ATTACHMENTS

UNDER SEPARATE COVER

Ordinary Council Meeting

19 August 2025

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Water Services Delivery Plan

Waimate District Council

For Submission to the Department of Internal Affairs on 3 September 2025

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References

Other key documents referenced in this WSDP and available on the Council's website include the LTP 2025 – 2034, the Infrastructure Strategy, and the Asset Management Plans for each of the three waters.

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

A1 Overview of Waimate District

Situated around 180 kilometres south of Christchurch, Waimate District is in the central South Island. The district is bounded by the Pacific Ocean in the east, west of the shores of Lake Benmore and the Pareora and Waitaki Rivers at the north and south respectively. The district covers around 3,582 square kilometres and has a population of approximately 8,121 (2023 census). The district is characterised by a variety of farming and forestry activities. Crop and livestock farming are the main activities on the fertile plains and easy hills with more extensive grazing on less fertile or steeper country. Dairying has expanded significantly with dairying now occupying the majority of the areas served by irrigation schemes and/or council mixed-use rural water supplies.

Waimate town is the largest population centre, with the balance located in smaller communities and the rural area. Waimate town is the only community served with comprehensive Water and Wastewater schemes. Outlying areas are serviced through Rural Water Supply schemes along with some private schemes and bores. Some of the Rural Water Supplies are for mixed agricultural and residential use. Council has been proactive in engaging with Taumata Arowai consultation on Acceptable Solutions for Mixed Use Rural Water Supplies (AS MURWS) to ensure the affected communities can cost effectively meet acceptable requirements. In summary, the assets include:

- Water supply: Council owns, operates and maintains 1 urban and six rural water supply systems including Downlands that is operated by Timaru District Council. In total there are 10 treatment plants and 910 km of pipes.
- Wastewater: Council owns, operates and maintains 1 wastewater network, including a treatment plant and disposal system and 59km of pipes.
- Stormwater: Council owns and operates stormwater assets in 1 urban area and 3 small settlements. There are no pump stations and 10km of reticulation pipework in urban areas.

A2 Statement that water services delivery is financially sustainable

Statement of financial sustainability

Waimate District Council (Council) has consistently maintained a dedicated financial structure for its drinking water, wastewater, and stormwater services over the past 12 years. All revenue, including rate charges and expenditure related to these essential services have been ring-fenced to ensure transparency and accountability.

The Council confirms that this Water Services Delivery Plan (WSDP) supports the financially sustainable delivery of water services currently and will continue to do so by 30 June 2028 and beyond. This assurance is underpinned by robust financial modelling and assessments presented in Part D of the Plan and further validated through independent reviews conducted by MartinJenkins and Beca (See Beca Report, Appendix 2).

This approach has been in place for a number of years, ensuring that funds generated from water-related services are reinvested solely into their maintenance, improvement, and operational needs rather than being diverted to other council activities, the positive results of this approach are reflected in this WSDP.

The WSDP demonstrates that:

- Water services revenue will meet operational, capital, and compliance costs.
- Sufficient investment will be delivered to meet levels of service, regulatory obligations, and anticipated growth.
- Funding and financing arrangements are in place, or able to be put in place to enable investment delivery.

The Council has committed to deliver services through an internal Water Services Business Unit. Transition planning includes ring-fencing of water services finances, preparing separate water services financial statements, and meeting planning and reporting obligations under the Local Government (Water Services) Bill.

Revenue sufficiency

The WSDP forecasts that water services revenue will be sufficient to meet all delivery costs across the WSDP period. Revenue forecasts meet both operational and capital expenditure requirements noting that council has historically funded depreciation. This is supported by:

- Detailed funding impact statements and revenue forecasts in Part E.
- An assessment of revenue sufficiency in Part D4, which confirms projected revenues exceed operating (cash) and debt servicing costs over the planning period.
- Maintenance of operating cash surpluses across all three water services.

Investment sufficiency

The WSDP sets out a capital programme totalling approximately $40 million over the WSDP period with Investment is directed towards:

- Significant investment in 2025/26 and 2026/2027 to ensure that rural drinking water supplies are compliant with Drinking Water Quality Assurance Rules.
- Investment in growth for the Waimate drinking water supply and wastewater.
- Significant renewals of urban wastewater mains to address poor condition assets (targeted through hydraulic modelling and CCTV investigations).
- Delivery of key stormwater upgrades and network risk management planning.

Beca's 2025 review (Appendix 2) concluded this investment programme is sufficient to meet legislative compliance.

Financing sufficiency

Waimate District Council has adequate borrowing capability and financing strategies to fund proposed investments. The WSDP confirms:

- Council net debt-to-revenue levels over 10 years remain within acceptable thresholds, averaging 49% debt-to-revenue against a limit benchmark of 175%, with sufficient borrowing headroom throughout the period. This favourable position reflects the Council's prudent financial management and long-standing commitment to ring-fencing water service finances. It also reinforces the viability of the internal Business Unit in meeting regulatory and economic requirements while retaining local control and accountability.
- Revenue forecasts incorporate staged increases in water rates to maintain affordability and support required investment.
- Funding is sourced through targeted rates, user charges, and development contributions, with a transition to volumetric charging and an update to rural water scheme tariffs from 1 July 2027.
- Projected borrowings, detailed in Part D, show sufficient capacity to fund capital works without breaching fiscal constraints, and remain well within LGFA covenants across the forecast period.

A3 Proposed delivery model

Proposed delivery

Waimate District Council resolved on 1 July 2025 to continue the delivery of water services through an **Internal Business Unit (IBU)** operating within the Council. This model builds on the Council's existing in-house management of drinking water, wastewater, stormwater, and rural water services, while incorporating enhanced financial ring-fencing and compliance with new economic regulation requirements for drinking water and wastewater. The key features of this proposed delivery are:

- The revenues for water services will be ring-fenced and distinct from other council business, as required under the Act.
- Additional governance and oversight will be provided through a Water Services Committee. This will include Council members and independent water experts. The proposed outline of this Committee is summarised below.
- The costs associated with the internal Business Unit will be clearly identifiable, including the appropriate allocation of internal support costs and overheads. Some functions (e.g. finance and asset management) previously supplied 'as a service' will be directly resourced within the Business Unit. This will provide greater accountability and dedicated resources for the water services.
- The debt financing associated with the water assets will be clearly identifiable.

The IBU model retains **direct Council ownership and operational responsibility**, ensuring strong accountability to the local community and alignment with broader Council objectives. It enables the Council to maintain control over service delivery while meeting the financial sustainability and regulatory obligations set out in the Water Services Act.

A number of factors support the selection of the IBU model as the preferred approach:

- **Community Feedback.** The community consultation undertaken on the proposal, with the public strongly in favour of an in-house Business Unit (summarised in A5 Consultation and engagement).
- **Local knowledge and operational capability**: Waimate's rural character and existing service structure favour a locally governed model that can respond effectively to community needs. The limited urban and extensive rural character of Waimate emphasises the importance of local knowledge and operating capability. This includes using our experience to advocate to Taumata Arowai on identifying the most pragmatic Acceptable Solution for Mixed Use Rural Water Supplies.
- **Cost efficiency**: Independent analysis by MartinJenkins confirmed that an internal business unit offers the lowest cost to customers for Waimate in the forecast period. This is based on the following:
    - For a small council the establishment and ongoing governance and management costs associated with establishing either a single or joint CCO for water would have been disproportionately high. In time, it may be that when other water service delivery models are mature and proven, the advantages of scale could offset the current transition and governance costs and Waimate may consider alternatives.
    - There are existing operational and supply chain efficiencies available in the local area. For example, with extensive irrigation investment in the

region, Council has low input costs for pipe renewals. For larger capital works (large that is for Waimate), Waimate is able to attract competitive bids from contractors based in the wider Canterbury and lower South Island region.

- Waimate has low levels of debt. By increasing its debt funding, Waimate can offer a lower cost of service.

- **Integrated service delivery**: The model allows the Council to leverage existing overheads, technical expertise, and infrastructure planning across departments, reducing transition and overhead costs compared to alternative models.

- **Governance and transparency**: A dedicated Water Services Committee, comprising elected members and independent experts, will oversee the IBU, ensuring robust governance and performance monitoring. An existing in-house Business Unit already provides dedicated operating and delivery of water services and is essentially already financially 'ring-fenced' currently from other Council activity.

This approach supports more integrated development activities across the district and reflects Waimate's commitment to localism and community-led service delivery.

Revenue Collection

The Council will continue to collect revenues through rates for the 2025/26 and 2026/27 years. The rating methods are detailed in section C.

For water supply activities, Waimate has already rolled out water meters to its urban areas and is using this information in the planning and monitoring of its water network. By 1 July 2027, Waimate intends to update its billing for water services with a new tariff structure that will likely include a mix of fixed charge and volumetric billing. Under the Local Government (Water Services) Bill there is no explicit requirement for a territorial authority to use volumetric billing through the use of the water meters. However, Waimate is required to demonstrate that charges '*must be transparent to the public*' and the tariff structure will be updated to take that into consideration (alongside the other regulatory requirements with respect to water charging). For the 2027/28 year water revenues will be a mix of targeted rate, and a quarterly bill for the volumetric component. There are already revenue collection tariffs for the rural water schemes that reflect the specific nature of these schemes. Note that these tariffs are intended to be reviewed to better reflect the compliance related investments and to better discriminate between provision of stock water and compliant drinking water.

Rating will continue to be the primary revenue source for wastewater services. Targeted rates apply to the St Andrews area where Council provides a service to empty septic tanks in the area. Rating will continue to be the primary revenue source for stormwater services.

Meeting Ring Fencing and Regulatory Compliance Requirements

In respect of ring fencing (financial compliance):

- The Council's existing Financial Management Information System (FMIS) can support producing independent financial statements that are consistent and reconcilable.
- Revenues are separately identifiable and revenues generated by water services are spent on water services and not on other council activities.
- Costs of water services are attributed and the internal cost allocation model has been reviewed to ensure transparency and appropriate allocation of the overheads.
- Internal borrowings for water services will be on a commercial, arms-length basis.

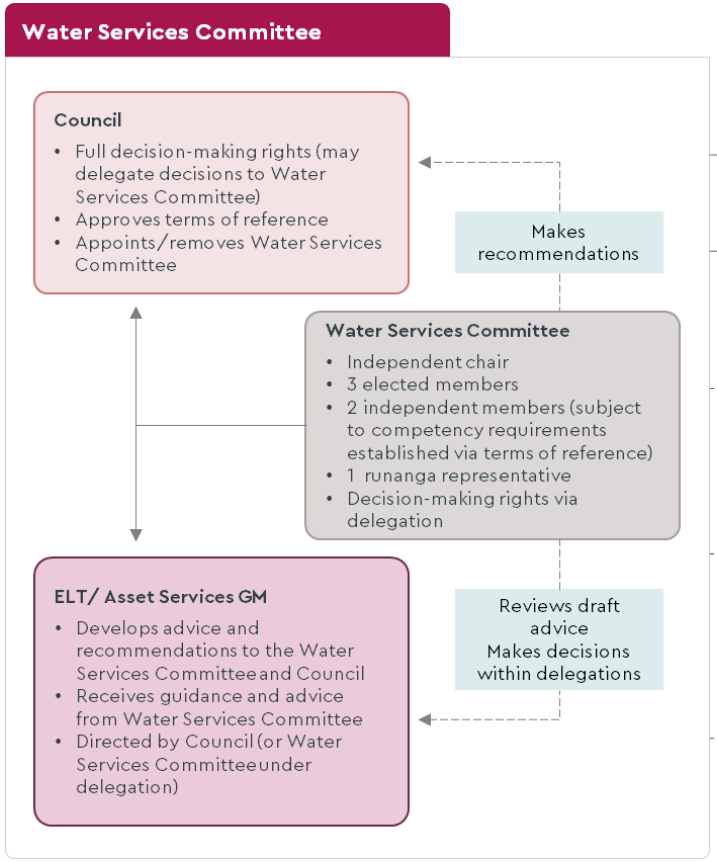
In respect of regulatory compliance:

- Council has increased its investment in water services significantly over the last [ten] years, using its Asset Management information and plans to increase its renewals spend and make targeted investments to achieve compliance. Some investment was paused to ensure that the proposed solutions would meet the (emerging) compliance standards (i.e. the Acceptable Solutions for Mixed Use Rural Water Suppliers).
- Significant investments are currently underway and will be delivered in the next 1-2 years to enable the Council's water supply network to meet Drinking Water Quality Assurance Rules.
- Council has been proactive in making sure that there are acceptable standards that are practical for rural water supplies through its engagement with Taumata Arowai.

- Council engaged Beca to review its planned investment and that it is sufficient to meet the required performance standards (see Beca report, Appendix 2).

Organisational Delivery

To strengthen governance and assurance for water services, the Council is intending to establish a Water Services Committee. This will serve as an independent governance body overseeing the operations of the internal business unit. Its role is to ensure strategic alignment, regulatory compliance, and community accountability, as illustrated below.



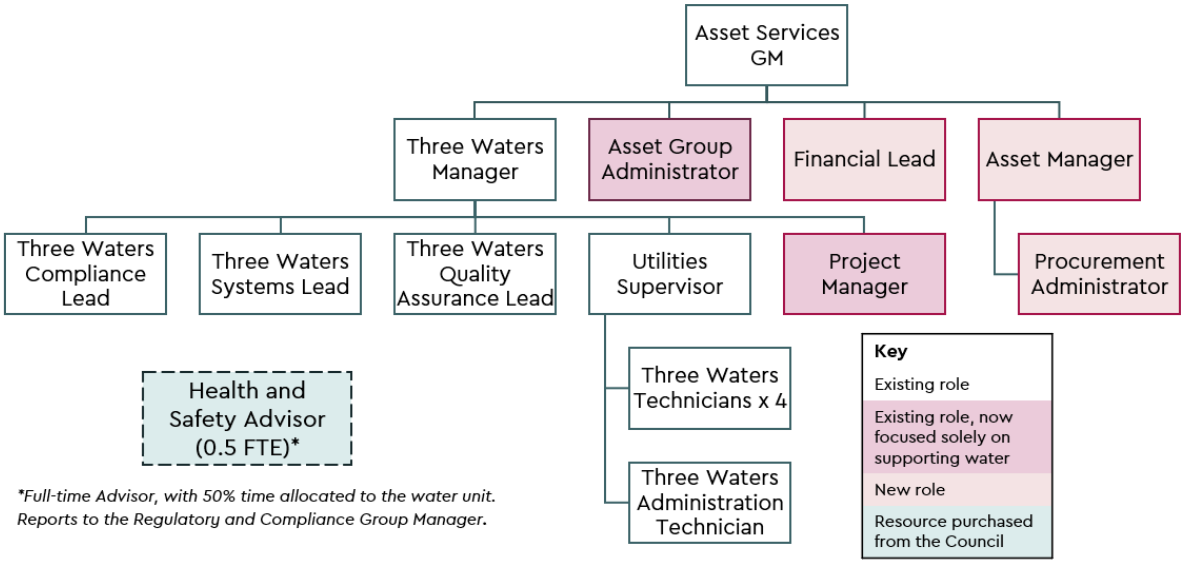
	Council appointed Water Services Committee
Description	The Council would oversee water services, supported by a Water Services Committee with skills and experience to provide advice, recommendations and **some delegated decision-making rights**.
Purpose	**Provide strengthened oversight and scrutiny** of Council's infrastructure functions acting on behalf of the Council. May undertake **delegated decision-making** on behalf of the Council in discharging its responsibilities as the steward of water infrastructure and services.
Membership	Membership is balanced equally between: • An experienced **independent chair** and **two independent members** who together provide skills and experience in network infrastructure, rural water, and public health/environmental regulatory compliance. • Up to **three elected members**, bringing connection to communities and an understanding of wider council functions.
Proposed competencies	• Performance monitoring and governance • Knowledge of / experience in network industries / water services • Regulation of public health and/or the environment • The principles of Te Tiriti o Waitangi, perspectives of mana whenua • Perspectives of consumers and communities • Commercial and financial expertise
Decision-making	• Council retains decision-making rights on strategies, plans and budgets. • A delegations policy set by the Council provides decision-making rights to the Committee, for example to support timely decisions (for example, sign-off on procurement of major projects).

Specific tasks for the Water Services Committee will include:

- Monitor the performance of the Business Unit to ensure it is meeting the financial and non-financial performance and compliance requirements required under water legislation.

- Provide an independent assessment to the Council on the compliance and financial sustainability of the delivery of water services including:
    - Investment and revenue sufficiency.
    - Debt funding arrangements and ratios.
    - Ongoing financial sustainability.
    - That the accounts presented in the annual plans and annual report are ring fenced.
- Oversee the preparation of and recommend to Council to adopt the Water Services Strategy and the associated water services annual budgets and annual reports.
- Recommend to Council to adopt any proposed changes to prices and price tariff methodology. The Water Services Committee will also have a role in consultation on the proposed price tariff changes.

The Water Services Business Unit will continue to be the basis for organisational delivery. There are some proposed changes (still subject to consultation with staff) to enhance the capability to deliver on the changes to water services. It is proposed that some current roles will have an enhanced focus on just water services delivery, while some new roles will increase the financial and asset management capability in the Business Unit given changes to planning and reporting requirements under the Local Government (Water Services) [Bill/Act], including the introduction of economic regulation. The Financial Lead will take a primary role in ensuring the revenues and costs attributable to water services are appropriately accounted to meet the financial planning and reporting requirements for water services, which will be subject to the separated reporting and audit requirements under the [Bill/Act]. The Asset Manager role will lead asset management planning and asset management improvement, play a key role in providing the required regulatory disclosures and support the preparation and delivery of the Water Services Strategy.



The organisational delivery strategy includes in-house staff for delivering of maintenance and minor capital works; project management, and asset management planning. Having staff in-house has assisted in managing compliance risks by ensuing we have appropriately trained operators and reticulation staff.

Delivery efficiencies are expected through the adoption of in-field GIS technologies and further digitisation including integration with existing systems. This will lead to greater accuracy in recording information within the Asset Management system, as well as capturing in real-time labour costs, stock and plant utilisation, reducing back-office transactional and processing costs.

A comprehensive approach to procurement includes:

- Council's overarching policy on procurement.
- An established supplier panel reducing cost of tendering and improving engagement with suppliers.
- Partnering with local contractors on the panel, with Council acting as Head Contractor and engaging the suppliers plant and resources.
- For larger and more complex projects, use of ECI (early contractor involvement). This open book approach, and early engagement through a two-step process is a very efficient way for a Council of our scale to deliver complex projects. It enables design objectives to be achieved within budget by refining

design, project scope and costs.

- Use of digital tools to integrate with tendering (via GETS) and carry out evaluations and approvals of tenders.

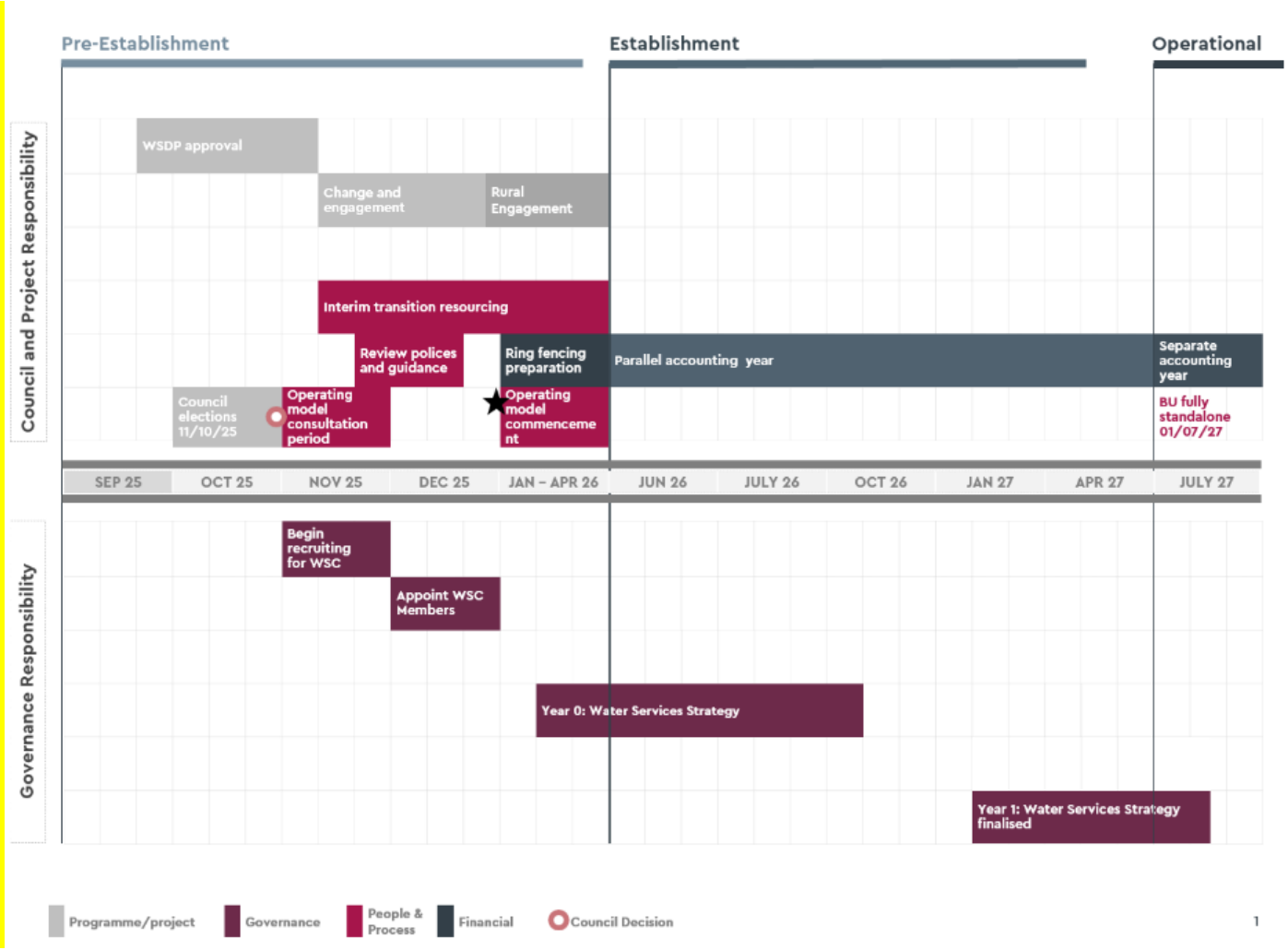
A4 Implementation plan

By continuing to use an in-house Business Unit, Council is fully in control over the timeline to deliver the required changes and can effectively plan with limited external dependencies to deliver the necessary changes.

The Council intends to establish the Water Committee and make some changes to the Business Unit in early 2026.

The workstreams the Council intends to progress to implement ring-fencing and other changes to support strengthened governance and oversight of water services include:

- Governance. The Water Services Committee will be formed in Q1 2026, with appointments of external representatives expected to be complete by 30 June 2026.
- Organisation structure. The minor internal organisation changes outlined above are intended to be completed in Q1 2026 (subject to staff consultation). This will create the momentum for the internal business unit and provide the accountability and direction to begin the preparation of the Water Services Strategy through 2026/27.
- Revenue and Billing. The intent is to move to incorporate volumetric billing for water from 1 July 2027.
- Financial separation. The financial statements for water activities will be fully separated from 2026/27 year as a 'test run' in advance of the 2027/28 year, when full separation is required (i.e. to produce the 2027/28 Annual Report on a standalone basis, including a full set of audited financial statements for water activities).


Pre-Establishment
Establishment
Operational
Council and Project Responsibility
WSDP approval
Change and engagement
Rural Engagement
Interim transition resourcing
Review polices and guidance
Ring fencing preparation
Parallel accounting year
Separate accounting year
Council elections 11/10/25
Operating model consultation period
Operating model commencement
BU fully standalone 01/07/27
SEP 25
OCT 25
NOV 25
DEC 25
JAN – APR 26
JUN 26
JULY 26
OCT 26
JAN 27
APR 27
JULY 27
Governance Responsibility
Begin recruiting for WSC
Appoint WSC Members
Year 0: Water Services Strategy
Year 1: Water Services Strategy finalised
Programme/project
Governance
People & Process
Financial
Council Decision
1

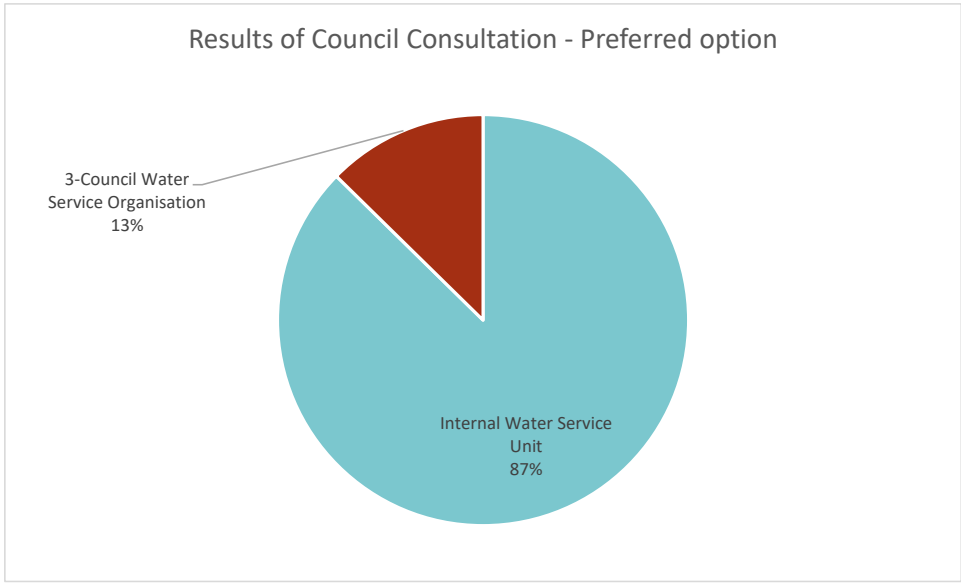
A5 Consultation and engagement

Consultation was undertaken in compliance with the alternative requirements for consultation outlined in the Water Services Preliminary Arrangements Act. Sections 60-64 of the Act provides specific conditions and exemptions from corresponding requirements under the Local Government Act 2002. Features of the consultation included:

- The consultation ran from 15 May 2025 to 16 June 2025.
- The Consultation Document was available on the Council website at waimatedc.govt.nz/yourwater.
- Council identified a preferred option of an Internal Water Service Unit as well as an option for a 3-Council Water Service Organisation that included Timaru District Council and Mackenzie District Council.
- Residents who opted into Council's "Notify Me" and Engagement HQ systems were informed that consultation had opened.
- The Consultation Document was promoted through advertising in print media (Waimate Trader, the Kurow Bugle, and 'Newsline' in the Timaru Courier) and through regular posting on Council's Facebook page.
- Nine 'Community Chat' sessions were held in various locations around the district, hosted by Councillors and Council staff.
- Hearings for those who wished to speak to their submission were held on 30 June 2025.

The consultation results were:

- 246 submissions received with 17 submitters indicated that they wished to speak to Council regarding the content of their submission.
- 214 submissions were in favour of Internal Water Service Unit, with 31 not in favour (with 1 response without a preference). The split is summarised below:



At a Council meeting on 1 July 2025, the Council resolved to adopt the delivery model of an internal Water Service Unit as the basis for future delivery of Water Services.

A6 Assurance and adoption of the Plan

Council resolution to adopt this Water Services Delivery Plan

Waimate District Council adopted this Water Services Delivery Plan by resolution at its Council meeting on 19 August 2025. The report and resolution is publicly available [here].

Certification of the Chief Executive of Waimate District Council

I certify that this Water Services Delivery Plan:

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

Signed: _____

Name: Stuart Duncan

Designation: Chief Executive

Council: Waimate District Council

Date: 26 August 2025

Part B: Network performance

B1 Investment to meet levels of service, regulatory standards and growth needs

Serviced Population and Serviced Areas

Serviced Population

The population of Waimate is expected to grow at about 0.4% per annum over the period 2023-2053 (medium forecast as included in the 2025-2055 Infrastructure Strategy). The number of households is expected to increase at the same rate. The population and connections forecast are summarised in the following table:

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	8,186	8,219	8,252	8,285	8,318	8,351	8,385	8,418	8,452	8,486
Urban Connections										
Water supply	2,056	2,071	2,085	2,100	2,114	2,129	2,144	2,159	2,174	2,190
Wastewater	1,845	1,858	1,871	1,884	1,897	1,910	1,924	1,937	1,951	1,964
Stormwater	1,845	1,858	1,871	1,884	1,897	1,910	1,924	1,937	1,951	1,964
Total Connections										
Water supply	3,595	3,620	3,646	3,671	3,697	3,723	3,749	3,775	3,802	3,828
Wastewater	1,845	1,858	1,871	1,884	1,897	1,910	1,924	1,937	1,951	1,964
Stormwater	1,845	1,858	1,871	1,884	1,897	1,910	1,924	1,937	1,951	1,964

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Water Supply

The main water supply for Waimate is from two bores (Timaru Road and Manchester Road). The Rural Water supplies are a mix of bore and river intakes. The following table summarise the Water Supplies:

Scheme	Year Installed	Treatment Plants	Supply Bores	River Intakes	Pumping Stations	Storage Reservoirs	Dams	Water mains (kms)	Service Lines (kms)
Waimate Urban	1906	2	2		2	1		68.5	20.4
Cannington Motukaika	1973	1		1	1	1		54.7	
Hook Waituna*	1973	1		1	4	4		256.2	1.4
Lower Waihao*	2023	1	1		3	1		132.2	0.5
Otaio Makikihi	2013	1	1	0	1	1		158.9	
Waihaorunga	1977	2		2	4	4		65.4	
Waikakahi	1972	1		1	3	2		174.3	
Total		**9**	**4**	**5**	**18**	**14**		**910.1**	**22.2**

Note: * these supplies to be replaced in 2026/27.

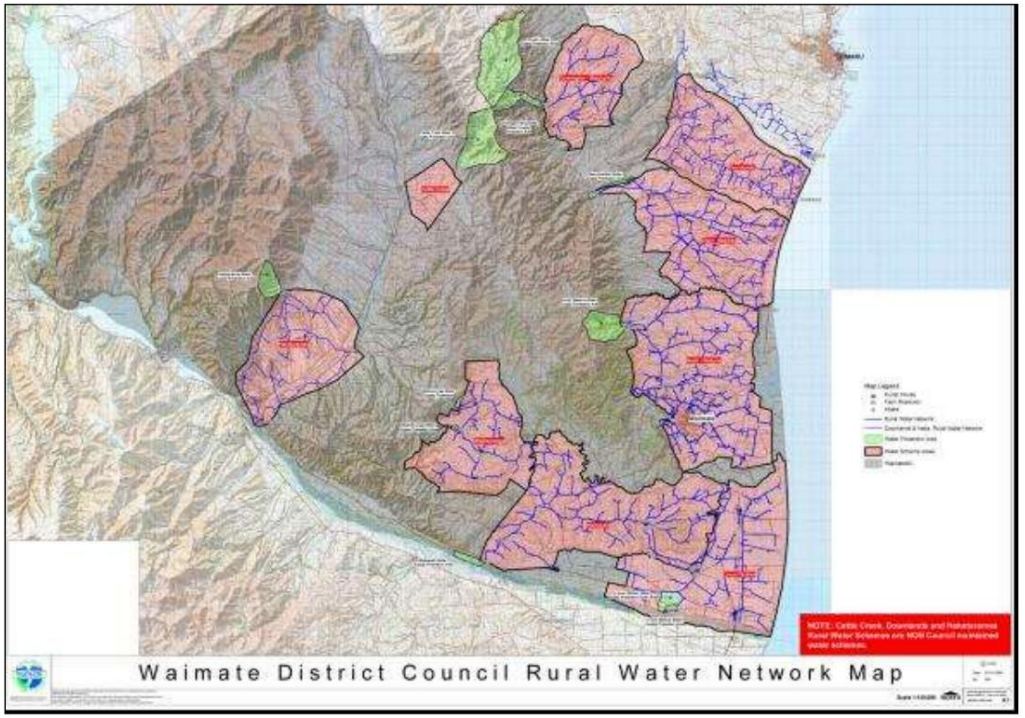
In addition to the Waimate Urban scheme that has 2,056 connections the Rural Schemes cover the following number of households:

Description	Number of households (SUIP's) deemed to be serviced[1]	Number of rural Water tanks	Total Rural Water litres sold
Rural Water Cannington*	43	49	394,283
Rural Water Hook	416	482	1,612,947
Rural Water Lower Waihao	318	228	1,003,679
Rural Water Otaio Makikihi	201	231	1,036,382
Rural Water Waihaorunga*	44	42	308,349
Rural Water Waikakahi*	155	172	1,092,323
Total Rural Water serviced	**1,177**	**1,204**	**5,447,963**
Downlands Rural Water	281	335	
Total Rural Water serviced	**1,458**	**1,539**	

Notes:

We have assumed that for every rating property that has a rural water allocation, that all dwellings on that property are serviced by the rural water scheme i.e. no private bores.
*These schemes are over 80% for agricultural use.

The Rural Water Supply Areas are outlined in the following network map:



For areas that are not serviced by Council:

- Hakataramea and Cattle Creek rural water schemes are administered and operated privately by an incorporated society.
- Including these schemes there are 584 SUIP's that are not connected to Rural or Urban Water schemes.

Council's Rural Water Scheme, Water Supply Policy December 2011 requires all rural consumers to have storage capacity of no less than four times the daily water allocation. See Rural Water Scheme Four Day Storage Policy 2023.

The capacity and performance of the water supplies are summarised below:

Capacity and Performance	Waimate Urban	Cannington Motukaika	Hook Waituna	Lower Waihao	Otaio Makikihi	Waihaorunga	Waikakahi
Average Demand (m^3/day)	1900	251	745	1353	759	237	744
Peak Demand (m^3/day)	3598	417	911	1739	1009	438	1080
Treated Water Storage (m^3)	2600	30	nil	330	nil	405	876
Storage as a % of Peak Demand	72%	7$	-	19%	-	92%	81%
Treatment Capacity (m^3/day)	4,882	475	1728	1771	1296	455	1054
Resource Consent Allow. (m^3/day)	5,616	475	1,728	1,633	929	576	1,469
Design Population	6,300						
Maximum No of Possible Residential Connections	1,750						
Based on household occupancy	2.36						
Based on peak flow rate (l/s)	45						
Average demand as % treatment capacity	39%	53%	43%	76%	59%	52%	71%
Peak demand as % treatment capacity	74%	88%	53%	98%	78%	96%	102%
Peak demand as % resource consent	64%	88%	53%	106%	109%	76%	74%
Total length of reticulation (km)	88.6	52.8	252.3	130.9	158.4	65.4	174.7
Length of undersized reticulation (km)							
Undersized as % total							
No. of Existing Connections	2,007	48	532	225	227	42	172
% Residential use	94.5	14.2[1.]				18.2[1.]	19[1.]
% Commercial use	5.5						
% Agricultural use		85.8[2.]				81[2.]	81.8[2.]

[1.] Based on number of rural dwellings at 1500L/day [2.] Based on total volume sold, minus total rural dwellings at 1500L/day.

Wastewater

Within the current urban wastewater network, of the 1,885 connections about 10% are identified as business connections (noting there is limited industrial activity in Waimate).

Through rural areas, the risk from discharges from septic tanks and disposal fields are regarded as low.

In the St Andrews area Council holds a consent to collect and dispose of waste from individual private septic tanks (currently servicing 56 households. This model, operates on a cost recovery basis, and could be applied to other small communities if there were elevated risks from onsite septic tanks or disposal fields.

There is one Wastewater Treatment Plan, two Pumping Stations and 62km of reticulation.

Asset Description	Units	Quantity
Reticulation:		
Gravity pipes	m	35,798
Rising mains	m	4,782
Laterals *(estimate – mapping is incomplete)*	m.	18,710
Inspection Pits / Poo Pits	No.	30
Cleaning Eyes	No.	50
Valves	No.	42
Capped Ends	No.	34
Manholes	No.	322
Plant:		
Wastewater Treatment Plant	No.	1
Pump Stations	No.	2
Asset values are from Univerus Assets		

The Wastewater Treatment Plan has sufficient capacity to accommodate average and peak flows, and well within consented limits.

Wastewater Treatment Plant	Recorded (2017	Design	Consented
Average Dry Weather Flow	761 m3/day	1,200 m3/day	4,300 m3/day
Peak Wet Weather Flow	2,527 m3/day	6,000 m3/day	13,300 m3/day in emergencies

Stormwater

Stormwater is provided for in the Waimate Urban area. There is 10 km of stormwater pipes and 4km of open drains. There is also minor kerb and channelling and pipe work as part of roading assets at:

- St Andrews
- Makikihi
- Morven

Planned Growth and Capacity

There are no growth areas identified in the District Plan (DP). Forecast growth in households (0.4%) is also lower than the national average of about 1%. The DP does however identify 'extended residential zones' to allow for expansion in locations considered suitable for water and wastewater network extension. The Council's Financial Contributions Policy identified the forecast growth expenditure for the period 2025-2034 and the anticipated proportion of that expenditure met by financial contributions being water 20%, Stormwater 100% and Sewerage 15%.

To inform future capacity constraints and challenges Waimate District Council holds and maintains a number of hydraulic models. These include:

- Stormwater
- Urban Water
- Rural Water Supplies
- Wastewater Network

These are both referenced and utilised whenever renewals are programmed, or when growth infrastructure is designed and consequently budgeted. Many of the proposed renewals, particularly within our rural mixed-use water supplies, are optimised as a result. Typically, the model indicates that a pipeline is nearing or is at capacity due to increased demand. These upgrades are prioritised and are included within our forward works programme. The models include growth assumptions, which in turn provide intervention points in the future where:

- Source capacity is reached and additional demand needs to be met through re-consenting, an additional source or a combination of the two.
- Conveyance capacity is reached or exceeded.

For water supplies:

- For the urban area the hydraulic model has been utilised to plan pressure management and to reduce water loss.
- Universal metering provides capacity (through reduced water use) to cater for growth in the near and medium term. Universal metering and the introduction of volumetric billing from 2027/28 is also a lever to reduce water consumption.
- For rural water supply the model(s) are used to understand the supply takes. This has been used to assess the feasibility of connecting two supplies together, designing the connecting pipework, optimised placement of the reservoir and determining any further upgrades required.

In terms of wastewater including treatment capacity to meet the future needs of the region, no capacity constraints are envisaged in the next 10 years.

- The current WWTP has sufficient capacity to service 5,640 people against a currently population of 3,590.
- No capacity constraints are envisaged in the next 10 years.
- Inflow and infiltration are being systematically reduced through the use of CCTV and measurements. The poorest performing assets are prioritised for renewals.
- The expected change to wastewater standards is expected to improve the headroom to maintain compliance.
- Stepped additions to the WWTP (e.g. additional aerators) are available as cost effective solutions to increase capacity.

In terms of stormwater capacity, no capacity constraints are envisaged in the next 10 years:

- A stormwater hydraulic model has been developed and is used to satisfy a condition in our global discharge consent.
- Council has capital works associated with reducing the flow in and from the main catchment. This will result in additional capacity being available for growth, but without the need to upsize existing infrastructure which is both expensive and intrusive.
- Implementing rapid soakage within the catchment, alongside intercepting peak flows and diverting them.

B2 Asset Condition

Water Supply, Asset Age and Condition

Water Assets Age and Remaining Life[1]	% of asset value (Replacement cost)	Average age (years)	Average remaining useful life (years)
Plant - Pump stations, treatment and monitoring equipment etc.	14.5%	13.0	25.9
Points - Valves, Tanks, Hydrants etc.	10.0%	24.9	22.3
Lines - Pipes and Horizontal Infrastructure etc.	75.5%	44.1	45.1

Water Assets Condition Rating[2]	Percentage or number of above ground assets with a condition rating	Percentage of above –ground assets in poor or very poor condition
Above ground assets (Plant and Points)	96.9%	0.3%
Below Ground assets (Pipes and horizontal infrastructure)	92.2%	0.004%

Wastewater Supply, Asset Age and Condition

Wastewater Age and Remaining Life	% of asset value (Replacement cost)	Average age (years)	Average remaining useful life (years)
Plant - Pump stations, treatment and monitoring equipment etc.	35.1%	49.3	40.2
Points - Valves, Manholes, Pits etc.	9.3%	61.1	81.9
Lines - Pipes and Horizontal Infrastructure etc.	55.6%	63.6	30.2

[1] This is based on data held in the asset management system as a July 2025. Average age is weighted by the asset replacement cost.

[2] All assets have been included. Condition grade is not assessed when Condition Grade – 'N/A'.

Wastewater Assets Condition Rating	Percentage or number of above ground assets with a condition rating	Percentage of above –ground assets in poor or very poor condition
Above ground assets (Plant and Points)	99.5%	%
Below Ground assets (Pipes and horizontal infrastructure)	95.7%	25.2%*

Note: *The below ground assets that are poorly rated represents 109 assets from the Waimate Urban Gravity Mains. There is considerable investment in renewals in the next four years (included in the capital projects list).

Stormwater, Asset Age and Condition

Stormwater Age	% of asset value (Replacement cost)	Average age (years)	Average remaining useful life (years)
Plant	N/A		
Points - Manholes, Pits, Sumps etc.	12.6%	30.7	88.9
Lines - Pipes, Open Drains etc.	87.4%	53.0	71.71

For stormwater the average remaining life excludes open drains as they have been assigned very long asset life.

Water Assets	Percentage or number of above ground assets with a condition rating	Percentage of above –ground assets in poor or very poor condition
Above ground assets (Plant and Points)	96.9%	0.3%
Below Ground assets (Pipes and horizontal infrastructure)	92.2%	0.02%

Asset management approach

An independent Asset Management Maturity Assessment has been undertaken in August 2025 (Waugh Infrastructure Management Limited). This indicates that the asset management practices generally meet the 'Core-plus' asset management maturity level agreed in Council's Asset Management Policy 2023. The assessment concludes that Council's current and emerging 3-waters Asset management practices address or will address focus areas highlighted by Audit NZ and the implementation of this WSDP.

The Council has prepared and reviewed AMPs every three years in advance of the LTP. Annual amendments or updates have been undertaken if significant asset

management changes occur. The AMPs are consistent with good practice and include information on climate change risks. Council has used the Univerus Assets Asset Management system for its Asset Information System since 2005. This is a web/GIS based asset management system that has improved the information on the scheme assets and enhanced renewal projection and Asset Valuations.

While resourcing of Asset Management is being increased in this plan, staff contribute to asset management through planning, prioritisation, and capture of asset information. Asset condition is used as the basis for forecasting and planning renewals.

Asset location, attributes and unit rates have been assessed as reliable (B grade) with asset condition generally less reliable (C grade but not currently used to refine asset lives for valuation purposes). Particular strengths noted in the Asset Management Maturity Assessment include:

- Hydraulic modelling of the water supply network and the wastewater network to support forward planning.
- Demand management strategies for water use.
- Extensive CCTV inspection of the wastewater network and the stormwater inflow and infiltration inspection programme to proactively address wastewater network capacity.

Council has implemented an improvement approach to asset management planning with a ten year improvement plan being included in each asset management plan. Improvement projects have been monitored monthly by a corporate AM Steering Team and Improvement Plan reviewed annually by all staff directly involved and focusing on key business issues.

It is intended that the new WSO will continue to adhere by:

- The Council's Asset Management Policy
- Ongoing annual and 3 yearly update and review of AMP's to inform the Water Services Strategy.
- The Improvement Actions identified in the AMP's and the Asset Management Maturity Assessment to date.

Key improvement actions identified in the AMP include:

- Continue condition assessment of plant assets to better understand future renewals programme for above ground assets.
- Maintain Univerus Asset database and align with criticality assessment ratings.
- Revisit the criticality assessment, consider and implement recommendations.
- Continue to implement demand management programme in-conjunction with the leak detection program.
- Update Water Safety Plans and implementation of Improvements.
- To better understand the life of different AC, Garnite PVC and old PE Pipes, a programme of assessing the condition of the pipes will occur.
- CCTV of the condition 4 and 5 grade wastewater pipes will continue to be carried out again to ascertain the decrease in condition and assist in the renewal programme prioritisation.

Key improvement actions identified in the Asset Management Maturity Assessment include:

- Improve systems integration and asset data management process to better inform maintenance and renewals (create efficiency and cost gains).
- Develop and implement a Contract Administration Manual.
- Develop a stronger investment story with the AMP's with clearer linkages between the challenges, level of service, options, planned programmes and required investment.

These are areas that will be addressed through Water Services Strategy and will be priorities for the in-house Business Unit.

B4 Levels of Service Performance

Water Supply Service Performance

Council is meeting most of its service performance targets in its LTP for water supply. Attendance and resolution to network faults are being met in the urban area. Water consumption is below 500 litres per person per day. The target not being met is for the number of complaints in the Rural Water supply reflecting the current challenges in these areas. Complaints are expected to reduce following the planned investment programme to address drinking water quality.

Performance Measure (Water Supply)	Target	2023/24 Annual Result	2024/25 Annual Result
Provide a continuous, appropriate and safe water system throughout the district with excellent customer service			
Median attendance and resolution times for urgent and non-urgent callouts for water supply faults or unplanned interruptions to the urban network (M)[1]	Attendance to urgent callout ≤ 1 hour	0:07 (h:m)	0:14 (h:m)
	Resolution for urgent callout ≤ 24 hours	2:25 (h:m)	2:06 (h:m)
	Attendance to non-urgent callout ≤ 24 hours	20:38 (h:m)	21:38 (h:m)
	Resolution for non-urgent callout ≤ 72 hours	29:08 (h:m)	27:53 (h:m)
Total number of complaints received about/ Drinking water clarity, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, Council's response to these issues (M)	Urban water supply ≤ 10 complaints per 1,000 connections	6	5.3
	Rural water supply ≤ 40 complaints per 1,000 connections	69	60.1
Percentage of residents receiving the service satisfied with water supply services	> 86%	Survey not undertaken	70%
Provide reliable, efficient and well planned water infrastructure and services that meets the needs of the community			
The average consumption of drinking water per day per resident within the Waimate District (M)	≤ 500 litres per person per day	469 litres	462.7
Percentage of real water loss from Council's network reticulation systems (M)[2]	≤ 35%	21.26%	17.49%

Performance Measure (Water Supply)	Target	2023/24 Annual Result	2024/25 Annual Result
Reactive maintenance (system failure) or programmed work in the Waimate urban area that exceed 8 hours of not suppling drinking water to the community or a consumer	< 1 per year	0	0
Reactive maintenance (system failure) or programmed work in the Rural Water Supplies that exceed 3 days of not suppling drinking water to the community or a consumer	< 1 per year	0	0
Key:	Achieved		
	N/A		
	Not Achieved		

Notes:

- M = Mandatory.
- [1] Attendance - from the time Council receives notification to the time that service personnel reach site. Resolution - from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption.
- Urgent attendance and resolution time - urgent performance measures require 1 hour attendance, 24 hours resolution for loss of supply of drinking water. Council has 4 hours attendance, 48 hours resolution for loss of drinking water supply in the rural areas for practical reasons, due to geospatial distance and 96 hours onsite storage policy. The rural consumers of the Waimate District are not at risk of having no drinking water because of the greater attendance and resolution times, as they are required to have4 days onsite storage.
- [2] Estimated assumed water loss per litre per second on minimum night flow methodology. Estimated assumed water loss per connection per day based on minimum night flow methodology. At present Council only has meters at the Timaru Road and Manchester Road plants. Meters have been installed throughout the urban supply which will be monitored through automated reading. Future reporting will utilise data from the new meters which will allow for a more robust estimate of real water loss. The reported results do not include the rural network, as the supply is not metered.

Wastewater Service Performance

Council is meeting most of its service performance targets in its LTP for wastewater services. The sewerage network is compliant with its resource consents, and dry weather overflows and blockages are within the targets. Attendance and resolution to network faults are being met in the urban area. Complaints are running slightly higher than the performance standard.

Performance Measure (Wastewater)	Target	2024 Result	2024/25 Annual Result
Maintain reliable sewerage network services			
Number of dry weather overflows from the sewerage system (M)	≤ 2 per 1,000 connections	2	1
Number of blockages in Council's urban sewer transmission reticulation	≤10	4	7
Deliver sewer services according to required environmental standards			
Compliance with Resource Consents for discharge from sewerage system (M)	No abatement notices, infringement notices, enforcement orders and convictions	0	0
Maintain excellent customer service for sewerage system			
Median attendance and resolution times to sewerage overflows resulting from blockages or other faults (M)	Median attendance time ≤ 60 minutes	0:22 (h:m)	0:08 (h:m)
	Median resolution time ≤ 12 hours	4:52 (h:m)	52:25 (h:m)
Total complaints received about: Sewer odour, sewerage system faults, sewerage system blockages, the WDC response to sewerage system issues (M)	≤ 3 complaints per 1,000 connections	3.4	4.3
People receiving the service are satisfied with sewerage services	≥ 97%	Survey not undertaken	86%
Key:	Achieved		
	N/A		
	Not Achieved		

Note: M = Mandatory

Stormwater Service Performance

Council is meeting most of its service performance targets in its LTP for stormwater services. There have been no flooding events, and the system is compliant with its resource consents. Attendance and resolution to network faults are being met. Complaints are running slightly higher than the performance standard.

Performance Measure (Stormwater)	Target	2024 Result	2024/25 Annual Result
Maintain reliable stormwater network services			
Number of flooding events that occur in our systems (M)	0	0	0
Number of habitable floors affected in flooding events in the district per 1,000 properties connected (M)	0	0	0
Number of blockages in the Council's urban stormwater transmission (i.e. piped, open drain)	≤ 3	0	3
Deliver stormwater services according to required environmental standards			
Compliance with resource consents for discharge from stormwater system (M)	No abatement notices, infringement notices, enforcement orders and convictions	0	0
Maintain excellent customer service for stormwater systems			
Median response time to attend a flooding event (M)[1]	≤ 120 minutes	0:00(h:m)	0:00(h:m)
Number of complaints received about the performance of the stormwater system (M)	≤ 1.5 per 1,000 properties	0	2.1
Key:	Achieved		
	N/A		
	Not Achieved		

Notes:

- M = Mandatory
- Flooding event means an event where stormwater enters a habitable floor. Measured from the time of notification to the time service personnel reach the site. If there are no flooding events the response times will be zero.

B5 Statement of regulatory compliance

There are issues currently with the Rural supplies that lack filtration and UV systems; and in Lower Waihao supply that has had high nitrate levels from its groundwater source. The Council is committed to ensuring its water services meet all current and foreseeable regulatory requirements. The planned capital investment in the next two years (2025/26 and 2026/27) will address these issues and should result in compliance with drinking water standards. There are no issues with current levels of compliance for wastewater and stormwater, and all resource consents are compliant. To support its decision making, the Council commissioned Beca to undertake a review of its planned capital programme to understand whether the current and anticipated regulatory requirements are likely to be met. The Beca Report found that the proposed capital programme is likely sufficient to meet current and future regulatory requirements.

Drinking Water Performance Measures

The following table summarises the performance for compliance against drinking water standards as at June 2025:

Supply	Supply Level Applicable Modules	Source Rules Module	Treatment Rules Module	Distribution Rules Module
Cannington-Motukaika	S1,T1,D1	100%	27%	25%
Waihaorunga	S1,T1,D1	100%	27%	25%
Waikakahi	S2, T2, D2	100.00%	35%	71%
Otaio-Makikihi	S3, T3, D3	90.91%	94%	86%
Lower Waihao	S3, T3, D3	100.00%	98%	85%
Waimate	S3, T3, D3	98.23%	96%	85%
Hook-Waituna	S3, T3, D3	90.91%	39%	82%

The following table outlines the detailed performance results.

WDC Performance Measure Reporting : Q4 2024-25															
Performance Measure M = Mandatory ● **Achieved** ● **Not achieved** — **No change**		**Target**	**2024 Results against target**	**2024 Result**	**Q1 3 Months to September 2024**		**Q2 3 Months to December 2024**		**Q3 3 Months to March 2025**		**Q4 3 Months to June 2025**		**Annual July 2024 - June 2025**	
Provide safe drinking water														
(M) The extent to which the drinking water supplies comply with the following parts of the drinking water quality assurance rules:		100 %	●		Performance Rating	Compliance Rate	Performance Rating	Compliance Rate	Performance Rating	Compliance Rate	Performance Rating	Compliance Rate	Performance Rating	Compliance Rate
Cannington-Motukaika	**Level 1 Bacteriological Measures**													
	T1 Treatment Rules				All Met	100%	All Met	100%	All Met	100%	All Met	100%	All Met	100%
	D1.1 Distribution System Rule				All Met	100%	All Met	100%	All Met	100%	All Met	100%	All Met	100%
	Level 1 Protozoa Measures													
	T1 Treatment Rules				All Met	100%	All Met	100%	All Met	100%	All Met	100%	All Met	100%
Waihaorunga	**Level 1 Bacteriological Measures**													
	T1 Treatment Rules				All Met	100%	All Met	100%	All Met	100%	All Met	100%	All Met	100%
	D1.1 Distribution System Rule				All Met	100%	All Met	100%	All Met	100%	All Met	100%	All Met	100%
	Level 1 Protozoa Measures													
	T1 Treatment Rules				All Met	100%	All Met	100%	All Met	100%	All Met	100%	All Met	100%
Waikakahi	**Level 2 Bacteriological Measures**													

WDC Performance Measure Reporting : Q4 2024-25															
	T2 Treatment Monitoring Rules				Partially Met	75%	Partially Met	75%	All Met	100%	All Met	100%	Partially Met	85%
	T2 Chlorine Rules				Partially Met	67%	Partially Met	67%	Partially Met	67%	None Met	0%	Partially Met	52%
	D2.1 Distribution System Rule				All Met	100%	All Met	100%	All Met	100%	All Met	100%	All Met	100%
	Level 2 Protozoal Measures													
	T2 Treatment Monitoring Rules				Partially Met	75%	Partially Met	75%	All Met	100%	All Met	100%	Partially Met	85%
	T2 Filtration Rules				Partially Met	17%	None Met	0%	None Met	0%	None Met	0%	Partially Met	4%
	T2 UV Rules				None Met	0%	None Met	0%	None Met	0%	None Met	0%	None Met	0%
	Level 2 Bacteriological Measures													
	T2 Treatment Monitoring Rules				Partially Met	88%	Partially Met	92%	Scheme reclassified January 1st 2025				Partially Met	90%
	T2 Chlorine Rules				Partially Met	67%	Partially Met	58%					Partially Met	63%
	D2.1 Distribution System Rule				All Met	100%	All Met	100%					All Met	100%
	Level 2 Protozoal Measures													
	T2 Treatment Monitoring Rules				Partially Met	88%	Partially Met	92%	Scheme reclassified January 1st 2025				Partially Met	90%
Otaio-Makikihi	T2 Filtration Rules				Partially Met	50%	Partially Met	83%					Partially Met	67%
	T2 UV Rules				All Met	100%	All Met	100%					All Met	100%
	Level 3 Bacteriological Measures													
	T3 Bacterial Rules				Scheme reclassified January 1st 2025				Partially Met	80%	Amost Met	99%	Partially Met	90%
	D3.29 Microbiological Monitoring Rule								All Met	100%	All Met	100%	All Met	100%
	Level 3 Protozoal Measures													
	T3 Protozoal Rules				Scheme reclassified January 1st 2025				Partially Met	87%	Amost Met	100%	Partially Met	93%

WDC Performance Measure Reporting : Q4 2024-25														
Hook-Waituna	**Level 3 Bacteriological Measures**													
	T3 Bacterial Rules				Partially Met	32%	Partially Met	33%	Partially Met	33%	Partially Met	35%	Partially Met	33%
	D3.29 Microbiological Monitoring Rule				All Met	100%	All Met	100%	All Met	100%	Partially Met	33%	Partially Met	83%
	Level 3 Protozoal Measures													
	T3 Protozoal Rules				None Met	0%	None Met	0%	None Met	0%	None Met	0%	None Met	0%
Lower Waihao	**Level 3 Bacteriological Measures**													
	T3 Bacterial Rules				Amost Met	95%	Partially Met	90%	Amost Met	95%	All Met	100%	Amost Met	95%
	D3.29 Microbiological Monitoring Rule				All Met	100%	All Met	100%	All Met	100%	All Met	100%	All Met	100%
	Level 3 Protozoal Measures													
	T3 Protozoal Rules				Amost Met	97%	Amost Met	97%	Amost Met	96%	All Met	100%	Amost Met	97%
Waimate	**Level 3 Bacteriological Measures**													
	T3 Bacterial Rules				Partially Met	89%	Partially Met	92%	Partially Met	93%	Amost Met	100%	Partially Met	94%
	D3.29 Microbiological Monitoring Rule				All Met	100%	All Met	100%	All Met	100%	All Met	100%	All Met	100%
	Level 3 Protozoal Measures													
	T3 Protozoal Rules				Partially Met	88%	Partially Met	94%	Partially Met	95%	Amost Met	100%	Partially Met	94%

The attached DWQAR and NFPM Commentary (Appendix 3) provides a detailed assessment of the non-compliances with these water supplies. Section B6 outlines the capital projects in the next two years to address non-compliances.

Boil Water Notices and Drinking Water restrictions

The following table summarise the Boiling Water or other restrictions that have been in place. Note that for all these supplies, the capital investment programme in the next 2 years is addressing the mitigation required to remove the instances that may lead to drinking water restrictions.

Scheme	Boil Water Notices/Other restriction in the last 3 years	Mitigation
Waimate Urban	None	N/A
Cannington Motukaika	Permanent boil water notice in place. Only standard reminder notices issued.	Planned capital investment
Hook Waituna	4 which all occurred in 2023 (7/2/23, 28/2/2023, 19/6/2023, 28/12/2023). Three of these occurred alongside rainfall events. It is now more common for us to use selective abstraction to avoid contamination entering the scheme so there have been no BWNs on this scheme since 2023.	Planned capital investment
Lower Waihao	From November 2024, elevated nitrate levels of 45-49 mg/L were identified in the source supply that were close to the Maximum Acceptable Value (MAV) of 50mg/L. During this period, residents were advised that the levels were high (although still compliant) and provided temporary alternative supply tanks for drinking water at the Glenavy and Morven Halls and several other locations. From 2 December 2024 to 18 December 2024 residents were advised that the MAV was exceeded and to cease the use of water for direct consumption and cooking and again informed residents about the supply tanks. An alternative supply from the Waitaki River was identified and has reduced the nitrate levels to about half the MAV.	Planned capital investment
Otaio Makikihi	1 in the past three years (12/02/2025). Precautionary notice. All follow up samples were clear.	None required: minor non-compliance, and potentially a false positive
Waihaorunga	Permanent boil water notice in place. Three reminders were issued in 2023 (8/2/2023, 9/3/2023, 24/7/2023) after EColi presence. Standard BWN reminders are also issued.	Planned capital investment
Waikakahi	Permanent boil water notice in place. Only standard reminder notices issued.	Planned capital investment

Fluoridation

On 2 September 2023 the Director-General of Health advised council that the following supplies remain under active consideration for a directive to fluoridate under the Health (Fluoridation of Drinking Water) Amendment Act 2021. Although there is no direction to fluoridate, Council has estimated the following costs (not currently budgeted) based on the preferred form of dosing which is Sodium Fluoride 5 kg jar system (vacuum). This is considered the appropriate dosing system for operator efficiency and management of Health and Safety risks of the dosing system.

Waimate District Council Water Supplies Under Consideration for Fluoridation:

Reticulated drinking water supply name	Water supply population	Estimated capital works cost to fluoridate	Estimated ongoing mgmt. & monitoring costs
Waimate	3416	$530,000	TBC
Hook Waituna Rural	962	$330,000	TBC
Proposed Otaio Hook Rural	*1022*		

Water Restrictions

There have been no water restrictions over the last three years. Council promotes sustainable water use during periods of high demand such as recommending the times to irrigate lawns etc.

Firefighting capacity

Firefighting capacity is generally very good in the urban network. Council has identified some renewals of the 75mm cast iron mains early in the renewal programme to address any shortfalls.

Resource Consent Compliance

Water Supply Resource Consents

There are 16 Resource Consents[1] held by Council including divert flow, to dam water and take water from surface water or groundwater. The following groups of consents expire in the next 10 years:

Consent groups	Expiring	Consent Renewal approach	Expected timing of new consents/renewals
Lower Waihao	2029	WDC hold CRC940846 to take groundwater for the Lower Waihao Rural Water Supply Scheme. Water quality monitoring under CRC940846 indicates occasional high concentrations of nitrate and the trend appears to be worsening. Deep groundwater was sought in the vicinity of the original abstraction site, however, a suitable groundwater source was not found. In December 2024, following high nitrate concentrations exceeding the MAV community drinking water was temporarily taken directly from the Waitaki River under section 333 of the RMA (1991), and blended with the bore water. Due to the presence of didymo and high concentrations of sediments during high flow events, it was concluded that taking water directly from the Waitaki River is not viable. To secure drinking water that is reliable in terms of water quality and quantity, a new water take from Bells Pond Drain is proposed. This proposal has been supported by both Taumata Arowai and Environment Canterbury.	Planning underway. Resource consent to take water from an alternative source has been lodged in August 2025.
Waikakahi	2031	Superseding the original consents as part of the capital investment programme to address Drinking Water Standards.	Planning underway to lodge the consent in 2026.

[1] See Appendix 1 for a full listing of all resource consents.

Consent groups	Expiring	Consent Renewal approach	Expected timing of new consents/renewals
Hook-Waituna	2034	A surface water take under consent CRC980386, taking water from the Hook River, is currently in place for the Hook Waituna Rural/Community Water Supply. This source has quantity and quality issues. A new groundwater source has been identified and bore drilled in the vicinity of our Otaio Makikihi water supply source which has proven an excellent source of water in both terms of quality and quantity. A new treatment plant will be commissioned to supply Hook Waituna and the existing treatment plant will supply the Otaio Makikihi scheme. Groundwater taken from J39/0889 (existing Otaio Makikihi bore) and CA19/0142 (newly installed bore to serve Hook Waituna) will be increased through this consent application. The Waimate District Council holds CRC122551 (groundwater from bore J39/0889) and CRC981876.1 (surface water) to supply the Otaio-Makikihi Rural Water Supply Scheme. CRC981876.1 is to take surface water from the Otaio River however, the surface water source is not reliable in terms of water quality and quantity and this take has not been used for a number of years due to these reasons. Resource Consents CRC981876.1 (Otaio River) and CRC980386 (Hook River) for surface water will be surrendered.	Planning underway to lodge the consent in 2025. Resource consent and AEE have been completed in draft form and an application will be lodged in the immediate future.
Otaio-Makikihi	2034		
Waimate - Timaru Rd and Railway Reserve	2034	Standard renewal of consents. No issues anticipated at this time.	Will be addressed closer to the time.

The project descriptions for Lower Waihao, Waikakahi, Hook-Waituna/Otaio-Makikihi are included in section B6 Capital expenditure required. At this stage, there are no expected impediments to consent these projects.

There have been no compliance actions in the last two years (e.g. warning, abatement notice, infringement notice, enforcement order, or conviction). As noted in the Beca report there have been some technical non-compliances related to calibration, data provision, and minor exceedance. However, these have been resolved and Environment Canterbury has confirmed these consents are considered compliant.

Wastewater Resource Consents

There are 7 resource consents held for the Wastewater Activity. All but 1 relate to the Waimate Wastewater Treatment Plan (WWTP) and associated discharge to land system. None expire in the next 10 year period with the WWTP expiry in 2036.

One resource consent, CRC180377 - St Andrews, expires in 2032. This covers private assets for which Council provide septic tank emptying services to improve environmental outcomes. Renewal of the consent has not been provided for in Council's LTP budgets but will be discussed with the Regional Council and the community. Current users are funding a reserve to cover the resource consent renewal. It is not intended to develop a community wastewater scheme in this location.

There have been no compliance actions in the last two years (e.g. warning, abatement notice, infringement notice, enforcement order, or conviction).

As noted in the Beca report flow and load limits for the Wastewater Treatment Plan have been met and there is capacity for growth through to the end of the consent period (2036). There have been some minor non-compliances that have not had a consequential effect on groundwater quality. There is an opportunity to modify some minor consent conditions where these do not have a material effect on the performance of the Wastewater Treatment Plant.

Stormwater Resource Consents

The five Resource Consents held for the Stormwater Activity range from constructing a stopbank, to divert surface water, and to discharge of stormwater to a creek.

No resource consents will expire in the next 10 year period.

There have been no compliance actions in the last two years (e.g. warning, abatement notice, infringement notice, enforcement order, or conviction).

Stormwater consents are currently compliant.

B6 Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements

Capital Investment Profile

Projected Investment ($000)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Water Supply										
Capital expenditure - to meet additional demand	1,248	708	0	599	611	0	0	0	0	0
Capital expenditure - to improve the level of service	584	3,478	3,158	474	588	153	28	245	297	369
Capital expenditure - to replace existing assets	992	1,538	1,388	1,232	1,766	1,150	1,242	1,661	1,771	2,335
Total Water Supply	**2,824**	**5,724**	**4,546**	**2,304**	**2,965**	**1,303**	**1,270**	**1,906**	**2,068**	**2,704**
Wastewater										
Capital expenditure - to meet additional demand	0	0	0	210	0	346	0	272	0	316
Capital expenditure - to improve the level of service	0	20	0	90	22	148	0	120	4	139
Capital expenditure - to replace existing assets	445	815	1,007	2,346	1,473	740	410	676	1,008	1,195
Total Wastewater	**445**	**835**	**1,007**	**2,646**	**1,494**	**1,233**	**410**	**1,068**	**1,011**	**1,650**
Stormwater										
Capital expenditure - to meet additional demand	102	75	26	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	102	175	26	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	9	0	0	63	0	0	0	2	2	20
Total Stormwater	**213**	**250**	**51**	**63**	**0**	**0**	**0**	**2**	**2**	**20**
3 Waters Projected Investment										
Capital expenditure - to meet additional demand	1,350	783	26	809	611	346	0	272	0	316
Capital expenditure - to improve the level of service	686	3,673	3,184	564	609	301	28	365	301	508
Capital expenditure - to replace existing assets	1,446	2,353	2,395	3,641	3,239	1,889	1,652	2,339	2,781	3,550
Total 3 Waters Projected Investment	**3,482**	**6,809**	**5,604**	**5,014**	**4,459**	**2,536**	**1,680**	**2,976**	**3,082**	**4,375**

Capex investment Comparison to LTP

Financial Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
2025-34 LTP $000	3,482	12,405	2,408	5,014	4,459	2,536	1,680	2,976	3,082	4,375	42,415
Revised Capital Programme as per this WSDP $000	3,482	6,809	5,604	5,014	4,459	2,536	1,680	2,976	3,082	4,375	40,015
Reduction from LTP (increase from LTP) $000	-	5,596	(3,196)	0	0	0	0	0	0	0	2,402

The proposed capital expenditure has been modified and is lower in total than the LTP. There is a significant reduction in 2025/26 as projects to achieve compliance with Drinking Water standards have been re-costed and re-phased over 2025/25 and 2026/27. Lower costs have been achieved through the application of the revised Acceptable Solutions for Mixed Use Rural Water Schemes, and the avoidance of funding a denitrification plant in the Lower Waihao through using an alternative water source. Overall, there is a $2.4 million reduction over 10 years in the capital forecast in this WSDP compared to the LTP.

Outline of Major Drinking Water Compliance Projects:

The following major projects have been identified and planned to address drinking water compliance. They should also reduce customer complaints about water quality in our service performance measures. The following projects are programmed for delivery in 2025/26 and 2026/27.

Scheme	Supply size	Budget	Purpose	Description
Hook Waituna And Otaio-Makikihi project	Medium	$1,320,000 $2,390,000	Did not meet most requirements for filtration and treatment	Moving the scheme to a new water source (bore Tavistock 2 and a new treatment plant Pipeline to the Otaio-Makikihi scheme.
Cannington-Motukaika	Small	$700,000	To address need for filtration and UV disinfection	Provision of 39 end-point treatment devices, upgrade of the chlorination system, some raw water storage, a new treatment building, a new power supply etc.
Waihaorunga	Small	$600,000	To address need for filtration and UV disinfection	Treatment upgrade pathway is through the provision of 35 end-point treatment devices and connecting pipework
Waikakahi	Medium	$1,600,000	To address need for filtration and UV disinfection Also to confirm whether existing water source is fit for purpose as there have been issues with FAC, turbidity and pH with existing source	Treatment upgrade is through the provision of 137 end-point treatment devices, the potential selection of a new source, selective abstraction, a replacement treatment building and connecting pipework.
Lower Waihao	Medium	Carryover from previous year of $700,000	To address groundwater nitrate levels in water supply	Originally an expensive denitrification plant was investigated. As an alternative Council has identified a new water source approximately 4 km away that has capacity and can be connected to the new treatment plant
Total		$7,310,000		Incl. carryover of $700k

The DWS Capital Plant Upgrade (Appendix 4) summarises the status of these projects in terms of planning and delivery. The Beca Report provides more detail on how these projects address drinking water compliance.

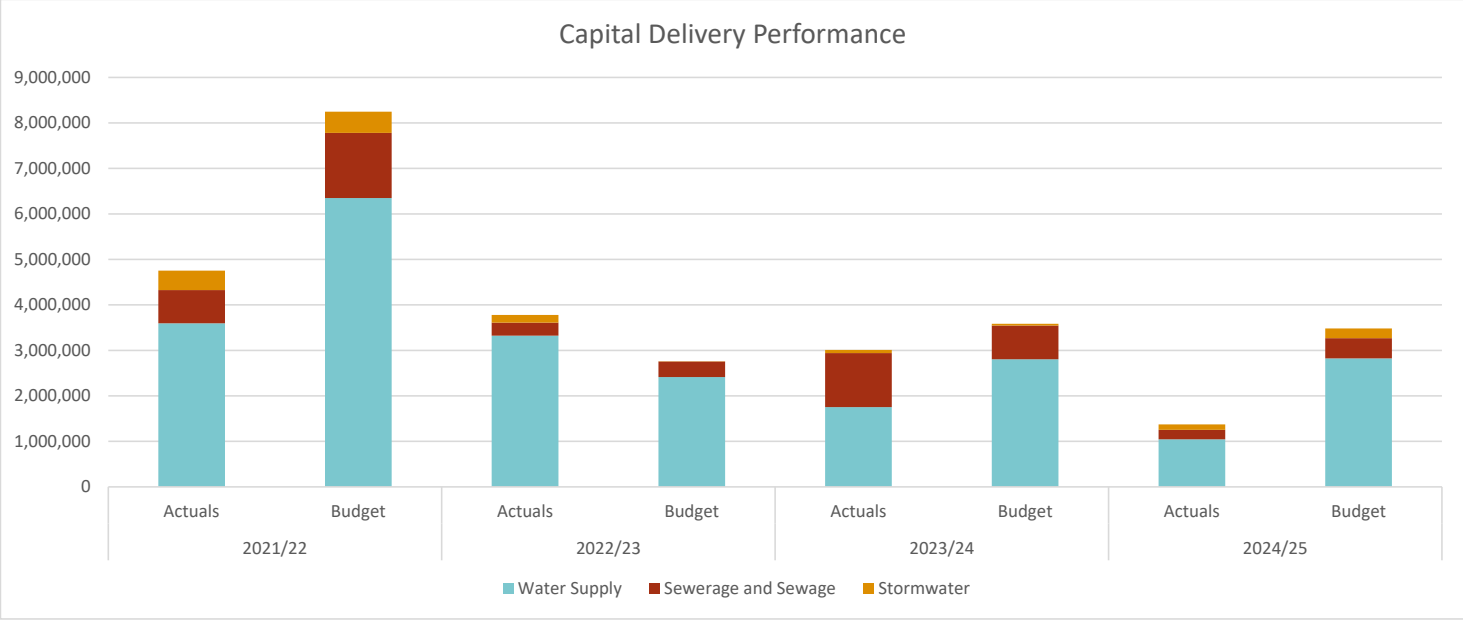
In the addition to the above compliance projects, for the Waimate Urban supply the Te Kiteroa Booster project will provide capacity for growth.

Section E includes the full listing of planned significant capital projects.

B7 Historical delivery against planned investment

Historic Delivery

The following graph shows the historical vs planned project delivery. A major contributor to the under-expenditure in water projects in 2020/21 and 2024/25 was awaiting clarity over the acceptable solutions to meet Drinking Water standards. The delay in this expenditure has enabled the selection of projects to align with the acceptable solutions at lower costs than the originally scoped estimates. Actual v Budget variances in 2021/22 and 2024/25 are reflective of re-budgeted compliance upgrades awaiting the AS MURWS.



Future Delivery

The capital investment profile represents a higher-than-average capital delivery programme, particularly over the next four years. Council expects material improvement in its capital delivery performance due to:

- Clarity on the Acceptable Solutions for MU RWS allowing for cost effective commitments to be made.
- Advanced planning underway for the Drinking Water Compliance Projects due in the next two year (see appendix 4). This includes the re-phasing of projects over 2025/26 and 2026/27 to reduce a spike in the current year.
- Additional resourcing within the Business Unit for asset management, and procurement that will support project delivery.
- Use of ECI to refine scope, quality, costs and timeframes.

Part C: Revenue and financing arrangements

C1 Revenue and charging arrangements

Overview

The rating system is currently the primary mechanism used by the Council to fund the operating and capital expenditure planned for the district. Rates are collected through general rates (for the general purpose of Council or wider benefit of the district), and targeted rates (levied for a particular purpose). Some targeted rates are assessed on each SUIP (Separately Used or Inhabited Part) with the general rate based on capital value depending on location (Urban, Rural 1 and Rural 2).

Targeted rates relevant to water activities are:

- Urban Water 100% funded through targeted rates. There are also minor recoveries for extraordinary supply of metered water in excess of 200m^3 in a six month period (for example, this was approximately $31,000 of recoveries in 2024/25).
- Rural Water: each scheme 100% funded through targeted rates.
- Downlands Water – managed by Timaru District Council 100% funded through targeted rates.
- Wastewater 100% funded through targeted rates.
- St Andrews Sewer: 100% funded through targeted rates.
- Cattle Creek – depreciation and internal interest funded through general rates (however note this is in total $1,079 for 2025/26 so very minor and inefficient to recover through targeted rates).

Stormwater is currently 100% funded through general rates.

The above revenue collection methods will continue to be used in 2025/26 and 2026/27. All water services charges are currently sent out via the rates invoice and for the current year are available with the LTP 2025-2034.

Water Rate

The Urban Water targeted rate is set based on the provision or availability of service provided to the rating unit in the township of Waimate. The Urban Water targeted rate is differentiated based on the connection and contributes towards the funding of the Urban Water activity as follows:

- Serviced - The number of connections (within each rating unit) to the Council's urban water reticulation system.
- Un-serviced - Rating units not connected to the Waimate urban water scheme but where the urban water reticulation is available for connection (50% of

the serviced rate).

The Rural Water supply targeted rates are set based on the water allocation provided to each rating unit. The rate is assessed on a per litre of water supplied per day and contributes towards the funding of the water supplied to the Cannington-Motukaika, Hook-Waituna, Lower Waihao, Otaio-Makikihi, Waihaorunga, and Waikakahi rural water schemes included in the Rural Water activity. It is important to note that consumers have an allocation based on their respective peak demand which is often seasonal in nature.

The Downlands water scheme is a Joint Operation between Timaru, Mackenzie and Waimate District Councils. The scheme is managed by Timaru District Council who determine the charge per connection type. Each Council sets the rate for the connections within its district and collects the revenue on behalf of the Joint Operation. The connections are differentiated by location of the rating unit whether within the St Andrews township where a Domestic charge is rated, as opposed to outside the township where a Service charge on the number of connections and Unit/Point charge on the units of water.

Sewer Rate

The Sewer targeted rate is set based on the provision or availability of service provided to the rating unit. The Sewer targeted rate is differentiated based on the connection or the number of water closets available and contributes towards the funding of the Sewerage and Sewage activity as follows:

- Serviced - The number of connections (within each rating unit) to the Council's sewer reticulation system.
- Unserviced - Rating units not connected to the Waimate sewer scheme but where the service is available/provided.
- Number of water closets within a Rating Unit (with more than 2 but less than 11 water closets) per water closet.
- Number of water closets within a Rating Unit (11 or more water closets) per water closet.

Andrews Sewer rate

The St Andrews Sewer targeted rate is set based on the service provided to the rating unit and charged per applicable rating unit. A list of applicable rating units is available for inspection at the Council office. The St Andrews Sewer targeted rate contributes towards the funding of the Sewerage and Sewage activity and is $266.70 per rating unit in 2025/26.

Proposed charging and billing arrangements

From 1 July 2027 it is proposed to modify the charging and billing arrangement for Urban Water as follows:

- Fixed charges for water services included with the rates notice; **plus**
- Volumetric based invoices sent out every six months based on the actual water usage as measured by the water meter (similar to the process currently undertaken for additional charges for excess water supply).

Council is currently reading and monitoring the urban water meters. This rich dataset will be utilised to model different tariff structures to enable consultation with the community in parallel with the 2027/37 Long Term Plan. Water use can be utilised as a proxy to review wastewater charges in the future.

Concurrently, Council will also consider a new tariff structure for Mixed-Use Rural Water Supplies, alongside price harmonisation. The revised tariff structure will assist in differentiating commercial "stock water" from residential water use.

Wastewater will continue to be based on targeted rates.

Stormwater charges will transition from general rates (i.e. based on capital value) to a targeted rate and in line with the legislative requirements signalled in the Local Government (Water Services) Bill.

C2 Water Services Revenue requirements and sources

Based on current forecasts, the Council anticipates water services revenue of $68.9 million, against operating expenses (excluding depreciation) of $49.0 million, generating an operating funding cash surplus of $19.9 million.

The Council sources operating revenue from targeted rates, except for stormwater which includes a general rate component. Individual Funding Impact Statements in Part E set out the projected level of revenue by expected source.

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	229	223	241	243	246	255	254	253	258	256
Targeted rates	4,635	5,199	5,601	6,003	6,432	6,626	6,824	7,034	7,246	7,490
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	266	285	267	274	283	284	297	306	311	299
Fees and charges	77	48	49	50	51	52	53	54	55	57
Total operating funding	5,208	5,754	6,158	6,570	7,011	7,217	7,429	7,647	7,871	8,102
Applications of operating funding										
Payments to staff and suppliers	1,985	2,176	2,140	2,245	2,293	2,272	2,398	2,351	2,402	2,440
Finance costs	457	515	776	819	1,003	1,147	1,203	1,229	1,283	1,317
Internal charges and overheads applied	1,392	1,382	1,573	1,670	1,680	1,728	1,766	1,768	1,811	1,827
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,834	4,073	4,488	4,734	4,976	5,148	5,367	5,349	5,496	5,584

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Surplus/(deficit) of operating funding	1,374	1,682	1,669	1,836	2,035	2,069	2,062	2,298	2,376	2,518
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	45	189	61	62	63	65	66	67	69	70
Increase/(decrease) in debt	(56)	45	(0)	33	4	109	150	64	15	2
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	(11)	234	61	95	68	173	216	132	83	72
Applications of capital funding										
Capital expenditure - to meet additional demand	1,350	783	26	809	611	346	0	272	0	316
Capital expenditure - to improve levels of services	686	3,673	3,184	564	609	301	28	365	301	508
Capital expenditure - to replace existing assets	1,446	2,353	2,395	3,641	3,239	1,889	1,652	2,339	2,781	3,550
Increase/(decrease) in reserves	(2,119)	(4,893)	(3,874)	(3,082)	(2,356)	(294)	598	(546)	(622)	(1,785)
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	1,363	1,916	1,730	1,931	2,103	2,242	2,278	2,430	2,459	2,590
Surplus/(deficit) of capital funding	(1,374)	(1,682)	(1,669)	(1,836)	(2,035)	(2,069)	(2,062)	(2,298)	(2,376)	(2,518)
Funding balance	0	0	0	0	0	0	0	0	0	0

C3: Affordability of water services charges for communities

Based on the assumptions in this WSDP, the average water charges per connection are expected to increase from $2,059 in 2025/26 to approximately $2,798 in 2034, representing an average annual increase of 5.6% (although noting excluding the 12.2% increase in 2024/25 this averages out to an average increase of 4.9% per annum). This is in nominal terms including inflation. Excluding inflation, this charge in 2034 is estimated as $2,324 (including GST).

Sustainability measures: Revenue sufficiency										
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)	1,208	1,367	1,456	1,545	1,641	1,680	1,715	1,754	1,789	1,830
Average wastewater bill (including GST)	535	555	603	640	680	695	711	726	747	769
Average stormwater bill (including GST)	142	138	151	160	170	174	178	182	190	199
Average charge per connection including GST	1,886	2,059	2,210	2,346	2,491	2,549	2,604	2,662	2,727	2,798
Projected increase	13.0%	9.2%	7.3%	6.2%	6.2%	2.3%	2.2%	2.2%	2.4%	2.6%
Projected number of connections	2,428	2,445	2,462	2,480	2,497	2,515	2,532	2,550	2,568	2,586
Projected median household income	74,531	76,991	79,685	82,474	85,361	88,263	91,264	94,367	97,576	100,893
Water services charges as % of household income	2.5%	2.7%	2.8%	2.8%	2.9%	2.9%	2.9%	2.8%	2.8%	2.8%

Affordability was a key concern raised through public consultation. Water charges as a percentage of median household income range from 2.7% to 2.9% over the 10 year period and remain under 3%. However, the average costs above and resulting affordability measures do not accurately represent the actual costs and affordability due to the differential between urban and rural services and the resulting charges. The following table shows the results for drinking water, the total cost per connection, and then the water charges as a percentage of median household income. This shows urban users cost per connection are forecast to rise from $1,354 to $1,910 by 2033/34 (or $1,568 on an uninflated basis).

This means that the charges for urban users are about 1.9% of median household income over this WSDP. Average rural charges per connection (that exclude wastewater and stormwater targeted rates) increase from around $1,917 per connection to around $2,925 per connection by 2033/34 (closer to 2.9% of median household income). Rural connections provide for commercial/semi-commercial use including the provision of water capacity and stockwater. Rural tariffs may be revised in future to more clearly separate out the different service elements and associated costs.

Rural vs urban differences	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Urban: Average drinking water bill (including GST)	677	763	805	821	880	905	929	965	987	1,011

Rural vs urban differences	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Rural: Average drinking water bill (including GST)	1,917	2,174	2,326	2,512	2,658	2,715	2,766	2,809	2,861	2,925
Urban: Average charge per all connections including GST	1,354	1,435	1,549	1,601	1,700	1,751	1,782	1,830	1,872	1,910
Rural: Average charge per connection including GST	1,917	2,174	2,326	2,512	2,658	2,715	2,766	2,809	2,861	2,925
Urban Water services charges as % of household income	1.8%	1.9%	1.9%	1.9%	2.0%	2.0%	2.0%	1.9%	1.9%	1.9%
Rural: Water services charges as % of household income	2.6%	2.8%	2.9%	3.0%	3.1%	3.1%	3.0%	3.0%	2.9%	2.9%

C4 Funding and financing arrangements

Borrowing requirements and limits

Over the forecast period, water services in Waimate are forecast to require $40 million in capital investment to meet regulatory, growth, and service level obligations. To support this investment, borrowing of approximately $19.9 million is required, with the remaining funding to come from water services revenue. The table below identifies net debt by individual water service (note the ratios of net debt to operating revenue presented below are for information purposes only – Council's total borrowing remains well below the LGFA 175% limit).

Debt to revenue by water service ($k)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Drinking water - operating revenue	4,047	4,573	4,865	5,190	5,539	5,701	5,869	6,041	6,203	6,368
Drinking water - net debt	8,013	12,484	15,913	16,915	18,354	18,134	17,810	17,990	18,266	19,070
Drinking water - net debt to operating revenue %	198%	273%	327%	326%	331%	318%	303%	298%	294%	299%
Wastewater - operating revenue	933	960	1,047	1,117	1,192	1,227	1,263	1,300	1,346	1,394
Wastewater - net debt	730	1,096	1,581	3,743	4,722	5,473	5,495	6,082	6,615	7,781
Wastewater - net debt to operating revenue %	78%	114%	151%	335%	396%	446%	435%	468%	491%	558%
Stormwater - operating revenue	228	222	246	263	280	289	297	306	323	340
Stormwater - net debt	555	657	617	569	511	383	237	80	(91)	(275)
Stormwater - net debt to operating revenue %	244%	296%	251%	217%	182%	133%	80%	26%	-28%	-81%
Three Waters - net debt to operating revenue %	179%	247%	294%	323%	336%	332%	317%	316%	315%	328%

Note that stormwater is a small activity of Council and adjustments of debt allocations and smooth price increase across all water services has resulted in some volatility in the resulting debt profile of stormwater. This has no material consequence.

C5 Internal Borrowing Arrangements

How internal debt is attributed and recorded

Debt attributable to water services is tracked through internal borrowings. The debt transactions are created each year based on the capital or operational expenditure to which they relate. All activity transactions are tracked and basically replicate cash (or bank) balances which are represented in reserves. Council's current policy is that internal lending is the preferred investment option for reserves. These reserves accrue interest at the prescribed rate. These arrangements will continue to be applied to ensure borrowings are ring-fenced and attributable to water services. These will be enhanced in 2026/27 to ensure that the internal borrowings for water services are transacted as if they were on an arms-length basis – with defined long term lending and interest rate terms. As at 30 June 2025:

- Borrowings attributed to water services was $10.6 million.
- Cash and cash equivalents for water services was $1.3 million.
- Net debt was $53.5 million.

C6 Insurance Arrangements

Council will continue to review, assess and maintain a range of insurance cover. An annual review of insurance is undertaken by Councils brokers (Marsh Insurance) and reported for consideration to the Council Audit and Risk Committee. Revaluation for insurance purposes occurs every three years, with annual adjustments for fair value and asset additions/renewals/disposals

Specific policies related to water assets include:

- Reinstatement for above ground assets with insurers, with an insured value of $62 million in 2024/25. Exclusions are:
    - Infrastructure assets more than 50 years old are insured for indemnity value only.
    - Infrastructure assets more than 75 years old are insured for demolition value only.
- Reinstatement for underground assets with the Local Authority Protection Programme (LAPP) whereby the LAPP insures 40% of replacement value with the Government covering 60%. Insured value in 2023/24 was $113 million.
- $1 million cover for environmental impairment liability.

In addition to insurance, Council maintains borrowing headroom through this WSDP averaging $38 million to provide additional cover for unforeseen events.

Part D: Financial sustainability assessment

D1 Confirmation of financially sustainable delivery of water services

The Council confirms that the Water Services Delivery Plan will achieve financially sustainable delivery of water services by 30 June 2028.

- Revenue sufficiency is met through the WSDP period, ensuring:
  - Full cost recovery, including operating expenditure, depreciation, financing charges, and capital investment.
  - Positive operating cash flows sufficient to service debt and maintain liquidity.
  - Alignment with ringfencing and financial reporting requirements under the Local Water Done Well framework.
  - The Council also intends to introduce volumetric billing for water services from 1 July 2027.
- Investment sufficiency is met with capital investment over the forecast period targeted to meet levels of service, comply with regulatory requirements, and accommodate modest growth. Investment is front-loaded to address priority compliance projects. This assessment has been confirmed in the Beca Report.
- Financing sufficiency is also met, with forecast debt levels remaining well within Council's financial strategy and LGFA borrowing limits, with debts attributable to water activities water supply and wastewater debt separated from general council debt as part of the transition to a ringfenced structure.

Actions required to achieve financially sustainable delivery of water services

All water services will achieve financial sustainability requirements over the WSDP by 2027/28. No additional actions are required to achieve financial sustainability of water services by 30 June 2028 beyond the steps already provided for in this WSDP and the Implementation Plan. These steps include the preparation for financial ring-fencing, and adjustments to the in-house business unit.

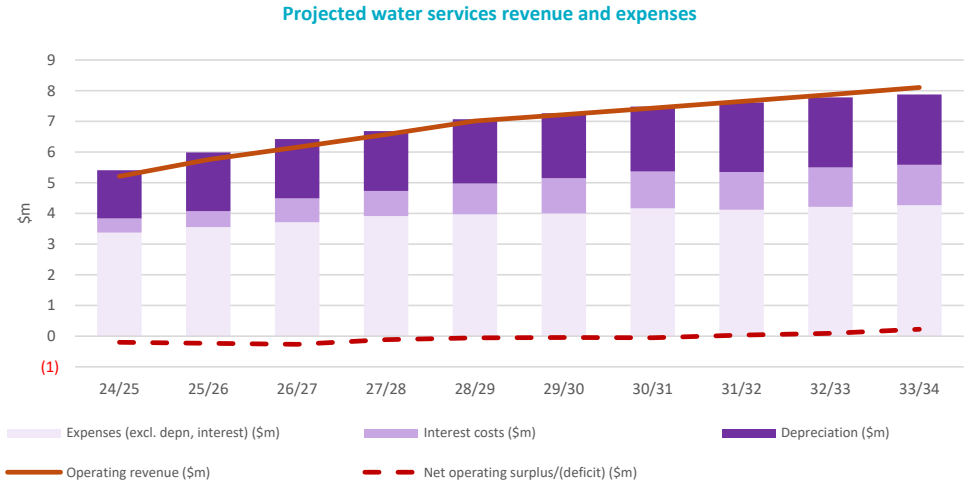
Risks and constraints to achieving financially sustainable delivery of water services

Section F3 outlines to the risks to achieving this WSDP and the achieving financially sustainable delivery of water services.

D2 Financial sustainability assessment - revenue sufficiency

Projected water services cover the projected costs of delivering water services

The Council is projected to generate sufficient revenue to meet the full cost of water services delivery, including operating expenditure, asset renewals, and debt servicing.



Projected operating surpluses/(deficits) for water services

Small operating deficits (accounting deficits) are forecast at the start of the period, with an improving trend from 2027/28 and moving to a small operating surplus of 2.8% by 2033/34.

Operating surplus ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) excluding capital revenues	(200)	(232)	(265)	(112)	(57)	(44)	(50)	33	92	225	(610)
Total operating revenue	5,208	5,754	6,158	6,570	7,011	7,217	7,429	7,647	7,871	8,102	68,967
Operating surplus ratio	(3.8%)	(4.0%)	(4.3%)	(1.7%)	(0.8%)	(0.6%)	(0.7%)	0.4%	1.2%	2.8%	(0.9%)

Projected operating cash surpluses for water services

The projected operating cash ratio for combined three water services remains positive throughout the forecast period, with cash surpluses ranging from 35% to 47% of total operating revenue. This indicates that operating activities are forecast to generate strong, sustained cash surpluses each year and are projected to range from $2.2 million in 2025/26 to $3.8 million in 2033/34. These figures reflect the underlying cash-generating strength of the activity, notwithstanding the small accounting-based operating deficits over the period 2025/26 to 2030/31.

Operating cash ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) + depreciation + interest costs - capital revenue	1,831	2,196	2,445	2,655	3,038	3,216	3,265	3,528	3,658	3,835	29,668
Total operating revenue	5,208	5,754	6,158	6,570	7,011	7,217	7,429	7,647	7,871	8,102	68,967
Operating cash ratio	35.2%	38.2%	39.7%	40.4%	43.3%	44.6%	44.0%	46.1%	46.5%	47.3%	43.0%

Cash surpluses from operating activities will primarily be applied to renewals and upgrades of critical water infrastructure, reducing the reliance on new borrowing. Projected operating cashflows are sufficient to meet:

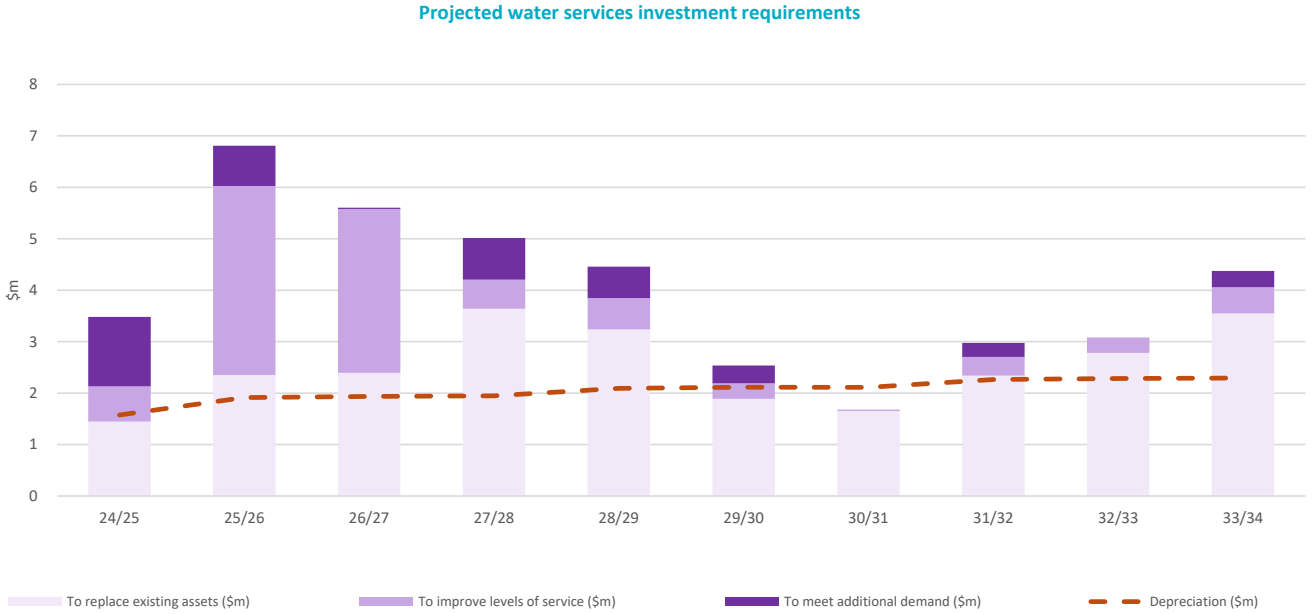
- Scheduled renewals requirements, particularly for network and plant assets nearing the end of their useful life.
- Debt servicing obligations, including interest and principal repayments, ensuring compliance with Treasury policy limits and financial sustainability requirements.
- Cash operating costs.
- Maintaining Council's financial covenants with LGFA.

Consistent with ring-fencing requirements, cash operating surpluses will be retained within the water activities to support the renewal of existing infrastructure and reduce reliance on borrowing.

D3 Financial sustainability assessment - investment sufficiency

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

Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth. Council's proposed water services investments are sufficient and meet the 'investment sufficiency' test. Assets requiring renewal, regulatory requirements and forecasted growth have been budgeted for in the Long Term Plan and are included in the 'Projected water services investment requirements' chart below. All proposed level of investment is fully funded. Asset renewals will be funded by setting revenues sufficient to recover depreciation expense. Infrastructure upgrades to meet regulatory requirements and increase levels of service will be financed by borrowing and recovered over time through water revenues.



Total water services investment required over 10 years

The WSDP includes $40 million in forecast capital investment over the 10-year period. This programme includes:

- Upgrades to achieve compliance with drinking water standards. This expenditure is planned for 2025/26 and 2026/27 and planning is well underway for its delivery. Section B6 outlines the specific investment programmes and the change from the investment profile in the LTP.
- Renewals to maintain existing levels of service and asset reliability.
- Growth-related projects to service projected increases in demand.

Planned investment in water infrastructure is guided by the AMP and underpinned by the technical expertise and operational insights of council staff. This approach ensures that investment decisions are grounded in a practical understanding of asset condition, performance trends and service delivery risks.

Engineering judgement has been applied alongside asset data and lifecycle modelling to determine what investments are required and when. The investment profile is staged, prioritising critical assets and projects with immediate regulatory drivers. This ensures that the timing and scale of investments are technically justified and operationally viable. The Beca report noted that planned total investment is expected to be sufficient to achieve ongoing regulatory compliance.

Sustainability measures: Investment sufficiency										
Asset investment ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure	3,482	6,809	5,604	5,014	4,459	2,536	1,680	2,976	3,082	4,375
Depreciation	1,574	1,914	1,935	1,948	2,092	2,114	2,113	2,265	2,284	2,293
Asset investment ratio	121.2%	255.8%	189.7%	157.4%	113.1%	20.0%	(20.5%)	31.4%	34.9%	90.8%

Council has identified through its Infrastructure Strategy further investment required in the period 2035 to 2055. Profiles are included in section F2 to demonstrate that Council intends to maintain investment sufficiency in the longer term.

Renewals requirements for water services

Planned renewal investments are guided by the AMP, live asset information and lifecycle modelling. This is supported by technical judgement and operational/engineering assessments. The proposed renewals investment profile is directly aligned with the Council's Long-Term-Plan, Infrastructure Strategy and Asset Management Plan. There are slight misalignments between depreciation expense and planned renewals in any given year due to the actual renewals need, based on underlying asset condition. Over the 10-year period, planned renewals expenditure of $25 million exceeds projected depreciation expense of about $20 million. The Beca report noted that planned renewals investment is expected to be sufficient.

Sustainability measures: Investment sufficiency										
Asset sustainability ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure on renewals	1,446	2,353	2,395	3,641	3,239	1,889	1,652	2,339	2,781	3,550
Depreciation	1,574	1,914	1,935	1,948	2,092	2,114	2,113	2,265	2,284	2,293
Asset sustainability ratio	(8.1%)	22.9%	23.8%	87.0%	54.8%	(10.6%)	(21.8%)	3.3%	21.8%	54.9%

Average remaining useful life of network assets

This plan represents a sustained programme of capital investment to renew, upgrade and expand the district's water infrastructure. Over the forecast period, the book value of water infrastructure assets increases from $63 million to $96 million, while the replacement value grows from $122 million to $187 million. This reflects both ongoing investment, assumed capital price inflation, and anticipated revaluation of the asset base.

The asset consumption ratio is relatively stable with only a minor change from 51.7% in FY24/25 to 51.2% over the ten years. This minor change in the ratio is not considered materially adverse given current and projected asset lives and current assessed asset condition.

Continued investment beyond 2033/34 will be required to maintain service levels and manage asset consumption over the longer term and this will be incorporated into Waimate's Water Services Strategy.

Sustainability measures: Investment sufficiency										
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	62,895	70,973	74,643	77,709	85,969	86,392	85,959	93,008	93,806	95,888
Total estimated replacement value of infrastructure assets	121,581	134,544	140,148	145,162	160,630	163,166	164,846	179,978	183,059	187,434
Asset consumption ratio	51.7%	52.8%	53.3%	53.5%	53.5%	52.9%	52.1%	51.7%	51.2%	51.2%

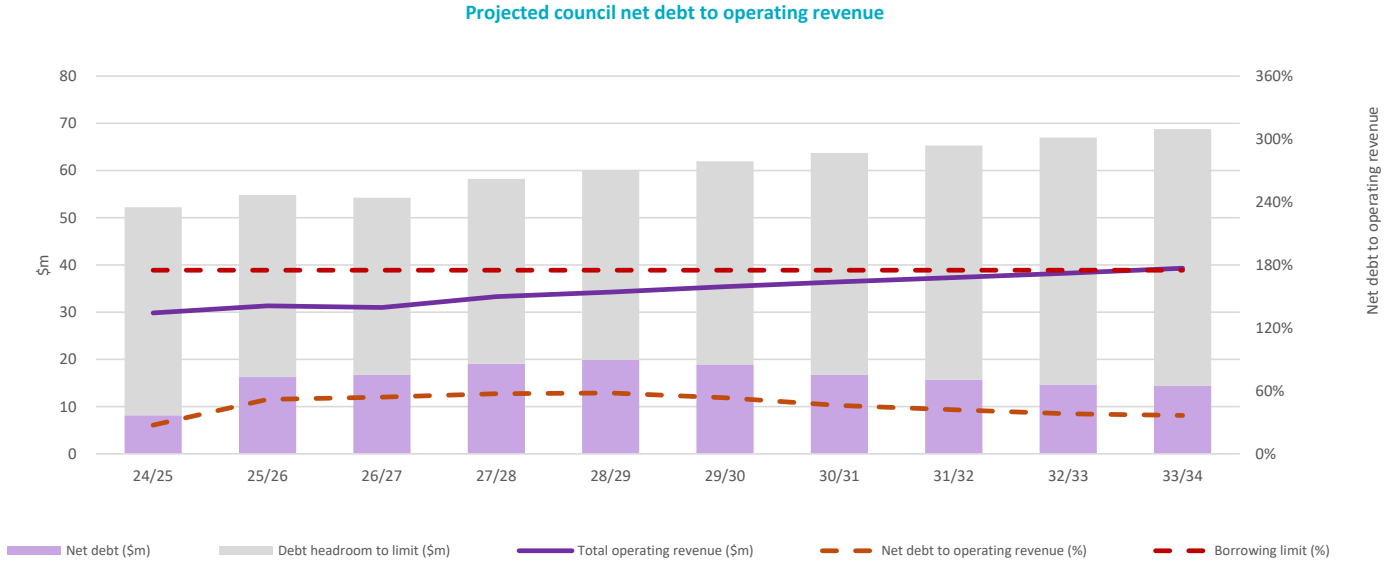
D4 Financial sustainability assessment - financing sufficiency

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

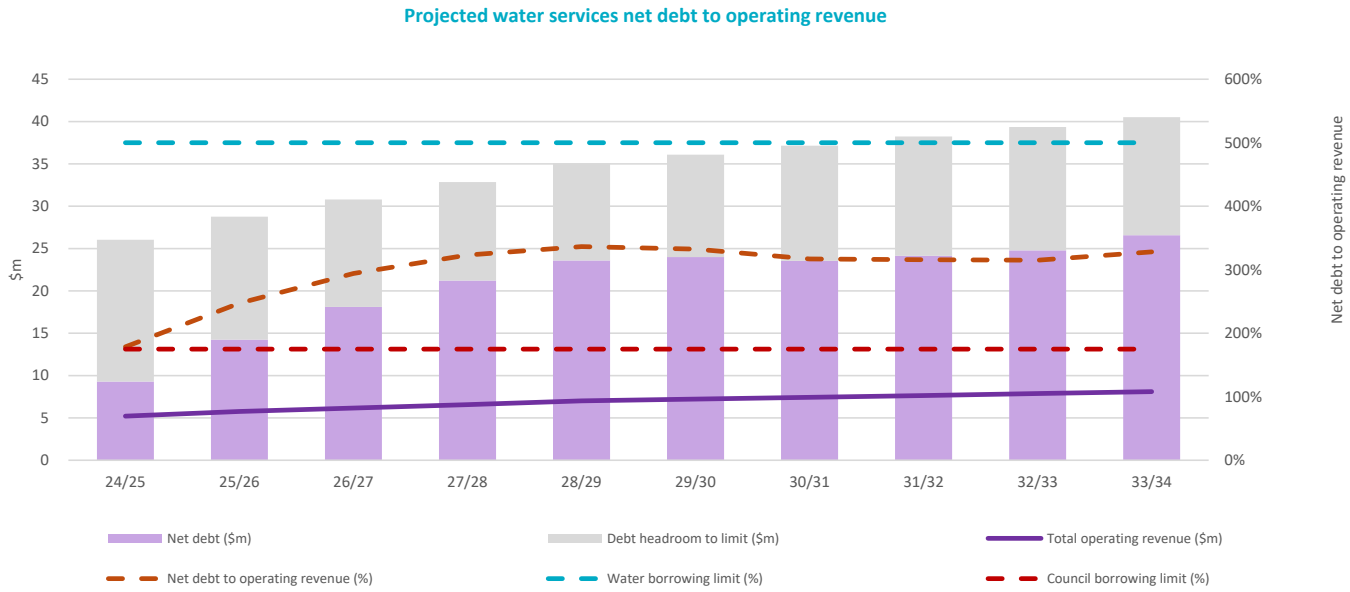
The following chart of projected council net debt to operating revenue shows that Council's borrowing, averaging around 49%, is projected to be well within the LGFA limit of 175%. Net debt increases over the next three years as a result of the increased investment, primarily to address drinking water Levels of Service, and then decreases for over the remaining seven years. This means there is increasing debt headroom over the forecast period.

Projected new borrowings (after accounting for movements in reserves) over the 10-year period total $19 million over the period, with most of that borrowing occurring over the first five years of the Plan. The Council as a whole maintains significant debt headroom over the 10-year period, providing the Council with significant financial flexibility to accommodate changes to operating and capital expenditures.

This confirms that this WSDP meets the 'financial sufficiency' test.



Viewing water services on a standalone basis, the following graph shows that the net debt attributable to water services increase over the next three years and then plateaus. The Council maintains significant debt headroom relative to an indicative benchmark of 500% water debt to net operating revenue:



On the basis of the above, Waimate District Council confirms that the WSDP satisfies the financing sufficiency test and confirms that total council borrowing is projected to remain well within relevant borrowing limits; borrowing capacity exists to meet forecast capital investment, with allowance for additional headroom to provide for unforeseen contingencies; and operating surplus and financial covenants remain robust and sustainable over the forecast period. The proposed financing approach provides the necessary flexibility, liquidity, and resilience to support full delivery of the water services investment programme while maintaining compliance with financing and risk management policies.

Projected borrowings for water services

All proposed borrowings will be through the LGFA. As a relatively low debt Council, Waimate has significant headroom against its borrowing limits. Along with its insurances, there is capacity to cover significant unforeseen events or additional investment requirements.

Sustainability measures: Financing sufficiency										
Projected council 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 operating revenue ($m)	29.84	31.34	31.00	33.28	34.26	35.41	36.41	37.32	38.27	39.31
Net debt ($m)	8.16	16.25	16.76	19.07	19.86	18.94	16.77	15.69	14.62	14.40
Debt headroom to limit ($m)	44.07	38.60	37.49	39.17	40.08	43.03	46.96	49.62	52.36	54.39
Net debt to operating revenue (%)	27%	52%	54%	57%	58%	53%	46%	42%	38%	37%
Borrowing limit (%)	175%	175%	175%	175%	175%	175%	175%	175%	175%	175%
Projected water services net to operating revenue										
Total net debt (gross debt less cash)	9,299	14,237	18,112	21,227	23,588	23,990	23,542	24,152	24,790	26,576
Operating revenue	5,208	5,754	6,158	6,570	7,011	7,217	7,429	7,647	7,871	8,102
Net debt to operating revenue	179%	247%	294%	323%	336%	332%	317%	316%	315%	328%

Borrowing headroom/(shortfall) for water services

Attributing borrowings to water services, there is sufficient headroom also against potential constraints, with net water services debt to operating averaging 312% over the period. These debt levels are considered prudent and sustainable, given the long-life nature of infrastructure assets.

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	5,208	5,754	6,158	6,570	7,011	7,217	7,429	7,647	7,871	8,102
Debt to revenue limit	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt	26,039	28,772	30,788	32,851	35,056	36,085	37,144	38,234	39,356	40,511
Total net debt	9,299	14,237	18,112	21,227	23,588	23,990	23,542	24,152	24,790	26,576
Borrowing headroom/ (shortfall) against limit	16,740	14,534	12,676	11,623	11,468	12,095	13,602	14,082	14,566	13,935

Free funds from operations

The free funds from operations (FFO) declines over the next three years reflecting the additional investment over this period, and then rebuilds to just below 10%. While FFO is not a specific financial covenant requirement constraint for retaining an in-house Business Unit, it never falls below 8% over the period.

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	9,299	14,237	18,112	21,227	23,588	23,990	23,542	24,152	24,790	26,576
Funds from operations	1,397	1,776	1,700	1,867	2,067	2,101	2,095	2,332	2,410	2,553
FFO to debt ratio	15.0%	12.5%	9.4%	8.8%	8.8%	8.8%	8.9%	9.7%	9.7%	9.6%

Part E: Projected financial statements for water services

E1 Projected funding impact statements

Combined water services

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	229	223	241	243	246	255	254	253	258	256
Targeted rates	4,635	5,199	5,601	6,003	6,432	6,626	6,824	7,034	7,246	7,490
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	266	285	267	274	283	284	297	306	311	299
Fees and charges	77	48	49	50	51	52	53	54	55	57
Total operating funding	5,208	5,754	6,158	6,570	7,011	7,217	7,429	7,647	7,871	8,102
Applications of operating funding										
Payments to staff and suppliers	1,985	2,176	2,140	2,245	2,293	2,272	2,398	2,351	2,402	2,440
Finance costs	457	515	776	819	1,003	1,147	1,203	1,229	1,283	1,317
Internal charges and overheads applied	1,392	1,382	1,573	1,670	1,680	1,728	1,766	1,768	1,811	1,827
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,834	4,073	4,488	4,734	4,976	5,148	5,367	5,349	5,496	5,584
Surplus/(deficit) of operating funding	1,374	1,682	1,669	1,836	2,035	2,069	2,062	2,298	2,376	2,518
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	45	189	61	62	63	65	66	67	69	70
Increase/(decrease) in debt	(56)	45	(0)	33	4	109	150	64	15	2
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	(11)	234	61	95	68	173	216	132	83	72

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	1,350	783	26	809	611	346	0	272	0	316
Capital expenditure - to improve levels of services	686	3,673	3,184	564	609	301	28	365	301	508
Capital expenditure - to replace existing assets	1,446	2,353	2,395	3,641	3,239	1,889	1,652	2,339	2,781	3,550
Increase/(decrease) in reserves*	(2,119)	(4,893)	(3,874)	(3,082)	(2,356)	(294)	598	(546)	(622)	(1,785)
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	1,363	1,916	1,730	1,931	2,103	2,242	2,278	2,430	2,459	2,590
Surplus/(deficit) of capital funding	(1,374)	(1,682)	(1,669)	(1,836)	(2,035)	(2,069)	(2,062)	(2,298)	(2,376)	(2,518)
Funding balance	0	0	0	0	0	0	0	0	0	0

Note: * As noted in section C5, borrowings are at a Council level, with each water service allocated debt through their respective reserves' accounts. Net debt changes also arise from the Downlands scheme which has its own debt balance, and some minor adjustments to debt to provide a smoother price path for each water.

Water supply

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	2,587	2,703	3,160	3,438	4,012	4,424	4,878	5,378	5,929	6,536
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	26	27	27	28	28	29	30	30	31	31
Fees and charges	22	23	23	24	24	25	25	26	26	27
Total operating funding	2,635	2,752	3,210	3,489	4,064	4,477	4,932	5,434	5,986	6,594
Applications of operating funding										
Payments to staff and suppliers	951	991	1,010	1,031	1,053	1,074	1,095	1,116	1,137	1,157
Finance costs	556	849	1,013	1,135	1,142	1,131	1,076	1,056	1,044	943
Internal charges and overheads applied	1,317	1,367	1,418	1,471	1,525	1,582	1,640	1,700	1,763	1,828
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	2,824	3,207	3,441	3,637	3,720	3,787	3,811	3,873	3,944	3,929

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Surplus/(deficit) of operating funding	(189)	(455)	(231)	(147)	345	690	1,121	1,561	2,042	2,666
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	500	515	526	539	551	564	575	588	599	611
Increase/(decrease) in debt	5,614	1,219	1,274	400	1,425	2,028	(215)	(43)	(1,710)	(2,295)
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	6,114	1,734	1,800	939	1,977	2,592	360	544	(1,111)	(1,684)
Applications of capital funding										
Capital expenditure - to meet additional demand	409	409	409	409	409	409	409	409	409	409
Capital expenditure - to improve levels of services	550	430	630	200	1,550	2,100	200	1,210	100	100
Capital expenditure - to replace existing assets	243	440	531	183	363	773	873	487	423	473
Increase/(decrease) in reserves	4,723	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	5,925	1,279	1,570	792	2,322	3,282	1,482	2,106	932	982
Surplus/(deficit) of capital funding	189	455	231	147	(345)	(690)	(1,121)	(1,561)	(2,042)	(2,666)
Funding balance	0	0	0	0	(0)	(0)	0	0	0	0

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	1,229	1,303	1,882	2,322	2,712	2,991	3,299	3,638	4,012	4,424
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	42	43	44	45	46	47	48	49	50	51
Total operating funding	1,271	1,346	1,926	2,368	2,758	3,038	3,347	3,687	4,062	4,475
Applications of operating funding										
Payments to staff and suppliers	489	550	561	572	583	595	605	616	627	637
Finance costs	0	0	(8)	62	185	153	103	80	73	27
Internal charges and overheads applied	603	625	648	672	697	722	748	776	804	833
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,091	1,176	1,201	1,306	1,465	1,470	1,456	1,471	1,504	1,497
Surplus/(deficit) of operating funding	180	170	725	1,061	1,293	1,568	1,891	2,216	2,558	2,977
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	300	309	316	323	331	338	345	353	360	367
Increase/(decrease) in debt	0	399	9,366	4,405	4,336	(836)	1,374	(378)	(1,226)	4,223
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	300	708	9,682	4,729	4,667	(498)	1,719	(26)	(866)	4,590
Applications of capital funding										
Capital expenditure - to meet additional demand	880	1,010	8,500	5,280	500	500	2,600	1,650	500	4,410
Capital expenditure - to improve levels of services	0	180	5,020	20	5,020	70	0	0	0	0
Capital expenditure - to replace existing assets	220	330	440	490	440	500	1,010	540	540	540
Increase/(decrease) in reserves	(620)	(642)	(3,553)	0	0	0	0	0	652	2,617

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	480	878	10,407	5,790	5,960	1,070	3,610	2,190	1,692	7,567
Surplus/(deficit) of capital funding	(180)	(170)	(725)	(1,061)	(1,293)	(1,568)	(1,891)	(2,216)	(2,558)	(2,977)
Funding balance	0	0	(0)	0	0	0	0	0	0	0

Stormwater

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	203	206	259	297	341	391	446	509	528	546
Targeted rates	0	0	(45)	76	94	89	82	73	114	160
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0
Total operating funding	203	206	214	374	435	480	528	582	641	707
Applications of operating funding										
Payments to staff and suppliers	83	86	87	89	90	92	93	95	96	97
Finance costs	0	0	8	8	7	13	60	105	94	128
Internal charges and overheads applied	98	102	105	109	113	117	121	126	130	135
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	181	188	200	206	210	222	274	325	321	361
Surplus/(deficit) of operating funding	22	19	14	167	225	258	254	257	321	346
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	100	103	105	108	110	113	115	118	120	122
Increase/(decrease) in debt	(280)	173	301	(25)	114	929	881	(175)	690	(268)

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
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	(180)	276	406	83	225	1,042	996	(57)	809	(146)
Applications of capital funding										
Capital expenditure - to meet additional demand	200	200	200	200	200	200	200	200	1,130	200
Capital expenditure - to improve levels of services	0	0	0	50	250	50	0	0	0	0
Capital expenditure - to replace existing assets	0	280	220	0	0	1,050	1,050	0	0	0
Increase/(decrease) in reserves	(358)	(185)	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	(158)	295	420	250	450	1,300	1,250	200	1,130	200
Surplus/(deficit) of capital funding	(22)	(19)	(14)	(167)	(225)	(258)	(254)	(257)	(321)	(346)
Funding balance	0	(0)	(0)	0	0	0	(0)	0	0	0

E2 Projected statements of comprehensive revenue and expenses

Combined water services

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	5,208	5,754	6,158	6,570	7,011	7,217	7,429	7,647	7,871	8,102
Other revenue	45	189	61	62	63	65	66	67	69	70
Total revenue	5,253	5,943	6,218	6,632	7,075	7,282	7,495	7,714	7,940	8,172
Operating expenses	1,985	2,176	2,140	2,245	2,293	2,272	2,398	2,351	2,402	2,440
Finance costs	457	515	776	819	1,003	1,147	1,203	1,229	1,283	1,317
Overheads and support costs	1,392	1,382	1,573	1,670	1,680	1,728	1,766	1,768	1,811	1,827
Depreciation & amortisation	1,574	1,914	1,935	1,948	2,092	2,114	2,113	2,265	2,284	2,293
Total expenses	5,408	5,986	6,423	6,682	7,068	7,261	7,479	7,614	7,780	7,877
Net surplus / (deficit)	(155)	(43)	(205)	(50)	7	20	16	100	160	295
Revaluation of infrastructure assets	0	3,183	0	0	5,893	0	0	6,339	0	0
Total comprehensive income	(155)	3,140	(205)	(50)	5,900	20	16	6,439	160	295
Cash surplus / (deficit) from operations (excl depreciation)	1,419	1,871	1,730	1,898	2,099	2,134	2,128	2,365	2,444	2,588

Water supply

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	2,635	2,752	3,210	3,489	4,064	4,477	4,932	5,434	5,986	6,594
Other revenue	500	515	526	539	551	564	575	588	599	611
Total revenue	3,135	3,267	3,737	4,028	4,616	5,041	5,508	6,021	6,585	7,205
Operating expenses	951	991	1,010	1,031	1,053	1,074	1,095	1,116	1,137	1,157
Finance costs	556	849	1,013	1,135	1,142	1,131	1,076	1,056	1,044	943
Overheads and support costs	1,317	1,367	1,418	1,471	1,525	1,582	1,640	1,700	1,763	1,828
Depreciation & amortisation	1,346	1,346	1,543	1,543	1,543	1,680	1,680	1,680	1,847	1,847
Total expenses	4,170	4,553	4,984	5,179	5,263	5,468	5,492	5,553	5,790	5,776
Net surplus / (deficit)	(1,035)	(1,286)	(1,247)	(1,151)	(647)	(427)	16	468	795	1,430
Revaluation of infrastructure assets	0	0	4,885	0	0	5,320	0	0	5,827	0
Total comprehensive income	(1,035)	(1,286)	3,637	(1,151)	(647)	4,893	16	468	6,621	1,430
Cash surplus / (deficit) from operations (excl depreciation)	311	60	296	392	896	1,254	1,697	2,149	2,642	3,277

Wastewater

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	1,271	1,346	1,926	2,368	2,758	3,038	3,347	3,687	4,062	4,475
Other revenue	300	309	316	323	331	338	345	353	360	367
Total revenue	1,571	1,655	2,242	2,691	3,089	3,376	3,692	4,040	4,421	4,841
Operating expenses	489	550	561	572	583	595	605	616	627	637
Finance costs	0	0	(8)	62	185	153	103	80	73	27
Overheads and support costs	603	625	648	672	697	722	748	776	804	833
Depreciation & amortisation	667	667	858	858	858	1,013	1,013	1,013	1,138	1,138
Total expenses	1,758	1,843	2,059	2,165	2,323	2,482	2,469	2,484	2,641	2,635
Net surplus / (deficit)	(187)	(188)	183	526	766	894	1,223	1,556	1,780	2,206
Revaluation of infrastructure assets	0	0	2,661	0	0	4,677	0	0	5,303	0
Total comprehensive income	(187)	(188)	2,843	526	766	5,571	1,223	1,556	7,083	2,206
Cash surplus / (deficit) from operations (excl depreciation)	480	479	1,041	1,385	1,624	1,906	2,236	2,568	2,918	3,344

Stormwater

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	203	206	214	374	435	480	528	582	641	707
Other revenue	100	103	105	108	110	113	115	118	120	122
Total revenue	303	309	319	482	546	592	644	700	761	829
Operating expenses	83	86	87	89	90	92	93	95	96	97
Finance costs	0	0	8	8	7	13	60	105	94	128
Overheads and support costs	98	102	105	109	113	117	121	126	130	135
Depreciation & amortisation	103	103	121	121	121	151	151	151	195	195
Total expenses	284	291	322	328	331	373	425	476	515	555
Net surplus / (deficit)	19	19	(2)	154	214	219	218	224	246	274
Revaluation of infrastructure assets	0	0	949	0	0	1,132	0	0	1,455	0
Total comprehensive income	19	19	946	154	214	1,351	218	224	1,701	274
Cash surplus / (deficit) from operations (excl depreciation)	122	122	119	275	336	371	369	375	440	468

E3 Projected statements of cashflows

Combined water services

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	1,419	1,871	1,730	1,898	2,099	2,134	2,128	2,365	2,444	2,588
[other items]										
Net cashflows from operating activities	1,419	1,871	1,730	1,898	2,099	2,134	2,128	2,365	2,444	2,588
Cashflows from investment activities										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(3,482)	(6,809)	(5,604)	(5,014)	(4,459)	(2,536)	(1,680)	(2,976)	(3,082)	(4,375)
Net cashflows from investment activities	(3,482)	(6,809)	(5,604)	(5,014)	(4,459)	(2,536)	(1,680)	(2,976)	(3,082)	(4,375)
Cashflows from financing activities										
New borrowings	2,063	4,938	3,874	3,116	2,360	403	(448)	610	637	1,786
Repayment of borrowings										
Net cashflows from financing activities	2,063	4,938	3,874	3,116	2,360	403	(448)	610	637	1,786
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
Cash and cash equivalents at end of year	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309

Water supply

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	311	60	296	392	896	1,254	1,697	2,149	2,642	3,277
[other items]										
Net cashflows from operating activities	311	60	296	392	896	1,254	1,697	2,149	2,642	3,277
Cashflows from investment activities										
[other items]				0						
Capital expenditure	(1,202)	(1,279)	(1,570)	(792)	(2,322)	(3,282)	(1,482)	(2,106)	(932)	(982)
Net cashflows from investment activities	(1,202)	(1,279)	(1,570)	(792)	(2,322)	(3,282)	(1,482)	(2,106)	(932)	(982)
Cashflows from financing activities										
New borrowings	891	1,219	1,274	400	1,425	2,028	(215)	(43)	(1,710)	(2,295)
Repayment of borrowings										
Net cashflows from financing activities	891	1,219	1,274	400	1,425	2,028	(215)	(43)	(1,710)	(2,295)
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)
Cash and cash equivalents at end of year	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)

Wastewater

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	480	479	1,041	1,385	1,624	1,906	2,236	2,568	2,918	3,344
[other items]										
Net cashflows from operating activities	480	479	1,041	1,385	1,624	1,906	2,236	2,568	2,918	3,344
Cashflows from investment activities										
[other items]				0						
Capital expenditure	(1,100)	(1,520)	(13,960)	(5,790)	(5,960)	(1,070)	(3,610)	(2,190)	(1,040)	(4,950)
Net cashflows from investment activities	(1,100)	(1,520)	(13,960)	(5,790)	(5,960)	(1,070)	(3,610)	(2,190)	(1,040)	(4,950)
Cashflows from financing activities										
New borrowings	620	1,041	12,919	4,405	4,336	(836)	1,374	(378)	(1,878)	1,606
Repayment of borrowings										
Net cashflows from financing activities	620	1,041	12,919	4,405	4,336	(836)	1,374	(378)	(1,878)	1,606
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910
Cash and cash equivalents at end of year	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910

Stormwater

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	122	122	119	275	336	371	369	375	440	468
[other items]										
Net cashflows from operating activities	122	122	119	275	336	371	369	375	440	468
Cashflows from investment activities										
[other items]				0						
Capital expenditure	(200)	(480)	(420)	(250)	(450)	(1,300)	(1,250)	(200)	(1,130)	(200)
Net cashflows from investment activities	(200)	(480)	(420)	(250)	(450)	(1,300)	(1,250)	(200)	(1,130)	(200)
Cashflows from financing activities										
New borrowings	78	358	301	(25)	114	929	881	(175)	690	(268)
Repayment of borrowings										
Net cashflows from financing activities	78	358	301	(25)	114	929	881	(175)	690	(268)
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	554	554	554	554	554	554	554	554	554	554
Cash and cash equivalents at end of year	554	554	554	554	554	554	554	554	554	554

E4 Projected statements of financial position

Combined water services

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	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	62,895	70,973	74,643	77,709	85,969	86,392	85,959	93,008	93,806	95,888
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	64,204	72,282	75,952	79,018	87,278	87,701	87,268	94,318	95,115	97,197
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	10,608	15,547	19,421	22,537	24,897	25,299	24,851	25,462	26,099	27,885
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	10,608	15,547	19,421	22,537	24,897	25,299	24,851	25,462	26,099	27,885
Net assets	53,595	56,736	56,531	56,481	62,382	62,402	62,417	68,856	69,016	69,312
Equity										
Revaluation reserve	0	3,183	3,183	3,183	9,077	9,077	9,077	15,416	15,416	15,416
Other reserves	53,595	53,552	53,348	53,298	53,305	53,325	53,340	53,440	53,601	53,896
Total equity	53,595	56,736	56,531	56,481	62,382	62,402	62,417	68,856	69,016	69,312

Water supply

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	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)	(4,776)
Other current assets										
Infrastructure assets	64,380	64,313	69,224	68,473	69,251	76,172	75,973	76,398	81,309	80,444
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	59,604	59,537	64,448	63,697	64,475	71,396	71,197	71,622	76,533	75,668
Liabilities										
Borrowings - current portion										
Other current liabilities										
Borrowings - non-current portion	10,041	11,260	12,534	12,934	14,359	16,387	16,172	16,129	14,419	12,123
Other non-current liabilities										
Total liabilities	10,041	11,260	12,534	12,934	14,359	16,387	16,172	16,129	14,419	12,123
Net assets	49,563	48,277	51,914	50,763	50,116	55,009	55,025	55,493	62,115	63,545
Equity										
Revaluation reserve	0	0	4,885	4,885	4,885	10,204	10,204	10,204	16,031	16,031
Other reserves	49,563	48,277	47,030	45,878	45,231	44,805	44,821	45,289	46,084	47,514
Total equity	49,563	48,277	51,914	50,763	50,116	55,009	55,025	55,493	62,115	63,545

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	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910
Other current assets										
Infrastructure assets	34,135	34,988	50,750	55,682	60,783	65,518	68,116	69,293	74,498	78,310
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	39,045	39,898	55,660	60,592	65,693	70,428	73,026	74,203	79,408	83,220
Liabilities										
Borrowings - current portion										
Other current liabilities										
Borrowings - non-current portion	620	1,661	14,580	18,985	23,321	22,484	23,858	23,480	21,602	23,208
Other non-current liabilities										
Total liabilities	620	1,661	14,580	18,985	23,321	22,484	23,858	23,480	21,602	23,208
Net assets	38,425	38,237	41,080	41,607	42,373	47,944	49,167	50,723	57,806	60,012
Equity										
Revaluation reserve	0	0	2,661	2,661	2,661	7,338	7,338	7,338	12,641	12,641
Other reserves	38,425	38,237	38,420	38,946	39,712	40,606	41,829	43,385	45,165	47,371
Total equity	38,425	38,237	41,080	41,607	42,373	47,944	49,167	50,723	57,806	60,012

Stormwater

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	554	554	554	554	554	554	554	554	554	554
Other current assets										
Infrastructure assets	12,091	12,468	13,715	13,844	14,172	16,453	17,552	17,601	19,991	19,997
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	12,645	13,022	14,269	14,398	14,726	17,007	18,106	18,155	20,545	20,551
Liabilities										
Borrowings - current portion										
Other current liabilities										
Borrowings - non-current portion	78	436	737	712	826	1,755	2,636	2,461	3,151	2,883
Other non-current liabilities										
Total liabilities	78	436	737	712	826	1,755	2,636	2,461	3,151	2,883
Net assets	12,567	12,586	13,532	13,686	13,901	15,252	15,470	15,694	17,394	17,668
Equity										
Revaluation reserve	0	0	949	949	949	2,080	2,080	2,080	3,535	3,535
Other reserves	12,567	12,586	12,584	12,738	12,952	13,172	13,390	13,614	13,859	14,133
Total equity	12,567	12,586	13,532	13,686	13,901	15,252	15,470	15,694	17,394	17,668

Part F. Water Services Delivery Plan: additional information

F1 Significant capital projects

Water Supply Capital Projects ($000)	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projects to meet extra demand[4]									
Urban Water - Extension Bakers/Court/Hunts/Fitzmaurice Roads	-	-	599	611					
Urban Water - Te Kiteroa Main, Booster and Reservoir	708	-	-	-					
Subtotal Projects to meet extra demand	708		599	611					
Projects to improve levels of service									
Cannington - 80mm Line "Slip Line" (700m x 125mm PE)	-	-	-	-	-	-	-	269	274
Cannington - Drinking Water compliance upgrade	665	-	-	-	-	-	-	-	-
Cannington - Systems	15	-	-	32	-	-	-	-	-
Hook / Waituna - Drinking water compliance upgrade	686	-	-	-	-	-	-	-	-
Hook / Waituna - PVC Tavistock Hook supply link	1,395	996	-	-	-	-	-	-	-
Hook / Waituna - Renewals	48	44	6	16	125	8	3	8	8
Lower Waihao - Booster generator	34	-	-	-	-	-	-	-	-
Lower Waihao - Renewals	32	3	-	51	-	-	63	-	66
Lower Waihao - Source / WTP generator	70	-	-	-	-	-	-	-	-
Otaio / Makikihi - Makikihi township mains renewal	119	61	63	143	-	-	133	-	-
Otaio / Makikihi - Renewals	-	3	10	8	6	-	-	-	-
Otaio / Makikihi - Source / WTP generator	34	-	-	-	-	-	-	-	-
Urban Water Minor Renewals and Upgrades	55	26	348	290	-	-	-	-	-
Urban Water Pressure Management Queen and High St	165	-	-	-	-	-	-	-	-

[4] Note that projects may contribute across the three categories of meeting extra demand, improving LoS, or renewals. A % allocation to these categories is determined for each project, so each project may appear more than once, and the total project spend is a sum across the categories.

Water Supply Capital Projects ($000)	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Waihaorunga - Drinking water compliance upgrade	-	528	-	-	-	-	-	-	-
Waihaorunga - Renewals and systems upgrade	66	67	35	27	19	20	20	20	21
Waikakahi - Drinking water compliance upgrade	-	1,424	-	-	-	-	-	-	-
Waikakahi - Renewals and minor upgrades	94	5	13	20	3	1	25	-	-
Subtotal Projects to improve levels of service	3,478	3,158	474	588	153	28	245	297	369
Projects to replace/renew assets									
Cannington - Drinking Water compliance upgrade	35,000	-	-	-	-	-	-	-	-
Cannington - Renewals	62,000	15,728	11,591	30,574	55,501	71,635	74,211	60,857	99,015
Cattle Creek - Consenting	-	-	5,269	-	-	-	-	-	-
Downlands Rural Water scheme various renewals	209,377	609,482	676,726	698,537	226,792	233,159	293,202	240,920	245,488
Hook / Waituna - Drinking water compliance upgrade	633,600	-	-	-	-	-	-	-	-
Hook / Waituna - Renewals	64,590	30,614	36,943	82,432	114,207	46,216	93,619	85,009	91,461
Lower Waihao - Renewals	72,700	10,784	1,581	86,796	5,596	2,910	100,584	-	100,155
Otaio / Makikihi - Renewals	40,773	26,227	22,352	128,767	14,693	166,776	189,522	173,511	510,754
Urban Water - other renewals	15,400	1,028	1,054	19,364	1,646	5,597	116,453	-	51,075
Urban Water - Rising main renewals	358,000	368,024	377,225	660,541	673,742	687,250	701,004	715,003	729,309
Waihaorunga - Drinking water compliance upgrade	-	72,000	-	-	-	-	-	-	-
Waihaorunga - Renewals	22,750	34,068	65,487	27,201	13,918	14,197	35,603	14,771	15,066
Waikakahi - Drinking water compliance upgrade	-	176,000	-	-	-	-	-	-	-
Waikakahi - Renewals	23,340	44,024	33,845	31,747	43,673	13,969	56,720	480,939	492,937
Subtotal Projects to replace/renew assets	1,537,530	1,387,978	1,232,071	1,765,959	1,149,768	1,241,709	1,660,918	1,771,008	2,335,261
TOTAL Water Supply Projects	**5,724**	**4,546**	**2,304**	**2,965**	**1,303**	**1,270**	**1,906**	**2,068**	**2,704**

Wastewater Capital Projects ($000)	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projects to meet extra demand									
Sewer - Edinburgh, Victoria and Nelson Streets infill	-	-	210	-	-	-	-	-	-
Sewer - Allan Street extension	-	-	-	-	346	-	-	-	-
Sewer - Manchester Street extension	-	-	-	-	-	-	272	-	-
Sewer - Hunts Road extension	-	-	-	-	-	-	-	-	316
Subtotal Projects to meet extra demand	-	-	210	-	346	-	272	-	316
Projects to improve levels of service									
Sewer - WWTP Electrical/control renewal	20	-	-	-	-	-	4	4	4
Sewer - Edinburgh, Victoria and Nelson Streets infill	-	-	90	-	-	-	-	-	-
Sewer - Allan Street extension	-	-	-	-	148	-	-	-	-
Sewer - Manchester Street extension	-	-	-	-	-	-	116	-	-
Sewer - Hunts Road extension	-	-	-	-	-	-	-	-	135
Sewer - Glenavy consenting	-	-	-	22	-	-	-	-	-
Subtotal Projects to improve levels of service	20	-	90	22	148	-	120	4	139
Projects to replace/renew assets									
Sewer - Waimate Urban renewals	727	909	2,346	1,473	735	406	640	988	1,175
Sewer - WWTP out flow meter renewal	-	6	-	-	-	-	-	-	-
Sewer - Milford pump renewal	-	-	-	-	4	5	2	2	2
Sewer - WWTP Electrical/control renewal	80	-	-	-	-	-	15	15	15
Sewer - WWTP various equipment	9	-	-	-	-	-	2	2	2
Sewer - Septic waste receival unit	-	93	-	-	-	-	-	-	-
Sewer - St Andrews consenting	-	-	-	-	-	-	17	-	-
Subtotal Projects to replace/renew assets	815	1,007	2,346	1,473	740	410	676	1,008	1,195
TOTAL Wastewater Projects	**835**	**1,007**	**2,646**	**1,494**	**1,233**	**410**	**1,068**	**1,011**	**1,650**

Stormwater Capital Projects ($000)	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projects to meet extra demand									
Stormwater - Rapid soakage devices	-	26	-	-	-	-	-	-	-
Stormwater - Rapid soakage devices Park Road	75	-	-	-	-	-	-	-	-
Subtotal Projects to meet extra demand	75	26	-	-	-	-	-	-	-
Projects to improve levels of service									
Stormwater - LGC overland flow path Queen Street	100	-	-	-	-	-	-	-	-
Stormwater - Rapid soakage devices	-	26	-	-	-	-	-	-	-
Stormwater - Rapid soakage devices Park Road	75	-	-	-	-	-	-	-	-
Subtotal Projects to improve levels of service	175	26	-	-	-	-	-	-	-
Projects to replace/renew assets									
Stormwater - Consent & Management Plan	-	-	-	-	-	-	-	-	18
Stormwater - Manhole replacements	-	-	63	-	-	-	2	2	2
Subtotal Projects to replace/renew assets	-	-	63	-	-	-	2	2	20
TOTAL Stormwater Projects	**250**	**51**	**63**	**-**	**-**	**-**	**2**	**2**	**20**

F2 Infrastructure Strategy Forecasts

Council through its Infrastructure Strategy has identified the need for future asset renewals, levels of service upgrades and provision for growth.

Activity	Type	2035/36 to 2039/40	2040/41 to 2044/45	2045/46 to 2049/50	2050/51 to 2054/55	30 Year Total
Water	**Opex**	**35.850**	**43.827**	**53.579**	**65.501**	**255.849**
	Growth	0.714	0.637	0.000	0.937	4.206
	LoS	0.533	0.146	0.949	0.219	13.087
	Renew	17.936	23.517	25.692	26.311	109.982
	Total Capex	**19.183**	**24.301**	**26.641**	**27.467**	**127.275**
Wastewater	**Opex**	**7.986**	**9.762**	**11.935**	**14.590**	**56.058**
	Growth	1.050	1.270	0.650	1.400	5.514
	LoS	2.022	2.047	3.033	3.040	23.858
	Renew	11.241	17.020	14.556	13.573	68.250
	Total Capex	**14.313**	**20.337**	**18.238**	**18.013**	**97.622**
Stormwater	**Opex**	**1.479**	**1.808**	**2.210**	**2.702**	**10.756**
	Growth	0.937	0.000	1.094	0.000	2.132
	LoS	1.021	1.148	0.000	0.425	2.795
	Renew	0.040	0.075	0.000	0.543	0.765
	Total Capex	**1.998**	**1.223**	**1.094**	**0.968**	**5.692**

F3 Risks and assumptions

In addition, to the risks that Council identifies in its LTP, Infrastructure Strategy, and AMP's the following are risks to the implementation of this WSDP and achieving financially sustainable delivery of water services:

Risk/Assumption	Key Risks	Risk Mitigation	Significant Assumptions
Future water service delivery approach	DIA does not accept this WSDP.	Beca Review of investment programme Peer reviews.	DIA will accept this WSDP.
Regulatory compliance	A risk that regulatory standards change and create the need for further investment. The final version of the Acceptable Solutions for Mixed Use Rural Water Supplies (AS MURWS) are not as expected.	Monitoring proposed changes to regulatory settings. Advocacy to the regulators to take into account rural water users and the features relevant to Waimate residents. Have not overcommitted capital expenditure prior to finalisation of the AS MURWS. Can pivot to other treatment options if AS MURWS not as expected.	The Local Government (Water Services Bill) does not materially change and no further significant (more onerous) regulatory changes are introduced by the regulators.
Delivery of Capital Programme	Failure to deliver the planned investment. Cost overruns on capital projects	Beca review. Planning underway on significant capital programmes Additional project resourcing in internal business unit. ECI and procurement approach. Some additional headroom if costs of capex delivery increase.	Capital programmes will achieve their outcomes and be delivered within budget.
	Challenges that changes to source/treatment will achieve design objectives	Understanding of the hydraulic models and continued investigation of sources. ECI approach provides flexibility	Planned activities will achieve compliance updates to the Acceptable Solutions for MURWS.

Risk/Assumption	Key Risks	Risk Mitigation	Significant Assumptions
Organisational Capacity and systems to deliver WSDP	Key staff are lost. Inability to recruit to the Water Services Committee. Financial and asset systems are not sufficient to support ring fencing and future asset management.	In-house BU provides least disruption and more certainty for staff. Early adoption of Water Services Committee should increase chance to recruit expertise and provide oversight on capacity and systems to deliver. Implementation plan addresses early run of ring-fencing in advance of the 2027/28 year.	Council maintains capacity and systems to deliver on the WSDP.
Providing for growth	Unforeseen growth.	Growth is relatively low.	Growth as per the LTP (0.4% population).
Change in economic conditions	Higher inflation or lower economic growth or economic shocks affect the affordability for our district.	Affordability forecasts and debt headroom allow for some flexibility.	No significant change in the economic and inflation forecasts.
Insurance and insurable events	Loss of insurance cover, and/or a significant natural event that resulted in the need for asset reinstatement beyond insurance cover.	As well as insurance cover there is debt headroom available for more borrowing.	No significant events or changes to insurance status.

In addition to the risks/assumptions above, the following assumptions have been used in preparing the financial statements:

Financial Assumption	Approach
Existing documents informed the inputs for FY24 – FY26	Actual audited Annual Report data was used for 2024/25 Long Term Plan Budget data was used for FY25 Annual plan FIS statements were used for FY26
Interest rate on debt	The rates used in the Long Term Plan were used for FY24 – FY26. For outyears, the latest LGFA-advised 10-year rate was used

Financial Assumption	Approach
Debt and revenue	The combination of debt and revenue to meet costs was initially modelled using a water debt-to-revenue ratio, and then manually adjusted to smooth the revenue path and ensure whole-of-council debt track remains within internal limits.
Extra operating expenditure	Incorporates the known regulator levies. From 2026/27 added additional organisational costs additional staff resourcing within the proposed service delivery model and the costs of the Water Services Committee. No additional change to allocated overheads have been assumed at this stage. As the current LTP includes the forecast budget for 2025/26 , so any incremental costs incurred in 2025/26 will have to be met from existing budgets.
Operating expenditure profile	Used the operating expenditure profile in the Long Term Plan, with the additions as above plus a consequential opex allowance for new growth and LOS capex.
Inflation	As per the Long Term Plan

Appendices

Appendix 1 Resource Consents

Resource Consents: Water Supply

Consent Number	Status	Scheme	Activity	Issue date	Expiry date	Comment	Volume
CRC020225	Current	Waimate Urban	To discharge contaminants to land	14/09/2001	11/09/2036	To discharge contaminants into land (from filter backwash - Timaru Rd, Waimate Water TP)	
CRC084606	Current	Waihaorunga	Take surface water	17/12/2008	16/12/2043	To take and use water from an unnamed tributary of the Waihaorunga Stream	not exceeding 1.4l/s or 847m^3/7 days
CRC084608	Current	Waihaorunga	Take surface water	17/12/2008	17/12/2043	To take and use water from the Waihaorunga Creek	not exceeding 5.3l/s or 3,185m^3/7 days
CRC092155	Current	Cannington-Motukaika	Take surface water	2/10/2009	1/10/2044	To take and use water (from Nimrod Stream - White Rock River, Cannington)	not exceeding 5.5l/s or 3,325m^3/7 days
CRC110693	Current	Cannington-Motukaika	Construct remove structure			To construct a Pipe bridge - 41 Mt Nimrod Road (Opus). No conditions.	
CRC940846	Current	Lower Waihao	Take groundwater	23/02/1994	23/02/2029	To take groundwater from bore for the Lower Waihao Rural Water Supply Scheme	not exceeding 18.9l/s or 1,633m^3/day
CRC962154.1	Current	Waikakahi	Take surface water	23/03/1998	29/05/2031	To take water from a tributary of the Waitaki River for domestic use and stock water (SH82, Ikawai)	not exceeding 17l/s
CRC970320	Current	Waikakahi	Construct/remove a structure, works to divert water	27/03/1998	29/05/2031	To reconstruct and maintain a weir, and to disturb the bed of an unnamed tributary of te Waitaki River for a rural water supply (SH82, Ikawai)	not exceeding 1.5m high and 30 m wide

Consent Number	Status	Scheme	Activity	Issue date	Expiry date	Comment	Volume
CRC970321	Current	Waikakahi	Dam surface water	27/03/1998	29/05/2031	To dam water for a rural water supply (SH82, Ikawai)	not exceeding 3,000m^3
CRC980385	Current	Hook Waituna	Construct/remove a structure, works to divert water	27/05/1999	21/05/2034	To disturb the bed of, maintain and reconstruct a rock weir, in the Hook River (Upper Hook Road, Hook Bush)	not exceeding 1.6m high
CRC980386	Current	Hook Waituna	Take surface water	27/05/1999	21/05/2034	To dam, divert, take and use surface water from the Hook River for domestic & stock water purposes and trickle irrigation of up to 25.2ha (Upper Hook Road, Hook Bush)	not exceeding 20l/s or 1,728m^3/day
CRC981066	Current	Otaio-Makikihi	Works for maintenance/protection	30/01/1998	28/01/2033	To disturb the bed of the Otaio River for the improvement of water flow to a pump chamber (Otaio River, Blue Cliffs Rd)	Surrendered
CRC981876.1	Current	Otaio-Makikihi	Take surface water	12/05/2004	22/04/2034	To take surface water for the Otaio-Makikihi RWS (Backline Rd, St Andrews)	not exceeding 15l/s or 6,500m^3/ 7 days
CRC992050	Current	Otaio-Makikihi	Construct/remove a structure	~~25/05/1999~~	21/05/2034	To disturb the bed of the Otaio River by installing and maintaining an intake structure (Backline Rd, St Andrews)	
CRC202845	Current	Waimate Urban	Take groundwater	25/08/2020	14/06/2034	To take and use water (Timaru Rd & Railway Reserve)	not exceeding 65l/s or 4,320m^3/day
CRC122551	Current	Otaio-Makikihi (Otaio Gorge intake & Tavistock Road bore combined)	Take Groundwater	06/07/2012	06/07/2047	to take groundwater for domestic and stock water purposes	not exceeding 15l/s or 6,500m^3/ 7 days and no more than 351,500 m^3 / year
The following are Resource Consents for private schemes (not held by Council.							

Consent Number	Status	Scheme	Activity	Issue date	Expiry date	Comment	Volume
CRC030733	Current	Hakataramea	To divert, take and use surface water	26/08/2003	25/08/2038	.	Not exceed 12.6 litres per second
CRC030734	Current	Hakataramea	Discharge to land	17/09/2003	25/08/2038		Not exceed 12.6 litres per second
CRC981015	Current	Hakataramea (Private Scheme)	Divert surface water	23/1/1998	21/01/2033	To divert water in the Hakataramea River for erosion and flood control purposes (Wrights Crossing, Hakataramea River)	
CRC940845	Current	Cattle Creek (Private Scheme)	Take surface water	25/02/1994	23/02/2029	To take water from a tributary of the North branch of the Waihao River for the Cattle Creek Rural Water Supply	not exceeding 1.6l/s or 138m3/day

Resource Consents – Wastewater

Consent Number	Status	Activity	Correct issue date	Expiry Date	Comment	Volume
CRC00167	Current	Install a structure in Bed	15/10/2001	10/10/2036	Construct a pipeline under the bed of Waimate Creek	
CRC000168.1	Current	Discharge Contaminant into Air	31/08/2009	10/10/2036	To discharge contaminants to air	
CRC000169.1	Current	Discharge Contaminant into Land to Water	31/08/2009	10/10/2036	To discharge secondary treated effluent to land	Max 4,300m3/day; average 1,200m3/day
CRC000170	Current	Discharge Contaminant into Water	08/10/2001	10/10/2036	To discharge secondary treated effluent to Waimate Creek (in emergencies)	Volume shall not exceed 13,300m3/24 hours
CRC120234	Current	To use land to install, use and maintain a sewerage network	11/08/2011	n/a	Compliance certificate - subject to further conditions – annual report, triennial report, etc.	
CRC180377	Current	To discharge on-site domestic wastewater into land.	24/08/2017	24/08/2032	To discharge on-site domestic wastewater into land. St Andrews Township.	
CRC243005	Current	Land Use	20/03/2024	10/10/2036	To use land for a municipal wastewater treatment plant	

Resource Consents – Stormwater

Consent Number	Status	Activity	Commencement date	Expiry date	Comment
CRC000171	Current	Discharge of stormwater	08/11/2001	10/10/2036	To discharge stormwater originating from the grassed reserve areas between Waimate Creek and the effluent border-dyke irrigation areas to Waimate Creek (Waimate Wastewater Treatment Plant)
CRC000234	Current	Discharge of stormwater	22/11/1999	19/11/2034	To discharge water and chlorine from the Waimate water supply and stormwater onto land and then surface water (Mill Road – Hayes Creek)
CRC021092	Current	Construct remove stopbank, deposit material	21/01/2002	18/01/2037	To disturb the bed of, to construct a stopbank on, and maintain stopbank, and to deposit material in the bed of the Waimate Creek (Queen St/Gorge Rd)
CRC070319	Current	Discharge of contaminated water	4/12/2006	1/12/2041	To discharge flood contaminants into water (Ryans Road, Morven - Morven Beach Rd Drain)
CRC074139	Current	Discharge of Stormwater Residential	31/10/2007	n/a	Certificate of compliance confirming permitted activity status of stormwater discharge from a residential subdivision into the Waimate Creek (207 Queen Street) (Eric Batchelor Pl). Will need to reassess compliance status when LWRP becomes operative.
CRC 210042	Current	Discharge of stormwater from within Waimate Town	31/01/2023	31/01/2043	To discharge urban stormwater from within the Stormwater Management Plan Area (SMP Area) as shown on Plan CRC210042 that enters the Waimate District Council reticulated stormwater system and is subsequently discharged onto or into land or into groundwater or surface water.

Appendix 2: Beca Report: "Three waters – High Level Capital Programmes review, Waimate District Council. 11 July 2025". Prepared by Beca

Sensitivity: General

Three Waters – High Level Capital Programme Review

Waimate District Council

Draft Report - June 2025

Sensitivity: General

Contents

1 | Introduction

make everyday better.

Sensitivity: General

Key elements of Local Water Done Well

The Government's Local Water Done Well policy will significantly change the operating environment for water services in New Zealand.

Section 13 of the Local Government (Water Services Preliminary Arrangements) Act 2024 requires Councils to outline in their Water Services Delivery Plan (WSDP) details of the capital and operational expenditure required:

(i) to deliver the water services and

(ii) to ensure that water services comply with regulatory requirements.

The Act also requires an explanation of what the territorial authority proposes to do to ensure that the delivery of water services will be financially sustainable by 30 June 2028

WATER SERVICES PLANS

Plans will need to show how councils will meet water quality and infrastructure rules, while being financially sustainable.

Plans need to include asset and financial information, investment required and proposed service delivery arrangements.

FINANCIAL SUSTAINABILITY

Plans will need to show that:

- Water revenue is sufficient to cover maintenance, financing costs and depreciation.
- Planned capital investment is sufficient to meet regulatory requirements and provide for growth.
- Available financing does not constrain investment required to support service delivery.

NEW STRUCTURAL AND FINANCING TOOLS

Future legislation, introduced late in 2024, is expected to provide for a range of structural and financing tools, including a new type of financially independent council-owned water organisation.

NEW REGULATION

Legislation will set out long-term requirements for financial sustainability and provide for economic regulation. This will include requirements for councils to ring-fence their water services from other council activities and will include new information disclosure and reporting requirements.

Sensitivity: General

Scope of Work

- Confirm if the Waimate District Council revised capital programme can meet the investment sufficiency test, including the provision to meet current and potential future regulatory requirements as it applies to Local Water Done Well policies.
- Confirm Environment Canterbury resource consent and Taumata Arowai (Water Services Authority) compliance requirements are included with sufficient provision for capital and operating spend allowances in the 2024-2034 Long Term Plan (LTP).
- Document assumptions that have been considered (or not considered) by WDC associated with potential wastewater regulatory change as it applies to Local Done Well policies.
- Alignment with three waters asset management plans.
- Projects are sequenced in a reasonable order and with realistic timeframes.
- Proposed cost estimates are reasonable at a high level (based on the information provided by WDC).
- Other considerations which may be relevant to include in the Water Service Delivery Plan, such as provision for resilience and climate change.

2 | Review Findings

make everyday better.

Sensitivity: General

2024-2034 Updated Capital Programme Overview

Water

Renewing aging water pipes (both urban and rural) is an ongoing programme.

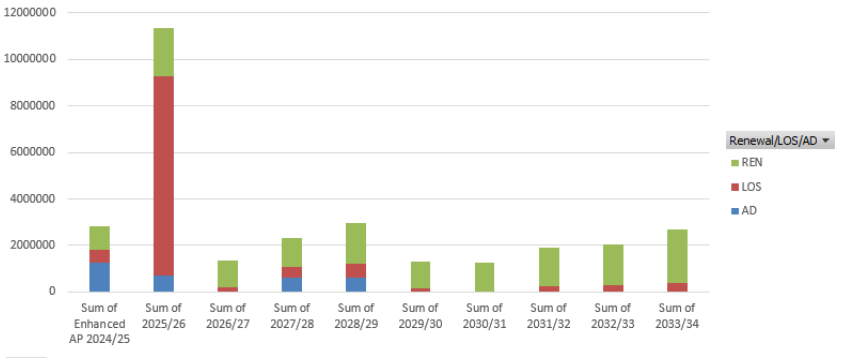
In 2025/26 level of service/compliance capex is required to complete the Waikakahi, Hook Waituna, Cannington, Motukaika and Waihaorunga drinking water compliance upgrades. These are planned to allow protozal barriers to be implemented and/or shift to sources with improved quality.

Ongoing levels of service expenditure relates to upsizing of pipelines at renewal as identified by hydraulic models.

Small extensions are planned to provide for growth areas and address current level of service issues.

We cannot determine if all of the drinking water compliance upgrades can be delivered and sufficiently funded for 2025/26. We recommend that a detailed programme is developed to support to deliverability, resourcing, and funding to ensure that these projects are completed and plants are compliant and operational by 30 June 2028 to meet financial sustainability.

Projected Capital Expenditure – Water

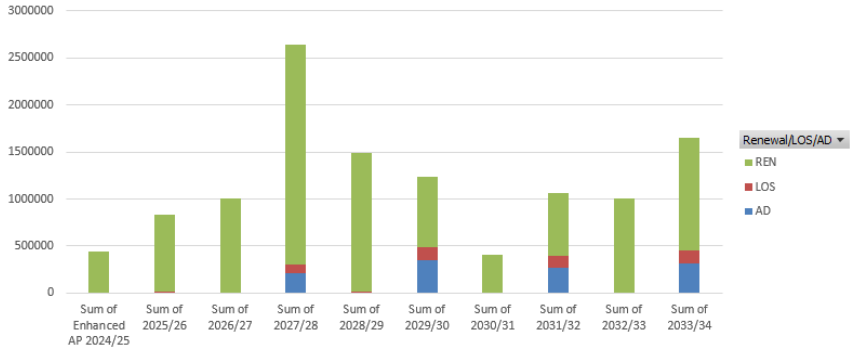


Wastewater

The wastewater capital program in Waimate township focuses on renewals. A prioritised approach to the replacement of aged wastewater mains is used to target areas with high infiltration.

Small extensions/upgrades are planned to service growth areas and infill identified via the hydraulic model.

Projected Capital Expenditure – Wastewater



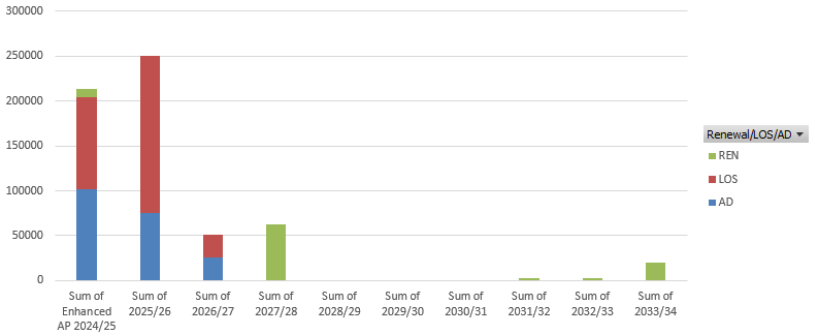
Sensitivity: General

2024-2034 LTP Capital Programme Overview

Stormwater

Only low levels of investment are planned for stormwater with extensions to service growth areas and levels of service improvements. Implementation of a Stormwater Management Plan is part of the Waimate town stormwater discharge consent. The bulk of renewals are expected after this planning period due to the long expected lives of the stormwater pipe assets, hence the low level of capex required in the 10-year plan.

We recommend that stormwater levels of service investment is reviewed once the stormwater management plan is developed.



Projected Capital Expenditure – Stormwater (Inflated)

Sensitivity: General

Major Projects

Major projects for the three waters identified in the LTP include:

- **Drinking water compliance upgrades** (Hook Waituna, Cannington, Waihaorunga, and Waikakahi Rural Water Schemes). Water treatment plant upgrades and installation of backflow protection. Compliance monitoring improvements. 2025/26, $6,620,000
- **Rural water scheme renewals.** Water treatment plant upgrades, programmed renewals and plant replacements. 2025/26 - 2033/34, $3,470,000.
- **Downlands rural water renewals.** Replacement of infrastructural assets relating to Downlands Water Supply Scheme. 2025/26 - 2033/34, 14% share: $3,474,000.
- **Hook/Waituna water supply link.** 2025/26, $2,391,000
- **Glenavy and Makikihi town water mains renewals**. End of useful life. 2025/26 - 2033/34, $1,056,000.
- **Waimate Urban water mains renewals**. End of useful life. 2025/26 - 2033/34, $5,285,000.
- **Waimate urban water growth infrastructure.** : Extensions to the urban water networks for Bakers, Courts, Hunts and Fitzmaurice Roads and the top end of Point Bush Road. : 2025/26 - 2028/29, $1,918,000.
- **Urban sewer renewals.** Renewal of sewerage piped infrastructure that has reached end of useful life. 2025/26 - 2033/34, $9,399,000.
- **Urban sewer extensions.** Extension to the urban sewer network to extend service to new/existing developments on Allan St, Manchester St, and Hunts Rd. 2029/30 - 2033/34, $1,333,000.
- **Stormwater improvements.** Protect overland flow paths on Queen St and increase capacity within the existing infrastructure. 2025/26, $250,000.

Sensitivity: General

Renewals - Water

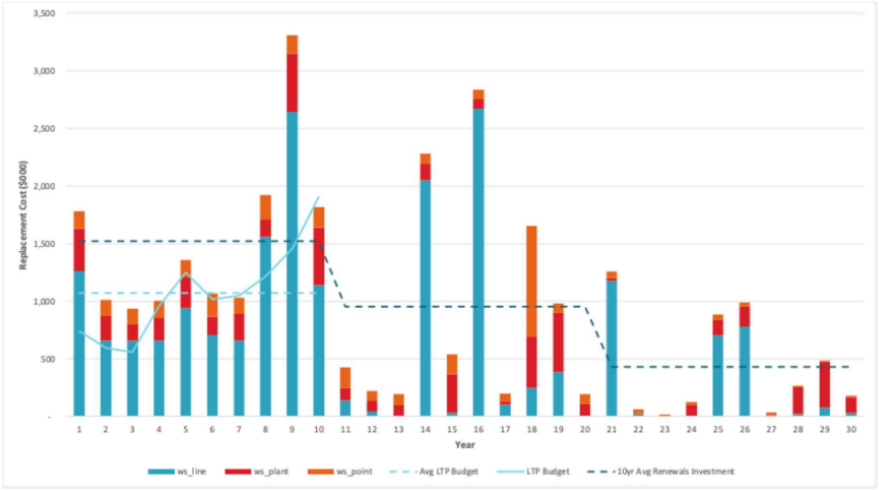
Water: Waimate District Council has 7 drinking water supply schemes. Three large (Waimate Urban, Hook Waituna and Lower Waihao), two medium (Otaio Makikihi and Waikakahi) and two small (Cannington Motukaika and Waihaorunga).

The chart below shows the theoretical replacement profile based on asset expected useful lives. It also includes the smoothed 10 year average renewals requirements which are used to guide LTP budget setting.

Waimate urban scheme: The approximate length for the reticulation network is 88.6 km. A total of 55% of the urban pipe reticulation network will reach the end of its expected economic lives within the next 30 years. Approximately 8.7 km of AC and 13km of CI will reach the end of its expected economic lives within the next 10 years. Fault history information does not currently indicate excessive number of failures.

Total Water Supply Renewals: Information from WDC Univerus Assets asset information indicates a $29.05 million renewals investment is needed over the thirty year period. This includes both urban and rural water supply schemes. The Water asset data indicates a theoretical renewals backlog of approximately 9 million, the majority of which is in the urban area.

The asset information indicates a $15.2 million renewals requirement over the next ten years with the 2024-2034 renewals budget at $10.7 million. Future renewals forecasting in subsequent LTPs will be refined based on ongoing asset condition assessments and fault trends. Hydraulic models and water loss information will also support renewals programme refinement. Some of the plant assets are being renewed or disposed of as part of the compliance upgrades planned for 2025/26.



Sensitivity: General

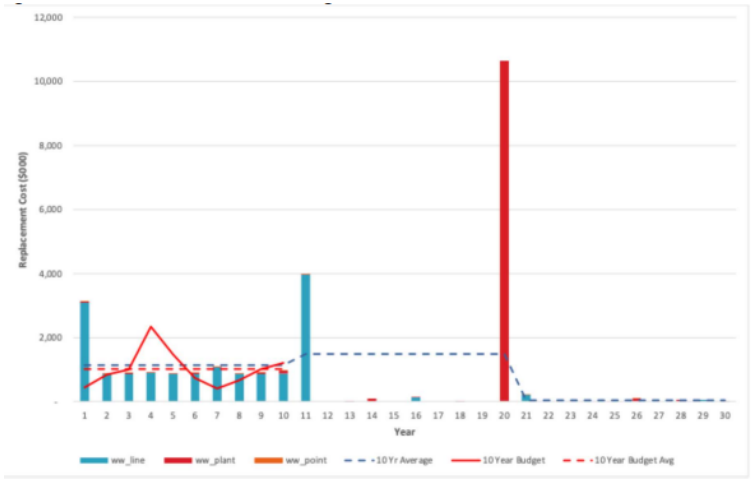
Renewals – Wastewater and Stormwater

Wastewater:

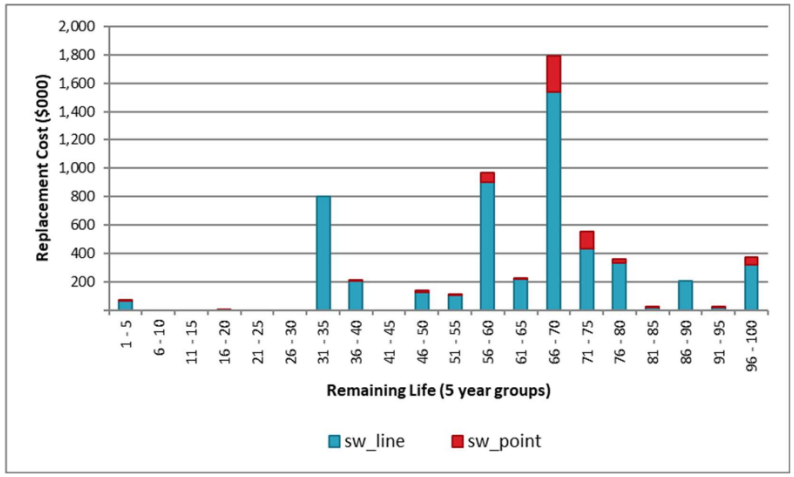
The Waimate urban wastewater scheme includes a WWTP which had significant upgrades in 2003. Two pump stations and approximately 44km of gravity and rising mains pipeline (not including laterals).

31% of the reticulation was installed during the period 1911 to 1930, and a further 26% installed during 1941 to 1960, almost all of these pipes being earthenware and theoretically due for replacement over the next 15 years.

Capital expenditure within the 10yr per initial focuses on renewals of wastewater pipelines. Outside of this around 15-20 years a major renewal of WWTP assets is expected. On-going collecting of condition information and keeping the network model up to date will support the renewals programme prioritisation.



STORMWATER Total Asset Renewal Forecast – 5 Year Groups



Stormwater: The Waimate Urban stormwater scheme consists of kerb and channel collection piped to natural water courses with two pump stations. The reticulation consists mainly of RC (52%), open drains (29%) and PVC (10%)

Approximately 26% of the reticulation was installed during the period 1901 to 1960, and a further 49% installed during 1961 to 1980.

Very low renewals are forecast due to the long expected lives of the assets. On-going condition assessments are planned to support minor replacement costs over the next few years, lowering to almost no replacement costs until 30years, as seen in the graph.

Sensitivity: General

Three Waters Asset Management Plans

The AMPs are typically reviewed three-yearly in advance of the LTP. Annual amendments or updates may be undertaken if significant asset management changes occur. The AMPs are consistent with good practice and include information on climate change risks. **We recommend that Council detail the approach and resourcing for Asset management moving forward in the WSDP and provide an updated asset maturity assessment.**

Asset Data:

Council uses the Univerus Assets Asset Management system for its Asset Information System. Univerus Assets have been used since 2005 and is a web/GIS based asset management system. This has greatly improved the information on the scheme assets and enhanced renewal projection and Asset Valuations. Asset location, attributes and unit rates have been assessed as reliable (B grade) with asset condition generally less reliable (C grade but not currently used to refine asset lives for valuation purposes).

Improvement plans:

Council has implemented an improvement approach to asset management planning with a ten year improvement plan being included in each asset management plan. Improvement projects are monitored monthly by a corporate AM Steering Team and Improvement Plan reviewed annually by all staff directly involved and focusing on key business issues.

Key improvement actions identified in the AMP include:

- Continue condition assessment of plant assets to better understand future renewals programme for above ground assets
- Maintain Univerus Asset database and align with criticality assessment ratings.
- Revisit criticality assessment, consider and implement recommendations
- Continue to implement demand management programme in-conjunction with the leak detection program
- Update Water Safety Plans and implementation of Improvements
- To better understand the life of different AC, Garnite PVC and old PE Pipes, a programme of assessing the condition of the pipes will occur.
- CCTV of the condition 4 and 5 grade wastewater pipes are required to be carried out again to ascertain the decrease in condition and assist in the renewal programme prioritisation
- Stormwater Management Plan - develop, submit and obtain approval from Regional Council

Sensitivity: General

Drinking Water Compliance

Waimate District Council have 7 drinking water supply schemes. Three large (Waimate Urban, Hook Waituna and Lower Waihao), two medium (Otaio Makikihi and Waikakahi) and two small (Cannington Motukaika and Waihaorunga). The 23/24 Compliance summary is provided below.

Waimate Urban – Has groundwater supplies and treatment plants capable of providing bacterial and protozoal barriers as per the DWS. In 2023/24 the supplies have partially met the Drinking Water Quality Assurance Rules (DWQAR). Data collection improvements are expected to significantly improve compliance in the 2024/25 monitoring period.

The majority of the year the Timaru bore is on standby, but supplements supply during hot dry months. Water supply conservation measures have been put in place at times during recent years. Demand is increasing and it is envisaged that in terms of volume the Waimate Urban water scheme will require increased volume in the medium term (20-30 years). Alternatively, moving to volumetric charging may also reduce peak demand - water meters are in place for each property and monitored for excessive use/leakage.

Rural Schemes – There are 3 permanent boil water notices in place. None of the rural supplies are fully compliant with the DWQAR and isolated exceedances of MAV's have historically occurred in the Lower Waihao RWS. A denitrification upgrade has been undertaken for the Lower Waihao source. The Otaio and Lower Waihao sources have protozoal barriers in place. Non-compliance for Lower Waihao in 2023/24 potentially related to UVT.

1 July 2023 – 30 June 2024

Water supply	Treatment plant		Distribution zone	
	Bacterial	Protozoa	Microbiological	Residual disinfectant
Waimate -Manchester	182/366	180/366	12/12	2/12
Waimate -Timaru Rd	0/366	0/366		
Cannington	4/4	0/4	4/4	n/a
Hook Waituna	0/366	0/366	12/12	2/12
Lower Waihao	173/366	173/366	12/12	2/12
Otaio	0/12	12/12	12/12	6/12
Waihaorunga -plant 1	4/4	0/4	4/4	n/a
Waihaorunga -plant 2	3/4	0/4		
Waikakahi	6/12	0/12	12/12	12/12

Sensitivity: General

Drinking Water Compliance Projects

Compliance upgrades planned are as follows:

- Cannington Motukaika – Upgrade to achieve Log 4 treatment compliance - Selective abstraction, filter, UV, scada $1.2M
- Hook Waituna – Add pretreatment separation to achieve Log 4 treatment – Pre settling balance tank, screen $1.49M (subject to change based on success of second bore at Otaio.
- Waihaorunga - Upgrade to achieve Log 4 treatment compliance - Selective abstraction, filter, UV, scada, and connection of Tavendale Intake Gallery $1.2M
- Waikakahi – Find a new raw water source and upgrade treatment to Log 4 - filter, UV, scada $2.9M (Staff actively testing another source which may pivot treatment options for this supply).

Following data collection improvements, it is expected that the Waimate, Lower Waihou and Otaio sources will be compliant with the DWQAR.

The remaining RWS sources require upgrades to provide bacterial and protozoal barriers or use of an approved Taumata Arowai alternative solution for rural water supplies. Council has provided budgets for the required upgrades which are at various stages of implementation. For the WSDP it is recommended that a detailed description of each upgrade is provided along with current project stage, programme, risks to delivery and budget and expected date for compliance.

Sensitivity: General

Resource Consent Expiry

Current consent renewals:

Water:

There are 16 resource consents held for the Water Services activity. These include divert flow, to dam water and take water from surface water or groundwater . The Lower Waihao water take consent expires in 2029. The Waikakahi (2031), Hook-Waituna (2034), Otaio-Makikihi (2034) and Waimate - Timaru Rd and Railway Reserve (2034) consents expire towards the end of the 10 year timeframe of this AMP. Water take consent renewal budgets do not appear to be specifically provided for and should be added if not included. Demand changes for each scheme are considered during the AMP updates.

Wastewater:

There are 7 resource consents held for the Wastewater Activity. All but 1 relate to the Waimate WWTP and discharge to land system with expiry in 2036.

One resource consent, CRC180377 - St Andrews, expires in 2032. This covers private assets for which Council provide septic tank emptying services to improve environmental outcomes. Renewal of the consent has not been provided for in Council's LTP budgets but will be discussed with the Regional Council and the community. It is not intended to develop a community wastewater scheme in this location.

Other small communities may be interested in Council carrying out a similar service with Council recovering the costs of providing the service.

Stormwater

No resource consents will expire over the next ten year period. The five Resource Consents held for the Stormwater Activity range from constructing a stopbank, to divert surface water, and to discharge of stormwater to a creek.

The confirmed permitted activity status (CRC074139), for the residential subdivision on Queen Street will need to be reassessed for compliance.

Sensitivity: General

Resource Consent Requirements

Current consent requirements:

Wastewater:

Flow and load limits for the Waimate treated wastewater discharge to land system have been met and the system has remaining capacity for expected growth to the end of the consent period (2036).

Council has had occasional non-compliances with the requirements of Condition 6a of the Waimate Wastewater Treatment Plant (WWTP) discharge consent (CRC000169.1) relating to wastewater faecal coliform median concentration limits. Relaxing of this limit is not expected to have a consequent effect on downgradient groundwater quality. The inclusion of denitrification enzyme activity (DEA) testing as a consent condition has not been found to add value. Council plan to submit an application to vary the consent conditions [6a and 18c(vii)]. It is recommended Council clarify if this has been completed or if not, when planned and what budget allowance has been provided for.

Water:

Historically there have been some technical or low-risk non-compliances related to calibration of flow meters, provision of data and going slightly over take limits. These have been resolved and Regional Council has confirmed that water takes are currently considered compliant with consents. With limited growth in demand, compliance with water take consents is expected to continue but this will need to be confirmed once changes to take locations and amounts are finalised as part of the drinking water standards compliance projects for the rural water supplies.

Stormwater:

Stormwater consents are currently compliant.

Investment for water, wastewater and stormwater compliance is expected to be sufficient with the Waimate discharge to land consent conditions varied as proposed before July 2028.

Sensitivity: General

Wastewater Regulatory Change Assumptions

The Water Services Authority - Taumata Arowai (Water Regulator) is developing National Wastewater Standards to give more certainty around requirements for municipal discharges to water and land. With standards likely coming into effect mid-late 2025.

One resource consent, CRC180377 - St Andrews, expires during the 2024/25-2033/34 period. This covers the combined discharges from the septic tanks in this community. It would not be covered by the wastewater standards.

Waimate WWTP is primarily a discharge to land via border dyke irrigation with a Total Nitrogen loading of 200 kg/ha/day. Discharge to water and land standards will supersede any regional plan requirements. This will give more certainty on what can discharge to specific environments. The assumption that the Waimate Urban WWTP can continue to discharge to land after the pond based treatment systems will need to be reviewed once the standards come into force. Expiry of consent for the WWTP landuse, discharge to land and air are in October 2036 which gives sufficient time for Council to review requirements and plan for upgrades required.

For discharge to land application rates of nutrients will be limited based on environmental risk profile, soil type and depth to groundwater. The Infrastructure strategy proposes a change to centre pivot irrigation for the WWTP discharge. Council own further land surrounding the current irrigation system which is likely to be suitable. There may need to be additional nitrogen, phosphorus and pathogen removal prior to irrigation depending on the class assessed for the future irrigation system under the wastewater standards. The current budget provision for WWTP 'renewals' is reasonable (2034/35) but is likely to be spread over 2-3 years with initial funding for investigations and design ahead of the construction activities.

Consents such as discharge of air/odour, seepage to ground and structures in rivers or CMA are not likely to be covered by the wastewater standards so there is a risk of different terms for these consents could occur as they will continue to follow the standard RMA process (this could change due to submissions on bill 3).

Sensitivity: General

Project Timelines and Cost Estimates

Information relating to three Drinking Water upgrade projects was received. This did not include detailed project plans or business cases. The updated scope and costs are:

- Cannington –Motukaika DWS upgrade optioneering was conducted, recommending treating the existing source by way of selective abstraction, filter, and UV. Updated cost estimate $700,000 which includes 30% additional for Engineering and contingency.
- Waihaorunga DWS Conceptual assessment of DW upgrade was conducted, which recommends: On balance and acknowledging the concerns relating to sustainable yield of the Waihaorunga Stream, the concept of combining the two sources, selectively abstracting clean, clear water and treating, most likely by way of filter and UV, is the preferred solution. Updated cost estimate $800,000 which includes 30% additional for Engineering and contingency.
- Waikakahi DWS upgrade Conceptual assessment of DW upgrade was conducted, which recommends: Sourcing a new groundwater source and treating, most likely by way of filter and UV, is the preferred solution. The four identified sites offer solutions in the $800,000- $1,800,000 range which includes 30% additional for Engineering and contingency.

While the budgeted water compliance capex is in 2025/26, it is likely that implementation will take 1-2 years. This will allow Council to meet legislative compliance by 30 June 2028. It is recommended the WSDP should outline the proposed compliance upgrade programme in more detail with available information on scope, resources to deliver, programme and funding. It is also recommended that governance arrangements to monitor progress of this project be outlined.

Project outlines and cost estimates for three drinking water supply projects were reviewed at a high level as limited scope information was available. A factor of 30% was included for Engineering and Contingency, however, other costs did not appear to be included. At concept stage we would typically expect Preliminary & General costs 15-20% (potentially included in the direct costs), Investigations and Design 8-10%, Construction Management and Supervision 2-3%, Council Internal costs 5-8%, Contingency 20-30%. **It is recommended that a Qualified Person (e.g. Quality Surveyor) check the cost estimates and breakdown once the preferred concepts are finalised.**

The Maintenance and Operational Expenditure forecasts are outlined in the AMPs. It is not clear if consequential opex associated with the increased treatment at the rural water supplies is included. An allowance should be made for filter and UV lamp replacements and additional labour requirements if not already included.

3 | Summary

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Sensitivity: General

Capital programme high level review summary

We have noted the following from our review of Council's Three Waters investment programme :

- Growth requirements are identified, informed by modelling.
- Investment is planned to allow drinking water compliance to be met by 30 June 2028 for the rural water supplies.
- Water, wastewater and stormwater consents are generally compliant with conditions and no consents are currently expired. The wastewater discharge to land consent for Waimate does not expire until 2036.
- Renewal requirements are identified and on-going collection of asset condition information and modelling is planned to continue developing and prioritising the renewals programme of work.
- AMP improvements are planned to improve asset data, understanding of condition and criticality, and future demand requirements. We recommend that the planned asset management approach and resourcing and an updated asset maturity assessment be included in the WSDP.
- We recommend that stormwater levels of service investment is reviewed once the stormwater management plan is developed.
- We recommended the WSDP outlines the scope, programme, resourcing, governance and risks associated with the water compliance upgrade projects.
- We recommend cost estimates for the water compliance projects be reviewed by a Qualified Person.

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Appendix 3: DWQAR and NFPM Commentary: Detailed Commentary on Drinking Water Quality Assurance Rules and the Annual Plan NFPM. Prepared by Waimate District Council's Three Water Systems Lead, 8 July 2025

WAIMATE DISTRICT COUNCIL
DWQAR and NFPM Commentary

Prepared by Waimate District Council's Three Waters System Lead as at 8 July 2025

Contents

1. Waimate District Council DWQAR[1] Review Commentary

Cannington-Motukaika.

Cannington-Motukaika does not meet the rules related to having filtration and ultraviolet disinfection at the water treatment plant. This is a known issue and there is an ongoing project to upgrade the plant to meet requirements. A total of $700,000 has been budgeted allocated to FY26.

It also does not meet any of the requirements relating to having a backflow prevention policy in place and the implementation of this policy. This is a known short coming and work is underway to develop this policy. This project will be done across all schemes at the same time.

Waihaorunga.

Waihaorunga does not meet the rules related to having filtration and ultraviolet disinfection at both water treatment plants. This is a known issue and there is an ongoing project to upgrade the plants to meet requirements. A total of $600,000 has been budgeted and allocated to FY27.

It also does not meet any of the requirements relating to having a backflow prevention policy in place and the implementation of this policy. This is a known short coming and work is underway to develop this policy. This project will be done across all schemes at the same time.

Waikakahi

Waikakahi does not have filtration or UV at the water treatment plant, so it cannot meet the relevant sections of the Treatment rules module. A project is underway to upgrade the treatment plant to meet requirements. $1,600,000 has been budgeted and allocated to FY27 for these upgrades to be completed.

In addition to this, the treated water went outside the required limits for FAC, turbidity and pH. The pH is a known issue with the source water and considered a minor transgression. It was outside of the required range of 6.5-8 for periods in 261 days over the year. FAC did not meet the required 0.5mg/l for periods in 15 days over the year and turbidity went over the required 5NTU for periods in 39 days over the year. It is important to note, that these non-compliances were not for the whole day, but the period could be as little as 1 minute over the 24-hour period. Part of the water treatment plant upgrade will be to see if the water source is fit for purpose and how treatment upgrades can make the water quality sent to the network more reliable and resilient to changes.

One of the nonconformances with the distribution rules was because microbiological samples are not done from the exit point of the reservoir. This is considered extremely minor as samples are done from representative locations across the distribution network. Work will be done to see if there are any other improvements to sampling locations across the schemes.

Other nonconformances are related to FAC level in the distribution network. WDC has recently invested in online monitoring pillars and placed these in the network to improve visibility of various determinants such as FAC, pH and pressure. The majority of these nonconformances are solely down to data reliability as the system was established and will be better moving forward.

Like all other schemes, Waikakahi cannot meet compliance with the requirements related to having a backflow prevention policy. Work is underway to address this and will be made for all schemes at the same time.

[1] Drinking Water Quality Assurance Rules

Otaio-Makikihi

Otaio-Makikihi did not meet the requirement to have samples done on the source water for gross alpha activity, gross beta activity and potassium. This was because Otaio-Makikihi was classified as a Level 2 supply when these samples were done for WDC's other Level 3 supplies. The samples need to be done once every 10 years so will be done in this timeframe to comply with the requirement.

The requirement was not met for the monthly UV intensity sensor reference checks for four months. This was down to operator error and is a focus moving forward to meet compliance with this requirement.

There was also an outage of the ballast tank in the UV reactor which took it offline between 20th November 2024 and the 14th of February which meant that the Tavistock WTP could not meet the bacterial and protozoal rules relating to RED dose. Due to source water quality and the fact that residual chlorine was continued, this is considered a low risk to human health. This has been fixed so should not be a problem moving forward.

Similar to all other schemes, Otaio-Makikihi cannot meet compliance with the requirements related to having a backflow prevention policy. Work is underway to address this and will be made for all schemes at the same time.

Another reason for nonconformance is a lack of standard operating procedure for planned, unplanned and emergency repairs. WDC is working through the development of SOPs across the board, so this requirement will be met for the next compliance period.

The rule regarding FAC in the distribution network was not met for 25 days. A reason for a large number of these days is due to issues when the monitoring pillar was set up. These have been resolved so will not be an issue moving forward. The small number of these is considered a minor nonconformance.

Lower Waihao

The requirement was not met for the monthly UV intensity sensor reference checks for four months. This was down to operator error and is a focus moving forward to meet compliance with this requirement.

Like all other schemes, Lower Waihao cannot meet compliance with the requirements related to having a backflow prevention policy. Work is underway to address this and will be made for all schemes at the same time.

Another reason for nonconformance is a lack of standard operating procedure for planned, unplanned and emergency repairs. WDC is working through the development of SOPs across the board, so this requirement will be met for the next compliance period.

The rule regarding FAC in the distribution network was not met for 71 days. A reason for a portion of these days is due to issues when the monitoring pillars was set up. These have been resolved so will not be an issue moving forward. The small number of these is considered a minor nonconformance.

Hook-Waituna

The Hook-Waituna WTP did not meet most requirements related to the monitoring required both on source water and treated water. A project is underway to move this scheme to a new treatment plant and a new groundwater source. Part of this project will be to ensure that all required monitoring equipment is installed in the plant. The Hook WTP has no protozoa barrier in place so cannot meet protozoa requirements. This will also be remedied with the new plant upgrades. $1,32,000 has been budgeted and allocated to FY25 and FY26.

As part of communications with the Water Services Authority, WDC will undertake some temporary improvements in order to meet the requirements for bacteriological compliance. Most of these are in place and will be reported on for FY26.

One weekly chlorate sample was missed for this supply, this is considered a minor nonconformance due to the amount that were done over the year.

Reservoirs on this scheme haven't historically had visits done. As part of the project developing the Stored Water Management Plan, these were documented and will be in place for the next compliance. These are only small storage tanks, so the risk is considered low.

Similar to all other schemes, Lower Hook-Waituna cannot meet compliance with the requirements related to having a backflow prevention policy. Work is underway to address this and will be made for all schemes at the same time.

Another reason for nonconformance is a lack of standard operating procedure for planned, unplanned and emergency repairs. WDC is working through the development of SOPs across the board, so this requirement will be met for the next compliance period.

The rule regarding FAC in the distribution network was not met for 16 days. The small number of these is considered a minor nonconformance.

Two weekly microbiological samples were missed. This was due to a weather event shutting the scheme. They were done on the next workday but cannot meet the weekly requirement. A process is being established so these are not an issue moving forward.

Waimate

There was one-month nonconformance for both water sources in this supply due to the scheduled monthly nitrate sample not being undertaken. This was due to a mix up in the monthly sample suites as there were two different samples done. This issue has been resolved as both sample suites have been consolidated into one.

Timaru Road WTP was not able to meet compliance with the requirement for continuous monitoring of the raw turbidity at the plant. Due to the quality of the source water and the fact there is treated water at the plant, this is considered a minor nonconformance.

Manchesters WTP missed two monthly UV intensity sensor validations and Timaru WTP missed five. This was down to operator error and is a focus moving forward to meet compliance with this requirement.

Timaru Road WTP had issues with UV dose until 13th October 2024. This was a known issue with the UV dose being labelled incorrectly so we could not prove compliance to the rules relating to UV dose. As the plant is not run consistently, this led to 30 noncompliant days. Manual site visits to the plant show that the UV dose was at compliant levels so this is a technical nonconformance and no risk to public safety. This issue has been fixed and will be compliant moving forward, barring unforeseen issues.

Similar to all other schemes, Waimate cannot meet compliance with the requirements related to having a backflow prevention policy. Work is underway to address this and will be made for all schemes at the same time.

Another reason for nonconformance is a lack of standard operating procedure for planned, unplanned and emergency repairs. WDC is working through the development of SOPs across the board, so this requirement will be met for the next compliance period.

Waimate had 110 nonconforming days for FAC in the network. This was largely down to issues with the analysers in the distribution network as water from the treatment plants was at compliant levels and manual grab samples met the compliance limit. WDC is developing systems to highlight maintenance events so we can explain nonconformances more effectively. This will drop non compliant periods down moving forward.

Summary

Across the majority of WDC supplies, compliance with the source modules is strong, with an average compliance rate of 97%.

There is a clear differential in performance between WDC treatment plants. Tavistock, Waimate and Lower Waihao have an average compliance percentage of 95%. There are some small improvements which can be made to improve the compliance rate at these plants so this number should rise over the coming periods. Cannington-Motukaika, Waihaorunga, Waikakahi and Hook-Waituna's performance is significantly worse, predominantly down to their lack of protozoa barriers and filtration at the plants. These are all known issues, and there is significant budgets allocated to their upgrades in Long Term Plan 2025-34. $6,610,000 is allocated to FY26 and FY27 for these projects to be completed and after their completion, the assumption is that compliance rates will match those of other plants.

The other major source of nonconformances is the lack of a backflow prevention policy. This is a known issue and work is underway to develop this policy and implement it. It will be made across the schemes and implemented at once and will be developed to meet all compliance requirements.

Another source of some nonconformances is the increased visibility from continuous online analysers. WDC has invested significantly in online analysers both at water treatment plants and throughout the distribution networks. The continuous analyzers cause some nonconformances but is down to the fact that we are monitoring above the required frequency. The other cause was due to the implementation of some of the online analyzers as they were put in place. Now in place, this should not be a problem moving forward.

It is difficult for schemes to meet 100% compliance for some rules due to the wording of them. Not meeting 100% compliance does not necessarily mean that water provided to consumers is unsafe, but WDC is aiming to achieve full compliance across schemes. Where compliance isn't met, WDC will endeavor to have supporting systems in place to manage these effectively.

2. Waimate District Council Annual Non-Financial Performance Measures Non-compliance commentary

Cannington-Motukaika

There were no nonconformances as this supply fully met all requirements of the measures.

Waihaorunga

There were no nonconformances as this supply fully met all requirements of the measures.

Waikakahi

T2 Treatment Monitoring Rules

Waikakahi WTP does not have a UV reactor so was unable to meet the monitoring requirements for UVT and flow. There is scheduled upgrades for the Waikakahi WTP which will bring the plant into full compliance with rules.

T2 Chlorine Rules

For the August compliance period, there was an issue with the FAC analyser and was taken offline between 28th and 30th August. Chlorine was still dosing at normal levels but a lack of data around explanation and solutions and issue with Chlorine Dosage data from SCADA mean that WDC is unable to verify this so cannot claim compliance. Training with operators has happened and additional steps put in place to avoid instances happening again.

For the September compliance period, only 1 datapoint out of 43,140 was under the required limit. Upon analysing the data, this looks to be incorrect as for one minute period, the data goes to a negative value and then immediately returns to its normal level.

For the October compliance period, there were 99 instances of non-conformances. (97 of these were linked to two weather events, which leaves only 2 out of 44,636 datapoints under the required level.

From January 1st 2025, these rules were changed to have an annual compliance period. Q3 and Q4 were analysed separately. There were no nonconformances in Q3. In Q4, for May there were 2 noncompliant datapoints linked to a weather event. Upon analysis, these were when the pumps turned back on and immediately after returned to compliant levels so are considered minor.

Otaio-Makikihi

T2 Chlorine Rules

In Q1, Tavistock WTP was only below the 0.5mg/l for 8 unexplained minutes out of 44,637 datapoints in August and 113 unexplained minutes out of 43,140 datapoints in September. These are both considered minor non-conformances. WDC has invested in significant online monitoring capabilities throughout the network to provide increased ability to monitor chlorine residual throughout the network.

In Q2, there was an issue with the chlorination at the plant between 26th and 27th October which has caused the nonconformances.

The treated pH level is consistently below the required level. This is a known issue as it is only slightly under, this is considered a minor nonconformance.

T2 Filtration Rules

The only nonconformance was 1 sample in November. Analysis shows that this was likely sampler related as the reading was well outside normal limits, and greatly varies from the raw turbidity reading at the same time period.

From January 1st 2025, WDC decided reclassify the Tavistock WTP to comply with Level 3 Rules (S3, T3 and D3) to better reflect the treatment quality at the site. From Q3 onwards, the corresponding rule categories will be reported against.

T3 Bacterial Rules

There was an issue with the ballast tank in the UV reactor which took it offline. WDC was unable to demonstrate compliance with the UV while this was offline between 1st January and 14th January. It also had further issues on the March 2nd and between 1st March and 20th March. These have now been resolved and unit is working. Chlorination was continued when UV was offline.

A monthly sensor of the UV intensity sensor was missed which has caused 30 non-compliant days. Additional emphasis has been placed on the importance of this task with the operator.

In Q4, there was an issue with the UV reactor between the 16th and 17th April, causing 2 noncompliant days out of 90. This was linked to contractor work onsite and was remedied by the operator. This was deemed a minor nonconformance as was still chlorinating.

T3 Protozoal Rules

There was an issue with the ballast tank in the UV reactor which took it offline. WDC was unable to demonstrate compliance with the UV while this was offline between 1st January and 14th January. It also had further issues on the March 2nd and between 1st March and 20th March. These have now been resolved and unit is working. Chlorination was continued when UV was offline.

A monthly sensor of the UV intensity sensor was missed which has caused 30 non-compliant days. Additional emphasis has been placed on the importance of this task with the operator.

In Q4, there was an issue with the UV reactor between the 16th and 17th April, causing 2 noncompliant days out of 90. This was linked to contractor work onsite and was remedied by the operator. This was deemed a minor nonconformance as was still chlorinating.

Hook-Waituna

T3 Bacterial Rules

There was no online flow monitoring at the Hook WTP until 2nd May 2025, which caused the nonconformances up until this time. There was also no pH monitoring until the end of June 2025. There have been known compliance issues with the Hook WTP and a project is underway to move to a newly built plant by the end of 2026. There are temporary upgrades in place at the plant to improve monitoring around parameters such as T10 contact time and FACE so the scheme will be able to meet bacterial compliance for the majority of the FY2026 before the current site is left. There were 48 days across the year where turbidity levels were non-compliant due to degraded source water quality. This is a known problem and will largely be solved by the temporary plant upgrades before the transition to the new source.

T3 Protozoal Rules

There is no protozoal barrier in place at the Hook WTP so cannot meet this rule section. There is a project underway to move the Hook-Waituna supply to a newly constructed plant which will have a protozoa barrier in place and be fully compliant with requirements. This is scheduled to be completed by the end of 2026.

D3.29 Microbiological Monitoring Rule

In Q4, there were two instances of sampling not being done weekly (weekending 4th May and weekending 15th June). This was due to the plant being offline due to weather events so was unable to sample. The samples were done the following Monday so the total number of samples is compliant. This is deemed as a minor nonconformance.

Lower Waihao

T3 Bacterial Rules

The monthly UV intensity sensor validation was missed in September 2024, December 2024 and March 2025, causing 91.33 noncompliant days. This was down to operator error and has been an issue across schemes. Work has been done with the operator to ensure that forms and checks are not missed so WDC can consistently demonstrate compliance with this rule. This is deemed a minor nonconformance as it is an administration error and does not impact the safety of the water supplied to the scheme.

T3 Protozoal Rules

The monthly UV intensity sensor validation was missed in September 2024, December 2024 and March 2025, causing 91.33 noncompliant days. This was down to operator error and has been an issue across schemes. Work has been done with the operator to ensure that forms and checks are not missed so WDC can consistently demonstrate compliance with this rule. This is deemed a minor nonconformance as it is an administration error and does not impact the safety of the water supplied to the scheme.

Waimate

T3 Bacterial Rules

The monthly UV intensity sensor validation was missed in September 2024,and February 2025 for the Manchesters WTP and September, October 2024, December 2024, January 2025 and February 2025 for Timaru Road WTP causing 152 compliant days. This was down to operator error and has been an issue across schemes. Work has been done with the operator to ensure that forms and checks are not missed so WDC can consistently demonstrate compliance with this rule. This is deemed a minor nonconformance as it is an administration error and does not impact the safety of the water supplied to the scheme.

Across the year, Manchesters WTP had 4 days where the UV dose was not at compliant levels. This main instance of this was due to contractor work at the plant. This is considered a minor noncompliance.

Timaru Road WTP had issues with UV dose until 13th October 2024. This was a known issue with the UV dose being labelled incorrectly so we could not prove compliance to the rules relating to UV dose. As the plant is not run consistently, this led to 30 noncompliant days. Manual site visits to the plant show that the UV dose was at compliant levels so this is a technical nonconformance and no risk to public safety. This issue has been fixed and will be compliant moving forward, barring unforeseen issues.

T3 Protozoal Rules

The monthly UV intensity sensor validation was missed in September 2024, and February 2025 for the Manchesters WTP and September, October 2024, December 2024, January 2025 and February 2025 for Timaru Road WTP causing 152 compliant days. This was down to operator error and has been an issue across schemes. Work has been done with the operator to ensure that forms and checks are not missed so WDC can consistently demonstrate compliance with this rule. This is deemed a minor nonconformance as it is an administration error and does not impact the safety of the water supplied to the scheme.

Across the year, Manchesters WTP had 4 days where the UV dose was not at compliant levels. This main instance of this was due to contractor work at the plant. This is considered a minor noncompliance.

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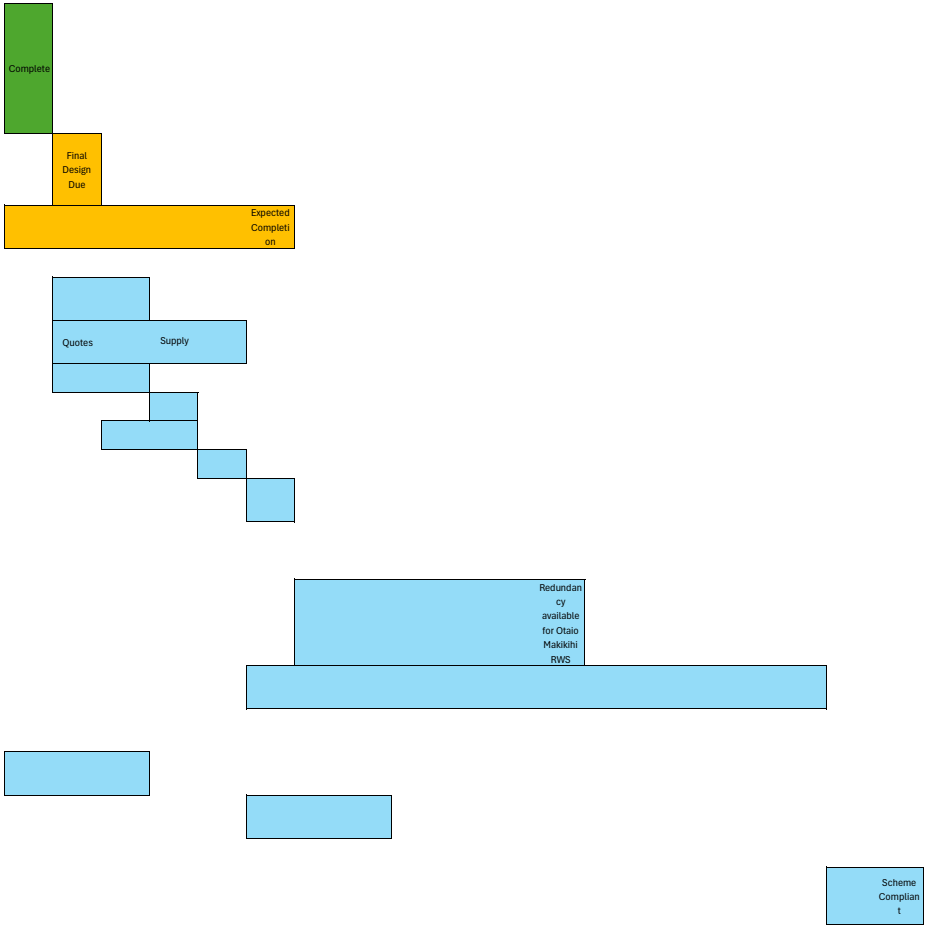
Appendix 4: DWS Plant Upgrade Programme July 2025

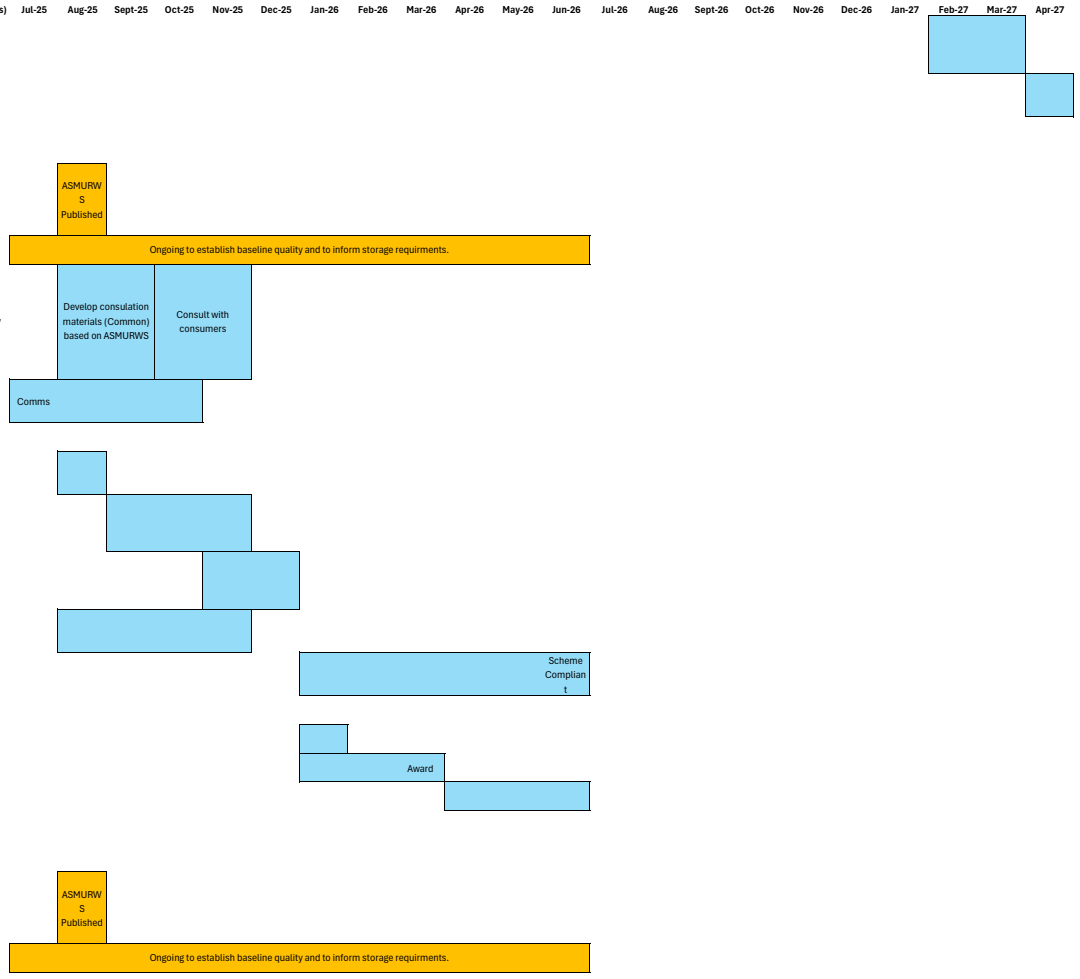
Compliance Capex Programme FY26 to FY29

Project	Milestone	Sub-Milestone	Description	Allocated Resource(s)
Hook Waituna Rural Water Supply				
	Construct New Bore		Identification that the existing surface water take was problematic in terms of treatment train. Most importantly, discharges from the proposed process were likely to be problematic in a highly sensitive catchment. Price escalation led staff to consider combining this project with creating redundancy at Otaio-Makakihi through the installation of a second bore. The second bore has now been commissioned and is able to supply the quantity required for this to occur. Water quality enables relatively simple treatment barriers to be installed (UV).	
	Modelling		Hydraulic modelling to, initially, establish feasability of connecting the new Otaio-Makikihi bores(s) to Hook-Waituna complete. Further information gathered to improve the hydraulic model and establish the preferred pipline location, location of thr reservoir site and associated connecting pipework upgrades	One Water Modelling
	WTP Design		Treatmeant plant design underway through existing ECI contract with Filtec.	Filtec
	Pipeline Procurement			
		Price installation estimate	Produce engineers estimate	Davis Ogilvie
		Procure / Order Materials	Obtain estmates from suppliers	Dion Glenie
		Procurement Plan	Produce procuremant plan in line with procurement policy	Stacey Bennett / Dave Inwood
		ROI	Gets via Cotiss	Stacey Bennett / Dave Inwood
		Draft tender documents		Davis Ogilvie
		RFT	Open market, potentially separable portions due to size and timing of project	Stacey Bennett / Dave Inwood
		Evaluation	Tender evaluation and award	Stacey Bennett / Dave Inwood / Dan Mitchell
	Consenting		Norman Environmental Consulting engaged to review existing resource consents and create necessary Resource Consents for both the water take, and those associated with the installation of the connecting pipeline.	NEC / Dave Inwood
	Construct New Treatment Plant		Effectively design build through existing ECI contract. Relatively simple construction.	Filtec
	Construct New Pipeline		Contractor to be confirmed	Contractor TBC / Dion Glenie / Dave Inwood
	Reservoir Construction			Contractor TBC / Dion Glenie / Dave Inwood
		Confirm location	Confirm location of reservoir and obtain appropraite easement / land purchase	Dave Inwood / Dan Mitchell / Dion Glenie
		Construction	Contractor to be confirmed	Contractor TBC / Dion Glenie / Dave Inwood
	Commissioning			
		Commision pipeline and treatment plant	Commision pipeline and treatment plant, confirm monitoring and assurance data	Filtec / George Ingham / Dave Inwood

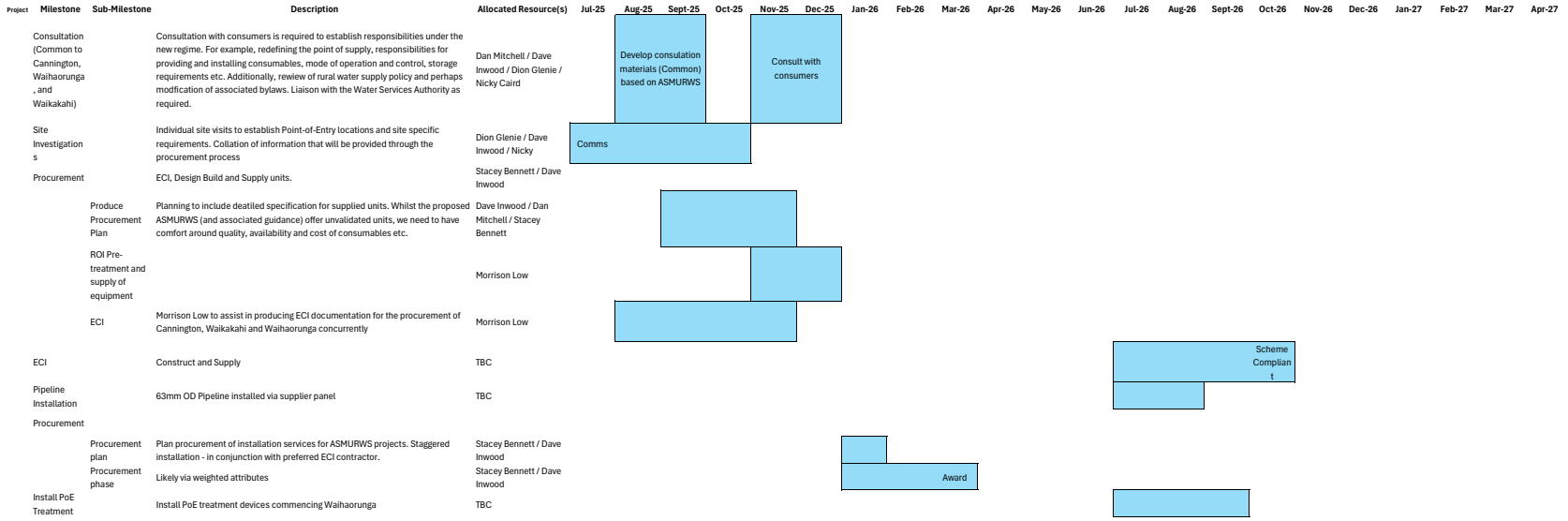


Compliance Capex Programme FY26 to FY29

Project	Milestone	Sub-Milestone	Description	Allocated Resource(s)
		Decommision existing Hook Waituna WTP	Remove, as far as practicable existing above ground infrastructure and return site to original condition	Dion Glenie
		Surrender existing water permit	CRC 980386 No longer required	Dave Inwood
Cannington Motukaika Rural Water Supply				
	Acceptable Solution for Mixed-Use Rural Water Supplies		Results of consultation are expected to inform the release of the revised Acceptable Solution for Mixed-Use Rural Water Supplies	Taumata Arowai
	Raw Water Quality		Ongoing collection of raw water quality information. Results to be provided as part of the procurement process	Dion Glenie / George Ingham
	Consultation (Common to Cannington, Waihaorunga, and Waikakahi)		Consultation with consumers is required to establish responsibilities under the new regime. For example, redefining the point of supply, responsibilities for providing and installing consumables, mode of operation and control, storage requirements etc. Additionally, rewiew of rural water supply policy and perhaps modfication of associated bylaws. Liaison with the Water Services Authority as required.	Dan Mitchell / Dave Inwood / Dion Glenie / Nicky Caird
	Site Investigations		Individual site visits to establish Point-of-Entry locations and site specific requirements. Collation of information that will be provided through the procurement process	Dion Glenie / Dave Inwood / Nicky
	Procurement		ECI, Design Build and Supply units.	Stacey Bennett / Dave Inwood
		Refine price installation estimate	Some source water improvements have already been completed	Dave Inwood / Dan Mitchell
		Produce Procurement Plan	Planning to include deatiled specification for supplied units. Whilst the proposed ASMURWS (and associated guidance) offer unvalidated units, we need to have comfort around quality, availability and cost of consumables etc.	Dave Inwood / Dan Mitchell / Stacey Bennett
		ROI Pre-treatment and supply of equipment		Morrison Low
		ECI	Morrison Low to assist in producing ECI documentation for the procurement of Cannington, Waikakahi and Waihaorunga concurrently	Morrison Low
	ECI		Construct and Supply	TBC
	Procurement			
		Procurement plan	Plan procurement of installation services for ASMURWS projects. Staggered installation - in conjunction with preferred ECI contractor.	Stacey Bennett / Dave Inwood
		Procurement phase	Likely via weighted attributes	Stacey Bennett / Dave Inwood
	Install PoE Treatment		Install PoE treatment devices commencing Cannington	TBC
Waihaorunga Rural Water Supply				
	Acceptable Solution for Mixed-Use Rural Water Supplies		Results of consultation are expected to inform the release of the revised Acceptable Solution for Mixed-Use Rural Water Supplies	Taumata Arowai
	Raw Water Quality		Ongoing collection of raw water quality information. Results to be provided as part of the procurement process	Dion Glenie / George Ingham



Compliance Capex Programme FY26 to FY29



Compliance Capex Programme FY26 to FY29

Project	Milestone	Sub-Milestone	Description	Allocated Resource(s)
		Produce Procurement Plan	Planning to include deatiled specification for supplied units. Whilst the proposed ASMURWS (and associated guidance) offer unvalidated units, we need to have comfort around quality, availability and cost of consumables etc.	Dave Inwood / Dan Mitchell / Stacey Bennett
		ROI Pre-treatment and supply of equipment		Morrison Low
		ECI	Morrison Low to assist in producing ECI documentation for the procurement of Cannington, Waikakahi and Waihaorunga concurrently	Morrison Low
	ECI		Construct and Supply	TBC
	Pipeline Installation		150mm OD Pipeline installed via supplier panel. Allowance in time for various source location options	TBC
	Procurement			
		Procurement plan	Plan procurement of installation services for ASMURWS projects. Staggered installation - in conjunction with preferred ECI contractor.	Stacey Bennett / Dave Inwood
		Procurement phase	Likely via weighted attributes	Stacey Bennett / Dave Inwood
	Install PoE Treatment		Install PoE treatment devices commencing Waikakahi	TBC