137,501	139,095	140,697	142,287
Total residential connections	48,336	48,995	49,620	50,279	50,876	51,389	51,936	52,827	53,753	54,864
Total non-residential connections	4,176	4,222	4,268	4,315	4,363	4,410	4,458	4,506	4,555	4,605

[17] Mean of urban water, wastewater and stormwater connections - projected increase is on same basis as serviced population i.e. 0.05%

[18] Total of mixed-use rural water supply connections - not expected to change over the ten-year period

Serviced areas

Horowhenua District Council – Serviced Areas

The Horowhenua District is one of the fastest growing districts nationally and providing water services for the townships is a challenge and requires integrated growth planning. The challenges include increased demand for water supply, particularly for Levin where the volume of water that can be taken from the Ōhau River is dependent on water flow. We are planning for increased water storage capacity, such as the development of a water reservoir, is underway to take more water from the Ōhau River in high flows, and store it for when the river has low flows. The consent restrictions on water take from the river coupled with peak demand during summer is resulting in water restrictions. Anticipated growth is also leading to increased residential, commercial and industrial demand on existing wastewater infrastructure, particularly Levin wastewater treatment and disposal.
Most of Horowhenua's rated properties (or 76%) are provided with water services. The table below provide a detailed view of the serviced population.

<table>
<tr><th>Serviced areas (by reticulated network)</th><th>Water supply
schemes</th><th>Wastewater
#schemes</th><th>Stormwater
catchments</th></tr>
<tr>
<td>Residential areas (If more than one identify separately)</td>
<td>
<table>
<tr><th>Residential</th><th>Connected</th><th>Available</th></tr>
<tr><td>Foxton</td><td>1,124</td><td>48</td></tr>
<tr><td>Foxton Beach</td><td>1,509</td><td>74</td></tr>
<tr><td>Foxton/Himatangi</td><td>93</td><td>9</td></tr>
<tr><td>Levin</td><td>7,188</td><td>173</td></tr>
<tr><td>Levin Rural</td><td>977</td><td>12</td></tr>
<tr><td>Ohau Township</td><td>135</td><td>9</td></tr>
<tr><td>Shannon</td><td>596</td><td>37</td></tr>
<tr><td>Tokomaru Rural</td><td>73</td><td>1</td></tr>
<tr><td>Tokomaru Township</td><td>148</td><td>5</td></tr>
<tr><td>Sub Total</td><td>11,843</td><td>368</td></tr>
<tr><td>Total</td><td colspan="2">12,211</td></tr>
</table>
</td>
<td>
<table>
<tr><th>Residential</th><th>Connected</th><th>Available</th></tr>
<tr><td>Foxton</td><td>1,121</td><td>45</td></tr>
<tr><td>Foxton Beach</td><td>1,509</td><td>75</td></tr>
<tr><td>Foxton/Himatangi</td><td>54</td><td>9</td></tr>
<tr><td>Levin</td><td>7,145</td><td>177</td></tr>
<tr><td>Levin Rural</td><td>87</td><td>5</td></tr>
<tr><td>Ohau Township</td><td>581</td><td>30</td></tr>
<tr><td>Shannon</td><td>34</td><td></td></tr>
<tr><td>Tokomaru Rural</td><td>147</td><td>5</td></tr>
<tr><td>Tokomaru Township</td><td>912</td><td>157</td></tr>
<tr><td>Sub Total</td><td>11,590</td><td>503</td></tr>
<tr><td>Total</td><td colspan="2">12,093</td></tr>
</table>
</td>
<td>Foxton – 1,215
Foxton Beach – 1,644
Hokio Beach – 178
Levin -7,488
Shannon – 645
Tokomaru – 166
Waikawa Beach – 232
Waitarere Beach – 1,094</td>
</tr>
</table>

<table>
<tr>
<td>Non-residential areas (If more than one identify separately)</td>
<td>
<table>
<tr><th>Non Residential</th><th>Connected</th><th>Available</th></tr>
<tr><td>Foxton</td><td>109</td><td>4</td></tr>
<tr><td>Foxton Beach</td><td>21</td><td>1</td></tr>
<tr><td>Foxton/Himatangi</td><td>28</td><td>2</td></tr>
<tr><td>Levin</td><td>531</td><td>18</td></tr>
<tr><td>Levin Rural</td><td>180</td><td>44</td></tr>
<tr><td>Ohau Township</td><td>5</td><td></td></tr>
<tr><td>Shannon</td><td>65</td><td>4</td></tr>
<tr><td>Tokomaru Rural</td><td>26</td><td>3</td></tr>
<tr><td>Tokomaru Township</td><td>3</td><td></td></tr>
<tr><td>Sub Total</td><td>968</td><td>76</td></tr>
<tr><td>Total</td><td colspan="2">1,044</td></tr>
</table>
</td>
<td>
<table>
<tr><th>Non Residential</th><th>Connected</th><th>Available</th></tr>
<tr><td>Foxton</td><td>105</td><td>2</td></tr>
<tr><td>Foxton Beach</td><td>21</td><td>1</td></tr>
<tr><td>Foxton/Himatangi</td><td>4</td><td></td></tr>
<tr><td>Levin</td><td>516</td><td>23</td></tr>
<tr><td>Levin Rural</td><td>7</td><td></td></tr>
<tr><td>Ohau Township</td><td>56</td><td>4</td></tr>
<tr><td>Shannon</td><td>5</td><td>1</td></tr>
<tr><td>Tokomaru Rural</td><td>2</td><td></td></tr>
<tr><td>Tokomaru Township</td><td>11</td><td></td></tr>
<tr><td>Sub Total</td><td>727</td><td>31</td></tr>
<tr><td>Total</td><td colspan="2">758</td></tr>
</table>
</td>
<td>Foxton – 109
Foxton Beach – 19
Hokio Beach – 0
Levin -531
Manakau – 3
Ohau - 3
Shannon – 59
Tokomaru – 1
Waikawa Beach – 0
Waitarere Beach – 9</td>
</tr>
<tr>
<td>Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)</td>
<td>Rural – 1,050 connected and 13 available</td>
<td>Rural – 234 connected and 10 available</td>
<td>0</td>
</tr>
<tr>
<td>Areas that do not receive water services (If more than one identify separately)</td>
<td>[6,415]</td>
<td>[6,814]</td>
<td>[6,011]</td>
</tr>
</table>

		Rating Zone	**No WS**	**No WW**	**No SW**
		Foxton	61	77	12
		Foxton Beach	38	38	11
		Hokio Beach	178	178	0
		Levin	241	275	100
		Manakau	86	86	0
		Ohau	9	156	0
		Rural Farming	1,738	1,967	1,982
		Rural Other	2,041	3,059	3,168
		Shannon	51	70	3
		Tokomaru	13	15	1
		Waikawa Beach	232	232	0
		Waitarere Beach	1,108	32	5
		No Charges	591	591	591
		Non Rateable	15	25	125
		Utilities	13	13	13
		TOTAL	**6,415**	**6,814**	**6,011**
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	Levin – 4,363 dwellings Foxton – 676 dwellings Foxton Beach – 376 dwellings Waitarere – 480 dwellings Ohau – 389 dwellings Waikawa – 26 dwellings Manakau – 84 dwellings Shannon – 84 dwellings Hokio Beach – 30 dwellings Rural – 734 dwellings		Levin – 4,363 dwellings Foxton – 676 dwellings Foxton Beach – 376 dwellings Waitarere – 480 dwellings Ohau – 389 dwellings Waikawa – 26 dwellings Manakau – 84 dwellings Shannon – 84 dwellings Hokio Beach – 30 dwellings Rural – 734 dwellings		Levin – 4,363 dwellings Foxton – 676 dwellings Foxton Beach – 376 dwellings Waitarere – 480 dwellings Ohau – 389 dwellings Waikawa – 26 dwellings Manakau – 84 dwellings Shannon – 84 dwellings Hokio Beach – 30 dwellings Rural – 734 dwellings

*Sources: Serviced Areas - r*ates database extract provided on 24 June 2025

Mixed Use - Areas that do not receive water services - Proposed Growth – LTP 2024-2044 (page 463)

Water Supply

DIA Additional measures:

The Department of Internal Affairs (DIA) included additional drinking water quality assurance rules in the DIA's Non-Financial Performance Measures effective from 21 August 2024. These additional rules relate to processes and inform the results for SSP-WS1 (bacteria compliance criteria) and SSP-WS2 (protozoa compliance criteria). Failure of one of these processes could, depending on whether there is a valid explanation or not, result in non-compliance of WS1 or WS2.

Non-compliance of these additional processes will be reported on in either or both WS1 & WS2. As the rules were specifically included in the DIA's Non-Financial Performance Measures 2024 and because they provide better visibility of our processes to our community, we have included them in the table below. Please note however that this result is not included in the overall 'status' summary above.

Ref	Service	How performance is measured	Target	Link to Evidence	On track/Not on track/Unable to Report
DIA additional measures	Safe water supply*	Measure: Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (g) 4.4 T1 Treatment Rules; (g) 4.5 D1.1 Distribution System Rule; (g) 4.7.1 T2 Treatment Monitoring Rules; (g) 4.7.2 T2 Filtration Rules; (g) 4.7.3 T2 UV Rules; (g) 4.7.4 T2 Chlorine Rules; (g) 4.8 D2.1 Distribution System Rule; (j) 4.11.5 D3.29 Microbiological Monitoring Rule in: Levin Shannon Foxton Foxton Beach Tokomaru		D25/65925 D25/82817 *see distribution rules – section is samples taken, must be around 4 per month no more than 9 days interval.	**On track/Not on track/Unable to Report** As of 31 May 2025. Rules that affect local waters WTPs are: G, S3, T3, D3 for Levin, Shannon, Tokomaru, and Foxton area. D3.19 rule: Residual chlorine: Foxton Beach is not on track for adequate residual chlorine (FACe) in distribution retic network (end points of Marine Parade North and Boat Club). This is under D3.19 rule - separate to D3.29 (j) frequency rule. SSP-WS1 or SSP-WS2 are treatment plant rules under DWQAR-T3.

	Achieve	Rules G, S1 and T1 govern community drinking water stations, -There is one at Levin and two at Foxton, these are tested on a higher level to G, S3 ,T3, D3 standards - due to the DWQAR rules, and Taumata Arowai's own website directly contradicting itself - stating in the DWQAR rules (pg 9) a dechlorinated supply at the supply point is not considered a community drinking water station, and their website suggesting it is, and suppliers need to risk assess on a satisfactory level. We test more frequently than the G, S1 and T1 rules recommend for assurance and test for bacteria, turbidity and pH fortnightly. https://www.taumataarowai.govt.nz/news/articles/suppliers-operating-community-water-taps/
	Achieve	(j) monitors end point sampling frequency for coliform and e. coli – we are always meeting this requirement for testing frequency. (a) – (g) do not apply to our area as population size in all supplies is over 500 people. Goals h) T3 bacteria and i) T3 protozoa are reported against under WS1 and WS2, as is T3 bacteria rules, and Treatment UV rules. To summarise the compliance, WS1 and WS1 evidence doc shows compliance in monthly reports.
	Achieve	Key (Compliance): • Compliant = Y (yes);
	Achieve	
	Achieve	

- Non-compliant = N

Rule/s	(j)
Levin	
April 2025	y
May 2025	y
YTD	n
Shannon	
April 2025	y
May 2025	y
YTD	n
Foxton	
April 2025	y
May 2025	y
YTD	n
Foxton Beach	
April 2025	y
May 2025	y
YTD	n
Tokomaru	
April 2025	y
May 2025	y
YTD	n

*Samples due in the final week of December were taken as per schedule, transported to the lab, left in the chilli-bins (not sampled by the lab, then returned to the Levin depot one day after the minimum interval (no more than 9 days between sampling). Taumata Arowai and Eurofins were both notified of this breach at this time. Process steps at the lab will ensure this does not happen again.

SSP-WS1	Safe water supply*[1].	Council's drinking water supply complies with: (a)[2] part 4 of the Drinking Water Standards (bacteria compliance criteria) in: Levin Shannon Foxton Foxton Beach Tokomaru	 Achieve Achieve Achieve Achieve Achieve	**D25/65925** Water Supply monthly report April 2025 **D25/82817** Water Supply monthly report May 2025 **D25/86258** Email regarding Shannon PC updates.	**On track** As of 31 May 2025 Key (Compliance): • Compliant = Y (yes); • Non-compliant = N

Water supply	April 2025	May 2025	YTD
Levin - Chlorination	Y	Y	Y
Levin – UV	Y	Y	Y
Shannon - Chlorination	Y	Y*	Y
Foxton - Chlorination	Y	Y	Y
F Beach - Chlorination	Y	Y	Y
Tokomaru - Chlorination	Y	Y	Y
Tokomaru - UV	Y	Y	Y

					* On 6/5/25 there was a planned PC Upgrade performed by CR Automation. This caused one "missing 15-minute" event. Evidence in the form of an email chain with Adrian Parkes can be found on CM9.
SSP-WS2	Safe water supply*[3].	Council's drinking water supply complies with: (b)[4] part 4 of the Drinking Water Standards (protozoa compliance criteria) in: Levin Shannon Foxton Foxton Beach Tokomaru	 Achieve Achieve Achieve Achieve Achieve	**D25/65925** Water Supply monthly report April 2025 **D25/82817** Water Supply monthly report May 2025 **D25/86258** Email regarding Shannon PC updates.	**On track** As of 31 May 2025 Key (Compliance): • Compliant = Y (yes); • Non-compliant = N *On 6/5/25 there was a planned PC Upgrade performed by CR Automation. This caused one "missing 15-minute" event. Evidence in the form of an email chain with Adrian Parkes can be found on CM9.

Water supply	April 2025	May 2025	YTD
Levin – Filtration	Y	Y	Y
Levin – UV	Y	Y	Y
Shannon – Filtration	Y	Y*	Y
Foxton – Filtration	Y	Y	Y
F Beach – Filtration	Y	Y	Y
Tokomaru - Filtration	Y	Y	Y
Tokomaru - UV	Y	Y	Y

<table>
<tr>
<td>SSP-WS3</td>
<td>Drinking water that tastes and looks satisfactory*.</td>
<td>The total number of complaints received about any of the following (expressed per 1000 connections):

Drinking water clarity;
Drinking water taste;
Drinking water odour;
Drinking water pressure or flow;
Continuity of supply; and Council's response to any of these issues.

Total:</td>
<td>

1
1
1
1
1
1

≤ 6</td>
<td>D24/107050 Water SSP Summary</td>
<td>Not on track
As of 31 May 2025
<table>
<tr><th>Description</th><th>Target per 1000 connections</th><th>YTD Result per 1000 connections</th><th>No. of complaints YTD</th></tr>
<tr><td>Clarity</td><td>1</td><td>1.44</td><td>19</td></tr>
<tr><td>Taste</td><td>1</td><td>0.15</td><td>2</td></tr>
<tr><td>Odour</td><td>1</td><td>0.08</td><td>1</td></tr>
<tr><td>Pressure of flow</td><td>1</td><td>3.18</td><td>42</td></tr>
<tr><td>Continuity of supply</td><td>1</td><td>6.05</td><td>80</td></tr>
<tr><td>Council's response</td><td>1</td><td>0.08</td><td>1</td></tr>
<tr><td>Total</td><td>≤ 6</td><td>10.97</td><td>145</td></tr>
</table>
Number of rated connections as at 1 July 2024: 13,213.</td>
</tr>
<tr>
<td>SSP-WS4</td>
<td>Response to faults*.</td>
<td>The median time from the time that Council received notification, to the time that service personnel:

Reach the site for urgent callouts;
Confirm resolution of the fault or interruption of urgent callouts;
Reach the site for non-urgent callouts; and
Confirm resolution of the fault or interruption of non-urgent callouts.</td>
<td>

< 1 hour

< 8 hours</td>
<td>D24/107050 Water SSP Summary</td>
<td>On track
As of 31 May 2025
<table>
<tr><th>Description</th><th>Median target</th><th>YTD Median result</th><th>Comment</th></tr>
<tr><td>Reach the site for urgent[5] callouts</td><td>< 1 hour</td><td>39 minutes</td><td></td></tr>
</table></td>
</tr>
</table>

			< 3 days (72hrs) < 3 days (72hrs)		<table><tr><td>Resolution of the fault or interruption of urgent callouts</td><td>< 8 hours</td><td>2 hours 8 minutes</td><td></td></tr><tr><td>Reach the site for non-urgent callouts</td><td>< 3 days</td><td>17 hours 54 minutes</td><td></td></tr><tr><td>Resolution of the fault or interruption of non-urgent callouts</td><td>< 3 days</td><td>20 hours 45 minutes</td><td></td></tr></table>Note: with the Local Waters team moving in-house in November 2024 and having to learn new processes, year to date results may not be 100% accurate. Training was provided to the team in November and December to reduce this risk.
SSP-WS5	Water supply is sustainable*.	Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). lpcd – litres per capita per day.	≤ 350 lpcd	D25/86829	**Unable to Report** As of 31 May 2025 <table><tr><td></td><td></td><td></td></tr><tr><td>275L/person /day</td><td>264L/person /day</td><td></td></tr><tr><td>Quarter 3 result 1 Jan – 31 March</td><td>Quarter 4 result 1 April – 30 June</td><td rowspan="2">275L/person/ day (Quarters 1 – 3)</td></tr><tr><td>287L/person /day</td><td>242L/person /day</td></tr></table>

					Note: This result is calculated on a quarterly basis as it is based on water meter readings which is done quarterly. Data has been reviewed as of 9.6.25 for this round of SSPs has been amended due to discrepancies found in water billing data: units used vs amount charged: units used is normally used or in this case the higher number, sometimes this is oddly lower than amount unit charged, likely due to a mixture of new water meter installs, customers resolving private side leaks and write offs due to these being fixed.	
SSP-WS6	Minimal water losses*.	Real water loss performance of the network as measured by the standard World Bank Institute Band for Leakage.	Band "B"	**D25/41567** Most recently updated ILI report.	**Not on track** As of 31 May 2025	

Supply	**YTD Snapshot – Infrastructure Leakage Index**	**Outcome**
Levin	4.19	C
Shannon & Mangaore	2.40 4.50	B C
Foxton	1.50	A
Foxton Beach	0.20	A
Tokomaru	0.10	A

					Band 'B' – The Infrastructure Leakage Index (ILI) is a performance indicator of real (physical) water loss from the supply network of the water distribution systems. The ILI was developed by the International Water Association (IWA) Water Loss Task Force (WLTF) and first published in 1999.
SSP-WS7	Sustainable water supply management.	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions received by Council in relation to Horizons Regional Council resource consents* for discharge from its water supply system.	 0 0 0 0	No notices received.	**On track** As of 31 May 2025 **YTD** Abatement Notices: 0 Infringement Notices: 0 Enforcement Orders: 0 Convictions: 0

*These performance measurements are provided by the Department of Internal Affairs, and they are mandatory.

[1] The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005. These standards were superseded by the Water Services (Drinking Water Services for New Zealand) Regulations 2022 (the regulations). The Non-Financial Performance Measures Rules were updated in 2024 effective 21 August 2024.

[2] New DIA Non- Financial Performance measures 2024 (effective 21 August 2024) changed wording to: Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (h) 4.10.1 T3 Bacterial Rules.

[3] The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005. These standards were superseded by the Water Services (Drinking Water Services for New Zealand) Regulations 2022 (the regulations). The Non-Financial Performance Measures Rules were updated in 2024 effective 21 August 2024.

[4] New DIA Non- Financial Performance measures 2024 (effective 21 August 2024) changed wording to: Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (i) 4.10.2 T3 Protozoal Rules.

[5] Urgent call-out is defined as a complete loss of service to the water supply.

Wastewater Treatment

<table>
<tr><th>Ref</th><th>Service</th><th>How performance is measured</th><th>Target</th><th>Link to Evidence</th><th>On track/Not on track/Unable to Report</th></tr>
<tr><td>SSP-WW 1</td><td>Reliable wastewater collection and disposal*.</td><td>The number of dry weather wastewater overflows from the wastewater system per 1000 connections.</td><td>≤ 2</td><td>D24/108346</td><td>On track
As of 31 May 2025
<table><tr><th></th><th>Target per 1000 connections</th><th>YTD Result per 1000 connections</th><th>No. of overflows YTD</th></tr><tr><td>Number of overflows</td><td>≤ 2</td><td>1.09</td><td>14</td></tr></table>Number of connections as at 1 July 2024: 12,817.</td></tr>
<tr><td>SSP-WW 2</td><td>Council provides a good response to wastewater system faults reported*.</td><td>The median time (hrs) from the time that Council receives a notification, to the time that services personnel reach the site in responding to an overflow resulting from a wastewater blockage or other fault*.</td><td>< 1 hour

< 12 hours</td><td>D24/108346</td><td>On track
As of 31 May 2025
<table><tr><th>Target Response Time</th><th>Result Response Time YTD</th></tr><tr><td>< 1 hour</td><td>9 minutes</td></tr><tr><th>Target Resolution Time</th><th>Result Resolution Time YTD</th></tr><tr><td>< 12 hours</td><td>3 hours and 44 minutes</td></tr></table>Note: with the Local Waters team moving in-house in November 2024 and having to learn new processes, year to date results may not be 100% accurate. Training was provided to the team in November and December to reduce this risk.</td></tr>
</table>

		The median time (hrs) from the time that Council receives a notification, to the time that services personnel confirm a resolution of a blockage or other fault within the wastewater system causing the overflow*.			
SSP-WW 3	The service is satisfactory *.	The total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: Wastewater odour; Wastewater systems faults; Wastewater system blockages; and Council's response to issues with its wastewater system.	< 4 < 6 < 8 < 4 < 22	D24/108346	**Not on track** As of 31 May 2025 Number of connections as at 1 July 2024: 12,817.

	Per 1000 connections YTD	**Total No. of complaints YTD**	**Status**
Odour	2.57	33	On track
Faults	1.56	20	On track
Blockages	9.44	121	Not on track
Council's response	0	0	On track
Total	13.58	174	On track

		Total number of complaints received about any of the above.			
SSP-WW 4	Safe disposal of wastewater *.	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions received by Council in relation to Horizons Regional Council resource consents* for discharge from its wastewater system.	0 0 0 0	D24/113542	**Not on track** As of 31 May 2025 One Abatement notice received in July 2024 for Tokomaru WWTP.

	YTD
Abatement Notices	1
Infringement Notices	0
Enforcement Orders	0
Convictions	0

*These performance measurements are provided by the Department of Internal Affairs, and they are mandatory.

Stormwater

Ref	Service	How performance is measured	Target	Link to Evidence	On track/Not on track/Unable to Report
SSP-SW1	An adequate stormwater system*.	Number of flooding events that occur in the district.	< 5 per year		**On track** As of 31 May 2025 There were no flooding events that occurred in the district.

<table>
<tr>
<td>SSP-SW2</td>
<td></td>
<td>For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.</td>
<td>2 or less</td>
<td>On track
As of 31 May 2025
<table>
<tr><th>Target</th><th>Result</th><th>Per 1000 connections YTD</th><th>Habitable floors affected YTD</th></tr>
<tr><td>2 or less</td><td>0</td><td>0</td><td>0</td></tr>
</table>
Number of connections as at 1 July 2024: 13,623.</td>
</tr>
<tr>
<td>SSP-SW3</td>
<td>Response to faults*.</td>
<td>The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.</td>
<td>< 1 hour</td>
<td>On track
As of 31 May 2025
<table>
<tr><th>Target</th><th>YTD Result</th><th>Comment</th></tr>
<tr><td>< 1 hour</td><td>0</td><td>No flooding event recorded YTD</td></tr>
</table></td>
</tr>
<tr>
<td>SSP-SW4</td>
<td>Customer satisfaction*.</td>
<td>The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.</td>
<td>< 10 per year</td>
<td>On track
As of 31 May 2025
<table>
<tr><th>Target per 1000 connections</th><th>Per 1000 connections YTD</th><th>No. of complaints YTD</th></tr>
<tr><td>< 10 per year</td><td>1.84</td><td>25</td></tr>
</table>
Number of connections as at 1 July 2024: 13,623.</td>
</tr>
<tr>
<td>SSP-SW5</td>
<td>A sustainable stormwater service*.</td>
<td>The number of:
Abatement Notices;
Infringement Notices;
Enforcement Orders; and
Convictions</td>
<td>0
0
0
0</td>
<td>On track
As of 31 May 2025
<table>
<tr><th></th><th>YTD</th></tr>
<tr><td>Abatement Notices</td><td>0</td></tr>
<tr><td>Infringement Notices</td><td>0</td></tr>
<tr><td>Enforcement Orders</td><td>0</td></tr>
</table></td>
</tr>
</table>

	received by Council in relation to Horizons Regional Council resource consents* for discharge from its stormwater system.**	Convictions	0

*These performance measurements are provided by the Department of Internal Affairs, and they are mandatory.

**Currently there is no discharge consent for Levin's stormwater to Lake Horowhenua

Water services infrastructure associated with providing for population growth and development Capacity

Horowhenua District Council is prioritising ensuring that infrastructure is fit for purpose for our current community whilst also facilitating growth.

The challenges being faced relating to the continued provision of water supply, wastewater and stormwater include:

- Increased demand for water supply, particularly for Levin where the volume of water that can be taken from the Ōhau River is dependent on water flow.
- Managing volume and increasing the quality of stormwater discharge and the requirement for Council to gain resource consents for stormwater discharges.
- The lack of reticulated stormwater networks (outside of those for the roading network) throughout the district.
- Increased pressure on the wastewater reticulation network, wastewater treatment plants and disposal systems which will require expansion/upgrades, particularly for Levin.

To address these challenges Horowhenua District Council is proactively planning for future assets and activities to ensure they will be fit for purpose of the growing community. The focus on just-in-time delivery is to ensure infrastructure is not delivered too early, but right when needed.

Specific activities being undertaken to support increased growth in the district include:

- Water demand management, such as leak detection and water metering (District Wide) continues to be undertaken to reduce demand on the water supply network.

- Additionally, planning for increased water storage capacity, such as the development of a water reservoir, is underway to take more water from the Ōhau River in high flows, and store it for when the river has low flows.
- Sustainable Stormwater management is incorporated into all planning, design and delivery aspects of our infrastructure. This includes working collaboratively with developers to mitigate the effects of residential and industrial growth on our stormwater systems and waterways.

Master plans are being developed for the Levin Water and Wastewater Treatment Plants to scope, understand costs and inform decisions on timing of upgrades and replacement to meet long term growth. The Master Plans have a 30-year outlook and provide structure for planning and risk management.

Palmerston North City Council – Serviced Areas

The table below provides a detailed breakdown of the residential and non-residential areas that currently receive 3 Waters services, including agricultural/rural council owned water schemes supplying domestic drinking water. Additionally, it identifies areas not currently serviced and highlight's locations where future connections are anticipated to support and provide for future population growth and development capacity.

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater #schemes	Stormwater # catchments
Residential areas	Four Water Supply Schemes in total 33,437 connections in total Palmerston North City - 31,993 Connections Bunnythorpe - 178 Connections Ashhurst Supply - 1,144 Connections Longburn Supply - 122 Connections	One wastewater scheme in total Totara Road 31,489 Connections (Ashhurst is connected via a Buffering Pond)	Fifteen stormwater catchments in total that service 60,913 properties in total, as below Aokautere (Manawatu) 1,608 Aokautere (Turitea) 581 |Ashhurst 1,088 Awapuni 1,430 | Awatea 1,622 Cloverlea 2,429 |Hokowhitu 2,272 Kawau 19,310 | Kelvin Grove 3.911 Lagoon 4,163 |Milson 9,014 Napier 414 |Pioneer / Main 10,640 Racecourse 71 |Riverdale 2,360
Non-residential areas	Palmerston North City Supply - 2,436 Connections Bunnythorpe Supply - 9 Connections Ashhurst Supply - 23 Connections Longburn - 2 Connections	Totara Road - 2,470 Connections Based on every non-residential lot with a water connection, within the urban area, being also serviced with a wastewater connection	Unknown, managed by Horizons Regional Council
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	None	N/A	N/A
Areas that do not receive water services	Total properties not connected – 4,793	Total properties not connected –3,090	Total properties not served – Level of stormwater services is dependent on the level of development and geographical features. Rural areas are serviced by overland flow paths and natural watercourses only
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	Hokowhitu Lagoon - 80 connections Whakarongo Residential Area - 479 Connections Napier Road Residential Area - 50 Connections Mātangi Residential Area - 160 Connections Roxbourgh Residential Area - 105 Connections Kākātangiata Urban Growth Area - 595 Connections Kikiwhenua - 250 Connections Ashhurst Urban Growth - 228 Connections	Hokowhitu Lagoon 80 connections Whakarongo Residential Area 479 Connections Napier Road Residential Area 50 Connections Mātangi Residential Area 160 Connections Roxbourgh Residential Area 105 Connections Kākātangiata Urban Growth Area 595 Connections Kikiwhenua 250 Connections Ashhurst Urban Growth 228 Connections Aokautere Residential Area 309 Connections	Hokowhitu Lagoon - 80 connections Whakarongo Residential Area - 479 Connections Napier Road Residential Area - 50 Connections Mātangi Residential Area - 160 Connections Roxbourgh Residential Area - 105 Connections Kākātangiata Urban Growth Area - 595 Connections Kikiwhenua - 250 Connections Ashhurst Urban Growth - 228 Connections Aokautere Residential Area - 309 Connections 160 Napier Road - 180 Connections

	Aokautere Residential Area - -309 Connections 160 Napier Road - 180 Connections	160 Napier Road 180 Connections	

Assumptions and caveats

1. *Every property supplied with drinking water in the urban area is also assumed to be connected to the wastewater network*
2. *Urban and Rural Stormwater catchments have been derived from those identified within the PNCC Draft Stormwater Framework 2021. These have been laid across SA[2] statistical area to calculate the number of properties within each catchment.*
3. *Growth within urban areas has assumed that each additional lot, will be connected to the drinking water, wastewater, and stormwater networks*
4. *Areas not receiving water services is calculated by subtraction total water and wastewater connections and Total Serviceable connection rates charges from the number of total rates assessments for the City*

Current Levels of Service and performance relating to water services currently provided:

The following tables present an overview of the current levels of service and performance for each service including water supply, wastewater and stormwater services. The tables detail performance against non-financial Department of Internal Affairs (DIA) performance standards and council-specific Levels of Service (LOS) measures. Each table includes six years of historic data, providing a comprehensive view of service delivery trends and alignment with established benchmarks and community expectations.

Water Supply																		
Performance Measure:	**Safety of drinking water**				**Maintenance of the reticulation network**		**Fault response times**								**Customer satisfaction**		**Demand Management**	
Description:	*Compliance with DWSNZ part 4 (bacteria compliance criteria)*		*Compliance with DWSNZ part 5 (protozoal compliance criteria)*		*Real water loss from the local authority's networked reticulation system*		*Attendance for urgent callouts (from notification to arrival)*		*Resolution of urgent callouts (from notification to resolution)*		*Attendance for non-urgent callouts (from notification to arrival)*		*Resolution of non-urgent callouts (from notification to resolution)*		*Number of complaints per 1,000 connections**		*Average consumption of drinking water per day per resident*	
Year	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**
2017/18	100 %	Achieved	100 %	Achieved	<20 %	Achieved (14.8%)	<2 hrs	Achieved (0.28 hrs)	< 7 hrs	Achieved (1.1 hrs)	< 10 hrs	Achieved (1.45 hrs)	< 75 hrs	Achieved (3.45 hrs)	< 40	Not Achieved (49.4)	< 360 lppd	Achieved (209.5 lppd)

2018/19	100 %	Achieved	100 %	Achieved	<20 %	Achieved -18%	<2 hrs	Achieved (0.24 hrs)	< 7 hrs	Achieved (0.93 hrs)	< 10 hrs	Achieved (1.52 hrs)	<75 hrs	Achieved (4.23 hrs)	<40	Not achieved -51	< 360 lppd	Achieved (207.3 lppd)
2019/20	100 %	Achieved	100 %	Achieved	< 20%	Achieved (18.2%)	< 2 hrs	Achieved (0.23 hrs)	< 7 hrs	Achieved (0.73 hrs)	< 10 hrs	Achieved (2.03 hrs)	< 75 hrs	Achieved (4.8 hrs)	< 40	Not Achieved (43.65)	< 360 lppd	Achieved (197 lppd)
2020/21	100 %	Achieved (1)	100 %	Achieved (1)	<20 %	Not Achieved -25%	<2 hrs	Achieved (0.23 hrs)	<7 hrs	Not Achieved (19.78 hrs)	<10 hrs	Achieved (2.47 hrs)	<75 hrs	Not achieved (52.45 hrs)	<40	Not Achieved -41	< 360 lppd	Achieved (186.3 lppd)
2021/22	100 %	Achieved	100 %	Achieved	< 20%	Achieved (8.5%)	< 2 hrs	Achieved (0.35 hrs)	< 7 hrs	Achieved (6.42 hrs)	< 10 hrs	Achieved (2.8 hrs)	< 75 hrs	Achieved (19.13 hrs)	< 40	Not Achieved (42.91)	< 360 lppd	Achieved (238 lppd)
2022/23	90%	Not Achieved	100 %	Achieved	< 20%	Achieved (15%)	< 2 hrs	Achieved (0.7 hrs)	< 7 hrs	Achieved (2.7 hrs)	< 10 hrs	Achieved (9 hrs)	< 75 hrs	Achieved (23.1 Hrs)	< 40	Achieved (39.3)	< 360 lppd	Achieved (284 lppd)

**Number of complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and our response to any of these issues.*

Wastewater

Performance Measure:	**System and adequacy**		**Discharge compliance**		**Fault response times**				**Customer Satisfaction**	
Description:	*Number of dry weather sewerage overflows per 1000 connections*		*Compliance with the territorial authority's resource consents for discharge from its wastewater system measured by the number of abatement notices, infringement notices, enforcement orders, and convictions*		*Median time for attending overflows resulting from blockages or other faults*		*Median time for resolution of overflows resulting from blockages or other faults.*		*Number of complaints per 1000 connections about wastewater odour, wastewater system faults, wastewater system blockages, and responses to issues with the wastewater system.*	
Year	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**
2017/18	< 1	Achieved (0.8)	100%	Achieved	< 1.5 hrs	Achieved -0.42	< 8 hrs	Achieved -3.27	< 1	Not Achieved (12.3)
2018/19	< 1	Achieved -0.21	100%	Achieved	< 1.5 hrs	Achieved (0.485)	< 8 hrs	Achieved (3.3)	<15	Achieved (12.25)

2019/20	< 1	Achieved (0.605)	100%	Achieved	< 1.5 hrs	Achieved (0.56 hrs)	< 8 hrs	Achieved (4.27 hrs)	< 15	Achieved (12.43)
2020/21	< 1	Not Achieved	100%	Achieved	< 1.5 hrs	Achieved (0.67hrs)	< 8 hrs	Achieved (6.01 hrs)	< 15	Achieved (14.59 hrs)
		-1.03								
2021/22	< 1	Achieved (0.48)	100%	Achieved	< 1.5 hrs	Achieved (0.5 hrs)	< 8 hrs	Achieved (3.07 hrs)	< 16	Achieved (9.5)
2022/23	< 1	Achieved (0.2)	100%	Achieved	< 1.5 hrs	Achieved (1.1 hrs)	< 8 hrs	Achieved (4.2 hrs)	< 15	Achieved (9.1)

Stormwater

Performance Measure:	**System adequacy**				**Discharge compliance**		**Response times**		**Customer satisfaction**	
Description:	*Number of flooding events per year*		*The number of habitable floors per 1,000 connected properties affected by a flood event*		*Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of abatement notices, infringement notices, enforcement orders, and convictions*		*Median time to attend a flooding event*		*The number of complaints per 1000 connections received by a territorial authority about the performance of its stormwater system*	
Year	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**	**Target**	**Performance**
2017/18	<5	Achieved (1)	<0.2	Achieved (0.1)	100%	Achieved	<2 hrs	Not Measured	< 10	Not Achieved (19.9)
2018/19	< 5	Achieved (4)	< 2	Achieved	100%	Achieved	<2 hrs	Not Measured	< 15	Not Achieved (18.2)
				-0.12						
2019/20	< 5	Achieved (0)	< 2	Achieved (0)	100%	Achieved	< 2 hrs	Achieved (0)	< 15	Achieved (9.6)
2020/21	< 5	Achieved (0)	< 2	Achieved (0)	100%	Achieved	< 2 hrs	Achieved (0)	< 15	Not Achieved
										-16.7
2021/22	< 5	Achieved (1)	< 2	Achieved (0.17)	100%	Achieved	< 2 hrs	Not Achieved (3 hrs)	< 15	Achieved (6.1)
2022/23	< 5	Achieved (0)	< 2	Achieved (0)	100%	Achieved	< 2 hrs	Achieved (0)	< 15	Achieved (6.6)

Water services infrastructure associated with providing for population growth and development Capacity

The following details have been drawn from Council Asset Management Plans and outline the planned water services infrastructure projects required to support population growth and development capacity. This section focuses on key initiatives for drinking water, wastewater and stormwater services and aligns with the respective budgets contained in the Asset Management Plans.

Drinking Water

- Develop seven new bore and treatment sites over the next 30 years to improve resilience and support increased demand.
- Ensure compliance with new regulatory standards, particularly those relating to disinfection.
- Improve network capacity ad resilience to accommodate future growth.
- Align the development with sustainability goals to support both residential and industrial sectors effectively.

Wastewater

- Constructing new assets to cater for growth.
- Implementing capacity upgrades to existing pipelines and pump stations identified as at risk.
- Upgrading the wastewater treatment plant through the "Nature Calls" project for higher standards of treatment and resilience (currently under review).
- On-going condition data collection to improve asset management.
- Conducting seismic assessments and strengthening of key structures to improve resilience.
- Enhancing network capacity to reduce overflow risks during rainfall events.
- Extending the wastewater network to future growth areas.

Stormwater

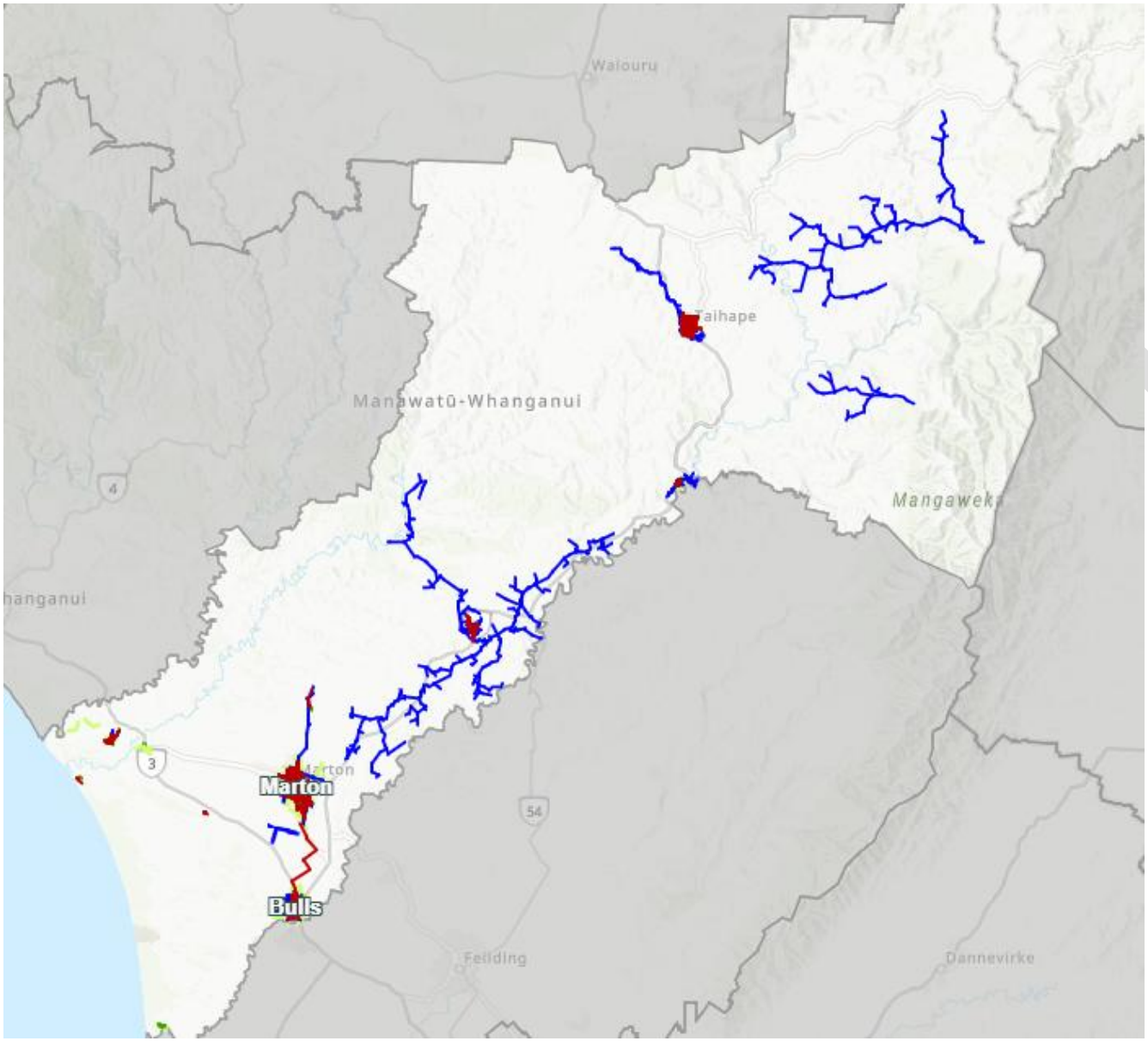
- Collaborate with property owners and developers to mitigate quality and quantity impacts of stormwater runoff.
- Provide infrastructure connections for growth areas in line with stormwater management plans,
- Maintain hydraulic neutrality for certain areas, to mitigate runoff.
- Apply water-sensitive urban designs to reduce impacts.
- Conduct capacity upgrades of existing stormwater systems as needed.

- Increase operational maintenance for stormwater treatment devices, added by developers.
- Regularly update the city stormwater model to include changes from new developments.

Rangitikei District – Serviced Areas

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater #schemes	Stormwater # catchments
Residential areas	Taihape – 911 connected properties	Taihape – 899 connections	Taihape – 828 properties
	Mangaweka – 90 connected properties	Mangaweka – 64 connections	Mangaweka – 67 properties
	Hunterville – 246 connected properties	Hunterville – 208 connections	Hunterville – 216 properties
	Marton – 2,701 connected properties	Marton – 2,400 connections	Marton – 2,435 properties
	Bulls – 912 connected properties	Bulls – 840 connections	Bulls – 822 properties
	Ratana 122 connected properties	Ratana -118 connections	Ratana- 99 properties
		Koitiata – 19 connections	
Total	**4,982 connections** Note: There are 333 additional connections (i.e. some properties have more than one connection).	**4,548 connections** Note: There are 997 additional wastewater units rated for – water closets and urinals – in accordance with Council's rating policy.	**4,467 connections**
Non-residential areas *These are included in the residential area count because Council's rating system does not distinguish between residential and on-residential area***s**	Commercial, industrial and educational enterprises within urban areas may be connected, as are farms on the outskirts of towns and close to mains from water source (i.e. raw water) or mains from treatment plant into the town. These are included in the residential area count.	Commercial, industrial and educational enterprises within urban areas may be connected. These are included in the residential count.	Commercial, industrial and educational enterprises within urban areas may be connected. These are included in the residential count.
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network) *These are counted as non-residential connections, being separately identified in Council's rating system.*	Erewhon – 28 connections	N/A	N/A
	Omatane – 13 connections	N/A	N/A
	Hunterville – 160 connections	N/A	N/A
	(Putorino Rural Water Supply – 5 connections but this is not a mixed-use scheme.)	N/A	N/A
Total	201 connections		

Areas that do not receive water services (If more than one identify separately)	3,757 properties (outside of serviced areas as named above i.e. Ratana, Bulls, Marton, Hunterville, Mangaweka, Taihape and farms on the Hunterville, Erewhon and Omatane rural water supplies) *See map below.*	4,392 properties (outside of serviced areas as above, i.e. Koitiata (part), Ratana, Bulls, Marton, Hunterville, Mangaweka and Taihape) *See map below.*	4,473 properties (outside of serviced areas as above, i.e. Koitiata, Ratana, Bulls, Marton, Hunterville, Mangaweka and Taihape). *See map below.*
Proposed growth areas • Planned (as identified in District Plan) • Infrastructure enabled (as identified and funded in LTP)	Marton Rail Hub development: This is a 65-ha site, recently rezoned from rural to industrial. Council does not yet know the developer's intentions for water/wastewater/stormwater. Growth areas around Rangitikei's main towns have been identified in the District Plan with potential for 797 houses. They are all infrastructure enabled. These numbers do not provide sufficient capacity for the Council's 30-year growth projections: work is currently in progress to identify locations for this additional growth, and the extent to which they are infrastructure enabled.		


Walouru
Taihape
Manawatū-Whanganui
Mangaweka
hanganui
Marton
Bulls
Feilding
Dannevirke
4
3
54

Rangitikei Levels of Service – Water Supply

Level of Service	Measurements and Targets
Council's intended Level of Service is to:	***Provide a safe and compliant supply of drinking water***
Performance measure (*mandatory)	***Safety of drinking water** **The extent to which the Council's drinking water supply complies with—** a) Water supplied is compliant with the DWQA Rules in the Distribution System (Bacteria compliance) b) Water supplied is compliant with the DWQA Rules in the Treatment System (Protozoal compliance)
How we will measure	Routine sampling and testing[1] Water Outlook 2022/23 results: a) 4/6 compliant b) 2/6 compliant
Years 1-3 (a)	No incidents of non-compliance with bacteria compliance criteria
Years 4-10 (a)	
Years 1-3 (b)	No incidents of non-compliance with protozoa compliance criteria
Years 4-10 (b)	
Council's intended Level of Service is to:	***Provide reliable and efficient urban water supplies***
Performance measure (* mandatory)	***Maintenance of the reticulation network** **The percentage of real water loss from the Council's networked urban reticulation system2**
Level of Service	**Measurements and Targets**

How we will measure	A sampling approach will be used. Water Outlook enables SCADA [3] information to be interrogated in-house. 2022/23 results: • 42%
Years 1-3	Less than 40%
Year 4-10	
Performance measure (* mandatory)	***Demand management** **The average consumption of drinking water per day per resident within the District**
How we will measure	**Water Outlook** **2022/203** • 448 litres per person per day
Years 1-3	**600 litres per person per day**
Years 4-10	
Council's intended Level of Service is to:	***Be responsive to reported faults and complaints***
Performance measure (* mandatory)	*Fault response time Where the Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median times are measured **a.** attendance for urgent call outs: from the time that the Council receives notification to the time that service personnel reach the site, and **b.** resolution of urgent call outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption **c.** attendance for non-urgent call outs: from the time that the Council receives notification to the time that service personnel reach the site, and **d.** resolution of non-urgent call outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption
Level of Service	**Measurements and Targets**

How we will measure	Request for service system Specified standard a. 0.5 hour (attendance - urgent) b. 24 hours (resolution – urgent) c. 24 hours (attendance – non-urgent) d. 96 hours (resolution – non-urgent) 2022/23 results: a. 0.05 hours (attendance - urgent) b. 1.5 hours (resolution – urgent) c. 0.7 hours (attendance – non-urgent) d. 4.3 hours (resolution – non-urgent)
Years 1-3 (a)	Attendance urgent – achieve the specified standard
Years 4-10 (a)	
Years 1-3 (b)	Resolution urgent – achieve the specified standard
Years 4-10 (b)	
Years 1-3 (c)	Attendance non-urgent – achieve the specified standard
Years 4-10 (c)	
Years 1-3 (d)	Resolution non-urgent – achieve the specified standard
Years 4-10 (d)	
Performance measure (* mandatory)	***Customer satisfaction** **The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council about** **a. drinking water clarity** **b. drinking water taste** **c. drinking water odour** **d. drinking water pressure or flow** **e. continuity of supply, and** **f. The Council's response to any of these issues**
Level of Service	**Measurements and Targets**

How we will measure	Request for service system 2022/23 results: Total complaints – 86.71/1000
Years 1-3	No more than 20 complaints per 1,000 connections
Years 4-10	
Council's intended Level of Service is to:	***Maintain compliant, reliable and efficient rural water supplies***
Performance measure	Where the Council attends a call out in response to a fault or unplanned interruption to its water supply for rural water schemes, the following median times are measured **a.** attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and **b.** resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption
How we will measure	Request for service system Specified standard a. 48 hours b. 96 hours 2022/23 results: a. 0.1 hours b. 6.4 hours
Years 1-3 (a)	Attendance time – achieve the specified standard
Years 4-10 (a)	
Level of Service	**Measurements and Targets**
Years 1-3 (b)	Resolution time: – achieve the specified standard
Years 4-10 (b)	

Rangitikei Levels of Service – Wastewater

Level of Service	Measurements and Targets
Council's intended Level of Service is to:	***Provide a reliable, reticulated disposal system that does not cause harm or create pollution within existing urban areas***
Performance measure (* mandatory)	***Discharge compliance** **Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of** **a. abatement notices** **b. infringement notices** **c. enforcement orders, and** **d. convictions** **received by the Council in relation to those resource consents**
How we will measure	2022/23 results: **a.** abatement notices - 0 **b.** infringement notices - 1 **c.** enforcement orders - 0 **d.** convictions - 0
Years 1-3 (a)	No abatement notices
Years 4-10 (a)	
Years 1-3 (b)	No infringement notices
Years 4-10 (b)	
Years 1-3 (c)	No enforcement orders
Years 4-10 (c)	
Years 1-3 (d)	No convictions
Years 4-10 (d)	

Performance measure (* mandatory)	***System and adequacy** **The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system**
How we will measure	**Request for service system** **2022/23 results:** • **0.22/1000**
Level of Service	**Measurements and Targets**
Years 1-3	**Fewer overflows than 3 per 1000 connections**
Years 4-10	
Council's intended Level of Service is to:	**Be responsive to reported faults and complaints**
Performance measure (* mandatory)	*** Fault response time** **Where the Council attends to sewage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median times are measured** **a. attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and** **b. resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption**
How we will measure	**Request for service system** **Specified standard:** **Attendance** a. **0.5 hour - urgent** b. **24 hours – non-urgent**

	Resolution a. **24 hours - urgent** b. **96 hours – non-urgent** **2022/23 results (median):** **Attendance** a. **0.7 hours** b. **0.8 hours** **Resolution** **a. 1.4 hours** **b. 2.6 hours** **Urgent callouts are where sewage is evident.**
Years 1-3 (a)	**Attendance – achieve the specified standard**
Years 4-10 (a)	
Years 1-3 (b)	Resolution – achieve the specified standard
Years 4-10 (b)	
Level of Service	**Measurements and Targets**
Performance measure (* mandatory)	***Customer satisfaction** **The total number of complaints received by the Council about any of the following:** **a. sewage odour** **b. sewerage system faults** **c. sewerage system blockages, and** **d. the Council's response to issues with its sewerage systems** **expressed per 1000 connections to the Councils sewerage system.**

How we will measure	Request for service system 2022/23 results: • 18.61/1000
Years 1-3	Fewer requests than 6 per 1000 connections
Years 4-10	

Rangitikei Levels of Service – Stormwater

Level of Service	Measurements and Targets
Council's intended Level of Service is to:	***Provide a reliable collection and disposal system to each property during normal rainfall***
Performance measure (* mandatory)	***Discharge compliance** **Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of:** **a. abatement notices** **b. infringement notices** **c. enforcement orders, and** **d. convictions** **Received by the Council in relation to those resource consents.**
How we will measure	Comply with resource consents No consents from previous years
Years 1-3 (a)	No abatement notices
Years 4-10 (a)	
Years 1-3 (b)	No infringement notices
Years 4-10 (b)	
Years 1-3 (c)	No enforcement orders
Years 4-10 (c)	

Years 1-3 (d)	No convictions
Years 4-10 (d)	

Water services infrastructure associated with providing for population growth and development Capacity

- Rangitīkei District Council is currently working on a district wide plan change to improve future decision making for growth. After consultation with the district and elected members the areas for potential growth in the district is limited to Bulls, Marton and Mangaweka. The Council has completed a detailed capacity review for each of these towns to determine what upgrades will be required to allow for future growth. This includes capacity reviews of the treatment plants and modelling of all the networks involved.
- A summary assessment for these three growth areas is as follows:

Bulls		
	Water treatment plant	This plant is being assessed in more detail to identify what components require upgrade so that it provides for growth.
	Reticulated water supply	Growth is conditional on the AC main renewal programme and the Bulls Pump Station and Reservoir set-up. Both these are currently being progressed.
	Reticulated wastewater network	Growth will require upgrades in the capacity of the trunk main. Relevant parts of the network will require upgrade (including pump station capacity increase and 650m of pipeline increasing from 150mm to 225 mm diameter.
	Stormwater	Overland flow paths present in growth areas will require consideration.
Marton		
	Water treatment plant	Upgrades underway, which should take growth into account.

	Reticulated water supply	Local upgrades needed (including a substantial trunk main upgrade along Tutaenui Road and upgrade of mains from Bond Street/Oxford Street intersection to the end of Milne Street.
	Reticulated wastewater network	Some existing issues with parts of the network require upgrade together with some local upgrades.
	Stormwater	Further assessment required at the development stage
Mangaweka		
	Water treatment plant	Consented take is close to capacity and some upgrades may be necessary to accommodate growth.
	Reticulated water supply	Local upgrades to the local network will be needed.
	Reticulated wastewater network	No upgrades have been identified as being required to accommodate projected growth areas
	Stormwater	Further assessment of the projected growth areas would be needed.

- There are no large developments happening in the district at the moment other than the normal infill subdivisions. The only possible large development (100 lots) that might start in the next three to five years is in Bulls. All new infrastructure and existing infrastructure upgrades will be funded by the developer, and then vested to Council.

Total of Serviced Areas Connections

	Water supply # schemes	Wastewater #schemes	Stormwater # catchments
Horowhenua District connections	13,255	12,851	13,396
Palmerston North City connections	35,873	33,959	60,913
Rangitīkei District connections	4,982	4,548	4,467
Total	**54,110**	**51,358**	**78,776**

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

Horowhenua District

The age and condition of the water services networks is provided in the table below and more information can be found in the 2024 Infrastructure Strategy. The condition assessment for the below ground water, stormwater, and wastewater assets is based on:

- Asset age.
- Field data from reactive assessments.
- CCTV investigations.
- Analysis of fault data based on customer service requests.

There is a large amount of the water networks constructed of AC pipes (estimated at 30%) similar to other networks nationally. HDC has started analysing breaks of the underground water pipes to inform its risk based renewal programme.

There is an ongoing condition assessment programme for the wastewater below ground assets captured through CCTV surveys. Condition grading has been assessed for the surveyed pipe lengths. This data also allows extrapolation to adjacent assets.

Condition assessments for wastewater treatment plant assets is moving from a reactive to proactive process with bringing three waters in house. HDC is loading the planned preventative maintenance schedules and plant site assessments into the assets management system. This will form the basis for a proactive condition assessment programme going forward.

Three waters critical below ground assets have been identified.

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	Pipes = 35 years	Pipes = 42 years	Pipes = 42 years Culverts = 26 years
Critical Assets	Identified – below ground	Identified- below ground	Identified – below ground

Above ground assets • Treatment plant/s • Percentage or number of above ground assets with a condition rating • Percentage of above –ground assets in poor or very poor condition	5 0% - reactive assessments only Not known	6 0% - reactive assessments only Not known	N/A 0% - reactive assessments only Not known
Below ground assets • Total Km of reticulation • Percentage of network with condition grading • Percentage of network in poor or very poor condition	430km [88%] [21%]	345km [92%] [31%]	84km [86%] [14%]

Sources:

Average Age – HDC Pipe Data Cleansed WCriticality_r2

Critical Assets – HDC Pipe Data Cleansed WCriticality_r2

Above ground assets:

- *Treatment plant numbers – 2024 AMP*

Below ground assets:

- *reticulation length – 2024 Valuation Report (WSP)*
- *condition grading - HDC Pipe Data Cleansed WCriticality_r2 – using WSP Useful Lives; condition rating has been derived based on RUL – not surveyed on site*

Table: Horowhenua District Council Infrastructure Asset Valuations Cost Revaluation 30 June 2024

Council Infrastructure Assets	Cost revaluation 30 June 2024 ($000)
Wastewater total	228,960
Water total	168,013
Stormwater drainage	98,307

Palmerston North City

The following table provides an overview of the current condition and life span of the water services network. This includes the average age of network assets, number of critical assets (identified and unidentified), an assessment of the condition for both above ground assets and below ground assets (including the expected lifespans and quantity of backlog of renewals). Please refer to the assumptions and caveats below this table for additional information relating to when these assessments were last carried out and the quantity of maintenance backlog.

Parameters	Drinking supply	Average age of Network Assets (years)	Wastewater	Average age of Network Assets (years)	Stormwater	Average age of Network Assets (years)
Average age of Network Assets		30 (all)		27 (all)		50 (all)
Critical Assets	Identified: 7,564 Unidentified: 438		Identified: 6,738 Unidentified: 257		Identified: 6,426 Unidentified: 389	
Above ground assets						
Treatment plant/s	10	71	1	56	6 Attenuation ponds 126 Rain gardens	
Pump/Booster Stations and Water Bores	8 – Pump/Booster stations 19 - Water Bores	33 14	50	32	20	28
Pumps	46	27	64	9	35	24
Percentage or number of above ground assets with a condition rating	49%		63%		89%	
Number of above ground assets with condition rating within the last three years	1047		566		899	
Percentage of above –ground assets in poor or very poor condition *	41%		24%		56%	
Value of renewals backlog	$1.7 Million		$2.8 Million		Nil	
Below ground assets						
Total Km of reticulation	808km	37	687km	48	453km	38
Percentage of network with condition grading	22%		32%		45%	
Length of network assets with condition ratings within the last 5 years	0km		35km		7.5km	
Percentage of network in poor or very poor condition	2%		7%		5%	

Value of renewals backlog	$22 Million		$10.5 Million		$3.5 Million	

Assumptions and caveats

1. The table does not reflect the requirements in the guidance, so the original table has been modified to accommodate this. The table also enables provision of more detail regarding average age of assets.
2. The guidance asked for details of when condition assessment was last carried out. We have assumed that we would have confidence in an above ground condition rating that was less than three years old and a network condition rating that was less than five years old. Taking the summary approach of the rest of the table, we have expressed the details of when condition assessment was last carried out as the percentage or number of assets with condition ratings within those respective timeframes.
3. We have insufficient data to reliably report on our maintenance backlog, so we have only quantified our renewals backlog. The value of renewals backlog is based on the 2022 valuation.
4. Percentage of above –ground assets in poor or very poor condition is based on assets that have exceeded the base life.
5. Number of below ground network assets with condition ratings within the last 5 years is based on KM of pipe with a CCTV inspection.

Treatment plant number for water supply includes 8 bore stations and 1 polishing facility

The table below is taken from the PNCC LTP and outlines asset lifespans

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (except as referred to in the following paragraph), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, investment proper ties, biological assets and heritage assets are not depreciated.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

OPERATING ASSETS	***YEARS***
Buildings	50-100
Building fitout	10-50
Plant and equipment	3-25
Furniture and fittings	4-25
Motor vehicles	3-18
Computer equipment	2-7
Library books	3-10
Exhibitions	1-5
Leasehold improvements	1-30

INFRASTRUCTURAL ASSETS	***YEARS***
Roading	
Bridges and culverts	25-125
Sub-base and base course	100
Surfaces	1-20
Footpaths	15-99
Kerb and channel	80
Signage	20
Signals, streetlights	10-80
Trees	100
Vehicle crossing	80
Car parks	
Car parking buildings	50
Sub-base and base course	100
Surfaces	20-40
Waste management	
Buildings	50-100
Safety fence, portable screens	40
Pumps	30
Sumps, drainage	100
Machinery	15-35
Wheelie bins	15
Stormwater	
Pipework	100-250
Sumps	150
Laterals, manholes	120-150
Pumping station/pumps	10-100
Wastewater	
Pipeworks, laterals, manholes	75-120
Pumps	15-30
Pumping stations	30-100
Buildings	50-100
Treatment plants	15-120
Water	
Pipeworks, laterals	50-120
Hydrants	75
Tobies	50-70
Valves	80
Water meters	15-25
Pumping stations	15-100
Dams	15-1000
Reservoirs	100

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Rangitikei District

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	47 years [19]	54 years[20]	47 years[21]
Critical Assets	Not identified – see commentary below	Not identified – see commentary below	Not identified – see commentary
Above ground assets			
• Treatment plant/s	6	7	0
• Percentage or number of above ground assets with a condition rating	Not calculated[22] See commentary below	Not calculated[23] See commentary	Not calculated[24] See commentary
• Percentage of above –ground assets in poor or very poor condition	None identified in AMP	None identified in AMP	None identified in AMP
Below ground assets			
• Total Km of reticulation	441.7km[25]	100.3km	53.9km[30]
• Percentage of network with condition grading	100%[26]	100%[28]	Not calculated[31]
• Percentage of network in poor or very poor condition	Not calculated[27] See commentary below		None identified. See commentary

[19] "The retained value percentage averages approximately 53%. This indicates that on average, the overarching network is sitting around halfway through the lifecycle of its assets…. Previous examinations of age profiles have typically illustrated the age of the asset; however, this does not reflect the risk of the asset as age profiles do not take into account the anticipated life of the asset. Infrastructure has a significant variance in the anticipated life, with underground assets such as pipe networks expected to have an anticipated life in excess of 80 years. For example, in 2017 Opus undertook extensive research in asbestos cement pipe deterioration and found that some of these assets could provide service in excess of 100 years with satisfactory levels of service (dependent on wall thickness and Class of pipe). Therefore, it is not useful to plot these assets into an age profile that includes short life assets such as telemetry units and pumps". *Rangitikei District Council Three Waters Asset Management Plan*, February 2024, pp.57-58

[20] As noted above for water supply, , rather than graphing the age profile of the asset base for wastewater, it is more useful to consider the remaining retained value percentage of these assets. As of the 2022 WSP Revaluation, the wastewater assets held 45.95% of their replacement value. This indicates that the wastewater network, facilities and pumping stations on a whole are further through their anticipated life cycle then their water supply counterparts

[21] As noted with water supply and wastewater, "rather than graphing the age profile of the asset base for Stormwater, it is more useful to consider the remaining retained value percentage of these assets. As of the 2022 WSP Revaluation, the stormwater assets hold 53.36% of their replacement value. This indicates that the stormwater networks, across the entire asset base, hold a higher retained value percentage then both the wastewater and water Supply networks (marginally)". *Three Waters Asset Management Plan*, p.123.

[22] In addition to treatment plants, there are constructed reservoirs at Rātana (nine, but only one – the most recent = is current used), Bulls, Marton (two), Hunterville (two), Mangaweka (two) and Taihape. Erewhon Rural has one constructed reservoir. Hunterville Rural has a main reservoir and three pump stations, one of which is at the intake. Omatane Rural has a reservoir at the intake

[23] All the wastewater networks have pump stations.

[24] Open drains are part of the stormwater network in Bulls and Marton. No formal condition assessment has been carried out for these. Apart from this, condition information for stormwater is reasonably complete, but a large number of assets are only listed as "Excellent" since that is the default value. This is due to historical default values within the Asset Management System, and not a reflection of assessments. *Three Waters Asset Management Plan*, p. 124.

[25] 257.7 km is Council's four rural water supply schemes.

[26] "There is a historical issue that the asset registers have experienced. In the past, the UnityManage [previously AssetFinda] software defaulted all assets to having a condition score/rating of excellent. This has since changed with the ability to reassign data to being Not Assessed. Currently within the system however, much of the data still sits within the Excellent grading, where it does require shifting to not assessed. This is included as an action within the opportunity for improvement register and is scheduled to form part of the data improvement projects for 2024." *Three Waters Asset Management Plan*, p.59

[27] In Bulls, 4% of the network was built in copper and considered in poor condition. In Hunterville, a number of early low density polyethylene pipes cause problems. In Taihape, some of the original steel pipe work (which dates back to 1911) is still in place. This pipe work is in very poor condition and difficult to repair.

[28] As with water supply, in respect to condition, information held by Unity/Manage for wastewater assets is poor and has failed to capture information relating to the condition of assets during operational and maintenance activities. However, a significant amount of CCTV footage is available for analysis and processing, and it has been identified as a project in the opportunities for improvement section of the Asset Management Plan… Unity/Manage has a dedicated CCTV module. Three Water Asset Management Plan, p.96

[30] This includes rural stormwater systems, which includes small systems in areas such as Utiku, Koitiata, Rakautaua and Scotts Ferry.

[31] Knowledge of town stormwater networks varies. Bulls and Marton are considered good, Mangaweka is average, Hunterville is poor, and in Taihape there is a significant quantity of older stormwater assets for which Council does not yet hold condition information. *Three Waters Asset Management Plan*, p.54

		Not calculated[29] See commentary	

Criticality indicates the impact of failure on the wider network, of that individual asset. The criticality scores within AssetFinda (UnityMange) are based on the NAMS/IIMM 1 to 5 rating. Those assets that have been assigned a criticality rating from 1 to 5 have been assessed based on the known information about the criticality of the asset, including its role in delivering the service to sensitive customers. Whilst this process has commenced, there are still some assets that require assessment. A comprehensive list of critical assets is available on the RDC AssetFinda system. The criticality information is used as part of the matrix that is utilised to calculate the risk that the asset holds to the organisation, of which is utilised when programming renewal or upgrade work. An asset in poor condition with high criticality would have a higher risk assessment score and will be given priority over an asset with low criticality.

The Asset Management system utilised by Rangitīkei District Council, UnityManage, has an advanced approach to condition inspections, and the recording of the information against the assets. The condition inspection module utilises the capability to assess the condition of the components of the asset, weight the importance of each component and then calculate the overall weighted condition index score (out of a possible 100%). The ability to weight components to carry a higher impact means that all components of the asset can be assessed, and the relative impact accounted for. The main area of improvement with respect to data confidence is condition information. We are confident that we have captured all the three waters assets on the Asset Management system but aim to improve the asset condition information in the system. In an effort to improve asset data confidence, the Council initiated a revised Asset Management Strategy for the potable water, wastewater and storm water assets. This strategy includes more detailed assessments of asset performance and asset condition for the tree waters networks. The work on collecting more accurate asset data continues using in-house staff and contractors. On completion, the new asset management strategy will produce a 30-year prioritised programme of works for renewals, performance upgrades and network growth for the three waters assets (this is a system improvement and work-in-progress).

Combined Councils position

The table below presents the councils' forecast performance against the asset consumption ratio over the period through 2033/34 for three waters infrastructure.

This sustained investment in new and replacement assets results in an improvement in Councils' asset consumption ratio (and consequently average asset age) from 57.8% to 68.6%. A consumption ratio between 55 – 65% is typically representative of a mature/stable asset base, and reflects that the CCOs planned investment in renewals is likely to be sufficient to maintain levels of service over the medium term at least.

[29] In Bulls, the concrete waveband on the embankment of the wastewater ponds has deteriorated despite repairs. In Hunterville, about half of the network dates from 1910-1930 when glazed earthenware was used: it is generally in a very poor condition and contributed to the infiltration problem. Mangaweka has glazed earthenware pipes in about 70% of its network. In Marton, about 12% of the network is considered to be in poor or very poor condition, with pipes between 60 and 100 years old. In Taihape, 22% of the network is considered to be in poor or very poor condition. More than 50% of the network is glazed earthenware pipes where joint displacement is a problem.

Asset consumption ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Book value of infrastructure assets	1,460,466	1,539,350	1,633,846	1,808,501	1,992,175	2,207,416	2,460,879	2,638,958	2,758,225	2,877,587
Total estimated replacement value of infrastructure assets	2,526,972	2,631,469	2,738,148	2,935,483	3,137,084	3,377,085	3,663,293	3,885,607	4,052,718	4,188,383
Asset consumption ratio	57.8%	58.5%	59.7%	61.6%	63.5%	65.4%	67.2%	67.9%	68.1%	68.7%

Asset management approach

Horowhenua District

Service delivery mechanism

Three waters O&M was brought inhouse in November 2024. This was the end of the Horowhenua Alliance agreement, under which utilities provider Downer had worked with Council to manage the services since 2017.

On 4 June 2025 elected members voted unanimously to join Palmerston North City Council and Rangitīkei District Council to form a Joint Water Services Organisation, and recognised Whanganui District Council and Ruapehu District Council as potential willing partners which may choose to join later.

Asset management approach

Council is committed to providing good quality infrastructure assets that serve the needs of the community. Council's AM Policy (2015) provides the principles for managing infrastructure including three water assets.

While the maturity of our asset management practices has not been formally assessed, we recognise that we are operating at a basic to core maturity level based on operational knowledge. The focus is to build on basic technical asset management planning to fully achieve core AM maturity. We wish to prepare for the future and improve the practices for managing three water assets particularly data reliability regardless of the decision for the preferred service delivery arrangement under any new Government policy.

With bringing three waters in house, the following initiatives have been achieved:

- Dedicated AM Team has been established to build internal capability.

- Digital Three Waters AMP using Power BI is being developed so information is kept live and up to date.

Asset management system

Council's current asset management system is Infor IPS. HDC does not intend to make any changes in the foreseeable future.

Palmerston North City

The following section describes the asset management approach being used or proposed for the future delivery model, including capital, maintenance and operational programmes for delivering water services. It includes an overview of the existing and proposed service delivery mechanisms, asset management systems, and the supporting asset management policy or framework. Also provided are the results of the asset management maturity assessment completed in 2022.

Service Delivery Mechanisms

While many Councils have outsourced their 3 Waters service delivery, Palmerston North City Council has retained significant capability in-house. Essentially, either more complex activities (such as the design and construction of treatment plants), or less frequent (such as the design and construction of trunk mains), are delivered through the procurement of external contractors. External contractors are procured in line with our Management Team Policy for procurement and are managed predominantly by in-house Project Managers. Note that external consultants are also engaged to carry out specialist investigations or provide technical advice on planning, consenting and policy matters, or temporarily fill vacancies as part of the activity management function. The service delivery model has not been reviewed in recent years for 3 Waters as future delivery had been assumed to be determined by changes to 3 Waters, in whatever form that might take. This is now being reviewed as part of Local Water Done Well. The following table provides an overview of the service delivery function and the related components – internal service delivery team, internal capabilities and external service delivery.

Service Delivery Function	Internal Service Delivery Team	Internal Capabilities	External Service Delivery
Design	Three Waters > Activities Team	Network renewals	Design Panel established May 2022 for most projects

Construct	Three Waters > Networks Operations Three Waters > Networks Capital	Minor projects (Fitting, mechanical and electrical) Pipe renewals and channel upgrades	Some operational projects delivered externally Plant, equipment and large capital upgrades
Operate	Three Waters > Networks Operations, Treatment	All Minor CCTV capability	Backflow device testing and laboratory services CCTV inspection
Maintenance	Three Waters > Networks Operations, Treatment	All reticulation Minor treatment repairs (fitters)	Mechanical and electrical repairs

Asset Management Systems

We have adopted the Asset Management framework contained within the International Infrastructure Management Manual (IIMM) 2020 to define the scope of our Asset Management System since it:

- Describes elements of the system that Enable Asset Management;
- Establishes a process for Understanding our Requirements to inform our asset Lifecycle Planning; and
- Provides a consistent framework for assessing Asset Management maturity for performance accountability.

An asset management system is the collection of processes, data, software and hardware and people that help us manage our assets. Our asset management system has been assessed as being 'core' by our maturity assessment (see below). Our intention is to improve our asset management system to 'high intermediate', which is appropriate for an organisation of our size and scope.

Asset Management Systems – Status parts of the asset management system:

Component Type	Components	Improvements and Issues

Procedures and Standards	Generally not well documented, which makes us reliant on experienced staff. Staff have begun documenting procedures in Promapp. Standard Operating Procedures are saved in OASIS (document management system).	Standard Operating Procedures are established but require continual review for relevance and accuracy Maintenance management – needs improvement
People	The 2022 Asset Maturity Assessment noted: The organisational restructure brought together asset management information and planning teams, and created a project management office. In addition, transport was split into a separate group from the three waters There has been a significant turnover of staff, with many fairly new to their roles. There are also roles that have yet to be filled in some teams. It is expected that with a continued focus on asset management, staff training and experience that the gap in maturity will close over the next three years.	Asset information integration with financial and customer service systems is limited. The customer services system has been linked with asset information via GIS – a special layer has been created, at the request of operations staff, to enhance visibility of issues. The Asset Investigations and Planning team have been meeting monthly with Depot Three Waters operations staff to understand and respond to their data/data analysis needs, and to provide visibility to existing data and data systems.

Data	Asset hierarchy in place. Asset naming convention in place. Asset register is complete enough for valuation purposes. Data confidence has been assessed. Field asset data is collected by Operations team using the Field Inspector add-on to IPS The Criticality Framework and Condition and Performance policies have both been completed over the past 3 years	The Asset Information Team have conducted a number of training sessions, including site visits, to train Operations staff to use the Field Inspector add-on to IPS. Use of Field Inspector enables capture of Asset Data in the field, including maintenance data. Consider training Treatment Plant staff in using field inspector for plant assets (as relevant) Data is being collected but not necessarily being fully utilised in improvements. No formal asset data programme to address information gaps. Asset data confidence and reliability requires validation Criticality scores have not yet been applied at a component level in IPS – this is an improvement item across Infrastructure and all AI systems Existing time series data is not easily accessible (SCADA and Telemetry data) – partly due to security concerns – however there is a programme proposed to make this data accessible and able to be interrogated safely

Software	IPS Hansen (waters), RAMM (transportation), SPM (buildings) - asset as-built attributes, condition, maintenance, criticality, valuation details Salesforce Quality Supply and Demand (QSD) reporting and analytics Infrastructure Data – migrating from RCMonitoring for water quality/consent compliance and other time series data (e.g. rainfall, dam water levels, stream flows). Authority Altitude (financial, corporate valuation) KBase (Customer Requests) RCMonitoring App (consent management) ArcGIS (geographical information system) Hydraulic modelling - Hydraulic modelling – Mike Plus for water supply and wastewater models. Tuflow model for stormwater model (2D) and Waternet advisor (DHI) for strategic modelling Project Management – plans to replace Project Status with new software MagiQ – financial and programme tracking and reporting tool	Corporate project to improve data integration by creating data lake across datasets Limited reporting and analytics. Need more development of models and planning tools for renewals and capital upgrades.

Asset Management Policy

An Asset Management Policy has been drafted in order to provide best practice Asset Management guidance to staff so that asset-based services provide ongoing support to the social, economic, environmental, and cultural wellbeing of our community. The policy will outline expectations relating to Asset Management being an organisational wide practice requiring resourcing and commitment to delivery and will contribute to all our goals as our assets are tools to achieve the positive outcomes being sought by sound Asset Management practice.

It is expected that the AM policy will formalise the following AM principles:

- Asset management planning aligns with Council's Strategic Direction
- Asset management is an organisation wide practice
- Asset management maturity levels are appropriate to the assets, services and risks we manage
- Asset management informs decisions at all stages of the asset life cycle

Asset Management Maturity Assessment

The latest Asset Management Maturity Assessment of Palmerston North City Council was carried out by external auditors in 2022. This represented an improvement of 8 points for each activity from the 2019 assessment, which is significant. A summary of the results of this assessment is shown below.

AM activities	Current Status	Current Score	Target Score
Three Waters	In the previous survey the single biggest issue for the Three Waters was a lack of understanding of the condition and capacity of the pipe networks. Additional condition inspections were undertaken on a proportion of the network, which has improved the knowledge of the network and target interventions to prevent asset failure. The rolling programme of CCTV inspections should help to fill the gap, however there is also an opportunity to better utilise the contractors and in-house staff to collect asset information during repairs and minor works. The biggest change since the last review, has been the creation of the Asset Planning team and the support with asset data management and planning that they have provided.	Water 59 Wastewater 59 Stormwater 58	80

Rangitikei District

The infrastructure strategy included in the 2024-2034 long-term plan notes that Council's policy is to maintain its assets through operations, maintenance and renewals to ensure that they are able to provide the service that they are designed for, and notes four themes for achieving this:

1. Developing an optimised renewal programme.
2. Improving resilience.
3. Managing critical assets.
4. Improving asset data knowledge.

Further detail

Developing an optimised renewal programme

The lives of assets in Rangitīkei are varied and can be affected by a number of factors. Council actively monitors asset conditions and develops renewal programmes to ensure that assets reach their maximum service life without compromising functionality. Council realises that the renewal of one asset often has impacts on other assets with other activities (e.g. water services infrastructure under roading pavements). To accommodate this, Council tries to strategically plan renewals; optimising asset performance and maintaining agreed service levels throughout their lifespan. This proactive approach ensures effective asset management for the benefit of the community.

Improving resilience

Council has completed seismic assessments on all water reservoirs and invested in the construction of two new reservoirs over the last six years. Water supply to all Rangitikei's larger towns, except Taihape, have alternative supply sources. The search for an alternative raw water supply for Taihape continues while the supply main has been completely renewed. Some of Council's water supply distribution networks are vulnerable to a major earthquake. Council's reticulation renewals programme will involve using different construction methods and materials to provide greater earthquake resilience in the pipelines.

Managing critical assets

Critical assets are assets that have a high consequence if they are to fail such as the drinking water supplies. It is important after an unexpected event critical assets are back up and running as soon as possible to ensure that public health and safety is maintained. Council has commenced identification of critical assets by activity, which is noted in the Three Water Asset Management Plan.

Improving asset data knowledge

The Asset Management system utilised by Rangitikei District Council, UnityManage, has an advanced approach to condition inspections, and the recording of the information against the assets. The condition inspection module utilises the capability to assess the condition of the components of the asset, weight the importance of each component and then calculate the overall weighted condition index score (out of a possible 100%). The ability to weight components to carry a higher impact means that all components of the asset can be assessed, and the relative impact accounted for. Each component has an inspection value (score), date, notes and media associated with it for tracking of the deterioration of the asset over its lifecycle. This enables components of assets to be identified as being contributing factors to asset failure or deterioration that is outside of the anticipated lifecycles. From the calculation of the overarching condition index (out of 100), the Condition 1 to 5 score is generated, this incorporates a condition rating system that aligns with NAMS guidelines, whilst also providing for a high-level condition score that is used by reporting authorities.

The main area of improvement with respect to data confidence is condition information. We are confident that we have captured all the three waters assets on the Asset Management system but aim to improve the asset condition information in the system. In an effort to improve asset data confidence, Council initiated a revised Asset Management Strategy for the potable water, wastewater and storm water assets in 2019. This strategy includes more detailed assessments of asset performance and asset condition for the three waters network assets. The work on collecting more accurate asset data is expected to be completed in 2025. On completion, the new asset management strategy will produce a 30-year prioritised programme of works for renewals performance upgrades and network growth for the three waters assets.

Council has competed numerous CCTV inspections, inflow and infiltration studies and flow measurements of the current critical assets to gain a level of confidence on the existing critical assets. A detailed Inflow and Infiltration (I&I) programme for all towns in the District has also been completed by using techniques such as smoke testing and dye testing. Due to the work completed on the critical assets, a traditional age-based asset renewal approach will be followed for the next three years to limit the exposure to poor decision making until such time as the new asset management strategy work has been completed.

System	Purpose	Status / enhancements
ArcGIS Enterprise	GIS system for Council to access information using network's maps and aerial photographs	No changes proposed at this stage.
MagiQ	The financial system used throughout Council. This software also manages Requests for Service, resource consents and building consents.	No changes proposed at this stage. Council is using the cloud platform.
UnityManage	UnityManage is Council's asset management system. It has an advanced approach to condition inspections, and the recording of the information against the assets.	No changes proposed at this stage.
Water Outlook and SCADA software	Allows monitoring and control of water treatment plants and wastewater treatment plants.	None identified at this stage.
Consent information collated in spreadsheets and folders	Stores the resource consent data and provide for compliance monitoring with Horizons' resource consents.	None identified at this stage.

As a joint entity for all three councils, the WS-CCO is expected to build on the Asset Management work and improvements as noted for each Council above, and to address the identified gaps through a common approach to asset management based on staged transition of data to a single asset management system (To be determined). Prioritising work based on asset criticality and condition will be a key aspect.

Statement of regulatory compliance

Horowhenua District Regulatory Compliance Summary

Service levels

HDC fully achieved drinking water compliance for 2023/24 as shown in the table below. The results for 2023/24 against the targets are summarised in the following tables with further detail in the 2023/24 Annual Report.

HDC is one of 14 local authorities that received a directive from the Director-General of Health under the Health (Fluoridation of Drinking Water) Amendment Act 2021 to start fluoridating the drinking water supply for Levin and Ōhau. The Levin and Ōhau drinking water supply supplies have been fluoridated since 19 November 2024.

However, the average water consumption for 2023/24 was 309L/person/day and greater than the 300L/person/day target. This reinforces the need for HDC's proactive water demand management programme including leak detection and water metering to reduce demand on the water supply network. Additionally, the importance of planning for increased water storage capacity.

Water Supply

Most of the water supply performance measures were achieved in 2023/24 except those relating to customer satisfaction and demand management. The drinking water compliance measures were fully achieved in 2023/24.

Level of service statement	Performance measure	2023/24 Target	2023/24 results
Safety water supply	Full compliance with Drinking Water Quality Assurance Rules (2022) for: bacteria and protozoa compliance		
	• bacteria compliance	Achieved for Levin, Shannon, Foxton, Foxton Beach and Tokomaru supplies	Achieved
	• protozoa compliance	Achieved for Levin, Shannon, Foxton, Foxton Beach and	Achieved

		Tokomaru supplies	
Customer satisfaction	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey	≥ 84%	72%
Drinking water that tastes and looks satisfactory	The total number of complaints received about (per 1,000 connections): - drinking water clarity - drinking water taste - drinking water odour - drinking water pressure or flow - continuity of supply and Council's response to any of these issues	<6/1,000 connections	6.20/1,000 connections
Firefighting needs are met	Percentage of sampled network where firefighting flows in urban residential areas meet the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008	≥ 80%	Achieved - all critical hydrants have been tested
Water supply has adequate flow and pressure	Network supply pressure at all property boundaries visited during maintenance work is not less than 250kPa for on demand connections and 150kPa for restricted flow connections	Achieve	Achieved
Water supply is sustainable	Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). lpcd – litres per capita per day	<300 litres per capita per day	309 litres per capita per day
Response for faults	Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:		
	Reach the site for urgent call-outs:	<1 hour	33 minutes
	Resolution of urgent call-outs:	<8 hours	2 hours, 0 minutes
	Reach the site for non-urgent call-outs:	<1 day	16hrs 25 minutes

	Resolution of non- urgent call-outs:	<3 days	19hrs 33 minutes
Minimal water losses	Real water loss performance of the network as measured by the standard World Bank Institute Band for Leakage	Band B	Not achieved for Levin, Shannon and Mangaore, and Foxton (rated C) Foxton Beach A Tokomaru B
Sustainable water supply management	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions received by Council in relation to Horizons Regional Council resource consents.	0 0 0 0	Achieved: 0 0 0 0

Wastewater

All of the wastewater performance measures were achieved in 2023/24.

Level of service statement	Performance measure	2023/24 Target	2023/24 Results
Reliable wastewater collection and disposal	The number of dry weather wastewater overflows from the Council's wastewater system, expressed per 1,000 sewerage connections to that wastewater system	<2/1,000 connections	0.62/1,000 connections
Safe disposal of wastewater	Compliance with the Council's resource consents for discharge from its wastewater system. Measured by the number of: - abatement notices - infringement notices - enforcement orders - convictions received by Council in relation those resource consents	0 0 0 0	Achieved: 0 0 0 0
Council provides a good response to wastewater system faults reported	Median response time for attendance from the time that Council receives notification of a fault or blockage to the time that service personnel reach the site	<1 hour	20 minutes

	Median response time for a resolution from the time Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	<12 hours	2 hours 42 minutes
The service is satisfactory	The total number of complaints received about (per 1,000 connections): - wastewater odour - wastewater system faults - wastewater system blockages Council's response to issues with its wastewater system	<4 <6 <8 <4 <22	9.82/1,000 connections
	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey	>84%	86%

Stormwater

All of the stormwater performance measures were achieved in 2023/24

Level of service statement	Performance measure	2023/24 Target	2023/24 results
Adequate stormwater system	The number of flooding events that occur in the district	<5 per year	0 (no flooding events reported)
	For each flooding event, the number of habitable floors affected (Expressed per 1,000 properties connected to the territorial authority's stormwater system)	2 or less	0/1,000
Response to faults	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site	<1 hour	0 – no flooding events

Customer satisfaction	The number of complaints received by Council about the performance of its stormwater system (per 1,000 connections to Council's stormwater system)	<10 / 1,000 connections	0.96 / 1,000 rated properties
	Percentage of customers satisfied with the stormwater service. As per the Annual Residents Satisfaction Survey	>80%	48.6%
A sustainable stormwater service	Compliance with the Council's resource consents for discharge from its stormwater system. Measured by the number of: - abatement notices - infringement notices - enforcement orders convictions received by Council in relation those resource consents	0 0 0 0	Achieved 0 0 0 0

Consent compliance

With bringing three waters in house, a dedicated Compliance and Regulatory Team was established in October 2025. This is to ensure strong compliance achievements for three water assets and to work with regulators Taumata Arowai and Horizons Regional Council.
HDC is fully compliant with its consent conditions as disclosed for 2023/24 in its 2024 Annual Report, as summarised in the table above. Information on consent expiry in the next 10 years is summarised in the template table below with detail in following template table.

However, there have been significant non-compliance for water supply and wastewater activities as detailed in the template table below. Non-compliance was related to various issues including:

- Failing to prepare Annual Report to promote proactive planning of wastewater management
- Failing to prepare Annual Report in consultation with the Engagement and Review panel
- Exceeding the maximum weekly irrigation depth
- Exceeding the maximum nitrogen load
- Various consent condition breaches and formal warnings for the Tokomaru WWTP

HDC has worked with Horizons Regional Council to respond to the formal warnings and remedy the identified issues. There are current and future work programmes and improvements that will allow for consent compliance. HDC has formally communicated its proposed actions with Horizons Regional Council to resolve the consent breaches.

HDC has 2 activity consent applications for stormwater discharge from Levin to Lake Horowhenua and stormwater discharge from Foxton Beach to the Manawatū River/Estuary. **Parameters**	**Drinking supply schemes**	**Wastewater schemes**	**Stormwater Schemes/catchments**
Drinking water supply		n/a	n/a
• Bacterial compliance (E.coli)	Yes		
• Protozoa compliance	Yes		
• Chemical compliance	Yes		
• Boiling water notices in place	Foxton Beach – October 2024 Levin - June 2021 Note that Tokomaru water supply had elevated levels of lead in August and September 2024; Do not drink water notice was issued to Tokomaru resident.		
• Fluoridation	Yes - Only Levin and Ōhau drinking water supply since 19 November 2024		
• Average consumption of drinking water	309/p/d		
• Water restrictions in place (last 3 years)	Yes – There have been water restrictions in place each summer for the last three years.		
• Firefighting sufficient	Yes – all critical hydrants tested (50)		

Resource Management • Significant consents (note if consent is expired and operating on S124)	Water supply intake - 21 in total	Wastewater discharge – 33 in total	Stormwater discharge - 3 in total
• Expire in the next 10 years	4 – already expired 2 – processing 12 – next 10 years (in addition to expired and processing so 18 in total)	6 - already expired 4- processing 7 – next 10 years (in addition to expired and processing so 18 in total)	2 - processing – see note below

• Non-compliance:
  • Significant risk non-compliance
  • Moderate risk non-compliance
  • Low risk non-compliance
	[Significant = 1]
	[Moderate = 0]
	[Low = 1]
		[Significant = 2]
		[Moderate = 4]
		[Low = 14]
			[0]
			[0]
			[0

• Active resource consent applications	0	0	2 - stormwater discharge from Levin to Lake Horowhenua; stormwater discharge from Foxton Beach to the Manawatū River/Estuary

• Compliance actions (last 24 months):
  • Warning
  • Abatement notice
  • Infringement notice
  • Enforcement order
  • Convictions
	[0]
	[0]
	[0]
	[0]
	[0]
		[0]
		[0]
		[0]
		[0]
		[0]
			[0]
			[0]
			[0]
			[0]
			[0]

Resource consents – Horizons Resource Consents List 2 May 2025			

Source: Annual Report 2023/24

Drinking Water Supply – 2023/24 Annual Report

Resource Management – Consent Compliance Info Completed July 2023 & 2023/24 Annual Report (includes all consents)

Further guidance on regulatory compliance measures is provided at the end of this section.

Water Supply

Scheme	Town/Site	Expiry Date	Consent Number	Consent Purpose	Activities Status
Water Intake	Foxton	1/07/2028	ATH-2009012520.00	Discharge groundwater to land from Harbour Street road bore	Operating
Water Intake	Foxton	1/07/2038	ATH-2010013405.00	Water permit for taking groundwater from Clyde Street recreation reserve bore	Operating
Water Intake	Foxton	1/07/2038	ATH-2010013405.00	Water permit for taking groundwater from Ladys Mile bore near intersection with Duncan Street	Operating
Water Intake	Foxton	1/07/2038	ATH-2010013405.00	Water permit for taking groundwater from Harbour Street road bore	Operating
Water Intake	Foxton	1/07/2038	ATH-2010013407.00	Discharge groundwater to land from Clyde Street recreation reserve bore	Operating
Water Intake	Foxton	23/09/2038	ATH-2002009586.01	Discharge groundwater to land from Ladys Mile bore near intersection with Duncan Street	Operating
Water Intake	Foxton Beach	1/07/2048	ATH-2001009425.01	Water permit for taking groundwater for public water supply from Edinburgh bore	Operating
Water Intake	Foxton Beach	1/07/2048	ATH-2003010237.01	Water permit for taking groundwater for public water supply from Flagstaff bore	Operating
Water Intake	Levin	Expired	ATH-2010013294.00	Land use for the construction of a ford in an artificial watercourse	Completed
Water Intake	Levin	Expired	ATH-2010013346.00	Land use for land disturbance and vegetation clearance within 5m of an artificial watercourse	Completed
Water Intake	Levin	Expired	ATH-2011013725.00	Land use for undertaking bed and bank disturbance for flood and erosion protection	Completed
Water Intake	Levin	Expired	ATH-2013014784.00	Discharge of abrasive blasting sand filters particles to air	Completed
Water Intake	Levin	1/07/2042	ATH-1995008230.01	Discharge of sediment pond water to the Ohau River	Operating
Water Intake	Levin	1/07/2042	ATH-1991006011.03	Water permit for water extraction from the Ohau River	Operating
Water Intake	Levin	6/05/2043	ATH-2008010962.02	Land use for Scarifications	Operating
Water Intake	Poads Road Reservoir	1/07/2042	ATH-2022205111.00	Water permit for 409 m3/day of water extraction from the Ohau River	
Water Intake	Shannon	-	ATH-2011013681.01	Land use for the installation of a temporary water intake pipe in the bed of the Mangaore Stream	
Water Intake	Tokomaru	1/07/2038	ATH-1994001627.01	Water permit for taking water from the Tokomaru River at Horseshoe Bend Reserve	Operating
Water Intake	Tokomaru	1/07/2038	ATH-2019202692.00	Discharge water to water Tokomaru River at Horseshoe Bend Reserve	Operating
Water Intake	Shannon	processing	ATH-2005010241.03	APP-2003010305.04 - Water permit to abstract water from the Mangaore Stream	
Water Intake	Shannon	processing	ATH-1996004132.01	APP-1996003808.02 - Discharge contaminated water to a roadside drain	

Wastewater

Scheme	Town/Site	Expiry Date	Consent Number	Consent Purpose	Activities Status
Wastewater Treatment Plant	The Pot	2/06/2045	ATH-1998007461.01	Discharge aerosols and odour to air	Operating
Wastewater Treatment Plant	The Pot	2/06/2045	ATH 1998004064.01	Discharge treated wastewater to land and water	Operating
Wastewater Treatment Plant	The Pot	2/06/2045	ATH-2018202041.00	Store wastewater and the associated discharge of wastewater to land and water	Operating
Wastewater Treatment Plant	The Pot	-	ATH-2020203223.00	Land use for undertaking riparian planting along the Waiwiri Stream and bank stabilisation	Operating
Wastewater Treatment Plant	Foxton	Expired	ATH-2009011618.03	Discharge treated wastewater to Manawatu River Foxton Loop	Prohibited
Wastewater Treatment Plant	Foxton	Expired	ATH-2015200583.00	Land use for undertaking vegetation clerance and land disturbance	Operating
Wastewater Treatment Plant	Foxton	1/07/2048	ATH-2015200584.00	Discharge treated wastewater odour to air	Operating
Wastewater Treatment Plant	Foxton	1/07/2048	ATH-2015200444.00	Discharge treated wastewater to land from ponds	Operating
Wastewater Treatment Plant	Foxton	1/07/2048	ATH-2015200586.00	Land use for intensive farming	Operating
Wastewater Treatment Plant	Foxton	1/07/2048	ATH-2015200585.00	Discharge treated wastewater to land by irrigation	Operating
Wastewater Treatment Plant	Foxton Beach	1/04/2028	ATH-2003009791.00	Discharge treated wastewater to land	Operating
Wastewater Treatment Plant	Foxton Beach	1/04/2028	ATH-2003010012.00	Land use for undertaking vegetation clearance and soil disturbance	Operating
Wastewater Treatment Plant	Levin	Expired	ATH-2012014703.00	Land use for construction of a bore at Levin North School, 148 Weraroa Road Levin	Completed
Wastewater Treatment Plant	Levin	Expired	ATH-2012014704.00	Land use for construction of a bore at the corner of Tiro Tiro Road and Patikei Road Levin	Completed
Wastewater Treatment Plant	Levin	Expired	ATH-2012014705.00	Land use for construction of a bore at Fairfield School, 89 MacArthur Street Levin	Completed
Wastewater Treatment Plant	Levin	Expired	ATH-2012014706.00	Land use for construction of a bore at Kennedy Park, Kennedy Drive Levin	Completed
Wastewater Treatment Plant	Levin	1/07/2034	ATH-1998007460.05	Discharge to airfrom biofilterand gasflare	Operating
Wastewater Treatment Plant	Levin	1/07/2034	ATH-1998004076.03	Discharge treated wastewater to land	Operating

Scheme	Town/Site	Expiry Date	Consent Number	Consent Purpose	Activities Status
Wastewater Treatment Plant	Shannon	1/07/2028	ATH-2013015038.00	Water permit for taking underground water to maintain the wastewater treatment plant	Operating
Wastewater Treatment Plant	Shannon	1/07/2034	ATH-2012014014.00	Discharge treated wastewater into land from oxidation pond	Operating
Wastewater Treatment Plant	Shannon	1/07/2034	ATH-2012014015.00	Discharge to air from oxidation pond	Operating
Wastewater Treatment Plant	Shannon	1/07/2048	ATH-2013015158.00	Discharge treated wastewater to land by irrigation	Operating
Wastewater Treatment Plant	Shannon	1/07/2048	ATH-2013015159.00	Discharge wastewater odour to air	Operating
Wastewater Treatment Plant	Shannon	1/07/2048	ATH-2013015160.00	Discharge treated wastewater to water Manawatu River	Operating
Wastewater Treatment Plant	Shannon	-	ATH-2013015161.00	Land use for the construction, operation and maintenance of treated wastewater discharge outlet within 8m of the stopbanks of the Manawatu River and Mangaroe Stream	Operating
Wastewater Treatment Plant	Shannon	-	ATH-2013015163.00	Land use for the construction, operation and maintenance of pipelines to convey treated wastewater	Operating
Wastewater Treatment Plant	Shannon	-	ATH-2013015164.00	Land use for large scale land disturbance to construct treated wastewater storage	Operating
Wastewater Treatment Plant	Waitarere	1/07/2044	ATH-2017201585.00	Discharge odour to air	Operating
Wastewater Treatment Plant	Waitarere	1/07/2044	ATH-2002009762.01	Discharge treated wastewater to land	Operating
Wastewater Treatment Plant	Tokomaru	Processing	ATH-2002008648.02	Discharge treated effluent to water	Operating
Wastewater Treatment Plant	Tokomaru	Processing	ATH-2002008649.02	Discharge treated effluent to land	Operating
Wastewater Treatment Plant	Tokomaru	Processing	ATH-2016200987.00	Discharge contaminants to air	Operating
Wastewater Treatment Plant	Tokomaru	Processing	ATH-2013015125.00	Land use for construction and maintenance of two bores	Completed

Stormwater

Scheme	Town/Site	Expiry Date	Consent Number	Consent Purpose	Activities Status
Stormwater	Coley Pond	1/07/2048	ATH-2017201713.00	Discharge stormwater to Koputaroa Stream	Operating
Stormwater	Foxton Beach	processing		APP-2020202885.00 - Global discharge of Foxton Beach stormwater to the Manawaty River Estuary	
Stormwater	Levin	processing		APP-2018202166.00 - Discharge stormwater to Lake Horowhenua, Patiki Stream and Arawhata Stream	

Overall Totals

Scheme	Town/Site	Expiry Date	Consent Number	Consent Purpose	Activities Status
No. of Consent Applied (Total):		57		No. of Consent Granted (= Valid + Expired):	49
Wastewater	-	33		Wastewater -	29
Water	-	21		Water -	19
Stormwater	-	3		Stormwater -	1

Palmerston North City Regulatory Compliance Summary

Current Compliance with Regulatory Requirements

Palmerston North City Council currently delivers drinking water, wastewater and stormwater services and has a robust record of compliance with existing regulatory requirements:

- Drinking Water:
    - Full compliance with protozoal, and chemical standards.
    - Compliant with bacterial standards in the retic network. Working with the regulator TA to determine compliance with Contact Time requirements for 3 of the cities bore sites.
    - No boiling water notices issued in the last three years.
    - Fluoridation is in place, in line with requirements under the Health Act 1956.
    - Firefighting water supply is sufficient across the network.

- Wastewater and Stormwater:
    - All active consents are operating within parameters.
    - No warnings, abatement notices, infringement notices, enforcement orders or convictions in the past 24 months.

Anticipated Future Compliance

The Council anticipates that some existing resource consents - particularly those due to expire in the next 10 years may require upgrades or amendments to meet future regulatory requirements, especially in wastewater systems. The renewal of older consents may also trigger more modern compliance conditions under the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 and the Water Services Act 2021.

There is currently one drinking supply scheme consent identified as a significant risk of non-compliance and three at a moderate risk level. These do not currently breach conditions but are flagged for potential risk under evolving standards or due to ageing infrastructure. Palmerston North City Council is monitoring these closely and undertaking preparatory work to mitigate future issues.

Non-compliance and Mitigation Plans

The Council acknowledges that:

- One consent is currently categorised as a significant risk non-compliance, with moderate and low-risk issues identified in others.
- These risks are related to consent expiry, capacity constraints and infrastructure age.

To address this:

- The Council is progressing with a long-term investment and renewal programme to replace or upgrade at-risk assets.
- Five active resource consent applications are currently under assessment to ensure ongoing compliance with updated regulatory frameworks.

- Any future upgrades or compliance needs will be addressed through the proposed investment planning and delivery model detailed below.

Proposed Model of Service Delivery

Palmerston North City Council will continue delivering water services directly under the current model in the short term.

The proposed model includes:

- Establishing a Multi-council WS-CCO to govern and oversee the delivery of water services.
- Targeted asset upgrades and renewals tied to identified consent risks.
- Ongoing development of Water Safety Plans and source resilience strategies.
- Progressive alignment with Taumata Arowai's Drinking Water Quality Assurance Rules and updated environmental standards.

Additional Notes

- There are no delays in wastewater consent replacements pending regulatory changes.
- No water take or source consents have been identified as needing urgent attention, though long-term water supply resilience is an area of ongoing planning.
- Fluoridation systems are already installed and no further upgrades are anticipated in the next planning period.

The following table provides an overview of significant resource consents held by the council, including the type of consent and their expiry dates. It also identifies any expired consents currently under renewal in accordance with section 124 of the Resource Management Act 1991 and details any active resource consent applications.

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
Drinking water supply • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	 yes yes yes 0 of notices in place for last 3 years Yes 242L/person/day no yes	n/a	n/a
Resource Management • Significant consents (note if consent is expired and operating on S124):	ATH-2010013190.01 – 105192 ATH-2010013189.01 – 105191 ATH-2011013718.00 - 105644 ATH-2018201933.02 – No Consent ID ATH-2012014407.00 – 106233 ATH-2011010156.04 – No Consent ATH-2011013139.03 - 105146/3 ATH-2013014795.00 – No Consent ID	ATH-2014015336.02 (Land) & ATH-2014015337.02 (Air) ATH-2002009338.00 – 101830 ATH-2002009339.00 – 101831 ATH-2003009337.03 - 101829/2 ATH-2010013482.00 – No Consent ID	14. ATH-2021204533.00 15. APP-2021203421.00 16. ATH-2007011507.01 17. ATH-2010012916.00 18. ATH-2000008696.00 19. ATH-2001008995.01 20. ATH-2001009313.00
• Expire in the next 10 years:	**2**	**5**	**4**
• Non-compliances: • Significant risk non-compliance: • Moderate risk non-compliance: • Low risk non-compliance: • Comply – At Risk:	• Significant risk non-compliance: 1 • Moderate risk non-compliance: 3 • Low risk non-compliance: 7 • Comply – At Risk: 2	• Significant risk non-compliance: 0 • Moderate risk non-compliance: 0 • Low risk non-compliance: 0 • Comply – At Risk: 0	• Significant risk non-compliance: 0 • Moderate risk non-compliance: 0 • Low risk non-compliance: 0 • Comply – At Risk: 0
• Active resource consent applications:	**5***		

• Compliance actions (last 24 months):
  • Warning:
  • Abatement notice:
  • Infringement notice:
  • Enforcement order:
  • Convictions:
	• Warning: 0
	• Abatement notice: 0
	• Infringement notice: 0
	• Enforcement order: 0
	• Convictions: 0
		• Warning: 0
		• Abatement notice: 0
		• Infringement notice: 0
		• Enforcement order: 0
		• Convictions: 0
			• Warning: 0
			• Abatement notice: 0
			• Infringement notice: 0
			• Enforcement order: 0
			• Convictions: 0

* The 2 Ashhurst Bore consents and NE Industrial Park Stormwater Discharge consent

Rangitikei Regulatory Compliance Summary

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
Drinking water supply			
• Bacterial compliance (E.coli)	No[32]	n/a	n/a
• Protozoa compliance	No[33]		
• Chemical compliance	No[34]		
• Boiling water notices in place	None		
• Fluoridation	No[35]		
• Average consumption of drinking water	448		
• Water restrictions in place (last 3 years)	Yes[36]		
• Firefighting sufficient	Yes		
Resource Management			
• Significant consents (note if consent is expired and operating on S124)	13 – 3 operating under s.124)	16 in 8 networks[37]	3
• Expire in the next 10 years	1	7	0
	8	5	0
• Non-compliance:			
• Significant risk non-compliance	0	4 – Bulls[38], Hunterville,[39] Mangaweka,[40] Taihape[41]	0
		1 – Marton[42]	
• Moderate risk non-compliance	0	3 – Koitiata[43]	0
• Low risk non-compliance	1 – Hunterville (Differential pressure)		0
		4[44]	
• Active resource consent applications	3 – Bulls (2), Taihape, Dudding Lake		0[48]
		3[45]	
• Compliance actions (last 24 months):		1 – Hunterville[46],	0
• Warning	0	10[47]	0
• Abatement notice	0	0	0
• Infringement notice	0	0	0
• Enforcement order	0		0
• Convictions	0		

[32] There were no Incidents of non-compliance with bacteria compliance criteria in 2023/24. However, non-compliance under the DWQAR due to monitoring challenges was recorded in 2024 as it was not assessed (10/22 reports were invalid) at Bulls, Hunterville, Marton, Ratana, Taihape. Not applicable at Mangaweka.

[33] There were no incidents of Incidents of non-compliance with protozoa compliance criteria in 2023/24. However, while the DWQAR compliance was achieved fin 2024 or Bulls, Hunterville and Marton, it was not assessed at Ratana and Taihape. (Not applicable at Mangaweka.) Non-compliance is often caused by data collection issues such as spikes in electricity and does not indicate that public health was ever at risk.

[34] 50% at Bulls and Hunterville, 33% at Marton, Ratana and Taihape. No reports at Mangaweka.

[35] The Director-General of Health has not set a date for fluoridating any of Rangitikei's drinking-water supplies.

[36] Marton, 3-8 February 2022.

[37] Includes Dudding Lake, operated by a community trust. This consent has expired. Counciil has advised Horizons that a new consent application will be submitted.

[38] This is due to regular exceedances of the allowed volume of treate d wastewater to the Rangitikei Riveron any given day (Condition 4).

[39] This is due to exceedances of the Dissolved Reactive Phosphorous and Escherichia coli (E coli) concentrations in the discharged wastewater in the September-November 2024 quarter and in December 2024 (Condition 15).

[40] This is due to exceedance of the maximum median and 90 percentile values of Escherichia coli in the effluent.

[41] As the Council (with assistance from WSP) is preparing a new consent application to address this discharge volume, Horizons is not taking enforcement action.

[42] The non-compliance refers to the two bores. The reservoir ('B and C Dam') is fully compliant.

[43] Late completion of the vegetation survey required by Condition 23; the maintenance and inspection records were not submitted in April 2024 (Condition 20).

[44] Existing consents: Hunterville and Mangaweka. New consents: Rātana, Marton/Bulls,

[45] Taihape (Mar 2024), Hunterville (Aug 2024), Rātana (Aug 2024)

[46] June 2024

[47] Taihape (Dec 2022), Marton (5) (Apr 2024), June 2024, July 2024, Mangaweka (3) (Dec 2023, May 2024, July 2024), Hunterville (Aug 2024).

[48] "The potential need for a stormwater discharge consent is being worked through with Horizons. This involves the collection of baseline data to determine the significance of any effects on the natural environment. Following a successful application for such a consent to cover Marton, other urban areas would be looked at with the same intent (particularly Bulls and Hunterville)." *Three Waters Asset Management Plan*, p. 131.

Drinking Water

Water quality, and compliance with the Drinking Water Standards, is a top priority for Council. The two key parts to the Standards are bacteriological compliance and protozoal compliance. Protozoal compliance is more difficult to achieve. Council has invested significant amounts of money in recent years to upgrade its water supplies to enable them to achieve compliance. Typically, this has involved the installation and commissioning of additional UV disinfection units. These use ultraviolet light to destroy harmful pathogens, including protozoa. Several projects are underway to improve drinking water quality in various areas. The main challenge in achieving compliance in accordance with the Drinking Water Quality Assurance Rules (DWQAR) is with the ability to continuously collect and record all required data for compliance. Many of our treatment facilities are small and remote, and prone to power outages and surge fluctuations. Rangitīkei District Council is focusing on improving automation and control at these remote installations to reduce the risk of future non-compliance.

Wastewater

Significant issues with wastewater discharge compliance are experienced across the District. Work is underway at each of the treatment facilities to address issues that will improve compliance with current and future resource consents. Upgrades to treatment plants that include partial or complete irrigation to land is seen as one method by which consent compliance can be achieved going forward. For each consent renewal, background work is also done on quantifying reasonable flows, and applying for consent limits that are achievable, while also minimising environmental impact. A main focus is the renewal of consents as part of the planned and budgeted improvement projects including for Marton-Bulls, Taihape, Hunterville and Ratana. As can be seen below, those existing plants with expired consent terms are operating under S124 (per RMA), and now pending evaluation of the impacts of the proposed wastewater environmental discharge standards.

Council	Water Activity	Consent		Expiry Date	Operating Under S124
Rangitikei District Council	**Drinking Water**	ATH-2007011544.00 Consent Number 103868	Abstract 1,125 m3/Day of Groundwater from Bore 313069 for Supplementary Municipal Water Supply purposes at Bridge Street	16/01/2022	Yes

		ATH-2009011691.00 Consent Number 103986	Abstract 1,800 m3/Day of surface water from Reporoa stream for general farming, pasture irrigation & stock water purposes at Taihape Napier Road	1/07/2027	
		ATH-2009011692.00 Consent Number 103987	For the damming of the Stream By The Weir To Supply Water To The Erewhon Rural Water Supply Scheme At Reporoa Stream East Of Matawhero Road Mangaweka - All Nos 103986 And 103987	1/07/2027	
		ATH-2011013396.00 Consent Number 105370	Abstract 80 m3/Day of surface water from a Rangitikei river tributary for rural water supply scheme pond recharge purposes at Rangatira road	1/07/2027	
		ATH-1980005721.00 Consent Number 103989	To Dam An Unnamed Tributary Of The Porewa Stream For Hunterville Water Supply Purposes	1/10/2026	
		ATH-2007011694.00 Consent Number -	Abstract 2,500 m3/Day of Surface Water from the Rangitikei River (via infiltration Gallery) for Municipal Water Supply, Otairi Station & Rural Stock Water purposes at Cooks Road	1/07/2037	
		ATH-2005010697.01 Consent Number 103081	Abstract 250 m3/day of Surface Water from the Rangitikei River for Municipal Water Supply purposes at Mangawhararikiki Road	1/07/2037	

		ATH-1997004476.00 Consent Number 106300	Abstract 6,500 m3/Day of Surface Water from the Tutaenui Stream Reservoir Dams B and C for Municipal Water Supply purposes at Tutaenui Road	11/07/2032	
		ATH-1977005652.00 Consent Number 106125	To Dam The Tutaenui Stream For Water Supply Purposes	1/10/2026	
		ATH-2012014285.00 Consent Number 6929	Abstract 3,500 m3/Day of Groundwater from Bore 303029 for Supplementary Municipal Water Supply purposes at Tutaenui Road	1/07/2027	
		ATH-1997002995.01 Consent Number 6853	Abstract 2,200 m3/Day of Groundwater from Bore 303013 (Calico Bore) for Emergency & Supplementary Municipal Water Supply purposes at 5 Calico Line, Marton	1/07/2027	
		ATH-2008011693.00 Consent Number 103988	Abstract 300 m3/Day of surface water from an unnamed tributary of the Makino Stream for stock water purposes at Makino Road, Taoroa Junction	1/07/2027	

		ATH-2014200014.00 Consent Number -	Abstract 307 m3/Day (with Provision for 613 m3/Day for 7 Days during January) of Groundwater from Bore 301033 for Municipal Water Supply purposes at Ratana Road, Ratana	1/07/2034	
		ATH-2005009214.00 Consent Number 107122	Abstract 2,900 m /Day of Surface Water from the Hautapu River for Municipal Water Supply purposes at State Highway 1, Waiouru	31/05/2020	Yes
	Wastewater	ATH-1996004798.00 Consent Number 6406	Discharge 515 m3/Day of Primary Treated Municipal Blackwater from the Bulls Township wastewater oxidation ponds to the Rangitikei River at Ferry Road	7/10/2006	Yes
		ATH-2003010101.00 *Historic*	Discharge 15 m3/Day of Primary Septic Tank Treated Blackwater from the Duddings Lake Recreation and Holiday Park Ablutions Block to Land Application Area at State Highway 3, Bulls	27/02/2023	No
		ATH-2012013766.00 Consent Number 105684	Discharge 700 m3/Day of Tertiary Treated Municipal Blackwater, Collected Rain Water Run-Off and Emergency Pond Overflow Secondary Treated Municipal Blackwater to Subsurface Dripline Irrigation Disposal Application Area at State Highway 48, Tongariro National Park	1/12/2014	Yes

		ATH-2013013935.00 Consent Number 105834	Discharge Secondary treated municipal blackwater seepage from Hunterville wastewater treatment plant floating wetland oxidation ponds to land at State Highway 1	1/07/2037	
		ATH-2014013934.00 Consent Number 105833	Discharge 250 m3/Day of tertiary treated municipal blackwater from the Hunterville wastewater treatment plant and floating wetland oxidation ponds to the Porewa stream at State highway 1	1/07/2037	
		ATH-2011013060.00 Consent Number 105079	Discharge 16.2 m3/Day of Secondary treated blackwater from the camping grounds and Koitiata community wastewater treatment plant oxidation pond to land application soakage trenches at Rapaki St	1/07/2024	Yes
		ATH-2011014172.00 Consent Number 106028	Lined 25m x25m Oxidation Pond, Screening Vault, Sequenced Dosing Chambers and 17.5 x 35m Long Soakage Trenches for Secondary Treated Municipal Blackwater Treatment and Disposal purposes at Rapaki Street	1/07/2024	Yes
		ATH-2004009218.01 Consent Number 101726	Discharge 90 m3/Day of Secondary treated municipal blackwater from Mangaweka Township septic tanks to Mangaweka stream at Bank st	19/03/2024	Yes
		ATH-2017201675.00 Consent Number -	Discharge up to 900 L/day of Secondary Treated Domestic Wastewater into and onto Land at 6291 State Highway 1, Mangaweka	1/07/2047	
		ATH-2021204489.00 Consent Number -	Discharge 800 Litres/Day of Secondary Treated Domestic Blackwater from a Residential Dwelling Aeration Treatment Plant to Subsurface High-Pressure Dripline Irrigation Disposal Field at 14 Raumaewa Road	1/07/2047	

		ATH-1998003706.00 Consent Number 7312	Discharge tertiary treated Municipal blackwater from the Marton plant oxidation ponds to the Tutaenui stream at Makirikiri road	31/03/2019	Yes
		ATH-1996004365.01 Consent Number -	Discharge 287 m3/day of Treated Supernatant Water from the Marton Water Treatment Plant into Surface Water being the Marton Water Supply Reservoirs Located in the Tutaenui Stream, and Groundwater via the Walls of the Settlement Ponds at Galpins Road	11/07/2032	
		ATH-1998003707.00 Consent Number 7313	Discharge Emissions, Odour and Aerosols from Municipal Blackwater Oxidation Ponds, Wastewater Processing and Managmeent Activities to Air at the Marton Wastewater Treatment Plant, Makirikiri Road	31/03/2019	Yes
		ATH-1998003835.00 Consent Number 7400	Discharge 136 m3/Day of Secondary treated municipal blackwater from Ratana Wastwater Treatment Plant Oxidation Ponds to a Waipu Stream Tributary at Rangatahi Road	31/07/2018	Yes
		ATH-2014013572.00 Consent Number 105518	Discharge 1,200 m3/Day of Tertiary treated municipal blackwater from Taihape wastewater treatment plant oxidation ponds to open channel outfall at Papakai Road	1/07/2027	
	Stormwater	ATH-1998007414.00 Consent Number -	Discharge Stormwater and Land Drainage Water into the Hautapu River	30/06/2033	
		ATH-1995002982.00 Consent Number -	To Divert Stormwater Through A 900 Mm Pipe in a Watercourse on Calico Line	23/06/2030	
		ATH-2022205114.00 Consent Number	Discharge Permit, Water, Stormwater	10/06/2027	

Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements

Combined Councils statement

The below sets out Councils capital expenditure based on LTP categorisations. Key capital expenditure to achieve compliance with regulatory requirements includes:

- Renewal of expiring consents and pursuit of comprehensive wastewater consents
- Strategic treatment plants and reticulation upgrades to achieve compliance
- Enhanced operational and maintenance programmes to achieve compliance
- Ensuring new infrastructure, such as treatment plants have appropriate resource consents to operate
- Ensuring that investment levels support the provision for growth

Horowhenua District Council

The table below provides a summary of HDC's projected investment requirements. HDC's planned investment during the period is to address the identified network performance issues disclosed in this plan (Part B), such as aging and poor condition assets, meeting levels of service, and renewing expiring consents. Investment is also required to plan for the district's growth. Refer to Part D for further details.

Key capital expenditure to achieve compliance with regulatory requirements includes:

- Renewal of expiring stormwater consents and pursuit of comprehensive stormwater consents.
- Strategic treatment plants and reticulation upgrades to achieve compliance.
- Enhanced operational and maintenance programs to achieve compliance.
- Ensuring new infrastructure, such as treatment plants, have appropriate resource consents to operate.

Projected investment in water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	2,950	3,870	5,892	4,059	1,628	1,628	4,378	5,753	8,878	11,149
Capital expenditure - to improve levels of services	1,637	1,930	2,025	563	-	-	1,375	2,375	4,250	5,761
Capital expenditure - to replace existing assets	2,788	4,165	7,111	6,576	4,920	4,920	6,295	5,420	5,420	4,676
Total projected investment for drinking water	**7,375**	**9,965**	**15,028**	**11,198**	**6,548**	**6,548**	**12,048**	**13,548**	**18,548**	**21,586**
Wastewater										
Capital expenditure - to meet additional demand	5,839	4,930	4,617	10,907	13,873	9,930	6,787	4,356	4,106	4,688
Capital expenditure - to improve levels of services	140	178	140	100	100	-	-	750	750	1,588
Capital expenditure - to replace existing assets	3,973	7,157	6,488	11,617	13,958	9,140	6,998	3,317	2,568	3,383
Total projected investment for wastewater	**9,952**	**12,265**	**11,245**	**22,624**	**27,931**	**19,070**	**13,785**	**8,423**	**7,424**	**9,659**
Stormwater										
Capital expenditure - to meet additional demand	412	788	2,325	1,475	275	275	275	485	710	25
Capital expenditure - to improve levels of services	844	2,100	1,388	1,556	806	806	806	1,436	1,943	56
Capital expenditure - to replace existing assets	19	188	188	19	19	19	19	19	188	19
Total projected investment for stormwater	**1,275**	**3,076**	**3,901**	**3,050**	**1,100**	**1,100**	**1,100**	**1,940**	**2,841**	**100**
Total projected investment in water services	**18,602**	**25,306**	**30,174**	**36,872**	**35,579**	**26,718**	**26,933**	**23,911**	**28,813**	**31,345**

Palmerston North City

The tables below outline projected capital investment in water services over the 10 years beginning FY2024/25 broken down by water service and whether the investment meets the proposed LOS, provides for renewals of network assets, or provides for growth.

Under the Additional Information section of this plan, there is further information on the significant capital projects included in our Long-Term Plan broken down by water service as well as by whether the investment covers renewal of network assets, improves levels of service, or provides for growth/additional demand. There is also information on significant capital programmes for years 11-30 (FY2034/35 – FY2053/54) for water services as per the relevant Asset Management Plans with corresponding inflated budget figures.

Palmerston North City Council's Nature Calls is the city's major wastewater upgrade programme, required to replace our expiring discharge consent in 2028. The LTP 2024–34 has set a budget cap of $480 million uninflated. This investment is essential to meet the anticipated higher treatment standards that will be defined by the National Discharge Standards being developed by Taumata Arowai and secure long-term environmental compliance.

Overall, the investment over the next 10, and indeed the next 30, years is based around maintaining the current levels of service and ensuring those levels of service are provided to growth areas. Part of maintaining of levels of service is compliant with regulatory requirements as such compliance is part of the service that we provide. This provides the ongoing public health benefits and environmental benefits to the community that the regulations seek to provide. The investment also supports the provision of all the benefits of growth to the city.

Projected investment in water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	4,019	3,991	7,352	8,381	8,134	8,098	10,544	8,324	2,297	3,209
Capital expenditure - to improve levels of services	7,978	8,804	7,884	12,057	8,188	8,281	3,615	10,385	7,873	2,247
Capital expenditure - to replace existing assets	5,010	5,482	5,931	7,215	7,240	7,704	10,218	8,308	8,124	8,285
Total projected investment for drinking water	**17,007**	**18,277**	**21,167**	**27,653**	**23,562**	**24,083**	**24,377**	**27,017**	**18,294**	**13,741**
Wastewater										
Capital expenditure - to meet additional demand	104	461	3,316	3,583	6,599	8,211	6,199	3,967	3,929	555
Capital expenditure - to improve levels of services	9,204	14,060	15,492	76,386	80,428	88,682	135,368	102,933	48,537	21,372
Capital expenditure - to replace existing assets	4,753	5,431	5,152	5,065	6,768	7,209	7,200	6,048	6,719	6,613
Total projected investment for wastewater	**14,061**	**19,952**	**23,960**	**85,034**	**93,795**	**104,102**	**148,767**	**112,948**	**59,185**	**28,540**
Stormwater										
Capital expenditure - to meet additional demand	4,244	3,911	3,619	4,344	7,387	18,700	19,029	2,191	1,925	432
Capital expenditure - to improve levels of services	4,812	4,368	7,683	6,395	5,620	5,846	4,214	6,677	3,494	2,730
Capital expenditure - to replace existing assets	350	615	579	351	360	368	377	326	332	339
Total projected investment for stormwater	**9,406**	**8,894**	**11,881**	**11,090**	**13,367**	**24,914**	**23,620**	**9,194**	**5,751**	**3,501**
Total projected investment in water services	**40,474**	**47,123**	**57,008**	**123,777**	**130,724**	**153,099**	**196,764**	**149,159**	**83,230**	**45,782**

Rangitikei District

In line with Council's strategic priorities, the provision of this activity provides the basic infrastructure which enables the district to attract and retain people and businesses. Recent rainfall patterns have called into question historic design parameters and may mean that the capacity and capability of the existing system to provide protection to the levels normally expected by a community is exceeded. It is likely that stormwater management methods will be required to meet increasingly higher standards.

The 30-year infrastructure shows that there is no planned capital expenditure on the same scale as in the years 2024-34. The capital expenditure included in years 11 to 30 covers renewals for the three waters assets. The major wastewater consents are all being progressed during the 2024-34 period.

The table below outlines the projected investment into Rangitikei's Three Waters services for the next 10 years.

Projected investment in water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve levels of services	2,700	2,710	232	248	320	316	242	82	0	0
Capital expenditure - to replace existing assets	2,998	1,592	1,597	1,339	1,325	1,620	1,388	1,398	1,376	1,405
Total projected investment for drinking water	**5,698**	**4,302**	**1,829**	**1,587**	**1,645**	**1,935**	**1,629**	**1,480**	**1,376**	**1,405**
Wastewater										
Capital expenditure - to meet additional demand	1,250	255	260	267	3,000	21,750	17,100	0	0	32,276
Capital expenditure - to improve levels of services	440	641	567	578	44	45	6	47	47	48
Capital expenditure - to replace existing assets	840	982	2,528	906	924	883	$901	919	937	955
Total projected investment for wastewater	**2,530**	**1,878**	**3355**	**1,751**	**3,968**	**22,677**	**18,047**	**966**	**985**	**33,280**
Stormwater										
Capital expenditure - to meet additional demand	0	1,431	680	0	4,818	0	2,234	$0	0	0
Capital expenditure - to improve levels of services	710	112	115	118	120	123	125	128	130	133
Capital expenditure - to replace existing assets	$111	$150	$154	$157	$161	$164	$167	$171	$174	$177
Total projected investment for stormwater	$821	**$1,693**	$949	$275	$5,098	**$287**	$2,527	$298	$304	$310
Total projected investment in water services	**$9,049**	**$7,873**	**$6,133**	**$3,613**	**$10,711**	**$24,899**	**$22,203**	**$2,744**	**$2,665**	**$34,995**

The capex identified above for improving Levels of Service is intended to address existing and future (to the extent they can be anticipated) non-compliance issues where they exist in the current systems. Additionally, the growth capex projects will be designed to meet new regulatory and environmental standards. Some of these standards are yet to be ratified into regulation (e.g. national wastewater discharge standards, signalled Resource Management Act [RMA] changes) and the full implications analysed – this is particularly applicable for wastewater capex and for some projects below, the estimated costs may reduce as a result. Given this planned investment, the Council expects to be fully compliant with regulatory standards (including RMA consent regimes) within the term of this Plan as forecast.

Summary of Water Supply significant projects

The only substantial capital investment for drinking water is the new Marton Water Treatment Plant (WTP) scheduled to be completed by the end of 2025. The rest of the capital in this area is for lesser upgrades to comply with the new DWQAR requirements and for some upgrades in shallow bores and intakes. No Capex water budget has been included for growth as the additional anticipated demand has been factored into the Marton WTP project, and it is expected developers will build and vest the necessary reticulation infrastructure within the network(s).

Summary of Wastewater significant projects

- Marton to Bulls wastewater treatment upgrade……2024-35……$79.3 million
- Hunterville wastewater treatment plant upgrade……2024-28…… $1.6 million
- Mangaweka wastewater treatment plant refurbishment……2026/27…… $1.6 million
- Taihape wastewater treatment plant upgrade……2029-30……$34.0 million

Summary of Stormwater significant projects

- Follett Street stormwater interceptor (Marton)……2028/29…… $4.8 million
- Harris Street stormwater upgrade (Marton)……2030/31…… $2.2 million

The stormwater networks across the district are mainly open drains through private properties with a small portion being formally engineered infrastructure. Council made the decision to include the open drain networks across all our towns as part of RDC owned and maintained stormwater network. These open drains generally supply a higher level of service than the engineered infrastructure designed in accordance with modern day New Zealand standards. The storm water capex included in the current LTP is to increase capacity for the engineered solutions to improve the level of service and to create a more structured stormwater network that will allow for improved levels of service and future growth in Marton. None of the other storm water networks needs this level of capital investment at this stage**.**

We anticipate peaks in total capital expenditure in the current LTP in years 29/30, 30/31, 33/34 due to expected expenditure related to discharge of treated wastewater to land in Taihape and in Marton/Bulls.

Historical delivery against planned investment

Horowhenua District

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) Water Supply	2,788,000	15,019,000	7,333,000	**25,140,000**	7,375,000	23,020,000	10,134,000	**40,529,000**
Wastewater	3,973,000	18,618,000	13,154,000	**35,745,000**	9,952,000	44,818,000	31,096,000	**85,866,000**
Stormwater	19,000	619,000	270,000	**908,000**	1,275,000	15,504,000	7,742,000	**24,521,000**
TOTAL	**6,780,000**	**34,256,000**	**20,757,000**	**61,793,000**	**18,602,000**	**83,342,000**	**48,972,000**	**150,916,000**
Total actual investment Water Supply	NA – current year	9,105,000	10,891,000	**19,996,000**	NA - current year	13,853,000	12,841,000	**26,694,000**
Wastewater	NA - current year	10,587,000	8,823,000	**19,410,000**	NA - current year	23,309,000	24,385,000	**47,694,000**
Stormwater	NA - current year	2,640,000	172,000	**2,812,000**	NA - current year	8,773,000	4,117,000	**12,890,000**
TOTAL	**NA - current year**	**22,332,000**	**19,886,000**	**42,218,000**	**NA - current year**	**45,935,000**	**41,343,000**	**87,278,000**
Delivery against planned investment (%)	**NA - current year**	**65%**	**96%**	**68%**	**NA - current year**	**55%**	**84%**	**58%**

Key points on historical capital investment:

- Overall, there was greater achievement in delivering the capital programmes over the reporting period - 2018/19 to 2020/21 than later years 2021/22 to 2023/24.
- Specific variance explanations are:
    - For water supply activity in 2018/19, Levin reticulation renewals were reprioritised and work for 2019-20 was also completed in the 2018-19. There was limited growth projects started. Some LOS projects were brought forward reacting to changed priorities.
    - For wastewater activity in 2018/19, planned renewals project was put on hold while project implementation issues were sorted and undertaken the next year. Delays in gaining consents held up the Foxton wastewater treatment plant upgrade. Work started with unspent budget carried over until the next year. The Levin Network upgrades for Pump stations project was reprioritised and some of the budget was carried over to next year.
    - For stormwater activity in 2018/19, a number of individual projects as part of the district wide improvement works were re-evaluated and not completed. The remaining budget was rolled over to next year for newly identified projects. Improvements NE Levin project has been delayed awaiting resource consent to build attenuation dams on farmland.

The key steps HDC has undertaken to improve its deliverability of capital works are:

- Reviewed internal resourcing levels to meet LTP approved 3 waters capital programmes.
- This resulted in reinstating the Waters Assets Team so projects were sufficiently scoped before the start of the financial year so there was better chance of delivering the capital programmes.
- An independent Project Management Team was established two years ago to make a step change in capital delivery. The Project Management Team coordinates across the Council teams to ensure project scoping is advanced (as noted above), and works with capital investment partners so sufficiently planned.

Palmerston North City

Level of Investment Delivered vs Long-Term Plan (LTP)

Palmerston North City Council's investment delivery against the planned Long-Term Plan allocations has varied year to year. Renewals investment delivery has generally remained high, averaging over 100% delivery across the six-year period. For total investment (including renewals, new infrastructure and upgrades), delivery has ranged from 51% to 95%, with the lower delivery rates in more recent years reflecting external constraints rather than a reduction in intent or priority.

Constraints on Delivery

There were several key constraints that impacted the ability to deliver on planned investment:

- COVID-19 pandemic disruptions significantly affected the capital delivery programme from FY2019/20 onwards. Lockdowns delayed projects including the Duplicate Water Pipeline, Seismic Strengthening of Water Structures and Ashhurst Water Supply Upgrade.
- Ongoing impacts of COVID-19 in subsequent years created a backlog of work across the contracting sector, limiting contractor availability and extending timeframes for delivery in FY2021/22 to FY2023/24.
- Some under delivery in recent years can also be attributed to national supply chain constraints, inflationary pressures and resource constraints, which affected construction timelines, project costs and deliverability.

Steps Taken to Improve Future Delivery

Palmerston North City Council has implemented several strategies to improve capital delivery performance:

- Strengthening internal project management capability to improve planning, prioritisation and procurement processes.
- Phasing investment in a way that better aligns with resource availability in the local market.
- Effective project delivery principles eg design and construction planning over multiple financial years
- Engaging earlier with contractors and suppliers to mitigate delays due to market capacity constraints.
- Regular reviews of delivery performance to adjust timelines and budgets in response to changing circumstances.
- Improved project governance by leadership team

Future Investment Peaks and Delivery Approach

There is a notable increase in planned investment in the upcoming LTP periods, with a significant peak in FY2023/24 (planned $48.5M total investment) and similar elevated levels anticipated to continue.

To accommodate and deliver on these peaks, Council is:

- Reviewing its procurement strategy to support multiple concurrent projects.

- Exploring partnership models with other councils and regional agencies to leverage scale and improve access to shared contractor pools.
- Prioritising investments based on risk and criticality, ensuring high-priority renewal and compliance-driven projects are not delayed.

Council acknowledges the need for sustained investment in water infrastructure to meet both current compliance and future growth demands and is committed to continually refining its capital programme delivery in line with its Long-Term Plan commitments.

Delivery against planned investment	Renewals investment for water services					
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Total planned investment (set in the relevant LTP)	8,162	6,268	6,448	10,291	10,202	10,458
Total actual investment	7,993	6,988	9,981	8,967	9,344	10,024
Delivery against planned investment (%)	98%	111%	155%	87%	92%	96%
Delivery against planned investment	**Total investment in water services**					
	FY2018/19	**FY2019/20**	**FY2020/21**	**FY2021/22**	**FY2022/23**	**FY2023/24**
Total planned investment (set in the relevant LTP)	13,370	16,872	18,082	30,903	30,580	48,515
Total actual investment	11,754	11,536	17,244	15,759	26,172	25,464

Delivery against planned investment (%)	88%	68%	95%	51%	86%	52%

**Note, the budget/planned investment figures presented in the table above have been taken from the relevant Long-Term Plan document. These do not account for any budget changes that occur as a result of Council's annual budget process each year. Therefore, actual investment delivery as a percentage of annual budget would likely differ from the data presented above.*

- *Prior to the Covid-19 Pandemic, delivery for capital programmes proposed in the relevant LTP for Water, Wastewater, and Stormwater was relatively high, with delivery sitting at 98% for renewals and 88% for the full waters programme in FY18/19*
- *Covid-19 particularly affected several drinking water programmes in FY19/20, with the lockdown periods delaying work on key capital projects including the Duplicate Water Pipeline, Seismic Strengthening of Water Structures, Water Conservation Management, Ashhurst Water Supply Upgrade and the Ashhurst Rising Main Renewal.*
- *Covid-19 continued to impact delivery of capital programmes in FY2021/22, FY2022/23 and FY2023/24 resulting in limited contractor availability due to workloads backing up during the pandemic related lockdowns.*

Rangitikei District

The table below outlines the planned vs actual delivery of Rangitikei's three water investment.

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)	$3,949	$7,432	$24,099	$35,480	$9,049	$43,989	$28,909	$81,947
Total actual investment	N/A	$5,136	$8,576	$13,712	N/A	$26,472	$11,277	$37,749
Delivery against planned investment (%)	**0%**	**69%**	**35.59%**	**39%**	**0%**	**60%**	**39%**	**46%**

The major constraints on historical delivery have been delays in getting resource consents, availability of suitably skilled and experienced staff, and (in the case of wastewater) delays in securing suitable sites for discharge to land. It is anticipated that delays in getting resource consents will ease once The Water Services Authority (Taumata Arowai) has finalised its wastewater standards. Since 1 July 2024, Rangitikei District Council has taken direct control of three waters staffing, which will provide more timely management of capital projects than the previous shared services arrangement with Manawatu District Council was able to achieve.

Part C: Revenue and financing arrangements

Revenue and charging arrangements – Horowhenua District

Revenue and charging arrangements

Charging and billing arrangements

HDC does not maintain individual scheme/catchment charges for water, wastewater or stormwater activities within its district. Three waters charges are charged separately and set out on the following basis:

- Drinking water – A separate fixed charge per household across the district. The level of the fixed charge depends on whether customers can connect with council's network. If the connection is metered, customers pay volumetric charges in addition to the fixed charge if they exceed the allowance. There is no differentiation between volumetric charges for residential, commercial or industrial connections.
- Wastewater – A separate fixed charge per household across the district. If appropriate a trade waste fee will be charged.
- Stormwater – A separate fixed charge per household across the district.

The fixed charges are also determined based on factors such as the rating base, growth assumptions and budget requirements. The 3 waters charges are shown as separate lines on HDC's rates notice.

HDC is transitioning to 100% volumetric charging for drinking water as water meters are rolled out progressively. There is no intention to change the wastewater charges currently, while recognising there is a potential option for it to be a volumetric charging system. There is also no intention to change the stormwater charges.

HDC is transitioning to 100% volumetric charging for drinking water as described above. There is no intention to change other charging mechanisms in the near future. The WSWS-CCO will direct future changes as it is established.

HDC is forming a WSWS-CCO with neighbouring councils Palmerston North City and Rangitikei District. HDC does not currently ringfence water revenue, but this will change once the WSWS-CCO is formed and directed by it.

Water services revenue requirements and sources

HDC is forming a WSWS-CCO with Palmerston North City and Rangitikei District Councils, and the detailed revenue requirement is covered in the below sections.

The 3 waters household charges are described in the section above. Other sources of revenue include the following:

- Trade waste charges – Trade waste is monitored where applicable and if considered to be high risk may be charged on a volumetric basis.
- Utility connection charge – A utility connection charge is applied when connections are made to HDC's 3 waters network. The fees are determined based on the actual cost incurred.
- Development contributions
- Grants and subsidies – for growth-related projects, funds from Crown Infrastructure Partners. Property rent (for property co-located with treatment plants)

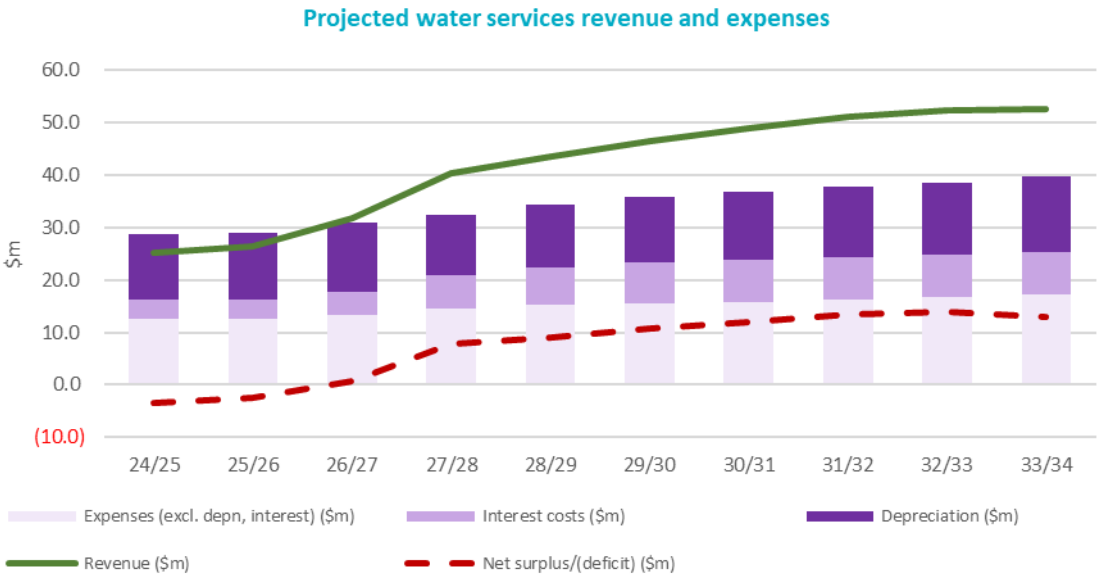
Commercial customers are currently being charged the same as residential customers, except for trade waste. Trade waste is monitored where applicable and charged on a volumetric basis or risk basis.

Existing and projected commercial and industrial users' charges

As well as working with regional partners, HDC has worked with Morrison Low to develop base case financial projections that show how HDC could be compliant if it were to provide water services under an in-house unit. These show that

- Projected revenues are sufficient to cover the costs (including servicing debt) of water services delivery;
- Projected revenues are sufficient to finance the required level of investment; and
- Projected revenues would meet the 'revenue sufficiency' test.

But that to do so would require a large increase in the cost of services. This is demonstrated by the Chart and Table below:



If HDC were to continue to provide water services under an in-house business unit then the average cost (cost per household inc GST) would need to double from $1,710 in 2024/25 to $2,474 in 2033/34. For consistency, the same metric and same assumptions are used here as has been in Part D for the three Council WS-CCO.

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	639	777	946	1,168	1,222	1,254	1,287	1,344	1,389	1,418
Wastewater	866	1,021	1,222	1,395	1,512	1,642	1,719	1,765	1,750	1,685
Stormwater	205	222	244	353	370	380	387	393	391	372
Average charge per connection / rating unit	1,710	2,020	2,412	2,916	3,104	3,276	3,392	3,502	3,531	3,474
Increase in average charge	12.8%	18.1%	19.4%	20.9%	6.4%	5.5%	3.6%	3.2%	0.8%	-1.6%
Water services charges as % of median household income	2.4%	2.7%	3.1%	3.6%	3.7%	3.7%	3.7%	3.7%	3.6%	3.4%

Projected charges for residential households over the 10 year period are presented in the Financial sustainability section D of this WSDP. The following is a description of the current charging approaches for water, wastewater and stormwater services.

Water

HDC sets targeted rates to fund the provision of reticulated water supply. This rate funds the cost of operating, maintaining and improving the supply of reticulated drinkable water to various Communities within the District.

This rate is set differentially as a fixed charge of a uniform amount as below. Council also charges for the volume of water consumed (metered).

There is no differentiation between residential, commercial or industrial properties in relation to charging for the volume of water consumed.

Connected Differential

Council sets a fixed charge rate on all rating units across the district connected to a reticulated drinkable water supply. This does not include Moutoa, Waikawa, or Kuku schemes, which are not drinkable supplies. A reticulated potable water supply is connected to a rating unit if a lateral/s exists for the purpose of delivering water from the trunk main to the rating unit, and there is a connection from the land within the rating unit to that lateral/s or trunk main. Liability for the rate will be assessed on whichever is the greater of:

- each rating unit, or
- the number of SUIPs of each rating unit, or
- the number of connections of each rating unit.

The Council sets a lesser fixed charge for rating units connected to the Foxton Beach water supply network to recognise the universal metering that also applies for Foxton Beach.

Availability Differential

A fixed charge rate on any rating unit not connected to, but within 100 metres of a trunk main for a reticulated drinkable water supply that is available to the rating unit. A reticulated drinkable water supply is available to a rating unit if a lateral/s exists for the purpose of delivering water from the trunk main to the rating unit or, if no lateral exists, if Council will allow the rating unit to be connected. This rate is set at 50% of the fixed charge for a connected rating unit.

Water by meter (volumetric)

In all schemes (except Foxton Beach), the additional fees for metered supplies are subject to an allowance of 91 cubic metres (m3) per quarter. A charge per m3 will be made for water consumed in excess of 91m3 per quarter on any rating unit connected to any water supply; except Foxton Beach where a meter is used to measure consumption on the network.

Wastewater

HDC sets targeted rates to fund the provision of reticulated wastewater services. The wastewater rate funds the cost of providing reticulated wastewater disposal for various Communities in the District, according to whether a property is connected or serviceable. This rate is set differentially as a fixed charge of a uniform amount as below.

Connected Differential

Council sets a fixed charge rate on all rating units across the District connected to a reticulated wastewater disposal system. A reticulated wastewater disposal system is connected to a rating unit if a lateral/s exists for the purposes of accepting wastewater from the rating unit to the wastewater trunk main, where there is a connection from the land within the rating unit to that lateral/s or trunk main.

Liability for the fixed-sum rate will be assessed on whichever is the greater of:

- each rating unit, or
- the number of SUIPs of each rating unit, or
- the number of connections of each rating unit.

Availability Differential

A fixed charge rate on any rating unit that is not connected to a reticulated wastewater disposal system, but is within 30m of a trunk main that is available to take waste from the rating unit. A reticulated wastewater disposal system is available to a rating unit if a lateral/s exists for the purpose of accepting wastewater from the rating unit to the wastewater trunk main or, if no lateral exists, if Council will allow the rating unit to be connected. This rate is set at 50% of the fixed charge for a connected rating unit.

Stormwater

HDC sets targeted rates to fund the provision of stormwater services. This rate funds all stormwater costs (providing and maintaining drainage systems, continuous improvements and extensions to the stormwater network and meeting resource consent conditions) within the Stormwater Group of Activities.

This rate is to be set using CV of all urban rating units. Urban rating units are defined as those rating units within the towns of Levin, Foxton, Shannon, Tokomaru, Foxton Beach, Waitārere Beach, Hōkio Beach, Ōhau, Waikawa Beach, and Manakau as shown on the maps available defining those areas for rating purposes held at Council's office in Levin.

The affordability of projected water services charges for communities

HDC is aware of affordability issues for its ratepayers and water consumers and seeks to maintain a balance between the prudent use of debt, managing issues of intergenerational equity, depreciation funding, and ratepayer affordability.

Financial projection included in this WSDP (indicative base case if the services are delivered in-house) see average resident water charges increasing from 2.4% of median household income to 3.4% of household income by 2034. This will see increasing affordability challenges for the community. The projected water charges for the WS-CCO are covered under the joint WSDP which can be used to compared against the indicate base case values.

The WS-CCO, on its creation, will need to consider the implementation of hardship policies to ensure that ratepayers continue to be able to afford water services.

Revenue and charging arrangements – Palmerston North City

Revenue and charging arrangements

Charging and billing arrangements

Palmerston North City Council currently charges consumers for water services as follows:

- City-wide common volumetric user charges for non-residential water supply use
- City-wide fixed targeted rates (per separately used and inhabited part) for water supply and wastewater to residential properties and per rating unit for all other properties
- Fixed targeted rates per pan for wastewater for non-residential properties
- Trade waste charges based on measured load and the nature of the discharge
- Utility connection charges based on measured load and the nature of the discharge
- Development contributions based on the Council's development contributions policy
- Stormwater services are funded as a component of general rates calculated on a differential basis based on land use.

Each supply scheme within the city is funded as part of a citywide water services approach, rather than catchment-specific charging.

The revenue from these services is ringfenced and accounted for separately from other Council operations to ensure transparency and compliance with legislative requirements.

There are currently no changes proposed to the structure of how consumers are charged for water services over the 2024–34 Long-Term Plan period. However, Council continues to monitor equity and affordability across sectors and will review billing mechanisms in future LTP cycles, particularly in the context of broader water reform developments.

The Council will review whether or not it is practicable to separate the rates for stormwater from the general rate for 2026/27 and if there are changes proposed they will be consulted on in conjunction with the development of the Council's 2026/27 annual plan.

The Council recognises the planned WS-CCO will need to address its preferred charging mechanisms and that there is a movement toward universal metering. The Council has not formally discussed implementation of universal metering and the capital expenditure budgets in the 2023/24 - 2033/34 LTP make no provision to do this.

Water services revenue requirements and sources

Revenue Requirements Under the Plan

The Palmerston North City Council's Long-Term Plan (LTP) 2024–34 sets out significant investment in water infrastructure over the next 10 years, with increasing capital and operational expenditure across drinking water, wastewater, and stormwater services. This includes renewals, new infrastructure, capacity upgrades, and compliance improvements, most notably the Nature Calls wastewater upgrade programme. These investments drive the projected revenue requirements, with the financial strategy indicating a growing need for revenue to meet service levels and future regulatory obligations.

Sources of Revenue

The primary sources of revenue for water services are:

- Targeted rates for water supply and wastewater (charged to both residential and non-residential ratepayers)
- A proportion of the general rate for stormwater services
- Volumetric charges for metered properties (primarily commercial and industrial users)
- Trade waste charges based on measured load and the nature of the discharge
- Development Contributions, applied to growth-related infrastructure demand
- Capital subsidies and grants, where applicable (e.g. from central government or infrastructure partnerships)
- Other user charges, such as service connection fees and inspection charges

Water Services Organisation Considerations

As part of the Local Government (Water Services Preliminary Arrangements) Bill, Palmerston North City Council has confirmed the establishment of a Water Services Council Controlled Organisation (WS-CCO) with Horowhenua and Rangitikei District Councils for the provision of water services. At the time of writing, no final decisions have been made regarding the role of WS-CCO in relation to revenue collection. However, it is expected that when a WS-CCO is established, it will either take over some charging responsibilities, or alternatively, Council may continue to collect charges on behalf of the provider and pass them through. The details of this arrangement will be clarified as the WS-CCO model is developed.

Charging and Collection Methodology

Residential consumers are primarily charged through fixed targeted rates determined by service availability. Most residential properties are not metered for water consumption.

Non-residential consumers, particularly industrial and commercial properties, are more likely to have water meters installed and are charged based on actual usage in addition to targeted rates.

Collection of charges is managed by Council through its existing rating and billing systems. All water-related revenue is ringfenced to ensure it is used solely for water service operations, renewals, and improvements.

Existing and projected commercial and industrial users' charges

Palmerston North City Council currently uses a mixed model to charge for water services:

Residential Consumers
Residential properties are primarily charged through fixed targeted rates for water supply and wastewater, and a proportion of the general rates (based on land value) for stormwater. Most residential households are not metered and do not incur volumetric charges.

The fixed targeted rates for 2024/25 (GST inclusive) were:

- Water (connected) $415 and (serviceable) $207.50
- Wastewater (connected) $375 and (serviceable) $187.50

Non-Residential Consumers (Commercial and Industrial)
Non-residential users, including commercial and industrial properties, are typically metered and pay both a fixed and volumetric charge for water supply.

The metered water targeted rate (GST inclusive) for non-residential consumers for 2024/25 included:

- A fixed charge of:
    - $230 per metered connection for pipe sizes 25mm or less, and
    - $490 per metered connection for pipe sizes greater than 25mm
- A variable charge of $1.78538 per cubic metre of water consumed.

Trade waste charges are based on the measured load and the nature of the discharge.

These users also pay fixed targeted rates for wastewater (most based on the number of pans at $375 per pan for 2024/25) and a proportion of the land value based general rate for stormwater services, which are calculated based on property type, connection status, and land use. Council handles all billing and collection through its centralised rating system, and revenue is ringfenced for investment back into the three waters network.

Projected Charges for Residential Households (10-Year Outlook)

The 2024–34 Long-Term Plan outlines an increase in average water-related charges for residential households over the next decade, largely due to growing infrastructure needs and significant capital projects such as the Nature Calls wastewater upgrade.

- In Year 1 (2024/25), the average residential household paid approximately $1,100 (including GST) in total water-related charges (including drinking water, wastewater, and stormwater).
- By Year 10 (2033/34), this is projected to rise to around $2,500 (including GST) + an IFF levy of at least $1,000 (including GST).

These projections account for inflation, increased service demand, and the phased introduction of funding mechanisms (e.g. special purpose levies for major projects). Council will continue to monitor affordability and equity as part of its ongoing financial strategy.

The affordability of projected water services charges for communities

Palmerston North City Council acknowledges that the affordability of water services is a key consideration, particularly in light of the significant capital investment planned over the next decade. As of FY2024/25, the average water services charge per connection (including GST) is projected to be $1,150, which represents approximately 0.9% of the city's median household income. Over the 10-year period to FY2033/34, this is forecast to increase by 145.8%, reaching approximately $2,493 per connection, or 1.3% of projected median household income.

While this increase reflects the need to invest in essential infrastructure upgrades, particularly the Nature Calls wastewater programme and ongoing renewals it does present affordability constraints for some households. Council is mindful of the cumulative financial impact on ratepayers and will continue to assess affordability through its ongoing financial and revenue strategies. Opportunities to manage the impact on vulnerable households, such as staged implementation and support mechanisms, will be explored as further clarity around funding models (e.g. special purpose vehicle funding and WS-CCO arrangements) becomes available.

Revenue and charging arrangements – Rangitikei District

Revenue and charging arrangements

Charging and billing arrangements

Council currently charges two targeted rates for each of the three waters: one is for properties connected to the respective supplies, which funds 75-80% of the budgeted costs, the other is for all rateable properties, which fund 20-25% of the budgeted costs. This recognises a wider benefit from the provision of three waters beyond those properties which are directly connected. Exceptionally, properties in Hunterville Township do not pay a connected rate: instead, they pay for metered use. This is because the town supply is provided by the Hunterville Rural Water Supply, and the quantity is limited (as it is to farmers on the rural scheme). (Farmers on the Erewhon and Omatane rural supply scheme similarly buy 'units' which prescribe the limits of water which will be supplied.)

Council policy is to meter commercial users of water and extraordinary users that are either outside of the water rateable area or have land areas of a large size.

Council currently has no plan to change the charging mechanism whilst it remains the custodian of the billing function. At the time of writing, no final decisions have been made regarding the role of WS-CCO in relation to revenue collection. However, it is expected that when a WS-CCO is established, it will either take over some charging responsibilities, or alternatively, Council may continue to collect charges on behalf of the provider and pass them through. The details of this arrangement will be clarified as the WS-CCO model is developed

Three waters revenue is separately recorded from other Council activities and managed separately via segmentation within the RDC General Ledger and associated Financial Reporting Suites.

Water services revenue requirements and sources

Revenue is a mix of targeted rates and metered charges, as outlined in the section above. Council currently does not charge development contributions. Council currently charges two targeted rates for each of the three waters: one is for properties connected to the respective supplies, which funds 75-80% of the budgeted costs, the other is for all rateable properties, which fund 20-25% of the budgeted costs.

Currently (for the 2024/25 financial year), the rating types and calculation basis (GST Inc) is per the table below:

Rate Types

For the year ending 30 June 2025

Rate Type	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Total Rates Funding (inc GST)
Wastewater public good *(funds Sewerage)*	All rating units	Fixed amount per SUIP	$129.97	$1,036,526
Wastewater connected *(funds Sewerage)*	Rating units connected to wastewater schemes within the district	Fixed amount per number of water closets and urinals in the rating unit	$568.27	$3,135,721
Water public good *(funds water)*	All rating units	Fixed amount per SUIP	$183.85	$1,466,176
Water connected	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Residential	Fixed amount per SUIP	$1,036.05	$4,837,827.62
(funds water)	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Non-residential	Fixed amount per SUIP	$1,036.05	
Hunterville rural *(funds water)*	Connected rating units	Fixed amount per unit or part unit***	$352.63	$483,414
Hunterville rural- urban *(funds water)*	Connected rating units	Fixed amount per unit or part unit***	$348.48	$128,937
Erewhon rural *(funds water)*	Connected rating units	Fixed amount per unit or part unit***	$242.02	$373,046
Omatane rural *(funds water)*	Connected rating units	Fixed amount per unit or part unit***	$86.59	$9,246
Putorino rural *(funds water)*	Connected rating units	Land value	$0.001033	$10,410
Water by volume	Marton, Bulls, Taihape, Mangaweka, Ratana schemes	Fixed amount per cu metre in excess of 250m3 per annum	$2.32	$640,478
(funds water)	Bulls ANZCO	Fixed amount per cu metre in excess of 250m3 per annum	$1.72	$281,312
Hunterville urban *(funds water)*	Connected rating units	Fixed amount per cu metre	$6.06	$186,401
Stormwater public good *(funds stormwater)*	All rating units	Fixed amount per SUIP	$30.49	$243,123
Stormwater urban *(funds stormwater)*	Marton, Bulls, Taihape, Mangaweka, Ratana, Hunterville	Fixed amount per rating unit (as identified on rating maps available to view on Council's website)	$165.77	$729,369
Total 3 Waters Rates				**$13,561,986**

Rating revenues make up the majority of revenues for water services and these are currently projected to be as follows over the next 10 years. With the exception of Bulls ANZCO (as noted in the above table), there is no difference in rates for water services charged to residential, commercial or industrial rating units.

Projected Funding impact statement - Water Services ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	2	2	3	3	3	4	4	4	5	5
Targeted rates	11,460	12,503	13,843	15,213	16,575	17,937	19,174	20,397	21,700	23,084
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	57	58	59	61	62	64	65	66	66	67
Total operating funding	11,519	12,563	13,905	15,277	16,640	18,005	19,243	20,467	21,771	23,156

As is currently the practise, all Three-Waters financial activity would remain ringfenced from the other council activities until the full transition of all financial elements and functions to the proposed WS-CCO is completed.

Existing and projected commercial and industrial users' charges

Council policy is to meter commercial and industrial users of water and extraordinary users that are either outside of the water rateable area or have land areas of a large size. Those rates are set annually through Council's rates resolution.

Current rating policy does not distinguish commercial and industrial users from other rate payers. The exception to this, is the volume-based water usage charge to ANZCO (Bulls), which is discounted by 26% from that applicable to other ratepayers for water usage in the district. It is expected that this charge will continue to make up approx. 2% of total Three-Waters revenue in coming years.

The affordability of projected water services charges for communities

Currently long-term plan projections for water services rating align to the overall rating positions consulted on as part of 2024-34 LTP deliberations.

The Infometrics median household income for the Rangitikei District as of 1 June 2024 was $116,661. Using this value as the median household income for 2024/25 and increasing the median household income by 3% per annum over the 10 years of the Long-Term Plan, combinates in water services charges for the Rangitikei District as a percentage of household income increasing from 1.8% in 2024/25 to 2.65% in 2033/34.

Funding and financing arrangements – Horowhenua District

Funding and financing arrangements

Water services financing requirements and sources

Based on the indicative base case, HDC's net debt 'in relation to 3Waters Services' is expected to increase from $84.5M to $164.8M over the 10 years of the LTP 2024-34. Further detail regarding the projected increase in debt is set out in the financial sustainability sections of this WSDP. Council's LTP (2024) agreed to move to fully funding depreciation from 2027/28, and is progressively working towards that. There is also a plan to repay debt more quickly under the financial strategy by using higher rate increases (post year 6 of the LTP) to get ahead.

As noted above, a separate WS-CCO has been proposed to be established. The WS-CCO is expected to require some level of working capital. It is expected that:

- Working capital requirements will be determined having regard to billing and payment frequency and the liquidity requirements of the WS-CCO's lenders.
- Working capital may be acquired through additional lending on establishment date, or through the transfer of some cash reserves from council. Neither option is anticipated to impact the net borrowing position of the WS-CCO.
- Working capital requirements, and arrangements for the establishment of working capital, will depend on the ultimate ownership and governance structure of the WS-CCO.

HDC 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. However, the following lending limits are currently applicable at a council-wide level:

- HDC's own limit of debt at a debt to revenue ratio 250% of operating revenue.
- LGFA lending covenants of 280% debt to revenue.

HDC is not forecast to breach any relevant lending limit for the period covered by this plan.

Debt is currently acquired through a mixture of fixed term, fixed rate debenture stock and floating rate stock. Debt is repaid at the end of the debenture term, with repayment coming through either refinancing or cash reserves depending on the current financial position. Projected financials included within the WSDP seek to maintain three waters debt at an appropriate level to balance affordability and intergenerational equity considerations, and remain within prudent lending limits over the period.

The tenor, refinancing, interest rate risk and debt repayment are managed in accordance with HDC's Liability Management Policy (available on request).

Internal borrowing arrangements

There are no internal borrowing arrangements at HDC, all debts are secured externally and attributed to the service they belong to. Council uses the LGFA as a source of loans and uses rates as security for all borrowings from the LGFA.

Further detail regarding Council's approach to managing reserves and borrowing is outlined in its 'Liability Management Policy' and 'Revenue & Financing Policy' (available on request).

Council does not propose to use any internal borrowing arrangements before the establishment of a WS-CCO.

HDC manages its external treasury function at a total council level. External debt is supported through separate accounts for each activity, detailing annual debt movement based on actual capital and operating cashflow for the activity.

This ensures that the total borrowing for each activity is traceable and that each activity's debt can be easily determined. Each activity is charged interest based on HDC's weighted average cost of borrowing, as applied to each activity's debt balance

Full financial ringfencing will be achieved through the establishment of a WS-CCO.

Determination of debt attributed to water services

HDC manages its borrowing at an activity level and is able to determine existing three waters debt balances through recorded movements against each activity.

Annual movement in debt is determined based on each activity's overall cash flow. Debt movements in HDC's funding impact statements (in its LTP, Annual Report and this plan) are shown as "Increase (decrease) in debt".

Debt presented in this plan represents net debt (after reserves and investments have been considered.

As at 30 June 2024, HDC's net debt position was:

$000s	Drinking water	Wastewater	Stormwater	Three waters
Net debt	19,522	45,697	19,307	84,525
Operating revenue	7,542	11,825	2,366	21,733
Debt to revenue ratio	259%	386%	816%	389%

Debt to be transferred to the proposed water services WS-CCO has been calculated based on movements in the funding impact statement. Given the time will elapse between the submission date of this plan and the establishment of a WS-CCO, further work will be completed to update debt balances prior to 1 July 2028.

Insurance arrangements
Council has significant insurance cover through the MW LASS insurance procurement project. Council currently insures our Water, Wastewater and Stormwater assets as well as Council's operational assets (plant and equipment) and buildings. Council has assumed that Central Government will contribute 60% of the funding to reinstate infrastructural assets following a significant natural disaster. HDC's 40% share is insured for disaster recovery through the Local Authority Protection Programme (LAPP). LAPP is a mutual self-insurance arrangement with other local government entities to insure underground infrastructure against disaster damage similar in nature to Christchurch's earthquake. HDC has recently completed a comprehensive review of our insurance programme and coverage levels, which led to the Council taking on more insurance risk with increased deductibles. Council has also budgeted $100,000 to be funded through rates to build up a fund for adverse events or emergencies on an annual basis. No change is proposed to the ownership of three waters assets, and HDC confirms that it intends to continue to hold an appropriate level of insurance over three waters assets. HDC has an annual review of insurance with AON, which is in progress of getting reviewed as of 1 July 2025.

Funding and financing arrangements – Palmerston North City

Funding and financing arrangements
Water services financing requirements and sources

Borrowings totalling $66.9M related to water services as at 30 June 2024. The LTP assumes a further net increase in borrowing of $149.1M for water services across the 10 years between FY2024/25 – FY2033/34

The forecast borrowing does not include the sum of $549m (over the ten years) for the Nature Calls wastewater programme #628 – Totara Road Wastewater Treatment Plant – Consent Renewal Upgrade'. The LTP assumes it would be financed through a special purpose vehicle (SPV) under the Infrastructure Funding and Financing Act (IFF) (rather than loan-funded through general Council borrowings). It was assumed the SPV would set an annual levy payable by ratepayers. Early assessments were that this levy would amount to at least $1,000 per property depending on how it was distributed amongst ratepayers.

The Council's approach to borrowing is outlined in its Financial Strategy. It has a self-imposed borrowing limit of 250% of operating revenue and an LGFA borrowing covenant of 280% of debt to revenue.

The LTP and annual budgets include provision to repay debt over the lesser of the life of the asset funded or 30 years.

Budgets also make provision to fund capital renewals from annual rates revenue rather than fund depreciation

The Council manages its overall debt portfolio in accordance with the provisions of the Liability Management section of its Treasure Policy. This includes the policy for interest rate risk management.

The Council does not operate a separate borrowing limit for water services but the borrowings required to support the projected investment in water services exceed the 250% borrowing limit (especially if the Nature Call programme is included).

It is expected that the proposed new WS-CCO will have the ability to borrow up to an FFO ratio of 8% which is equivalent to 500% of net debt to revenue and this level is forecast to be sufficient to finance the forecast water investment over the next ten years.

The WS-CCO will need to assess its working capital requirements and obtain appropriate funding lines from financial institutions. It may be that the shareholder Councils will need to provide some initial funding to facilitate the company's establishment. More detailed assessments of these will progress over the coming months.

The WS-CCO will develop its own financial strategy and treasury policies which will govern its approach to debt management.

Internal borrowing arrangements

The Council does not have any internal borrowing arrangements. All debt is sourced externally, at a corporate level then attributed to individual activities based on actual capital expenditure. Activities are allocated interest on the activity debt balance at the Council's weighted average cost of borrowing.

At the present time all term borrowing is sourced from the LGFA and the Council has revolving credit lines with banks to cover short term and working capital requirements.

Council does not propose to use any internal borrowing arrangements before the establishment of the WS-CCO.

Shareholders will work together over coming months to determine how water related existing debt is to be appropriately transferred to the WS-CCO. The Council will have portions of its overall debt portfolio that are due to mature at about the time the WS-CCO is planned to begin operations.

Full financial ring-fencing will be achieved through the establishment of the WS-CCO.

Determination of debt attributed to water services

The Council had total borrowings attributed to water services of $66.9M as at 30 June 2024

Debt is currently tracked by activity based on Council's Funding Impact Statement (FIS) structure. This enables the determination of debt specifically attributed to each of the water services.

As at 30 June 2024, combined water services had a net debt to operating revenue ratio of 224%.

Insurance arrangements

Council currently insures Water, Wastewater and Stormwater assets as well as operational assets (plant and equipment) and buildings.

Council has assumed that Central Government will contribute 60% of the funding to reinstate infrastructural assets following a significant natural disaster.

Council's 40% share is insured for disaster recovery through the Local Authority Protection Programme (LAPP) using AON as broker. LAPP is a mutual self-insurance arrangement with other local government entities to insure underground infrastructure against disaster damage. This insurance period for this cover runs from 1 November to 31 October each year.

Council has separated material damage policies for above-ground assets and these are arranged through broker, Marsh. The insurance period runs from 1 July to 30 June each year. Assets are insured for re-instatement.

Until 30 June 2027, the Council will own and insure the assets. From 1 July 2027, the WS-CCO will ow and, therefore, need to insure the transferred water assets.

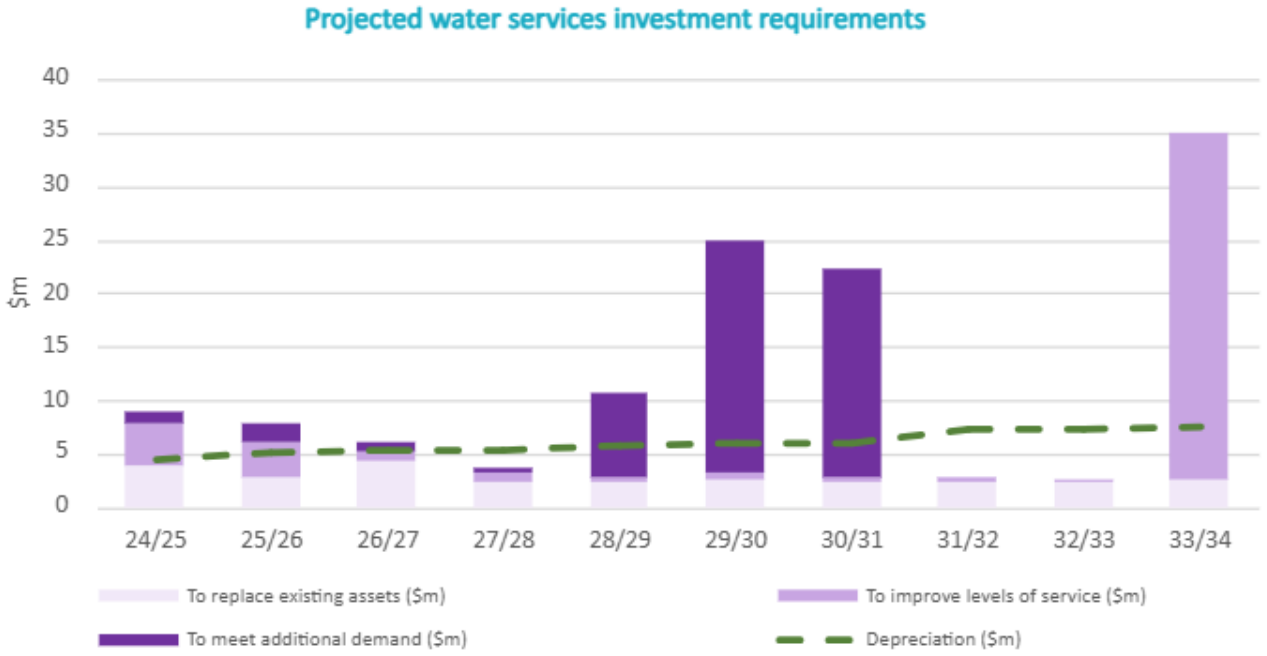
Each year assets are reviewed and insurance schedules updated. The approach to insurance is reviewed in conjunction with the respective brokers. Each year asset valuations are updated.

Funding and financing arrangements – Rangitikei District

Funding and financing arrangements

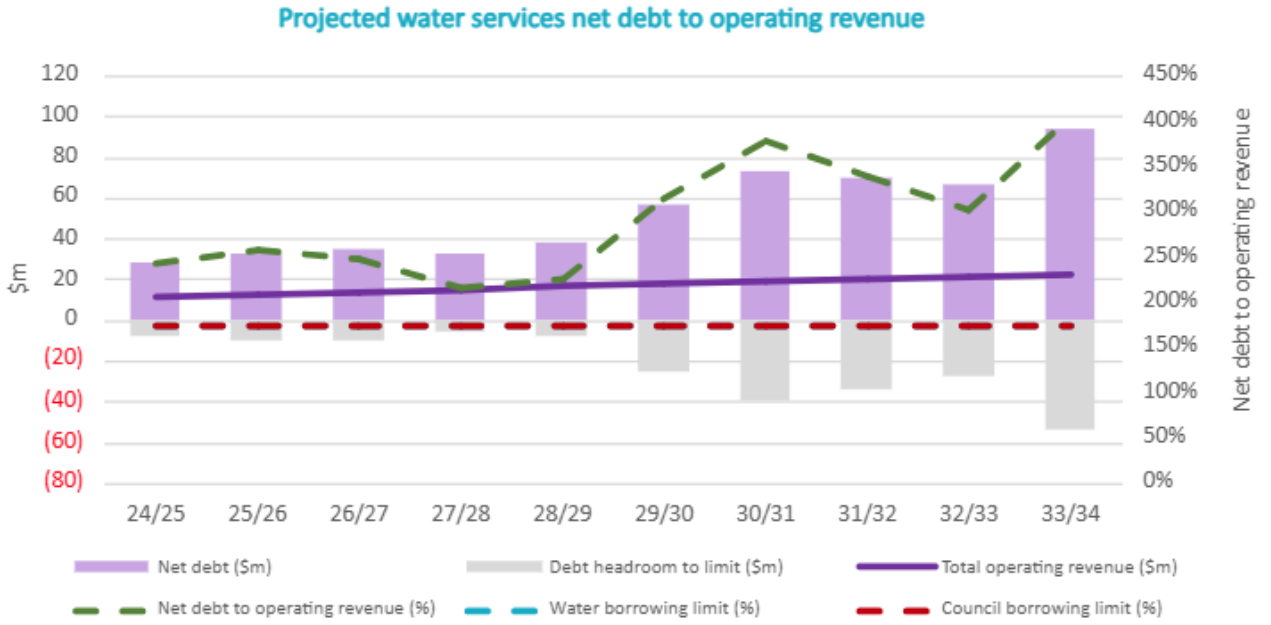
Water services financing requirements and sources

Projected debt for Water Services over the next 10 years is derived from the level of capital expenditure required on Growth and Level of Service investments, (given asset replacement is predominately funded from depreciation collected as part of Rates).



Generally, Council will primarily seek debt finance through the Local Government Funding Agency (LGFA). Such debt will be secured by way of a charge over rates revenue offered through a Debenture Trust Deed ("DTD"). Under a DTD Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government Rating Act.

Net external borrowing requirement is depicted in the graph below. Under existing LGFA debt covenants, water services debt funding could be accommodated under a whole of council revenue umbrella, as it is today, as a standalone entity, the level of capital investment required would see LGFA borrowing covenants exceeded without a significant change in programmed capital expenditure.



Projected Funding Impact statement - Water Services ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	2	2	3	3	3	4	4	4	5	5
Targeted rates	11,460	12,503	13,843	15,213	16,575	17,937	19,174	20,397	21,700	23,084
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	57	58	59	61	62	64	65	66	66	67
Total operating funding	11,519	12,563	13,905	15,277	16,640	18,005	19,243	20,467	21,771	23,156
Applications of operating funding										
Payments to staff and suppliers	4,539	4,707	4,856	5,011	5,215	5,367	5,509	5,701	5,845	5,993
Finance costs	1,582	1,912	2,168	2,226	2,475	3,549	4,756	5,342	5,931	6,565
Internal charges and overheads applied	2,390	2,544	2,733	2,806	2,943	3,135	3,204	3,359	3,574	3,656
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	8,511	9,163	9,757	10,043	10,633	12,051	13,469	14,402	15,350	16,214
Surplus/(deficit) of operating funding	3,008	3,400	4,148	5,234	6,007	5,954	5,774	6,065	6,421	6,942
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	6,041	4,473	1,984	(1,623)	4,705	18,948	16,430	(3,321)	(3,756)	28,052
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	6,041	4,473	1,984	(1,623)	4,705	18,948	16,430	(3,321)	(3,756)	28,052
Applications of capital funding										
Capital expenditure - to meet additional demand	1,250	1,686	940	267	7,818	21,750	19,334	0	0	0
Capital expenditure - to improve levels of services	3,850	3,463	914	944	484	484	413	257	177	32,457
Capital expenditure - to replace existing assets	3,949	2,724	4,279	2,402	2,410	2,667	2,456	2,488	2,487	2,537
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	9,049	7,873	6,133	3,613	10,712	24,901	22,203	2,745	2,664	34,994
Surplus/(deficit) of capital funding	(3,008)	(3,400)	(4,149)	(5,236)	(6,007)	(5,953)	(5,773)	(6,066)	(6,420)	(6,942)
Funding balance	0	0	(1)	(2)	0	1	1	(1)	1	0

Internal borrowing arrangements

As at 30 June 2024, Rangitikei District Council had $22.9M of internal borrowing, of which $16.5M is attributable to Water Services. This represents historical capital investment funded through council cash holdings rather than through external borrowings. Interest is charged annually at a current rate of 4.75%. There is little likelihood of further internal borrowing arrangements being entered into between now and 30 June 2028 with external financing being the preferred (and planned) method of financing where required for any water services. Internal loan repayment is factored @ 1/25 of the loan balance at the end of each financial year.

Determination of debt attributed to water services

Historical external debt attributable to Water Services has been identified at the point of when the borrowing took place and with respect to the primary driver behind the need to raise debt financing. Internal debt is a function of water services trading result where deficits have been funded through internal treasury. As at the 30 June 2024, total Water Services debt (including internal debt) amounted to $38.5M being $22M external debt and $16.5M internal debt.

The total value of water services borrowings and the net debt to operating revenue calculation on 30 June 2024 is:

	30 June 2024
Operating Revenue	$11.1M
Total Debt (including internal)	$38.5M
Debt as a percentage of revenue	**346%**

Insurance arrangements

The Rangitikei District Council insurance period runs from 1 November to 31 October each year.

Until 30 June 2027, the Rangitikei District Council will own and insure the assets. From 1 July 2027, the three-council WS-CCO will own and, therefore, need to insure the two (or three – depending on the Council's final decision) water assets.

Currently, the Rangitikei District Council is insured as part of the MWLASS mutual coverage, and therefore, some caps are joint. For example, Infrastructure (underground assets) coverage has a joint total liability, and RDC has a sub-limit.

The Rangitikei District Council has separate coverage for above- and below-ground assets, reviewing premiums, excess levels, risk of events, and risk appetite on an annual basis.

Rangitikei District Council utilises the data stored in AssetFinda to evaluate the value of its water infrastructure. AssetFinda data is updated when any new projects are completed and is revalued annually. Central Govt covers 60% of the loss. Therefore, the Rangitikei District Council is accountable for the remaining 40%. For Material Damage & Business Interruption, Rangitikei District Council has 100% coverage for all assets listed in the schedule, including water above-ground assets and water assets on/crossing bridges

Rangitikei District Council assets are reviewed and revalued as part of the annual report process, and this data is used for insurance purposes

Currently Rangitikei District Council carries, (in lieu of a formal self-insurance policy), a $250,000 excess per claim for material damage on infrastructure

Delegations are as per the Rangitikei District Council's Delegation to Positions Policy, where the Chief Executive has delegation to sign off on up to $1,000,000 of expenditure, though the Group Manager Corporate Services manages the process, reporting to the Risk & Assurance Committee with an independent Chairperson.

Part D: Financial sustainability assessment

Confirmation of financially sustainable delivery of water services – Horowhenua, Palmerston North, Rangitikei Combined

Financially sustainable water services provision
Confirmation of financially sustainable delivery of water services by 30 June 2028

Horowhenua District Council, Palmerston North City Council and Rangitikei District Council (the councils) confirm that based on the measures set out in this plan, the delivery of water services in their combined district's will be financially sustainable by 30 June 2028. Councils are already generating significant operating cash surpluses that are sufficient to cover financing costs and all cash operating costs, transfer of the associated revenue and expenditures of the councils is expected to result in continued financial sustainability.

Actions required to achieve financially sustainable delivery of water services
Planned investment in new and replacement assets will ensure that regulatory compliance obligations are met and result in an overall improvement in the average age of its assets. Depreciation is fully funded through the life of this plan, with this funding to be applied towards renewing the existing infrastructure and managing debt. Operating funding is not intended to be applied towards level of service of growth infrastructure, with debt being preferred to match expenditure and beneficiaries. The WS-CCO will have sufficient borrowing headroom to allow for future investment in three waters services, while still allowing for borrowing to be managed in a way that maintains affordability for water users.
Risks and constraints to achieving financially sustainable delivery of water services

Key risks to achieving financial sustainability relate to:

- Delivery risk for the capital works programme, which will be managed through an increased and dedicated focus on three waters, which includes greater organisational and workforce ringfencing and focus through proposed governance arrangements. Delivery risks will impact the timing of investment but are unlikely to result in failure to meet financing sufficiency or revenue sufficiency tests.
- Risk of capital goods inflation outpacing projections – will be managed through regular programme review and providing an allowance for borrowing headroom.
- Consequential risk of capital goods inflation on depreciation forecasts – full funding of depreciation is not needed to maintain financial sustainability but is considered to be desirable. Existing borrowing headroom within the WS-CCO will allow for some ability to absorb increased costs of renewals, enabling progressive increases in revenue in the event that depreciation costs exceed forecasts. In the event that the cost of renewals increases significantly post 1 July 2027 (when a WS-CCO is proposed) the WS-CCO may have to raise additional revenue to support increased borrowing requirements. Access to lending on favourable terms means that the impact of this on prices is minimised.
- Funding risk – there is a risk that the WS-CCO is not able to access funding, or funding on the assumed terms, from LGFA. LGFA guidance has been relied upon in the development of this plan.

Financial sustainability assessment - revenue sufficiency – Horowhenua, Palmerston North, Rangitikei Combined

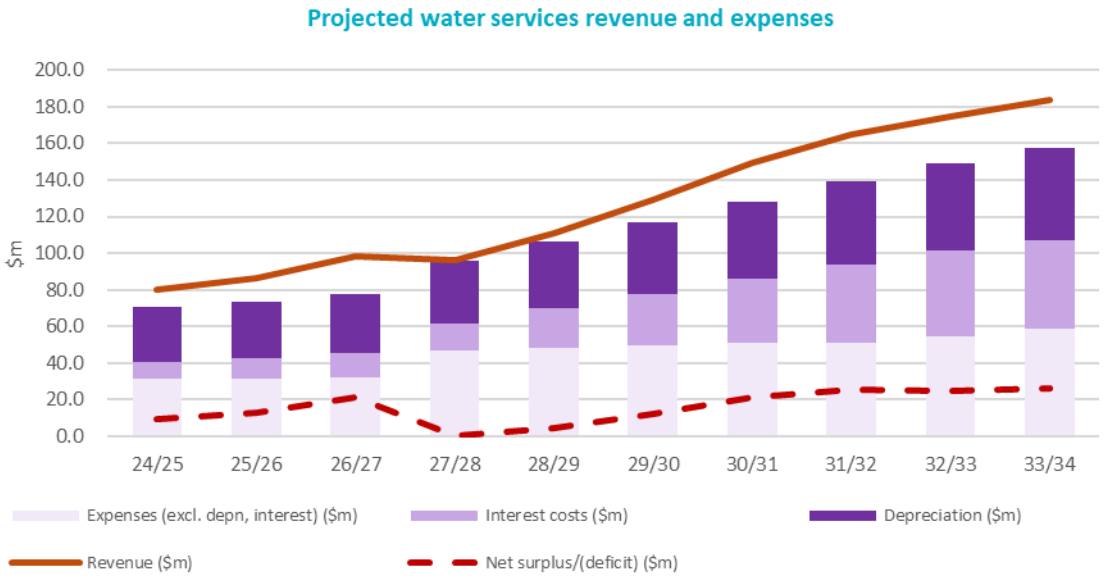
Projected water services revenues cover the projected costs of delivering water services

The chart below shows the breakdown of expenditure for councils' combined water services activities, and assumes a WS-CCO establishment date of 1 July 2027. It includes projected revenue requirements and operating surpluses.

The chart, and the sections that follow highlight that:

- Revenue is sufficient to cover all expenditure (including depreciation) for three waters services.
- Revenue is sufficient to cover debt servicing requirements.
- Revenue is sufficient to generate operating surpluses and cash surpluses during the modelled period.

Revenue projections presented in this section have been developed as part of comprehensive financial forecasting which includes operating and capital cash flows and financing arrangements. That modelling has indicated that forecast revenues are sufficient to allow for the funding and financing of the required capital investment programme.



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

The table below shows average projected household charges for drinking water, wastewater and stormwater services through the WS-CCO delivery model proposed by councils. The charges are estimated average residential charges only, and do not include estimated revenue from commercial or non-residential customers in the districts. They include GST. This is considered appropriate because:

- Commercial and industrial users pay proportionately more per connection than residential users, including revenue from these customers in the assessment of an average charge would overstate the average charge.
- Affordability measures presented are based on an estimate of household income.

In order to determine household charges as a percentage of household income, we have made the following assumptions regarding household median income:

- Household median income for councils has been taken from Statistics New Zealand data for the 2023 year.
- Historic growth in median household income in Palmerston North, Horowhenua and Rangitikei has been determined between 2013 and 2023 using Statistics New Zealand data, which shows median household income across the districts has increased by 56% over the period
- Historic change in the Local Government Cost Index (LGCI) for water infrastructure has been assessed during the same period. This has shown an increase of 40% during the period.

- This shows that household income in the districts has grown at 140% of the rate of water infrastructure costs (per the LGCI) over the previous 10 years. We have assumed this trend will continue.
- Financial modelling uses the LGCI inflators for water infrastructure. Household median income growth has been pegged to occur at 140% of this.

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average drinking water bill (including GST)	633	698	784	798	868	937	1,005	1,046	1,063	1,086
Average wastewater bill (including GST)	705	768	857	816	991	1,210	1,466	1,678	1,817	1,930
Average stormwater bill (including GST)	221	268	320	237	266	314	353	366	361	358
Average charge per connection including GST	1,560	1,735	1,961	1,851	2,125	2,461	2,824	3,089	3,241	3,374
Projected increase	0.0%	11.2%	13.1%	-5.6%	14.8%	15.8%	14.7%	9.4%	4.9%	4.1%
Water services charges as % of household income (councils collectively)	1.7%	1.8%	2.0%	1.8%	2.0%	2.3%	2.5%	2.7%	2.7%	2.8%

Charges are expected to peak at 2.8% of median household income, from a current estimate of 1.7% for councils collectively. While the increase to 2.8% may generate some increasing affordability issues within the districts, this is not significantly higher than DIA's implied benchmark of 2.5% of median household income.

Based on the same average charge per connections above, the table below shows the water services charge % of household income for each council highlighting differences across the region arising from different median household incomes.

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average drinking water bill (including GST)	633	698	784	798	868	937	1,005	1,046	1,063	1,086
Average wastewater bill (including GST)	705	768	857	816	991	1,210	1,466	1,678	1,817	1,930
Average stormwater bill (including GST)	221	268	320	237	266	314	353	366	361	358
Average charge per connection including GST	1,560	1,735	1,961	1,851	2,125	2,461	2,824	3,089	3,241	3,374
Projected increase	0.0%	11.2%	13.1%	-5.6%	14.8%	15.8%	14.7%	9.4%	4.9%	4.1%
Water services charges as % of household income Palmerston North City Council	1.5%	1.6%	1.8%	1.6%	1.8%	2.0%	2.3%	2.4%	2.4%	2.5%
Water services charges as % of household income Horowhenua District Council	2.2%	2.3%	2.5%	2.3%	2.6%	2.9%	3.2%	3.4%	3.5%	3.5%
Water services charges as % of household income Rangitikei District Council	1.9%	2.0%	2.2%	2.0%	2.2%	2.5%	2.8%	3.0%	3.0%	3.0%

Projected operating surpluses/(deficits) for water services

The table below shows the projected operating surpluses for combined water services among councils. It does not include any capital revenues, nor does it include revenue or expenditure from councils' wider activities.

The WSDP is modelled based on a balanced budget approach, meaning depreciation costs are fully funded from revenues over the modelling period beyond the current financial year, and no surplus is proposed. This results in positive cash flows over the period, as highlighted in the next section. Funded depreciation is applied towards the renewal of assets and the management of debt over the period.

Additional revenue has been modelled during from the 2027/2028 year to maintain compliance with FFO to debt lending covenants. Modelling utilises debt as a preferred financing tool for level of service and growth investment in order to match timing of payments with long term benefits. Maximising the WS-CCO's ability to leverage off its operating revenues allows the WS-CCO to manage the cost impacts of significant investment peaks.

Additional operating surpluses are applied towards the funding of capital works and the repayment of debt depending on overall cashflow requirements.

Operating surplus ratio ($000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating surplus/(deficit) excluding capital revenues	10,265	14,226	22,594	265	4,247	12,395	21,163	25,316	25,073	26,149
Total operating revenue	80,887	87,640	99,928	95,864	110,788	129,182	149,259	164,573	174,196	183,210
Operating surplus ratio	12.7%	16.2%	22.6%	0.3%	3.8%	9.6%	14.2%	15.4%	14.4%	14.3%

Projected operating cash surpluses for water services

The table below shows the projected operating cash surpluses for councils' three waters services. It excludes any revenue or expenditure relating to councils' wider activities. Depreciation, interest costs, development contributions and other capital receipts have been excluded from the calculation.

Operating cash ratio ($000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating surplus/(deficit) + depreciation + interest costs - capital revenue	49,499	56,177	67,490	49,139	62,287	79,596	98,327	113,339	119,864	124,381
Total operating revenue	80,887	87,640	99,928	95,864	110,788	129,182	149,259	164,573	174,196	183,210
Operating cash ratio	61.2%	64.1%	67.5%	51.3%	56.2%	61.6%	65.9%	68.9%	68.8%	67.9%

The information shows positive cash surpluses being generated through to 2034.

Cash surpluses generated through the three waters activities are applied firstly to the payment of financing costs on three waters related debt, and secondly towards the replacement (renewal) of existing assets. Long term modelling indicates that surpluses are sufficient to maintain appropriate borrowing levels and meet planned levels of investment in the renewal and growth of the three waters asset base.

Debt is drawn down through a mixture of debenture stock and is not managed through a table loan facility. Repayment of debt is managed through the re-issuing of debenture stock where appropriate, or through the application of cash surpluses where available.

Financial sustainability assessment - investment sufficiency - Horowhenua, Palmerston North, Rangitikei Combined

Assessment of investment sufficiency

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

This section highlights that investment in councils' three waters infrastructure:

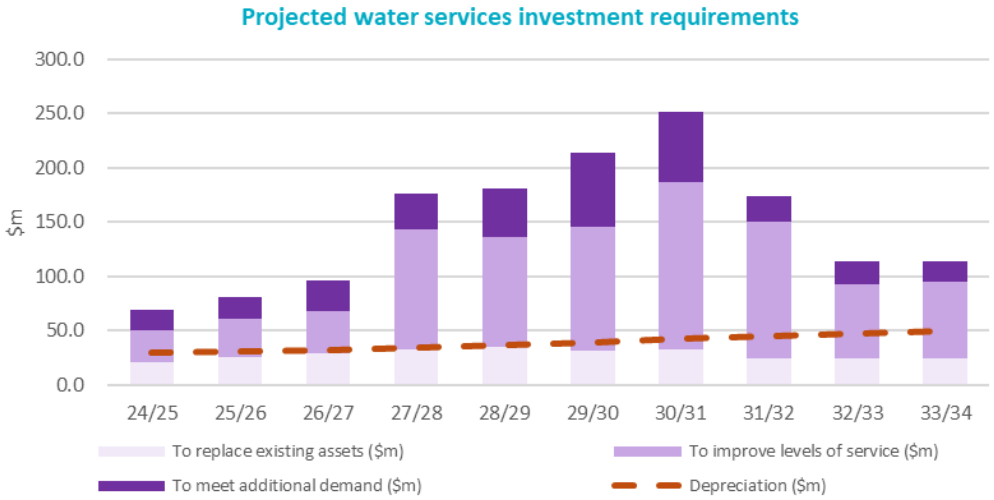
- Is planned to exceed depreciation of the network when considering total capital investment in the network.
- Will result in an improvement (reduction) in the average age of councils' three waters infrastructure.
- Is being replaced at a rate that is consistent with asset management planning and the existing age of asset within the network.

The capital projections included in this section are fully reflected in the underlying financial statements, revenue sufficiency, and financing sufficiency data.

This indicates that Councils can:

- Access sufficient borrowing to support the capital programme.
- Raise sufficient revenue to cover operational expenditure, depreciation, debt servicing costs, and support an appropriate level of borrowing within
- prudent lending criteria.

The chart below shows a breakdown of councils' planned investment during the period. This includes a significant investment in improving the levels of service from 2027/28. Planned renewals expenditure increases over this time.



The table below shows the asset sustainability ratio for three waters services at councils. It shows that the asset investment ratio remains below 0%, indicating that renewal investment is not planned to occur at the rate of depreciation of the network.

Asset sustainability ratio ($000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure on renewals	20,842	25,762	29,728	33,245	35,675	31,736	32,950	25,212	24,886	24,708
Depreciation	29,739	30,955	32,219	34,068	36,515	39,224	42,428	45,527	47,927	50,015
Asset sustainability ratio	(29.9%)	(16.8%)	(7.7%)	(2.4%)	(2.3%)	(19.1%)	(22.3%)	(44.6%)	(48.1%)	(50.6%)

By activity, renewals investment is focussed on water supply and wastewater in particular. Planned renewals investment over the ten year period, as a percentage of depreciation is highlighted below:

- Water supply 88%
- Wastewater 102%
- Stormwater 12%.

Renewals investment for water and wastewater are reflective of the age and condition of the network, and indicate a need to continue to invest in the replacement of these assets. Renewal of the stormwater network reflects that this network is low pressure, and typically younger than it is in other areas of the country.

All planned investment in renewals has been considered having regard to the age, condition, performance and criticality of the relevant assets.

Significant investment in the Nature Calls project (a wastewater treatment plant replacement project in Palmerston North) is classified as level of service investment, though it is noted that this project will replace existing assets.

Total water services investment required over 10 years

The table below shows councils' performance against the asset investment ratio for three waters services through to 2034. The information shows total capital expenditure exceeding depreciation consistently over the 10 year period, indicating that investment in the network will take place at a faster rate than its deterioration/depreciation. This is mirrored in the improvement in the asset consumption ratio over the 10 year period.

The planned timing and value of network renewals are described in the preceding section. The remaining capital investment relates to the level of service and increased demand investment across the network, and the timing of this work has been determined based on consideration of a range of factors including:

- Affordability

- Deliverability
- Timing of consent expiration
- Community need

The large spike in performance against the Asset Investment Ratio from 2027/28 to 2030/31 in the table below relates to the Nature Calls project.

Asset investment ratio ($000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure	69,777	80,611	95,908	176,023	181,505	213,949	251,616	174,261	114,283	113,873
Depreciation	29,739	30,955	32,219	34,068	36,515	39,224	42,428	45,527	47,927	50,015
Asset investment ratio	134.6%	160.4%	197.7%	416.7%	397.1%	445.4%	493.0%	282.8%	138.5%	127.7%

Average remaining useful life of network assets

The table below presents councils' forecast performance against the asset consumption ratio over the period through 2033/34 for three waters infrastructure.

This sustained investment in new and replacement assets results in an improvement in councils' asset consumption ratio (and consequently average asset age) from 57.8% to 68.6%. A consumption ratio between 55 – 65% is typically representative of a mature/stable asset base, and reflects that the WS-CCOs planned investment in renewals is likely to be sufficient to maintain levels of service over the medium term at least.

Asset consumption ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Book value of infrastructure assets	1,460,258	1,539,119	1,633,590	1,808,217	1,989,371	2,203,884	2,457,150	2,635,027	2,754,084	2,873,024
Total estimated replacement value of infrastructure assets	2,528,221	2,632,922	2,739,830	2,937,404	3,141,982	3,387,035	3,673,442	3,895,960	4,063,277	4,233,708
Asset consumption ratio	57.8%	58.5%	59.6%	61.6%	63.3%	65.1%	66.9%	67.6%	67.8%	67.9%

Financial sustainability assessment - financing sufficiency – Horowhenua, Palmerston North and Rangitikei

Assessment of financing sufficiency

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

Review of the councils' future borrowing requirements and operating revenue projections indicates that under its preferred delivery model, councils will:

- Remain within overall council debt to revenue covenants imposed by the Local Government Funding Agency.
- Maintain a three waters free funds from operations to debt ratio above 8% (the relevant FFO for a water services WS-CCO with greater than 50,000 connections).
- Generate sufficient revenue to cover the full cost of servicing three waters debt, such that the delivery of three waters services is not being cross-subsidised by other activities of councils.

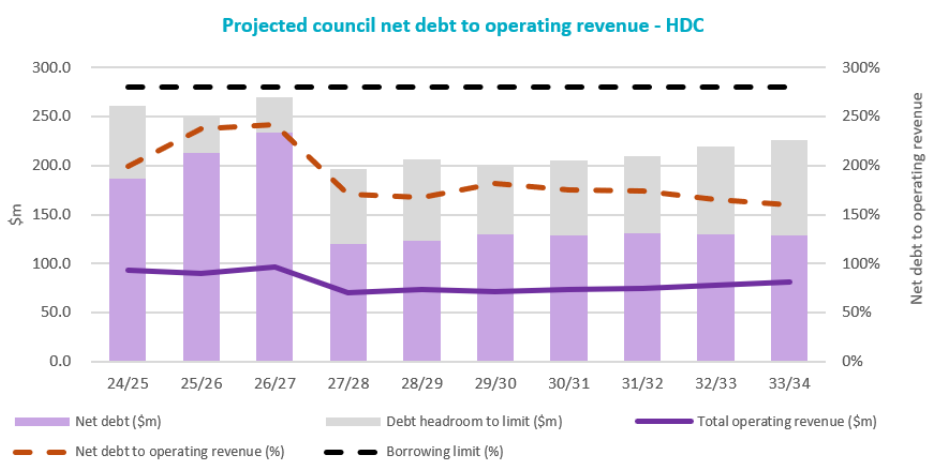
Projected council borrowings against borrowing limits

The charts below show councils' total debt and revenue compared to their whole of council borrowing limits through to 2034.

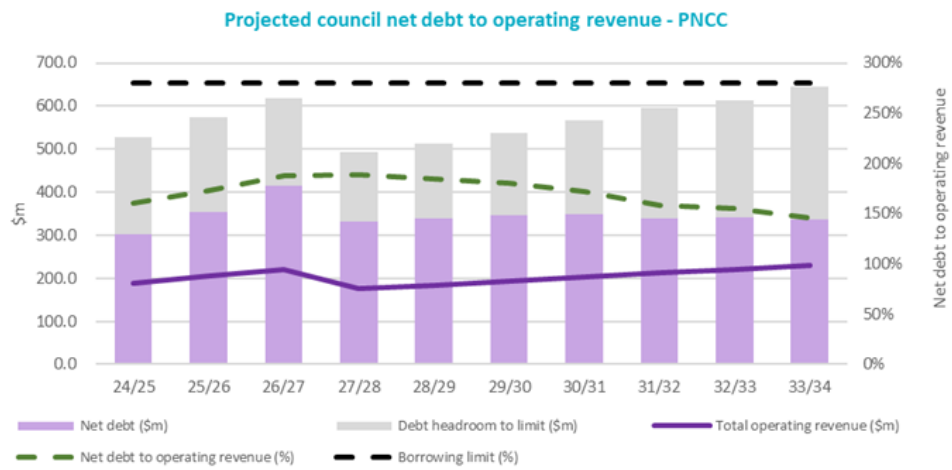
The charts reflect the change when the WS-CCO is established in the 2027/28 year showing a reduction in overall revenue, an improvement in councils' debt to revenue ratio, and an improvement in councils' borrowing headroom from that date. This is an expected outcome of the formation of the WS-CCO.

They show that councils are not anticipated to breach LGFA lending covenants over the period covered the WSDP.

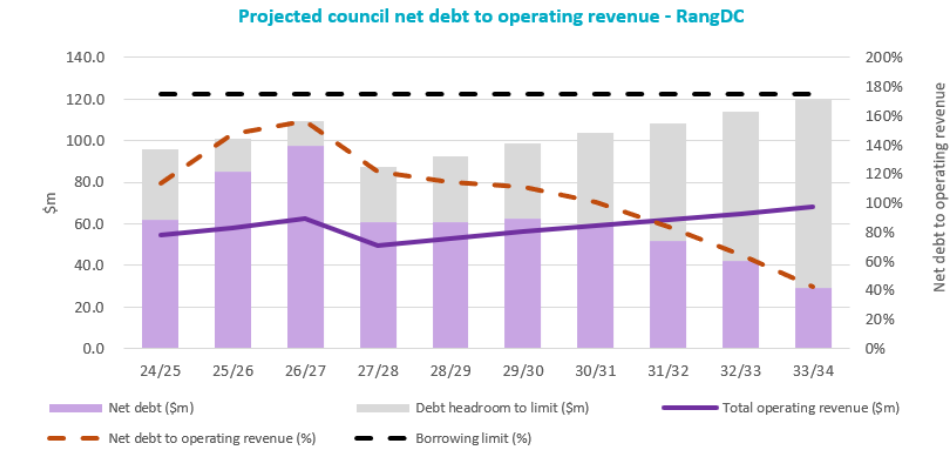
Horowhenua DC



Palmerston North City



Rangitikei DC



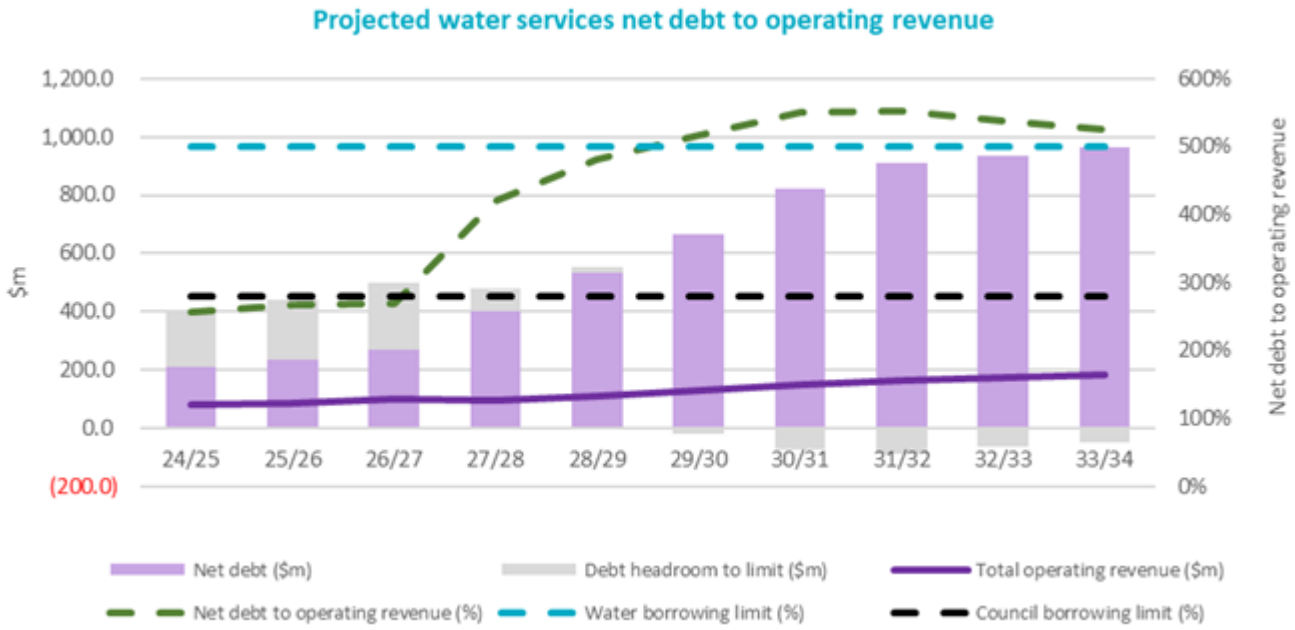
Projected <u>water services</u> borrowings against borrowing limits

The chart below shows combined councils' three waters debt to revenue compared to applicable borrowing limits through to 1 July 2027 and the WS-CCO debt to revenue from that date onwards. The borrowing limit for three waters debt to revenue is indicated in this plan as being 500% noting that this is a proxy for the LGFA lending covenants of an 8% FFO to debt for a water WS-CCO.

While the WS-CCO's three waters debt is projected to exceed 500% of its three waters revenue from year 2029/30, peak at 2031/32 and reduce thereafter, as shown in later charts and tables the WS-CCO will remain within the appropriate FFO to debt covenants over the period to 2034 based on the planned capital works programme and revenues. We note that the 8% FFO to debt ratio that is expected to apply for the WS-CCO is maintained throughout the entire 30 year modelling period that the WS-CCO has been modelled for.

There is a significant increase in both debt and revenue across the 10 year period. A large part of this is associated with the investment required to deliver the Nature Calls project. Nature calls is a significant wastewater treatment plant replacement project for in Palmerston North, estimated in the modelling to cost $480M. This project occurs alongside ongoing investment in renewal and investment to support growth across the entire region.

Nature Calls is a 30 to 50 year investment that is appropriate to fund through debt rather than operating revenues.. The project is assumed to be financed through the same borrowing mechanisms as all other debt of the WS-CCO eg LGFA. Nature Calls has not been assumed to be IFF funded as was the case if PNCC had continued to manage water services through an in-house business unit. It is believed that this is a more cost effective debt mechanism to finance Nature Calls.



Projected borrowings for water services

The table below considers the net debt to operating revenue ratio for councils' combined water services and the WS-CCO from 1 July 2027. It does not include operating revenue or net debt for councils' wider activities.

The information shows the WS-CCO's water services debt to revenue peaking at 556% in 2032 then starting to reduce thereafter. Renewal investment is fully funded from operating cash surpluses over the modelling period. Although the FFO ratio and equivalent debt to revenue ratio is exceeded, we expect the change
In regulatory standards to have a positive effect on this ratio.

The significant increase in debt primarily relates to PNCC's Nature Calls project.

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	207,807	234,232	268,498	402,864	531,908	667,102	822,297	909,654	936,717	963,537
Operating revenue	80,887	87,640	99,928	95,864	110,788	129,182	149,259	164,573	174,196	183,210
Net debt to operating revenue	257%	267%	269%	420%	480%	516%	551%	553%	538%	526%

Borrowing headroom/(shortfall) for water services

The table below shows projected net debt to operating revenue for combined three waters services for the combined councils and joint WS-CCO from 1 July 2027.

We note that the period prior to 1 July 2027 does not include revenues from other councils' activities, nor does it include debt from those activities and that

during the period until 1 July 2027 each Council will continue to borrow using total council debt/revenue.

A net debt to revenue ratio of 500% is considered to be appropriate for the assessment of available borrowing headroom in for combined water services through an in-house delivery model. Based on early guidance from DIA we have also assumed a 500% debt to revenue for a water services WS-CCO, however we understand that the relevant lending covenant is FFO to debt.

We note that lending covenants will be applied based on FFO to debt for the WS-CCO from 1 July 2027 so the assessment of borrowing headroom in the table below is provided for completeness only. Three waters debt is projected to exceed 500% of three waters revenue from year 2029/30, peak at 2031/32 and reduce thereafter.

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	80,887	87,640	99,928	95,864	110,788	129,182	149,259	164,573	174,196	183,210
Debt to revenue limit	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt	404,435	438,202	499,639	479,320	553,940	645,910	746,295	822,867	870,978	916,048
Total net debt	207,807	234,232	268,498	402,864	531,908	667,102	822,297	909,654	936,717	963,537
Borrowing headroom/ (shortfall) against limit	196,628	203,971	231,141	76,456	22,031	(21,192)	(76,002)	(86,787)	(65,739)	(47,488)

For completeness borrowing headroom has also been calculated based on the FFO to debt ratio that applies to the WS-CCO and set out in the table below.

Free funds from operations

Councils' free funds from operations (FFO) and FFO to debt ratio is presented in the table below for the combined water services activities. The information presented below does not include additional funds from operations generated by other council activities, nor does it include any debt associated with those activities. It assumes a transition to a wholly owned WS-CCO on 1 July 2027.

Free funds from operations in the table below includes 75% of projected development contribution receipts in accordance with guidance from LGFA.

The combined water services FFO to debt ratio remains above 8% after 1 July 2027, when a transition to a water services CCO is planned. This remains above the minimum FFO of 8% indicated in the guidance issued by LGFA for a water services WS-CCO with more than 50,000 connections.

Modelling indicates that the joint WS-CCO will maintain a small amount of debt headroom throughout the modelling period. This headroom ensures that the WS-CCO will be able to absorb some capital works cost increases or unplanned expenditure without the need to increase overall revenues or charges.

Longer term financial modelling indicates that councils are unlikely to breach three waters FFO to debt limits in the period through 30 June 2054 under the WS-CCO model.

Free funds from operations (FFO) to debt ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt	207,807	234,232	268,498	402,864	531,908	667,102	822,297	909,654	936,717	963,537
Funds from operations	42,180	47,509	57,536	38,779	45,758	57,053	69,314	76,672	78,912	82,109
FFO to debt ratio	20.3%	20.3%	21.4%	9.6%	8.6%	8.6%	8.4%	8.4%	8.4%	8.5%
Borrowing headroom	319,446	359,630	450,698	81,879	40,067	46,063	44,123	48,750	49,681	62,824

Part E: Projected financial statements for water services

Projected financial statements – for drinking water, wastewater, stormwater and combined water services

Projected funding impact statement

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	13,798	14,802	16,282	18,041	20,353	21,672	23,597	24,557	29,636	34,849
Targeted rates	59,297	68,309	79,042	73,239	85,781	102,787	120,872	135,158	139,637	143,371
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	7,792	4,529	4,604	4,584	4,654	4,723	4,790	4,858	4,923	4,989
Total operating funding	80,887	87,640	99,928	95,864	110,788	129,182	149,259	164,573	174,196	183,210
Applications of operating funding										
Payments to staff and suppliers	31,388	31,464	32,438	46,725	48,501	49,586	50,932	51,235	54,332	58,829
Finance costs	9,494	10,996	12,677	14,806	21,525	27,977	34,737	42,496	46,864	48,217
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	40,883	42,459	45,115	61,531	70,026	77,563	85,669	93,731	101,196	107,046
Surplus/(deficit) of operating funding	40,004	45,181	54,813	34,333	40,762	51,619	63,590	70,843	73,000	76,164
Sources of capital funding										
Subsidies and grants for capital expenditure	3,830	5,901	3,198	1,395	5,038	19,891	25,200	8,288	6,338	2,963
Development and financial contributions	2,901	3,104	3,630	5,929	6,661	7,246	7,631	7,773	7,883	7,927
Increase/(decrease) in debt	30,025	33,637	42,579	134,366	129,044	135,194	155,195	87,357	27,063	26,820
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	36,756	42,642	49,408	141,690	140,743	162,330	188,026	103,419	41,284	37,709

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Applications of capital funding										
Capital expenditure - to meet additional demand	18,820	19,638	28,062	33,018	45,715	67,970	65,332	24,389	21,043	19,132
Capital expenditure - to improve levels of services	30,115	35,211	38,118	109,760	100,115	114,243	153,334	124,660	68,355	70,033
Capital expenditure - to replace existing assets	20,842	25,762	29,728	33,245	35,675	31,736	32,950	25,212	24,886	24,708
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	69,777	80,611	95,908	176,023	181,505	213,949	251,616	174,261	114,283	113,873
Surplus/(deficit) of capital funding	(33,021)	(37,968)	(46,500)	(34,333)	(40,762)	(51,619)	(63,590)	(70,843)	(73,000)	(76,164)

Projected statement of comprehensive revenue and expense

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	80,887	87,640	99,928	95,864	110,788	129,182	149,259	164,573	174,196	183,210
Other revenue	6,731	9,005	6,828	7,324	11,699	27,137	32,831	16,061	14,221	10,890
Total revenue	87,618	96,645	106,756	103,188	122,487	156,319	182,090	180,634	188,416	194,099
Operating expenses	31,388	31,464	32,438	46,725	48,501	49,586	50,932	51,235	54,332	58,829
Finance costs	9,494	10,996	12,677	14,806	21,525	27,977	34,737	42,496	46,864	48,217
Overheads and support costs	0	0	0	0	0	0	0	0	0	0
Depreciation & amortisation	29,739	30,955	32,219	34,068	36,515	39,224	42,428	45,527	47,927	50,015
Total expenses	70,622	73,414	77,334	95,599	106,541	116,787	128,096	139,258	149,123	157,061
Net surplus / (deficit)	16,996	23,231	29,422	7,589	15,946	39,531	53,994	41,377	39,294	37,039
Revaluation of infrastructure assets	27,847	29,205	30,782	32,672	36,164	39,787	44,078	49,143	52,701	55,082
Total comprehensive income	44,844	52,437	60,205	40,261	52,111	79,319	98,071	90,520	91,994	92,120
Cash surplus / (deficit) from operations (excl depreciation)	46,736	54,186	61,641	41,657	52,461	78,756	96,421	86,904	87,221	87,054

Projected statement of cashflows

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	46,736	54,186	61,641	41,657	52,461	78,756	96,421	86,904	87,221	87,054
[other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	46,736	54,186	61,641	41,657	52,461	78,756	96,421	86,904	87,221	87,054
Cashflows from investment activities										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(69,777)	(80,611)	(95,908)	(176,023)	(181,505)	(213,949)	(251,616)	(174,261)	(114,283)	(113,873)
Net cashflows from investment activities	(69,777)	(80,611)	(95,908)	(176,023)	(181,505)	(213,949)	(251,616)	(174,261)	(114,283)	(113,873)
Cashflows from financing activities										
New borrowings	30,025	33,637	42,579	134,366	129,044	135,194	155,195	87,357	27,063	26,820
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	30,025	33,637	42,579	134,366	129,044	135,194	155,195	87,357	27,063	26,820
Net increase/(decrease) in cash and cash equivalents	6,983	7,213	8,313	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	5,120	12,104	19,317	27,630	27,630	27,630	27,630	27,630	27,630	27,630
Cash and cash equivalents at end of year	12,104	19,317	27,630	27,630	27,630	27,630	27,630	27,630	27,630	27,630

Projected statement of financial position

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	12,104	19,317	27,630	27,630	27,630	27,630	27,630	27,630	27,630	27,630
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	1,460,258	1,539,119	1,633,590	1,808,217	1,989,371	2,203,884	2,457,150	2,635,027	2,754,084	2,873,024
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	1,472,361	1,558,435	1,661,219	1,835,846	2,017,001	2,231,513	2,484,779	2,662,656	2,781,713	2,900,653
Liabilities										
Borrowings - current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	219,911	253,548	296,128	430,494	559,538	694,732	849,926	937,284	964,347	991,166
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	219,911	253,548	296,128	430,494	559,538	694,732	849,926	937,284	964,347	991,166
Net assets	1,252,450	1,304,887	1,365,092	1,405,352	1,457,463	1,536,782	1,634,853	1,725,373	1,817,367	1,909,487
Equity										
Revaluation reserve	27,847	57,053	87,835	120,507	156,671	196,459	240,536	289,679	342,380	397,461
Other reserves	1,224,603	1,247,834	1,277,257	1,284,846	1,300,792	1,340,323	1,394,317	1,435,693	1,474,987	1,512,026
Total equity	1,252,450	1,304,887	1,365,092	1,405,352	1,457,463	1,536,782	1,634,853	1,725,373	1,817,367	1,909,487

Projected funding impact statement – Drinking Water

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	32,126	35,903	40,820	42,711	47,079	51,537	56,056	59,044	60,665	62,747
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	2,228	1,832	1,836	1,839	1,843	1,847	1,851	1,855	1,858	1,862
Total operating funding	34,354	37,735	42,656	44,550	48,923	53,384	57,907	60,899	62,523	64,608
Applications of operating funding										
Payments to staff and suppliers	17,138	17,155	17,687	24,390	25,185	25,566	25,969	26,360	26,719	27,261
Finance costs	3,366	4,147	4,858	5,835	7,385	8,233	9,156	9,897	10,505	11,032
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	20,504	21,302	22,545	30,225	32,571	33,799	35,125	36,257	37,224	38,294
Surplus/(deficit) of operating funding	13,850	16,433	20,111	14,325	16,352	19,585	22,782	24,642	25,299	26,315
Sources of capital funding										
Subsidies and grants for capital expenditure	2,006	1,300	0	0	277	566	4,027	3,552	1,209	2,716
Development and financial contributions	830	891	1,054	1,688	1,913	2,093	2,211	2,253	2,285	2,297
Increase/(decrease) in debt	15,608	14,223	19,546	31,000	16,956	18,455	14,824	12,168	10,538	5,582
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	18,444	16,415	20,600	32,689	19,146	21,114	21,062	17,974	14,033	10,596
Applications of capital funding										
Capital expenditure - to meet additional demand	6,970	7,862	13,245	12,441	9,763	9,639	14,650	13,691	10,764	13,694

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure - to improve levels of services	13,515	12,727	11,417	19,443	12,250	16,945	11,619	14,216	14,197	9,515
Capital expenditure - to replace existing assets	10,796	11,239	14,639	15,130	13,485	14,115	17,574	14,710	14,370	13,701
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	31,281	31,828	39,301	47,014	35,498	40,698	43,844	42,616	39,331	36,910
Surplus/(deficit) of capital funding	(12,837)	(15,413)	(18,701)	(14,325)	(16,352)	(19,585)	(22,782)	(24,642)	(25,299)	(26,315)

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	34,354	37,735	42,656	44,550	48,923	53,384	57,907	60,899	62,523	64,608
Other revenue	2,836	2,191	1,054	1,688	2,190	2,659	6,238	5,805	3,494	5,013
Total revenue	37,191	39,926	43,710	46,239	51,113	56,043	64,144	66,704	66,017	69,622
Operating expenses	17,138	17,155	17,687	24,390	25,185	25,566	25,969	26,360	26,719	27,261
Finance costs	3,366	4,147	4,858	5,835	7,385	8,233	9,156	9,897	10,505	11,032
Overheads and support costs	0	0	0	0	0	0	0	0	0	0
Depreciation & amortisation	12,386	12,926	13,507	14,179	14,847	15,490	16,176	16,885	17,599	18,294
Total expenses	32,890	34,228	36,052	44,404	47,417	49,289	51,301	53,142	54,823	56,588
Net surplus / (deficit)	4,300	5,699	7,658	1,834	3,695	6,754	12,844	13,563	11,194	13,034
Revaluation of infrastructure assets	10,085	10,665	11,256	11,997	12,894	13,565	14,340	15,181	15,999	16,753
Total comprehensive income	14,386	16,364	18,915	13,832	16,589	20,319	27,184	28,743	27,193	29,787
Cash surplus / (deficit) from operations (excl depreciation)	16,686	18,625	21,165	16,014	18,542	22,244	29,019	30,448	28,793	31,328

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	16,686	18,625	21,165	16,014	18,542	22,244	29,019	30,448	28,793	31,328
[other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	16,686	18,625	21,165	16,014	18,542	22,244	29,019	30,448	28,793	31,328
Cashflows from investment activities										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(31,281)	(31,828)	(39,301)	(47,014)	(35,498)	(40,698)	(43,844)	(42,616)	(39,331)	(36,910)
Net cashflows from investment activities	(31,281)	(31,828)	(39,301)	(47,014)	(35,498)	(40,698)	(43,844)	(42,616)	(39,331)	(36,910)
Cashflows from financing activities										
New borrowings	15,608	14,223	19,546	31,000	16,956	18,455	14,824	12,168	10,538	5,582
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	15,608	14,223	19,546	31,000	16,956	18,455	14,824	12,168	10,538	5,582
Net increase/(decrease) in cash and cash equivalents	1,013	1,021	1,410	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	2,840	3,853	4,873	6,283	6,283	6,283	6,283	6,283	6,283	6,283
Cash and cash equivalents at end of year	3,853	4,873	6,283	6,283	6,283	6,283	6,283	6,283	6,283	6,283

Projected financial statements for wastewater

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	3,853	4,873	6,283	6,283	6,283	6,283	6,283	6,283	6,283	6,283
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	533,255	562,822	599,872	644,704	678,250	717,023	759,032	799,943	837,674	873,044
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	537,108	567,695	606,156	650,988	684,533	723,307	765,315	806,227	843,958	879,327
Liabilities										
Borrowings - current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	82,936	97,159	116,705	147,706	164,662	183,116	197,940	210,109	220,647	226,229
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	82,936	97,159	116,705	147,706	164,662	183,116	197,940	210,109	220,647	226,229
Net assets	454,172	470,536	489,450	503,282	519,871	540,190	567,374	596,118	623,310	653,098
Equity										
Revaluation reserve	10,085	20,751	32,007	44,004	56,899	70,464	84,804	99,985	115,984	132,737
Other reserves	444,087	449,785	457,443	459,278	462,973	469,727	482,570	496,133	507,327	520,361
Total equity	454,172	470,536	489,450	503,282	519,871	540,190	567,374	596,118	623,310	653,098

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	13,798	14,802	16,282	18,041	20,353	21,672	23,597	24,557	29,636	34,849
Targeted rates	16,532	19,354	22,443	18,810	25,393	35,373	46,803	57,233	60,101	61,708
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	5,557	2,692	2,762	2,737	2,804	2,869	2,932	2,996	3,058	3,121
Total operating funding	35,887	36,847	41,487	39,588	48,550	59,913	73,332	84,786	92,795	99,677
Applications of operating funding										
Payments to staff and suppliers	11,586	11,677	12,066	17,968	18,888	19,466	20,308	20,114	22,724	26,581
Finance costs	4,201	4,621	5,390	6,316	11,103	16,322	22,177	29,359	33,292	34,408
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	15,788	16,299	17,456	24,284	29,990	35,788	42,485	49,473	56,016	60,990
Surplus/(deficit) of operating funding	20,099	20,548	24,031	15,304	18,560	24,125	30,848	35,313	36,779	38,688
Sources of capital funding										
Subsidies and grants for capital expenditure	772	1,548	0	0	277	2,095	2,549	2,960	3,627	247
Development and financial contributions	1,421	1,496	1,667	2,970	3,217	3,407	3,538	3,596	3,644	3,671
Increase/(decrease) in debt	8,398	15,370	18,525	95,729	104,388	117,106	143,629	78,657	22,334	30,617
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	10,591	18,414	20,192	98,699	107,882	122,608	149,716	85,213	29,604	34,534
Applications of capital funding										
Capital expenditure - to meet additional demand	7,193	5,646	8,193	14,757	23,472	39,528	29,536	8,095	7,740	5,001

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure - to improve levels of services	10,234	15,904	17,515	81,657	81,319	90,130	136,204	102,430	48,796	57,730
Capital expenditure - to replace existing assets	9,566	13,570	14,168	17,588	21,650	17,075	14,823	10,001	9,847	10,491
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	26,993	35,120	39,876	114,002	126,441	146,734	180,563	120,526	66,383	73,222
Surplus/(deficit) of capital funding	(16,402)	(16,706)	(19,684)	(15,304)	(18,560)	(24,125)	(30,848)	(35,313)	(36,779)	(38,688)

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	35,887	36,847	41,487	39,588	48,550	59,913	73,332	84,786	92,795	99,677
Other revenue	2,193	3,044	1,667	2,970	3,494	5,502	6,087	6,556	7,271	3,918
Total revenue	38,080	39,891	43,154	42,558	52,044	65,415	79,420	91,342	100,065	103,595
Operating expenses	11,586	11,677	12,066	17,968	18,888	19,466	20,308	20,114	22,724	26,581
Finance costs	4,201	4,621	5,390	6,316	11,103	16,322	22,177	29,359	33,292	34,408
Overheads and support costs	0	0	0	0	0	0	0	0	0	0
Depreciation & amortisation	13,218	13,721	14,212	15,185	16,745	18,544	20,760	22,901	24,402	25,635
Total expenses	29,006	30,020	31,668	39,469	46,735	54,332	63,245	72,374	80,418	86,625
Net surplus / (deficit)	9,074	9,871	11,486	3,089	5,309	11,083	16,175	18,968	19,647	16,971
Revaluation of infrastructure assets	10,374	10,857	11,502	12,245	14,467	16,950	19,853	23,446	25,867	27,224
Total comprehensive income	19,448	20,728	22,988	15,334	19,775	28,033	36,027	42,414	45,515	44,195
Cash surplus / (deficit) from operations (excl depreciation)	22,292	23,592	25,698	18,274	22,054	29,627	36,935	41,869	44,049	42,606

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	22,292	23,592	25,698	18,274	22,054	29,627	36,935	41,869	44,049	42,606
[other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	22,292	23,592	25,698	18,274	22,054	29,627	36,935	41,869	44,049	42,606
Cashflows from investment activities										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(26,993)	(35,120)	(39,876)	(114,002)	(126,441)	(146,734)	(180,563)	(120,526)	(66,383)	(73,222)
Net cashflows from investment activities	(26,993)	(35,120)	(39,876)	(114,002)	(126,441)	(146,734)	(180,563)	(120,526)	(66,383)	(73,222)
Cashflows from financing activities										
New borrowings	8,398	15,370	18,525	95,729	104,388	117,106	143,629	78,657	22,334	30,617
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	8,398	15,370	18,525	95,729	104,388	117,106	143,629	78,657	22,334	30,617
Net increase/(decrease) in cash and cash equivalents	3,697	3,842	4,348	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	1,803	5,500	9,342	13,689	13,689	13,689	13,689	13,689	13,689	13,689
Cash and cash equivalents at end of year	5,500	9,342	13,689	13,689	13,689	13,689	13,689	13,689	13,689	13,689

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	5,500	9,342	13,689	13,689	13,689	13,689	13,689	13,689	13,689	13,689
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	542,851	575,106	612,272	723,335	847,498	992,638	1,172,294	1,293,365	1,361,213	1,436,024
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	548,350	584,448	625,961	737,025	861,188	1,006,327	1,185,983	1,307,054	1,374,902	1,449,714
Liabilities										
Borrowings - current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	92,427	107,797	126,322	222,051	326,438	443,545	587,174	665,830	688,164	718,781
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	92,427	107,797	126,322	222,051	326,438	443,545	587,174	665,830	688,164	718,781
Net assets	455,923	476,651	499,639	514,974	534,749	562,782	598,810	641,224	686,738	730,933
Equity										
Revaluation reserve	10,374	21,231	32,733	44,979	59,445	76,395	96,248	119,694	145,561	172,785
Other reserves	445,549	455,420	466,906	469,995	475,304	486,387	502,562	521,530	541,177	558,148
Total equity	455,923	476,651	499,639	514,974	534,749	562,782	598,810	641,224	686,738	730,933

Projected financial statements for wastewater

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	10,640	13,052	15,779	11,719	13,309	15,877	18,013	18,882	18,871	18,917
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	6	6	6	7	7	7	7	7	7	7
Total operating funding	10,646	13,058	15,785	11,726	13,316	15,884	18,020	18,889	18,878	18,924
Applications of operating funding										
Payments to staff and suppliers	2,664	2,631	2,684	4,367	4,428	4,554	4,655	4,761	4,889	4,986
Finance costs	1,926	2,227	2,430	2,655	3,037	3,422	3,404	3,241	3,067	2,777
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	4,591	4,859	5,114	7,022	7,465	7,976	8,059	8,001	7,956	7,762
Surplus/(deficit) of operating funding	6,055	8,199	10,671	4,704	5,851	7,909	9,961	10,888	10,922	11,161
Sources of capital funding										
Subsidies and grants for capital expenditure	1,052	3,053	3,198	1,395	4,484	17,230	18,624	1,776	1,502	0
Development and financial contributions	650	717	909	1,271	1,531	1,746	1,882	1,923	1,954	1,958
Increase/(decrease) in debt	6,020	4,044	4,508	7,637	7,700	(367)	(3,258)	(3,468)	(5,809)	(9,379)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	7,721	7,814	8,615	10,303	13,715	18,609	17,248	232	(2,353)	(7,421)
Applications of capital funding										
Capital expenditure - to meet additional demand	4,657	6,130	6,624	5,820	12,480	18,803	21,145	2,603	2,539	437

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure - to improve levels of services	6,366	6,580	9,186	8,659	6,546	7,168	5,512	8,014	5,362	2,788
Capital expenditure - to replace existing assets	480	953	921	527	540	546	553	502	668	516
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	11,503	13,663	16,731	15,006	19,566	26,517	27,209	11,119	8,569	3,740
Surplus/(deficit) of capital funding	(3,782)	(5,849)	(8,116)	(4,704)	(5,851)	(7,909)	(9,961)	(10,888)	(10,922)	(11,161)

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	10,646	13,058	15,785	11,726	13,316	15,884	18,020	18,889	18,878	18,924
Other revenue	1,702	3,770	4,107	2,666	6,015	18,976	20,506	3,699	3,456	1,958
Total revenue	12,347	16,828	19,892	14,391	19,331	34,860	38,526	22,588	22,334	20,882
Operating expenses	2,664	2,631	2,684	4,367	4,428	4,554	4,655	4,761	4,889	4,986
Finance costs	1,926	2,227	2,430	2,655	3,037	3,422	3,404	3,241	3,067	2,777
Overheads and support costs	0	0	0	0	0	0	0	0	0	0
Depreciation & amortisation	4,135	4,307	4,500	4,704	4,923	5,191	5,492	5,741	5,926	6,086
Total expenses	8,726	9,166	9,614	11,726	12,388	13,166	13,550	13,742	13,881	13,848
Net surplus / (deficit)	3,621	7,662	10,278	2,666	6,942	21,694	24,975	8,846	8,453	7,034
Revaluation of infrastructure assets	7,388	7,683	8,024	8,429	8,804	9,272	9,884	10,516	10,834	11,104
Total comprehensive income	11,009	15,345	18,302	11,095	15,746	30,967	34,860	19,362	19,287	18,138
Cash surplus / (deficit) from operations (excl depreciation)	7,757	11,969	14,778	7,369	11,866	26,885	30,467	14,587	14,378	13,120

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	7,757	11,969	14,778	7,369	11,866	26,885	30,467	14,587	14,378	13,120
[other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	7,757	11,969	14,778	7,369	11,866	26,885	30,467	14,587	14,378	13,120
Cashflows from investment activities										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(11,503)	(13,663)	(16,731)	(15,006)	(19,566)	(26,517)	(27,209)	(11,119)	(8,569)	(3,740)
Net cashflows from investment activities	(11,503)	(13,663)	(16,731)	(15,006)	(19,566)	(26,517)	(27,209)	(11,119)	(8,569)	(3,740)
Cashflows from financing activities										
New borrowings	6,020	4,044	4,508	7,637	7,700	(367)	(3,258)	(3,468)	(5,809)	(9,379)
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	6,020	4,044	4,508	7,637	7,700	(367)	(3,258)	(3,468)	(5,809)	(9,379)
Net increase/(decrease) in cash and cash equivalents	2,273	2,350	2,555	0	0	(0)	0	(0)	0	0
Cash and cash equivalents at beginning of year	478	2,752	5,102	7,657	7,657	7,657	7,657	7,657	7,657	7,657
Cash and cash equivalents at end of year	2,752	5,102	7,657	7,657	7,657	7,657	7,657	7,657	7,657	7,657

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	2,752	5,102	7,657	7,657	7,657	7,657	7,657	7,657	7,657	7,657
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	384,152	401,191	421,445	440,177	463,623	494,222	525,824	541,719	555,197	563,955
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	386,903	406,292	429,102	447,834	471,280	501,879	533,481	549,376	562,854	571,612
Liabilities										
Borrowings - current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	44,548	48,592	53,100	60,737	68,438	68,070	64,812	61,344	55,535	46,156
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	44,548	48,592	53,100	60,737	68,438	68,070	64,812	61,344	55,535	46,156
Net assets	342,355	357,700	376,002	387,097	402,842	433,809	468,669	488,031	507,318	525,456
Equity										
Revaluation reserve	7,388	15,071	23,095	31,524	40,327	49,600	59,484	70,001	80,835	91,939
Other reserves	334,967	342,629	352,907	355,573	362,515	384,209	409,185	418,031	426,483	433,517
Total equity	342,355	357,700	376,002	387,097	402,842	433,809	468,669	488,031	507,318	525,456

Water Services Delivery Plan: additional information

Significant capital projects

Significant capital projects – Horowhenua District

Significant capital projects – drinking water

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Districtwide Water Network – Metering	$2,474	$2,370	0	0	0	0	0	0	0	0
Levin Water Treatment plant	$1,000	$2,080	$7,500	0	0	0	$5,500	$2,000	$2,000	$2,000
Levin Water Source	$400	$400	$400	$1,500	0	0	0	$5,000	$10,000	$14,000
All Others	$250	$250	$50	$2,500	0	0	0	0	0	$30
Total investment to meet additional demand	**$4,124**	**$5,100**	**$7,950**	**$4,000**	**0**	**0**	**$5,500**	**$7,000**	**$12,000**	**$16,030**
Projects to improve levels of services										
None										
Total investment to meet improve levels of services	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Projects to replace existing assets										
Districtwide Water Network	$1,050	$2,050	$2,213	$3,213	$3,213	$3,213	$3,213	$3,213	$3,213	$1,721
Level Water Network	$1,000	$2,300	$3,800	$3,300	$3,300	$3,300	$3,300	$3,300	$3,300	$3,300
All others	$1,200	$515	$1,065	$685	$35	$35	$35	$35	$35	$535
Total investment to replace existing assets	**$3,250**	**$4,865**	**$7,078**	**$7,198**	**$6,548**	**$$6,548**	**$6,548**	**$6,548**	**$6,548**	**$5,556**
Total investment in drinking water assets	**$7,374**	**$9,965**	**$15,028**	**$11,198**	**$6,548**	**$6,548**	**$12,048**	**$13,548**	**$18,548**	**$21,586**

Significant capital projects – wastewater

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Levin Wastewater Treatment Plant	$1,000	$5,160	$5,537	$11,106	$11,412	$6,149	$7,364	0	0	0
Levin Wastewater Treatment - Effluent Discharge	$500	$500	$500	$2,500	$4,000	$4,000	$2,000	$2,000	$2,000	$1,000
Ohau Wastewater Network - Future	0	$100	0	0	0	0	0	$2,000	$2,000	$4,235
All others	$3,454	$0	0	$500	$500	$500	0	0	0	0
Total investment to meet additional demand	**$4,954**	**$5,760**	**$6,037**	**$14,106**	**$15,912**	**$10,649**	**$9,364**	**$4,000**	**$4,000**	**$5,235**
Projects to improve levels of services										
All others	$140	$140	$140	$100	$100	0	0	0	0	0
Total investment to meet improve levels of services	**$140**	**$140**	**$140**	**$100**	**$100**	**0**	**0**	**0**	**0**	**0**
Projects to replace existing assets										
Districtwide Wastewater Network	$1,828	$1,828	$1,828	$1,828	$1,828	$1,828	$1,828	$1,828	$1,828	$1,828
Levin Wastewater Network	$50	$2,536	$2,536	$2,536	$2,536	$2,536	$2,536	$2,536	$1,536	$1,536
Tokomaru Wastewater Treatment Plant	0	$500	0	$2,500	$2,500	0	0	0	0	0
All others	$2,980	$1,501	$703	$1,555	$5,056	$4,057	$58	59	$60	$1,061
Total investment to replace existing assets	**$4,858**	**$6,365**	**$5,067**	**$8,419**	**$11,920**	**$8,421**	**$4,422**	**$4,423**	**$3,424**	**$4,425**
Total investment in wastewater assets	**$9,952**	**$12,265**	**$11,244**	**$22,625**	**$27,932**	**$19,070**	**$13,786**	**$8,423**	**$7,424**	**$9,660**

Significant capital projects – stormwater

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Levin Stormwater - North East	$25	$25	$1,800	$950	0	0	0	0	0	0
All others	$100	0	0	0	0	0	0	0	0	0
Total investment to meet additional demand	**$125**	**$25**	**$1,800**	**950**	**0**	**0**	**0**	**0**	**0**	**0**
Projects to improve levels of services										
Levin Stormwater improvement	$600	$1,600	$1,100	$1,000	$1,000	$1,000	$1,000	$1,840	$1,840	0
All others	$550	$1,450	$1,000	$1,100	$100	$100	$100	$100	$1,000	$100
Total investment to meet improve levels of services	**$1,150**	**$3,050**	**$2,100**	**$2,100**	**$1,100**	**$$1,100**	**$1,100**	**$1,940**	**$2,840**	**$100**
Projects to replace existing assets										
None										
Total investment to replace existing assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total investment in stormwater assets	**$1,275**	**$3,075**	**$3,900**	**$3,050**	**$1,100**	**$1,100**	**$1,100**	**$1,940**	**$2,840**	**$100**

Significant capital projects – Palmerston North City

Significant capital projects – drinking water

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
246 - Urban Growth - Development Contributions - Water Supply	260	308	316	378	387	396	406	474	484	494
1004 - Urban Growth - Whakarongo - Water Supply	200	718	1,358	2,646	3,277	1,812	-	-	-	-
1005 - Urban Growth - NEIZ - Water Supply	-	-	-	324	775	2,492	3,128	3,079	-	-
1170 - Urban Growth - Kakatangiata - Water Supply	-	-	-	-	-	-	3,186	2,960	1,209	2,716
1880 - Urban Growth - Aokautere - Water Supply	-	-	-	224	1,719	-	-	95	605	-
2297 - Urban Growth - Napier Road Bore (City East)	1,000	-	1,579	-	221	2,832	2,897	592	-	-
2299 - Urban Growth - New Northern Water Supply Bore (Milson Line)	1,000	1,538	2,632	2,700	221	-	-	-	-	-
2301 - Urban Growth - New Longburn Water Supply Bore	259	1,428	1,467	2,109	1,257	-	-	-	-	-
Other investment not included in significant projects above	1,300	(1)	-	-	277	566	927	1,124	(1)	(1)
Total investment to meet additional demand	**4,019**	**3,991**	**7,352**	**8,381**	**8,134**	**8,098**	**10,544**	**8,324**	**2,297**	**3,209**
Projects to improve levels of services										
132 - City-wide - Water Supply Resilience - Trunk Mains	600	1,244	1,278	123	1,107	1,133	-	-	-	-
1696 - City-wide - Drinking Water Standards Upgrades	100	615	632	8,559	3,843	4,063	579	8,229	5,673	-
2042 - Turitea WTP - Raw Water Main Duplicate	200	1,179	1,211	-	-	-	-	-	-	-
2048 - City-wide - Water Toby and Manifold enhancements	750	769	790	810	830	849	869	888	907	926
2228 - City-wide - Water Main Improvement	1,000	1,025	1,053	1,080	1,107	1,133	1,159	1,184	1,209	1,234
Other investment not included in significant projects above	5,328	3,972	2,920	1,485	1,301	1,103	1,008	84	84	87
Total investment to meet improve levels of services	**7,978**	**8,804**	**7,884**	**12,057**	**8,188**	**8,281**	**3,615**	**10,385**	**7,873**	**2,247**
Projects to replace existing assets										
88 - Turitea WTP - Falling Main from WTP to Reservoir	-	154	-	1,782	1,827	1,869	1,912	-	-	-
207 - Turitea WTP - Equipment And Facility Renewals	200	205	211	594	609	629	637	474	242	247
214 - City-wide - Water Toby and Manifold Renewals	400	410	421	432	443	453	463	474	484	494
218 - City-wide Water Main Renewals	3,000	3,075	3,158	3,348	3,432	3,511	4,055	3,789	3,869	4,074
2344 - Turitea WTP - Falling Main Rehabilitation	-	-	-	-	-	283	1,159	2,629	2,660	2,716
Other investment not included in significant projects above	1,410	1,638	2,141	1,059	929	959	1,992	942	869	754
Total investment to replace existing assets	**5,010**	**5,482**	**5,931**	**7,215**	**7,240**	**7,704**	**10,218**	**8,308**	**8,124**	**8,285**
Total investment in drinking water assets	**17,007**	**18,277**	**21,167**	**27,653**	**23,562**	**24,083**	**24,377**	**27,017**	**18,294**	**13,741**

Significant capital projects – wastewater

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
210 - Urban Growth - NEIZ - Wastewater	-	-	-	558	1,329	2,832	2,317	-	-	-
1000 - Urban Growth - Whakaronga - Wastewater	-	-	-	378	2,214	2,265	-	-	-	-
1055 - Urban Growth - Kakatangiata - Wastewater	-	-	-	-	-	340	2,317	2,368	2,418	247
1412 - Urban Growth - Ashhurst - Wastewater	-	-	-	-	277	1,756	232	592	1,209	-
2030 - Urban Growth - Aokautere - Wastewater	-	-	-	270	344	793	1,101	710	-	-
2511 - Urban Growth - Kikiwhenua - Wastewater	-	308	3,158	2,160	2,214	-	-	-	-	-
Other investment not included in significant projects above	104	153	158	217	221	225	232	297	302	308
Total investment to meet additional demand	**104**	**461**	**3,316**	**3,583**	**6,599**	**8,211**	**6,199**	**3,967**	**3,929**	**555**
Projects to improve levels of services										
66 - Totara Road Wastewater Treatment Plant - Resilience Programme	557	256	263	270	277	283	290	296	121	123
628 - Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	3,000	4,230	4,344	72,805	77,671	85,692	133,880	100,991	46,568	19,952
1074 - Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	1,000	2,563	2,632	-	-	-	-	-	-	-
1616 - City-wide - Wastewater Pump Station - Capacity Upgrade	1,000	2,255	2,316	-	-	-	-	-	-	-
1617 - Totara Road Wastewater Treatment Plant - Biogas System Improvements	710	1,538	1,316	-	-	-	-	-	-	-
1821 - City-wide Wastewater Pipeline Realignment of critical at-risk mains	500	513	526	540	554	566	116	118	121	123
2229 - City-wide - Wastewater Pipe Improvement	1,000	1,025	1,053	1,080	1,107	1,133	579	592	605	617
2347 - Wastewater Trunk Main - Infill Upgrades	250	513	737	297	664	849	342	770	954	383
Other investment not included in significant projects above	1,187	1,167	2,305	1,394	155	159	161	166	168	174
Total investment to meet improve levels of services	**9,204**	**14,060**	**15,492**	**76,386**	**80,428**	**88,682**	**135,368**	**102,933**	**48,537**	**21,372**
Projects to replace existing assets										
54 - City-wide - Wastewater Pipe Renewal	1,800	1,845	2,105	2,160	3,321	3,398	3,012	2,723	2,781	2,839
179 - Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	264	200	263	270	332	340	348	355	242	247
1714 - City-wide Wastewater Trunk Mains Renewal	500	1,025	1,263	1,188	1,218	1,472	1,854	592	605	1,234
2323 - Citywide - Relining of Wastewater Pipes	600	615	632	648	664	680	695	710	725	741
2530 - Bunnythorpe - Wastewater Reticulation Renewals	200	410	421	270	720	736	-	-	-	-
Other investment not included in significant projects above	1,389	1,336	468	529	513	583	1,147	1,252	1,943	1,181
Total investment to replace existing assets	4,753	5,431	5,152	5,065	6,768	7,209	7,200	6,048	6,719	6,613
Total investment in wastewater assets	**14,061**	**19,952**	**23,960**	**85,034**	**93,795**	**104,102**	**148,767**	**112,948**	**59,185**	**28,540**

Significant capital projects – stormwater

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
51 - Urban Growth - Development Contributions - Stormwater	250	308	316	324	332	396	406	414	423	432
1065 - Urban Growth Kakatangiata - Stormwater	-	-	-	324	554	10,193	11,866	1,776	1,502	-
1704 - Urban Growth - Aokautere - Stormwater	1,052	3,053	3,198	801	2,215	4,771	5,020	-	-	-
2034 - Urban Growth - Ashhurst - Stormwater	-	-	-	270	1,716	2,265	1,738	-	-	-
2324 - Urban Growth - Stormwater Roxborough Crescent Infill	293	140	-	1,813	801	-	-	-	-	-
Other investment not included in significant projects above	2,649	410	105	812	1,769	1,075	(1)	1	-	-
Total investment to meet additional demand	**4,244**	**3,911**	**3,619**	**4,344**	**7,387**	**18,700**	**19,029**	**2,191**	**1,925**	**432**
Projects to improve levels of services										
1060 - City-wide - Stormwater Network Improvement Works	2,257	2,519	2,662	2,205	3,263	3,337	1,439	1,225	1,251	1,026
1708 - City-wide - Stormwater Flood Mitigation	1,549	428	2,737	2,331	530	1,542	1,096	3,676	1,211	74
2313 - Citywide - Installation of new Stormwater Assets	100	410	421	432	443	453	463	474	484	494
Other investment not included in significant projects above	906	1,011	1,863	1,427	1,384	514	1,216	1,302	548	1,136
Total investment to meet improve levels of services	**4,812**	**4,368**	**7,683**	**6,395**	**5,620**	**5,846**	**4,214**	**6,677**	**3,494**	**2,730**
Projects to replace existing assets										
1062 - City-wide Stormwater Network Renewal Works	100	359	368	243	249	255	261	266	272	278
Other investment not included in significant projects above	250	256	211	108	111	113	116	60	60	61
Total investment to replace existing assets	**350**	**615**	**579**	**351**	**360**	**368**	**377**	**326**	**332**	**339**
Total investment in stormwater assets	**9,406**	**8,894**	**11,881**	**11,090**	**13,367**	**24,914**	**23,620**	**9,194**	**5,751**	**3,501**

Significant capital projects – Rangitikei District

Significant capital projects – Drinking Water

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
[xxx]	0	0	0	0	0	0	0	0	0	0
[xxx]	0	0	0	0	0	0	0	0	0	0
Total investment to meet additional demand	0	0	0	0	0	0	0	0	0	0
Projects to improve levels of services										
[xxx]	0	0	0	0	0	0	0	0	0	0
[xxx]	0	0	0	0	0	0	0	0	0	0
Total investment to meet improve levels of services	0	0	0	0	0	0	0	0	0	0
Projects to replace existing assets										
[xxx]	0	0	0	0	0	0	0	0	0	0
[xxx]	0	0	0	0	0	0	0	0	0	0
Total investment to replace existing assets	0	0	0	0	0	0	0	0	0	0
Total investment in drinking water assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

There are no significant projects budgeted for Water Supply for Rangitikei District Council noting that the investment has already been committed for Marton water treatment plant. See Part B for further commentary, and below for Wastewater and Stormwater significant projects.

Significant capital projects – Wastewater

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Marton to Bulls Wastewater treatment upgrade	1,250	255	260	267	3,000	5,000	0	0	0	32,276
Taihape wastewater treatment plant upgrade	0	0	0	0	0	16,750	17,100	0	0	0]
Total investment to meet additional demand	1,250	255	260	267	3,000	21,750	17,100	0]	0]	32,276
Projects to improve levels of services										
Hunterville Wastewater treatment plant upgrade	300	200	525	535	0	0	**0**	0	0	0
Total investment to meet improve levels of services	300	200	525	535	0	0	0	0	0	0
Projects to replace existing assets										
Mangaweka wastewater treatment plant refurbishment	0	**0**	1,641	0	0	0	0	0	0	0
0]	0	0	1,641	0	0	0	0	0	0	0
Total investment in wastewater assets	**1,550**	**455**	**2,426**	**802**	**3,000**	**21,750**	17,100	0	0	32,276

Significant capital projects – Stormwater

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Follett Street stormwater interceptor (Marton)	0	0	0	0	4,818	0	0	0	0	0
Harris Street stormwater upgrade (Marton)	0	0	0	0	0	0	0	2,234	0	0
Total investment to meet additional demand	0	0	0	0	**4,818**	0	0	**2,234**	0	0
Projects to improve levels of services										
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Total investment to meet improve levels of services	0	0	0	0	0	0	0	0	0	0
Projects to replace existing assets										
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**4,818**	**0**	**0**	**2.234**	**0**	**0**

Risks and assumptions

See additional Appendix – Morrison Low Financial modelling assumptions

Disclosure of risks and material assumptions for Horowhenua District water services delivery

Risk Title	Description	Inherent Score	Inherent Rating	Residual Score	Residual Rating	Treatment/Control Description
Infrastructure capacity concerns at new subdivision at Waitarere	Housing currently working on new subdivision at Waitarere which will require critical infrastructure capacity in achieving consent and growth predictions. Potential for subdivision to be delayed as infrastructure upgraded to cope with additional demand	**16**	Significant	**9**	Moderate	A new risk whilst specific to the Waitarere sub-division t is a process driven risk with the gap between planning, consenting, and infrastructure capacity. Open up discussion with Infrastructure and Housing around identifying the process gap and setting up business rules that insure all parties are well informed of growth planning. Investigate opportuning in providing accuracy around risks associated with infrastructure i.e. capacity, age, upgrading, mapping etc.
Loss of Water Supply to Levin & Ohau Communities	Loss of water supply for more than 8 hours to multiple properties	16	Significant	8	Moderate	Maintain register of key consumers e.g. dialysis patients, major industries, schools, medical, dental, ret homes, relevant commercial premises Minimum 1-day storage in reservoirs, back up water supply contract trucks Council and contractors hold spares of key components Rural water supplies require consumers to have on-site storage
Infrastructure assets failing to meet LTP, growth demands, or regulatory requirements.	Population is set to double in the next 20 years. Infrastructure assets such as roading, water and sewer lines, storm drains fail to stay abreast of population growth, aging or impacts from climate change. Subsequently resulting on system failure, inadequate water supply or waste disposal. Pressure on Rate increases. Assets at capacity and we are witnessing an increase in weather events. Rising operating costs and interest rates are putting pressure on our infrastructure as we use the option of deferring works to meet budgets and managed the impact on rising property rates. The approach of replacing infrastructure 'Just in Time' provides a risk to service delivery that needs to monitored closely with options available to counter any time inaccuracies. Waste plant vulnerable and general	**12**	Significant	9	Moderate	- CRM's and reported Customer related issues are being processed in accordance with our Customer Service Excellence Strategy, SSP KPIs and Regulatory requirements. - Infrastructure Strategy to highlight high risk assets and principle options for managing them. Includes Water Supply, Wastewater, Storm water, Roads and footpaths. - Essential and other Services are meeting their agreed levels of service targets under Covid constraints. - Resident satisfaction survey results indicate >90% rating with customer services. - Plans and resources are in place to remediate non-forecasted events e.g. land slips, and longer term remediation plans are in place for consistently impacted sites e.g. Gladstone slip. - Agreed levels of service for non-essential services are largely being met with known non-compliance being reported as required. - Plans are in place and risks are being managed with respect to consents and key projects. - Review service levels & operating efficiencies including affordability or improvement opportunities - Ensure investments fits with key stakeholders' expectations and key deliverables. Proactively plan for future assets to ensure they are fit for purpose and replace them when they are needed. Master Plan for upgrade of WWTP, WTP.

The asset data in the GIS is out of date, our asset registers are not current leading to the unreliability in the asset management system.	New information is not accurately entered onto the Asset Management system/register in a timely manner. Currently a number of procurement projects completed or started over the last 2 years have not been updated. Asset management resources that have managed this data in the past have moved on or reassigned to new positions. There are governing documents that provide guidance and oversee the required process for Asset Management however they are out of date and no longer in effect. The impacts of incomplete or inaccurate register are far reaching including insurance coverage, renewals and premiums; Valuations for depreciation and financial reporting purposes, maintenance and warranty contract management	**12**	Significant	9	Moderate	Workstream ongoing to investigate Asset Management Framework that includes: 1. A review of operational processes completed. Currently 11 Asset management processes identified on Promapp Process Mapping. 2. Asset Register 90% to acceptable standard. 3. High valued Assets Mapped as part Insurance renewal process and loss mapping work. 4. Business rules for Asset Management through procurement process established. 5. Critical Asset Register designed Asset data management is being addressed as the intent is to decouple the GIS from an AMS. Updating GIS to consolidate disposals, core data is present however still needs work.
Failure to give effect to Te Tiriti and build successful Iwi/Mana Whenua partnerships.	If Council and Officers fail to give effect to Te Tiriti and build sustainable partnerships with Iwi/Mana Whenua, including support of developing capability and capacity internally within Mana Whenua, then the organisation will fail to meet governance obligations and the ability to operate and deliver key projects will be significantly impacted. This risk is runs through all parts of our operating model and are often interlinked from a service delivery and community outcomes perspective. Setting the tone in Council and the executive is essential in ensuring that organisational approach is consistent, well thought through and effective in evolving key partnerships in a workable direction	12	Significant	9	Moderate	Thinking has evolved and the Maori Engagement Framework has been presented to Council in April, subsequent discussions are required to ensure the Strategy is approved at a level that allows the organisation to meet our obligations under Te Tiriti/Treaty of Waitangi and build sustainable partnerships with Iwi/Tangata Whenua. s a sub-committee of the National Council of LGNZ. Currently the organisation is introducing the Tūhono ki Te Ao Maori - A Maori Culture Induction Toolkit which offers a wonderful resource to staff understanding Maori Culture and applying key customs and protocols. Council has signalled an appetite indicating that this is an area of high priority and key focus moving forward. Signs of progress as resources and focus on improving the foundation on which our relationships are built on. I high level commitment and dedication to enhance our approach to an essential strategic outcome

Climate Change Adaptation and Mitigation - Adaptation and mitigation actions (reducing emissions) may not be adequate to respond, absorb and/or reduce impacts of climate change (including severe weather events).	This may result in tangible and intangible consequences, such as environmental degradation, economic inequity, social vulnerability, financial and reputation damage. Lack of or inadequate: • Planning provisions to ensure appropriate ongoing zoning for land and housing development and urban design planning with respect to climate change impacts. • Leadership to ensure alignment of council response and prioritised delivery of key actions. • Collaboration between council business units and Council Controlled Organisations. • Consistent risk perceptions (across public and private sectors) and different understandings and prioritisation of climate risks. • Quality advice to decision makers to ensure effective management and governance oversight. • Robust and accessible data and fit for purpose information systems. • Sufficient resources and/or capability of staff. • Design quality of coastal, flooding and other climate resilience projects. • Resource consenting and Land Information Memorandum (LIM) processes • Changes to extreme weather patterns (frequency, extent and intensity). • Legacy risk caused by historic decisions to permit development (including critical assets) in areas of risk (e.g. housing, roads, utilities etc). • The complex urban planning system and misalignment with finance, policy, operations, regulation, legal and risk.	12	Significant	9	Moderate	1. LTP informs our approach to reducing our carbon footprint and incorporate provisions for climate change impact and is applied in decision making, it currently lacks clarity and direction? 2. Council's Coastal Management Framework? 3. NIWA climate projections, environmental monitoring and reporting of data 4. Sustainability initiatives across council and externally, e.g. Waste Minimization and Management Plan (As per Ministry of Environment (MoE) targets for LGA to reduce waste by 40%)? 5. Some of the team attended the Taituarā climate change webinars and will share her notes. Direction from Friday's session was very much so that no Council can shift away from Climate Change anymore and that this needs to be reflected in our LTP's, to be sought after by Audit. We will need to look into this further. 6. Strategy Team started to collate the feedback received from the climate change internal survey based on comments received. There is a lot of valuable feedback in here that we can pull from going forward. 7. The Natural Hazards Research Plan - Insurance Mapping Additional proposed controls: 2. Re-engage and adopt- the HDC Climate Action Plan 3. Natural Hazards Risks Management Action Plan? 3. Review climate change controls for their design and operating effectiveness. 4. Establish a coordinated approach to climate change across the Council Group to ensure alignment of our collective actions. 5. Develop a strategic communications plan to support planning, reporting, project management and community engagement. 6. Review council's information systems, integrity and availability of data within the Council group and to the public. 7. Upskill and build staff capability with training and development to improve risk-based decision making for climate change issues.
District Water Supply Plants - risk of unauthorised access or contamination as well as risk of theft of specific equipment.	Horowhenua District Water Supply Plants and Reservoirs don't currently have adequate measures in place to avert any attempts to contaminate town water supply reservoirs. This is a risk of possible contamination both intentionally and unintentionally through different access points. Inadequate security provides the opportunity for easy access resulting in theft of expensive and critical equipment. Any contamination of water supply could result in large scale illness throughout the community. Open source water risk of terrorism. Not restricted so stock have access, contractors working in close proximity, 1080 drops etc, public access. 24-hour storage only in case of shutdown, includes firefighting Risk of supply interruption cutting of water supply to community	8	Moderate	8	Moderate	Meeting planned for 8 June with Infrastructure & Alliance to assess risk and look at possible controls to improve security in preventing unauthorised access. Investigation into improved surveillance and securing of key assets. Do we have an alarm system that detects water contamination? Associated with emergency shutdown process that starts at the intake. Work with Lutra around monitoring systems. Research through other Councils looking to fence all our sites and also CCTV where possible. Sealing off catchment areas and significant storage opportunities. Roof on clarifier, fully enclosed clarifiers as with Foxton

Inter and intra Iwi/hapu disagreement on support for strategic public works, reforms i.e. Affordable Waters, district growth projects	The tikanga and history across Horowhenua iwi and hapu may lead to inter and intra iwi disputes on the support to be given to growth strategies and infrastructure and transport upgrades resulting in legal challenges, delay to projects and breakdown of iwi relationships and impact on the credibility of iwi cohesiveness.	9	Moderate	6.75	LOW	Facilitate problem-solving meetings with recognition of tikanga and protocols, preparedness to develop discovery protocols for taonga, being prepared to "front foot" cultural impact assessments with qualified archaeological expertise. Meetings to be open and transparent and not to be "without prejudice". Minutes available for legal challenges. Appointment of Te Tumatakahuki Navigator Community Infrastructure - Building and improving iwi relationships and engagement with local Ngati Raukawa iwi, hapu and whanau. Consideration required for impact on Ngati Muaūpoko. ELT understand shared responsibility in ensuring collective approach to building and sustaining strong linkage and relationship with key partnerships. This will be included in the protocols as part of the Maori Engagement Framework
Levin Waste Water Treatment inlet Pipe	The existing pipe is reinforced concrete and has a small number of minor cracks. In the past cracks such as these have been repaired (by Concrete Doctors I believe). A concern was raised that the pipe was likely to break and required urgent replacement. (This was not the view of most of the engineers at the time as the pipe was reinforced and the cracks were not considered structural). Instruction was given to replace the pipe as a matter of urgency. Designs were drafted, and due to the high level of concern and request for urgency, along with confidence in the overall design and pipe requirements, the pipe was ordered. The GHD Report hasn't considered the size of the pipe. There are stored at the Levin WWTP under tarpaulins to protect them from the UV. The design was under peer review. On public land no way to contain if current pipe failed. Earthquake risk	9	Moderate	6.75	LOW	New pipe is planned for install 2025/2026 - ties in with Masterplan
Levin Water Treatment Plant - Actiflo Water Clarifier	The Actiflo Water Clarifier (French Made) from Veolia requires a specific sand to operate which is doesn't have a natural supply in NZ. This is sourced from Australia and a 40 ton supply is currently held in Auckland. Recently the supply of sand was limited for a number of reasons, and raised concerns around the ability to operate if supply is interrupted. Risks associated with turnover of staff, experience of skill to manage equipment. In addition to our operator risks (number of training staff) then plant has month on month over last 3-4 years been using more sand, to a point where it's costing $250k per year for sand. However more significant issues with cost to manage and dewater, risk of consent breach etc.	9	Moderate	6.75	LOW	Local waters manager meeting with Veolia Management to look at supply constraints and assurances around ongoing sustainable supply of sand. Risk Manager to work with GM Community Services around BCP requirements, standards and testing to assess the level of work required to ensure HDC is prepared for different emergencies. Establish training and sustainable approach to ensuring upskilling of staff to ensure intellectual knowledge is well documented and runs across the Wastewater Treatment structure. HDC as organisation need to initiate a process that ensures the appropriate Business Continuity Planning is in place for essential services, these plans need to be tested and reviewed on a scheduled basis. Project in relation process of actiflow , is it working efficiently around chemicals dosage. Request from Alliance all supply agreements to understand what the terms are. Need to better appreciate value of 3rd party management as hard to articulate. 26 June 2023 - working through opportunities to source alternative supply

Interruption of drinking water supply network through environmental or other impact	Natural disaster such as an earthquake, landslip flood or fire, contamination of water sources or climatic conditions such as drought impact on the water storage and or network of drinking water and result in failure or reduction in supply to customers	**12**	Significant	6	LOW	Water Safety Plans (WSP) for each supply have been prepared in accordance with legislative requirements and are approved by the Drinking Water Assessor. Implementation of WSP's is reviewed on a regular basis. These are to be reviewed by external audit, to provide neutral visibility Disaster response and recovery and plan has been created and tested which links to Business Continuity Planning across HDC. Desk top training exercise has taken place. 100% compliance at all sites with New Zealand Drinking Water Standards for the presence of bacteria or protozoa, low numbers of complaints and efficient response times. Control effectiveness upgraded to MODERATE Water restriction criteria has been identified and promulgated to the community. Communication plan has been created for community updates to reduce water consumption Trial with polymer at present
Tokomaru Wastewater Treatment Plant ability to cope through wet weather events	The existing plant will not cope with future growth and wet weather events without potential discharge to a drain that leads to a river. Nothing can be done to address this until a decision is made on options that will be presented to Elected Members in quarter three. Pre optioneering designs are currently being developed	**8**	Moderate	6	LOW	Pre optioneering design are currently being developed. Either of the three options option will still come at a high cost and any decision will also be in conjunction with the Department of Internal Affairs National Transition Unit. TA waiting new Wastewater Standards to be confirmed and will continue to complete the optioneering and high-level cost estimate for the following upgrade options. Upgrade of the existing WWTP with a new membrane plant in conjunction with the final effluent being discharged to the new irrigation block.
Workforce Sustainability - Ability to secure and retain resources to undertake and complete workload	High turnover of staff, significant impact of ability to attract required skill level, turnover currently at 26.8% (June 2024), improving work environment recognised as treatment for this risk. However holistic overview of key deliverables indicates that competing priorities and pressures impacting from the broad unorganised approach to managing the deliverables is creating workplace overload & anxiety. Highly competitive recruitment market and shortage of skilled workers are leaving some areas understaffed. Timelines set by government has increased worker demand in some areas with consultants also working at capacity. Ongoing pandemic impacts on workforce and contractor availability. Use of critical role premiums for critical roles are being reintroduced in some key areas. This is currently applying pressure to maintaining community services, especially where we have a transient workforce such as swimming pools, meeting statutory requirements, accreditations or auditable standards.	**12**	Significant	6	LOW	Review retention and development strategy and or workplans, assess key work that is currently underway. A more adaptive approach to retention is being deployed in order to retain critical staff. Focus on on-boarding and off-boarding to improve overall employee experience Our turnover is now sitting at (8% June 205) compared to8 months ago. We currently have 37 roles with only one role vacant. We are now seeing a better calibre of candidate than we have over the last 12 months. We are also receiving a larger number of applications for the majority of our roles, except for Engineering and Planning where we are still struggling to get the expertise we require. Even though we are seeing great candidates applying for our roles, many of these are coming from other councils, there is concern that we are competing with each other & forcing higher remuneration packages across local government. In order to attract these high calibre candidates and keep up with the demands of the market, remuneration packages are generally needing to be higher with many offers being renegotiated and often candidates requesting additional benefits such as 5 weeks leave. Many of the successful candidates are requesting flexible working arrangements, specifically working from home and condensed working week.

Failure of Insurance coverage for below ground infrastructure	The dwindling value of the existing mutual fund (LAPP) may result in a failure of the insurance coverage for below ground infrastructure adding to the debt burden of HDC Ratepayers	**12**	Significant	6	LOW	HDC will continue on existing coverage with any new assets added from 1 July 2023 being covered. LAPP engages an Insurance product called "Agreed Cover" using "Risk Protection wording". The product provides certainty of assets covered and for the amount of cover. It is envisaged that Councils share of the $16m LAPP fund will be used to pay for the valuation and Risk Profiling that could be needed in the medium term. It will also serve to cover the first $16m of any loss so reducing the risk to insurers and therefore, lowering premiums. Review project being set up to provide greater accuracy towards coverage. This review includes updating the asset register, aligning the appetite to the deductibles and better understanding the layers of coverage. Below ground renewals same as previous years
Fire-flow Level of Service	The water supply Bylaw 2020 has been accepted and signed off (Ref CM9 D21/5145) the firefighting section. As such we have a bylaw saying firefighting services are at a minimum where installed in 'Urban Water Supply Areas' align with the 'Level of Service' defined by 5.12 (b): (SNZ PAS 4509:2008 - FW2). Minimum operating pressures during firefighting events are not defined in the bylaw but are defined in SNZ PAS 4509:2008. Outside of that rules 14.2, 14.3, 14.4 and 14.5 of the bylaw apply. The Council's District Plan including additional supporting documents does not define firefighting requirements for areas that would be reasonably expected to exceed FW2 and we are getting building consents for lots formed as part of subdivision consents where the building footprints are requiring FW6 and FW7 which are outside of the capacities of the network. The questions then are; have Council brought this lack of a complying firefighting water supply to the attention of the landowner where a BC is lodged. Remembering that the Building code is more or less only about egress for people from a burning building. Not about putting a fire out or saving the building.	8	Moderate	6	LOW	1. Our District Plan does refer to the SNZ PAS 4509:2008 being a Code of Practice/Standard which may provide a level of confusion based around our responsibility. This needs to be reviewed and define the minimum standards (FW) for areas with water supply with planned Commercial or Industrial needs. 2. To assist through the subdivision stage HDC will clarify its position by way of requiring pipework and associated valving etc that would meet a minimum firefighting water supply defined for the zone or the type of activity proposed/likely to be undertaken. The existing supply network may not be able to supply that flowrate but future upstream upgrades can be assumed to occur to enable that to occur. This could be to define a minimum firefighting water supply capacity for any new piped network proposed to be installed within a zone (e.g. FW3 for Commercial and FW4 for Industrial) into the Subdivision and Development Principle Requirements (SDPR). 3. To assist through the development/ building consent stage HDC will clarify its position by way of written notice to property developers or owners of the limitation of the network to supply firefighting water supplies and that they should take whatever steps are required to match their firefighting requirements with the Councils capacity or accept what risks that that that may entail. 4. Work with the Consenting team to ensure identified gaps between FW capabilities and Development needs are highlighted and understood with developers 5. Look at the identified Water Supply Valve at Hokio Beach Road Intersection and project to upgrade the existing manually operated system to an automated valve as with other installed water valves in Levin, removing delays in to increase water supply to industrial area on main road south should a major fire occur

Flooding caused to private property through poor maintenance of Council (HD or HR) waterways	Poor maintenance and monitoring of waterways that reside on Council land and are in close proximity to private property has the potential to negatively impact and damage property, buildings and contents. i.e. blocked drains and culverts that have become overgrown with weeds, choking up waterways and trapping materials in forming blockages in streams. This in turn potentially floods surrounding properties and damages houses, contents and private owners assets	9	Moderate	4.5	LOW	Ensure waterways maintenance plans are in place that include and provide clear responsibilities for ongoing monitoring and upkeep. HDC to work with Horizons regional council to ensure plans are current and in effect. Ensure Public Liability Insurance is current and that potential claims against liability are notified to Insurance Brokers and first possible moment. Work with Community to ensure that are educated about potential hazards that can cause blockages and taking opportunities to contact HDC in reporting any concerns or incidents. Work with impacted members of the community to ensure they use their personal Insurance as the vehicle for any claims. Insurance contacts provided to Claimant, HDC & Horizons also investigating root cause
Failure to deliver renewals programme Insufficient funds Insufficient resources	Lack of qualified staff, LG contrasts and impacts on access to sufficient funds	9	Moderate	4	Low	Ensure qualified and experienced staff are hired Maintain sufficient staffing levels Propose realistic programme, comprehensive planning and scoping of future works, thorough network assessments. Critical Assets Register
Failure to keep Water Hazards on HDC property secure from unauthorised access	A lack of secure fencing, failure to restrict unauthorised access or failure to accurately advise workers of dangers of water hazards on HDC property may result in injury or death.	8	Moderate	4	LOW	GM Infrastructure & & Operations has commissioned a review of the existing water hazard sites which as identified a series of high to medium risks across the district. A discussion on upgrading is in place with the Alliance Manager. This control will remain as PARTIAL until further advice and timescales have been identified. H&S Lead to undertake an assessment of all HDC own facilities.

Disclosure of risks and material assumptions for Palmerston North City water services delivery

Description	Likelihood	Consequence	Score	Mitigation	Likelihood	Consequence	Score	Control Effectiveness
Seismic event	Possible	Severe	Very High	1) Seismic assessment of critical assets 2) Service resilience planning (BCPs)	Possible	Severe	Very High	Partially effective
Service failure due to Aging infrastructure and inadequate renewals planning	Likely	Severe	Extreme	1) Condition assessments 2) Development of data driven renewal programme	Possible	Severe	Very High	Partially effective

Incomplete asset data (including condition data)	Almost Certain	Severe	Extreme	1) Data validation routines and asset data completeness audits 2) Digital forms linked to AMIS and auto-upload protocols 3) Operations crew to identify discrepancies and provide correct info to the AIT	Likely	Severe	Extreme	Partially effective
Public expectation of stormwater services	Likely	Major	Very High	1) Education programmes	Possible	Major	Very High	Partially effective
Stormwater pipes not meeting design standards and/or do not have capacity to convey changing rainfall patterns	Likely	Severe	Extreme	1) Ensure modelling and new designs allow for climate change storm intensity 2) Obtain budgets for upgrades to existing network 3) Consider additional attenuation throughout the network in urban areas	Likely	Major	Very High	Partially effective
Inability to meet water demand caused by drought	Likely	Severe	Extreme	1) Water restrictions 2) Public messaging 3) Bore prioritisation 4) Pre-emptive supply management 5) Active monitoring of dam levels and long range weather forecasts 6) Intervention plan	Possible	Severe	Very High	Partially effective

Stormwater entry into wastewater system (I&I) and vice versa	Likely	Severe	Extreme	1) Routine pipe inspection by camera 2) Routine maintenance including flushing/cleaning	Possible	Serious	Very High	Partially effective

Disclosure of risks and material assumptions for Rangitkei District Water Services delivery

The following table summarises risks identified as high or extreme for the whole District and extreme risks for particular locations. The full analysis is in Rangitikei District Council's Three Waters Asset Management Plan supporting the 2024-34 long-term plan.

Likelihood

1	2	3	4	5
Rare	Unlikely	Moderate	Likely	Almost certain

Consequence

1	2	3	4	5
Insignificant	Minor	Moderate	Major	Catastrophic

		Gross risk				**Net risk**		
Location	**Risk**	**Consequence**	**Likelihood**	**Risk level**	**Management and Mitigation**	**Consequence**	**Likelihood**	**Risk level**
Water supply								
District	Loss of water supply for more than 8 hours to multiple properties	3	5	High	• Maintain register of key consumers e.g. dialysis patients, major industries, schools, medical, dental, ret homes, relevant commercial premises • Minimum 1 day storage in reservoirs • Council and contractors hold spares of key components	2	3	Moderate

					• Rural water supplies require consumers to have on-site storage			
District	Poor water quality	4	3	High	• Maintain register of key consumers e.g. dialysis patients, major industries, schools, medical, dental, rest homes, relevant commercial premises	4	1	Moderate
District	Consent conditions not met	5	5	**Extreme**	• Monitoring of performance, maintenance, capital works	3	2	Moderate
District	Leaks in roads	2	5	High	• Proactive leak detection, prioritisation of renewals in roads	2	4	Moderate
Hunterville Urban	Supply from Hunterville Rural Water Supply affected • Physical damage • Breakdown in relationship between Council and HRWS Committee	5	5	**Extreme**	• Set up pump from tanker in town • Mitigations on Hunterville Rural Water Supply	4	4	Hight

Wastewater								
District	Consent conditions not met	5	5	Extreme	• Monitoring of performance • Maintenance • Capital works	3	2	Moderate
District	Failure to deliver renewals programme • Insufficient funds • Insufficient resources	4	5	Extreme	• Ensure qualified and experienced staff are hired • Maintain sufficient staffing levels • Propose realistic programme	4	3	High

District	Failure to deliver upgrade programme • Insufficient funds • Insufficient resources	4	5	Extreme	• Ensure qualified and experienced staff are hired • Maintain sufficient staffing levels • Propose realistic programme	4	3	High
Ratana	Environmental degradation of Lake Waipu	4	5	Extreme	• Renew existing system with one having additional treatment or discharge to land	2	2	Low

Stormwater								
District	Damage to roads from mains failures	2	5	High	• Proactive condition assessment; prioritisation of renewals in roads	2	4	Moderate
District	Failure to deliver renewals programme • Insufficient funds • Insufficient resources	4	5	Extreme	• Ensure qualified and experienced staff are hired • Maintain sufficient staffing levels • Propose realistic programme	4	3	High
District	Failure to deliver upgrade programme • Insufficient funds • Insufficient resources	4	5	Extreme	• Ensure qualified and experienced staff are hired • Maintain sufficient staffing levels • Propose realistic programme	4	3	High

Significant assumptions

Assumption	Confidence	Potential effects of uncertainty

We have made assumptions about how long our different assets will last, considering what we know from local experience and historical trends	Uncertain – but we will use real-time assessments of wear and tear to adjust our assumptions	If the information collected to inform our assumptions is inaccurate, capital may be invested on the wrong assets. This may pose a risk of failure for our critical infrastructure.
Replacement of assets will be determined by considering how well they are performing, their condition, and how crucial they are in relation to the services they supply	Uncertain	Investing capital on the wrong assets at the wrong time.
No significant change in the level of service	Fairly certain	Service levels are generally assumed to remain the same over the 30 years covered by the Council's infrastructure strategy in the 2024-34 long-term plan.
The implementation of the Drinking Water Quality Assurance Rules will remain mandatory for Council's water supply schemes.	Fairly certain for the six urban water supply schemes; uncertain for the 'mixed' rural water supplies.	There could be more rigorous standards, stricter enforcement (with penalties) and a requirement to implement fluoridation.
The proposed national wastewater environmental performance standards will simplify future consenting processes	Uncertain	The Council's long-term plan assumed standards would become more challenging, so the proposed new standards may reduce future consenting costs. However, they have yet to be formalised, so the impact on new consents is hypothetical, especially in deciding between discharges to water or discharges to land.
Climate change will result in an increasing number of storm events, making heavier demand on stormwater systems.	Fairly certain	Severe storm events close to one another could mean delay with capital work on water and wastewater, resulting in Council becoming non-compliant with its resource consents. An increased likelihood of drought may require Council to develop additional water storage.