

Water Services Delivery Plan

Kapiti Coast District Council

September 2025

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

- Statement that water services delivery is financially sustainable

Statement that water services delivery is financially sustainable
Financially sustainable water services provision This plan includes financial information, including projected financial statements, a fully funded investment programme, investment metrics, and debt projections that demonstrate that Kāpiti Coast District Council (KCDC) is able to deliver financially sustainable water services now and into the foreseeable future. In particular, the plan demonstrates that: • Planned investment will address known existing compliance issues, and the renewal of major resource consents • Planned total investment exceeds depreciation meaning over time the average age of KCDC’s assets is expected to reduce (improve) • Council will have sufficient borrowing capacity to fund its proposed water services capital programme, and will continue to build borrowing headroom at a total council level throughout the period of the plan, allowing for increased resilience to financial risk • Council will generate sufficient operating revenue to maintain a net operating surplus and operating cash surplus throughout the modelling period. Surpluses will be applied toward the funding of the water services capital programme and the long term management of debt. • Water charges will remain below 2.5% of median household income throughout the modelling period, indicating that there will not be significant affordability issues as a result of the adoption of this plan. Existing universal metering means that water users have greater control over their water charges. • Financial modelling includes provision for some additional operating costs to improve levels of service, asset management capability and to meet future regulatory reporting and compliance requirements. The plan includes investment of \$362 million from the 2024/25 financial year through to 2033/34. During the same time period, the plan includes an increase in total three waters borrowings from \$174 million to \$260 million. With the remainder of the capital programme being funded through depreciation, capital subsidies (IAF projects), development contributions, and accumulated operating surpluses.

- Proposed delivery model

Proposed model to deliver financially sustainable water services

The proposed model to deliver water services

KCDC proposes the use of an inhouse business unit for the future financially sustainable delivery of three waters services.

The establishment of an in house delivery model includes the following assumed changes to the current delivery model:

- A review of general ledger accounting arrangements for water service activities to ensure revenues and costs are clearly distinguished, enabling improved and more efficient financial reporting and to ensure ringfencing is transparent
- A review of the existing approach to recognising labour capitalisations to ensure robustness of approach
- Review of existing overhead allocation models to ensure the allocation of corporate overheads is transparent and reflective of a fair allocation of costs towards water services
- Provision for additional resources to respond to increasing regulatory compliance and reporting requirements and to allow for improved asset management practices.
- Improved governance, oversight, and accountability through dedicated reporting and standing agenda items in meeting of KCDC' Strategy Operations and Finance Committee. Establishment of a new three waters director role that reports to the Group Manager Infrastructure and Asset Management.
- Separation of the current Stormwater and Coastal activity with the provision of two separate groups with stormwater remaining within the new three waters business unit.
- Review of the current general rate funded flood protection component of the Stormwater activity.
- Development of a Water Services Strategy, annual report and annual budget as legislatively required.

These changes will be progressively implemented over the 2025/26 and 2026/27 financial years as outlined in the implementation plan.

- Implementation plan

Implementation plan

Implementing the proposed service delivery model

KCDC proposes to adopt an in house delivery model for the future delivery of its three waters services going forward. In order to ensure that the delivery of three waters services is financially sustainable in the future, KCDC will:

- Continue to fully fund water services depreciation.
- Review its current approach for the recognition of capitalised labour during the 2025/26 financial year, with the intention to implement necessary changes within the annual budget from 2026/27 financial year onwards
- KCDC has historically been very successful in capital works delivery, and based on current and anticipated future regulatory requirements, believes that its planned investment programme is sufficient to maintain levels of service, meet regulatory compliance requirements, and service the needs of anticipated future growth within the district over the period of this plan. Improvement in capital works delivery occurred following substantial changes to the approach to capital works planning and delivery, including the establishment of a Project Management Office (PMO).
- To provide additional governance oversight and focus, KCDC will implement dedicated reporting and standing agenda items in meeting of KCDC's Strategy Operations and Finance Committee.
- Establishment of a new three waters director role that reports to Group Manager Infrastructure and Asset Management prior to 2026/27
- Separation of the current Stormwater and Coastal activity during the 2025/26 financial year, with the provision of two separate groups with stormwater remaining within the new three waters business unit.
- KCDC will review its revenue and financing policy as part of the development of its 2027 long term plan. This will include review of the current general rate component of stormwater funding, with any changes expected to be implemented from 1 July 2027. A transitional period may apply to phase in the change in charging approach if modelling indicates that the change will cause affordability issues for existing ratepayers.
- A systems requirements review will be completed in 2026/27 to identify specific changes to be made to Council's financial management systems to support the development ring fencing the finances for water services. This will lead to the implementation of any required changes from 1 July 2027.
- Financial provision has been allowed for additional resourcing to support increased regulatory reporting requirements. These resources will be employed on an as needed basis.

- Consultation and engagement

Consultation and engagement

Consultation and engagement undertaken

On 6 March 2025, the Council resolved to consult on two water services delivery model options. Option 1, retaining an in-house business unit (with some changes) and option 2, establishing a joint council-owned water organisation with HDC, MDC and PNCC. The Council also resolved to adopt option 1, the in-house business unit, as its preferred water services delivery model.

The two options were qualitatively evaluated against the identified priorities to provide an overview of their attributes to meet Kāpiti expectations for its future water services. The advantages and disadvantages of each were explained in the consultation document, and the modelled financial performance over time and at 10 and 30 years was set out.

The consultation was open from 10 March 2025 and closed at midnight on 13 April 2025. During this period, Council undertook extensive publicity, including community pop-up sessions in Ōtaki, Waikanae, Paraparaumu, Raumati, and Paekākāriki, direct communications to ratepayers via email and rates notices, a social media campaign through Council Channels, and a webinar in addition to the extensive information on the Council’s Have your say consultation platform.

521 submissions were received during the consultation period and a hearing was held on 1 May 2025 for the six people who wished to speak to their submissions.

The consultation identified that 94% of submitters were in favour of Council’s preferred option 1, the in-house business unit with just 6% in support of option 2. This was closely represented across all age groups, property ownership, location and ratepayers and non-ratepayer groups.

Regarding the ranking of priorities, safe and reliable water services were ranked the highest (89%), followed by public ownership (81%), financial sustainability (69%), resilience (61%), local priorities (52%), and mana whenua aspirations (40%).

Analysis of the feedback identified:

- 182 submissions in support of the strengths of option 1, including having direct control of priorities, continuity of existing systems and expertise, recognition of past investments, general support sentiment and affordability
- 5 submissions with concerns about option 1, including long-term economies of scale and managing unexpected large investments.
- 16 submissions in support of the strengths of option 2, including enhanced resilience, cost efficiencies after 2047 and coordinated planning across catchments
- 125 submissions with concerns about option 2, including subsidising other districts, high costs, reduced influence on local priorities.

These results demonstrate strong support for the Council’s preferred in-house service delivery model, option 1 and little support for, a joint council-owned water services organisation, option 2.

• Assurance and adoption of the Plan

Council resolution to adopt the Plan

The Kāpiti Coast District Council adopted this Water Service Delivery Plan by resolution on 28 August 2025. The Council report and resolution are publicly available on Council’s website.

Certification of the Chief Executive of Kāpiti Coast 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: Darren Edwards

Designation: Chief Executive

Council: Kāpiti Coast District Council

Date: 28 August 2025

Part B: Network performance

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

Investment required in water services

Serviced population

Kāpiti Coast District is part of the Wellington region and stretches from Ōtaki in the north to Paekākāriki in the south. It includes the towns of Te Horo, Peka Peka, Waikanae, Paraparaumu, Raumati Beach, Raumati South, and smaller localities. The Kāpiti coastline is approximately 40 kilometres long and is also the location for significant urban development.

The district continues to grow primarily from new residents relocating to the district from other parts of the Wellington Region. This population growth is forecast to continue over the next 30 years.

The tables below provide a detailed view of the serviced population.

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	59,550	60,384	61,169	61,903	62,646	63,460	64,221	65,056	65,707	66,364
WS Total residential connections	22,995	23,418	23,841	24,264	24,687	25,111	25,534	25,851	26,169	26,487
WS Total non-residential connections	1,454	1,480	1,507	1,534	1,561	1,587	1,614	1,634	1,654	1,674
WW Total residential connections	20,103	20,480	20,857	21,233	21,610	21,987	22,364	22,741	23,024	23,307
WW Total non-residential connections	953	971	989	1,007	1,024	1,042	1,060	1,078	1,091	1,105
SW Total residential connections	21,869	22,279	22,689	23,099	23,509	23,919	24,328	24,738	25,046	25,354
SW Total non-residential connections	1,298	1,322	1,347	1,371	1,395	1,420	1,444	1,468	1,487	1,505

Sources:

Serviced Population – stats provided by KCDC 29/5/25; Note this is higher than the current STATS NZ Pop Estimate of 57,800; 2024 LTP annual population growth

Connections – LWDW Financial Model SQ2

Serviced areas

Water supply serviced areas – The water supply activity operates four water supply schemes at Ōtaki, Te Horo/Hautere, Waikanae/Paraparaumu/Raumati, and Paekākāriki. There are five water treatment plants. One each for Paekakariki, Hautere and Waikanae- Paraparaumu-Raumati, and two for Otaki water schemes.

Wastewater serviced areas – Council is responsible for the provision and management of two wastewater treatment schemes: one serving Waikanae, Paraparaumu and Raumati, and the other serving Ōtaki. Paekākāriki and most rural areas of the district have no public wastewater infrastructure.

Stormwater serviced areas – Council maintains and operates stormwater systems to manage surface water runoff at Paraparaumu, Waikanae, Ōtaki, and Paekākāriki.

Servicing growth – Supporting growth and development is a key issue identified in KCDC’s 2024 LTP. Council adopted its District Growth Strategy, Te Tupu Pai: Growing Well, in 2022. The strategy provides an outline for managing how and where the district grows over the next 30 years. Council completed a Housing and Business Assessment (HBA) in late 2023 to determine the district’s development capacity. Infrastructure capacity was also assessed as part of the HBA, which identified that while Council’s local infrastructure networks have several on-going challenges. These were being managed through ongoing planning and investment.

The planned growth areas are identified in the District Plan and summarised in the table below.

Investment is provided for within this plan to address expected growth within the district.

Populate the following table

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater #schemes	Stormwater # catchments
Residential areas (If more than one identify separately)	Otaki – 3,868 Waikanae – 6,902 Paraparaumu and Raumati – 13,096 Paekakariki – 789	Otaki – 3,379 Waikanae – 6,750 Paraparaumu and Raumati – 13,050	Otaki – 3,331 Waikanae – 6,159 Paraparaumu and Raumati – 11,646 Paekakariki – 733
Non-residential areas (If more than one identify separately)	Otaki – 495 Waikanae – 253 Paraparaumu and Raumati – 1,187 Paekakariki – 44 Utilities – 144	Otaki – 875 Waikanae – 671 Paraparaumu and Raumati – 2,852 Utilities – 10	Otaki – 347 Waikanae – 220 Paraparaumu and Raumati – 661 Paekakariki – 24 Utilities – 46
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	Hautere / Te Horo water scheme was originally serving dairy farms; now it is restricted supply for residential users – 930 serviced population	n/a	n/a
Areas that do not receive water services (If more than one identify separately)	2,000 properties not connected (approx.)	3,900 properties not connected (approx.)	NA
Proposed growth areas - Planned (as identified in district plan) - Infrastructure enabled (as identified and funded in LTP)	Paekakariki – 59 dwellings Raumati – 1,588 dwellings Paraparaumu – 3,775 dwellings Waikanae – 3,869 dwellings Otaki – 3,230 dwellings Other – 1,367 dwellings	Paekakariki – 59 dwellings Raumati – 1,588 dwellings Paraparaumu – 3,775 dwellings Waikanae – 3,869 dwellings Otaki – 3,230 dwellings Other – 1,367 dwellings	Paekakariki – 59 dwellings Raumati – 1,588 dwellings Paraparaumu – 3,775 dwellings Waikanae – 3,869 dwellings Otaki – 3,230 dwellings Other – 1,367 dwellings

Sources:

Residential Areas / connections – Taumati Arowai Network environmental performance report and rates database (2 July 2025); properties rated for sw – rates database

Growth Areas – HBA3 table 5.3.

Mixed use popn- KCDC info provided on 29/5/25

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

Asset age and condition

The age and condition of the water services assets is provided in the table below and more information can be found in the 2024 Infrastructure Strategy and AMPs.

Water supply condition – The water infrastructure assets' condition and reliability of data are described in the 2024 Water Asset Management Plan 2024. KCDC's knowledge of the water asset condition varies as detailed in table below. The water treatment plants have an average age of approximately 25 years. The average reservoir age is 36 years. Condition ranges from very good to average, with eight of the 12 being in good condition.

It is estimated that 6% of the pipe network is in excellent condition. 50% are in average condition, 42% in good condition, and 3% are rated poor or very poor. This assessment is based on expected base life knowledge, and the results of pipe sampling and risk profiling.

Wastewater condition – The condition of wastewater assets, where known, is generally good. Treatment plants are in good to moderate condition with some age-based renewals and upgrades planned. A significant number of pump stations are approaching the end of their useful life and will need to be renewed. 149 of the 157 wastewater pump stations have recently been inspected (by Mapazzo Consultants and data stored in TRAKK asset management system). In general, the condition of the pump stations inspected is good.

It is estimated that 15% of the pipe network is in excellent condition. 57% are in average condition, 23% in good condition, and 5% are rated poor or very poor. This assessment is based on expected base life knowledge, and the results of CCTV inspections and risk profiling- about 74km between 2021 and 2024.

Stormwater condition – KCDC's knowledge of the stormwater asset condition has improved with recent condition survey completed including:

- All 18 stormwater pump stations have been condition assessed.
- About 60km pipe network were CCTV surveyed between 2021 and 2024.

Critical assets

Critical assets are defined as those that have a higher consequence of failure in terms of the impact a failure would have on the community, the environment, the organisation's objectives, and the asset plans. A criticality framework is used to identify and manage risks across the infrastructure services. This framework provides a consistent approach to assessing the potential impacts on people and the environment if an asset were to fail.

Three waters critical assets at asset class level have been identified in the 2024 Infrastructure Strategy and 2024 Asset Management Plans and summarised in the following table.

- Water supply assets are classified as Lifeline in the 2024 Infrastructure Strategy. A high level assessment has been carried out based on population serviced.
- Wastewater assets classified as Lifeline Criticality was based on cumulative population serviced by pump station/pipelines.
- No formal criticality assessment has been undertaken for the stormwater activity and assets.

Populate the following table

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	Booster Station – 24 years Nodes – 15 years Pipes – 36 years Reservoirs – 35 years Services – 33 years Water meters – 9 years WTP – 30 years	Pipes – 36 years Manholes & Valves – 35 years Service Laterals – 36 years Pump Stations – 29 years	31 years (for all pipes which install date is known)
Critical Assets	Identified – The process for identifying critical water assets is outlined in AMPs. The whole water supply network is classified as lifeline. The criticality of individual assets within the network are based on the number of population serviced/location of the asset and consequences of failure.	Identified – The whole wastewater network is classified as Lifeline. The criticality of individual assets within the network are based on the number of population serviced by pump stations / pipelines and consequences of failure.	Not identified – No formal criticality assessment has been undertaken for the stormwater activity and assets.
Above ground assets - Treatment plant/s - Percentage or number of above ground assets with a condition rating - Percentage of above –ground assets in poor or very poor condition	5 100% for reservoirs 100% for pump stations 90% for treatment plants – visual Above ground pipelines visually inspected 0% poor / very poor for reservoirs and pump stations 10% for plants – high level estimate	2 95% for pump stations 100% for treatment plants 10% poor / very poor for pump stations and plants (Cardno Condition Assessments)	18 pump stations 100% for pump stations Unknown for pump stations as not formally assessed
Below ground assets - Total Km of reticulation - Percentage of network with condition grading - Percentage of network in poor or very poor condition	478km supply mains, distribution mains 100% - derived not surveyed Desktop assessment of all pipelines, based on pipe material, pipe age and diameter along with field updates. 0%	360km 80% - derived not surveyed 20% surveyed (as per AMP)	224km 53%

Sources:

Average Age – 2024 AMPs
Critical Assets – 2024 AMPs
Above ground – 2024 AMPs; TA Environmental Performance report
Below ground – 2024 AMPs: WS – Condition derived from industry expected base life not surveyed. TA Environmental Performance report
Criticality – 2024 AMPs and Infrastructure Strategy

Asset management approach

Service delivery mechanism

Elected members decided on 27 May 2025 for drinking water, wastewater and stormwater delivery services to stay in-house. Keeping water services in house was Council's preferred option. The other option consulted on was a four council-owned water services organisation with Horowhenua, Palmerston North, and Manawatu Councils. This option would require KCDC to transfer its water assets to the new organisation of which Council would be a shareholder. Four other options were considered.

Current service delivery mechanism – The Infrastructure and Asset Management Group looks after the Council-owned assets including water, stormwater, and wastewater. The group also includes the PMO.

KCDC's key three water team functional roles are:

- Water and Wastewater team includes asset planning and performance monitoring
- Internal project managers with external support to implement the capital programs
- Network maintenance
- Treatment plant operations
- Stormwater and Coastal Assets team.
- Laboratory for testing and compliance reporting.

Future service delivery mechanism – KCDC's AM approach is not expected to significantly change with service delivery remaining in house. It is recognised that additional effort and resourcing will be required to ensure KCDC meets its regulatory requirements.

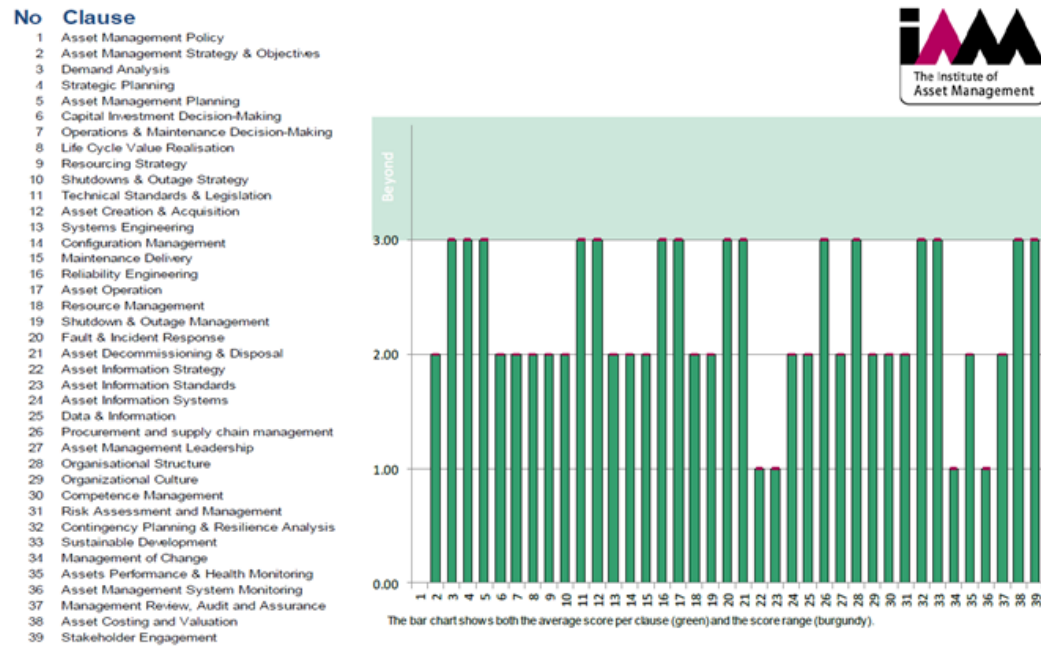
Asset management approach

Council has a well-established approach to asset management planning, based on the ISO 55000 Asset Management Standards. A key aspect of this approach is the asset lifecycle model, which aims to optimise cost, risk, and performance across the asset life cycle. The four phases of the asset life cycle are plan and design, build or acquire, operate and maintain, and replace or dispose.

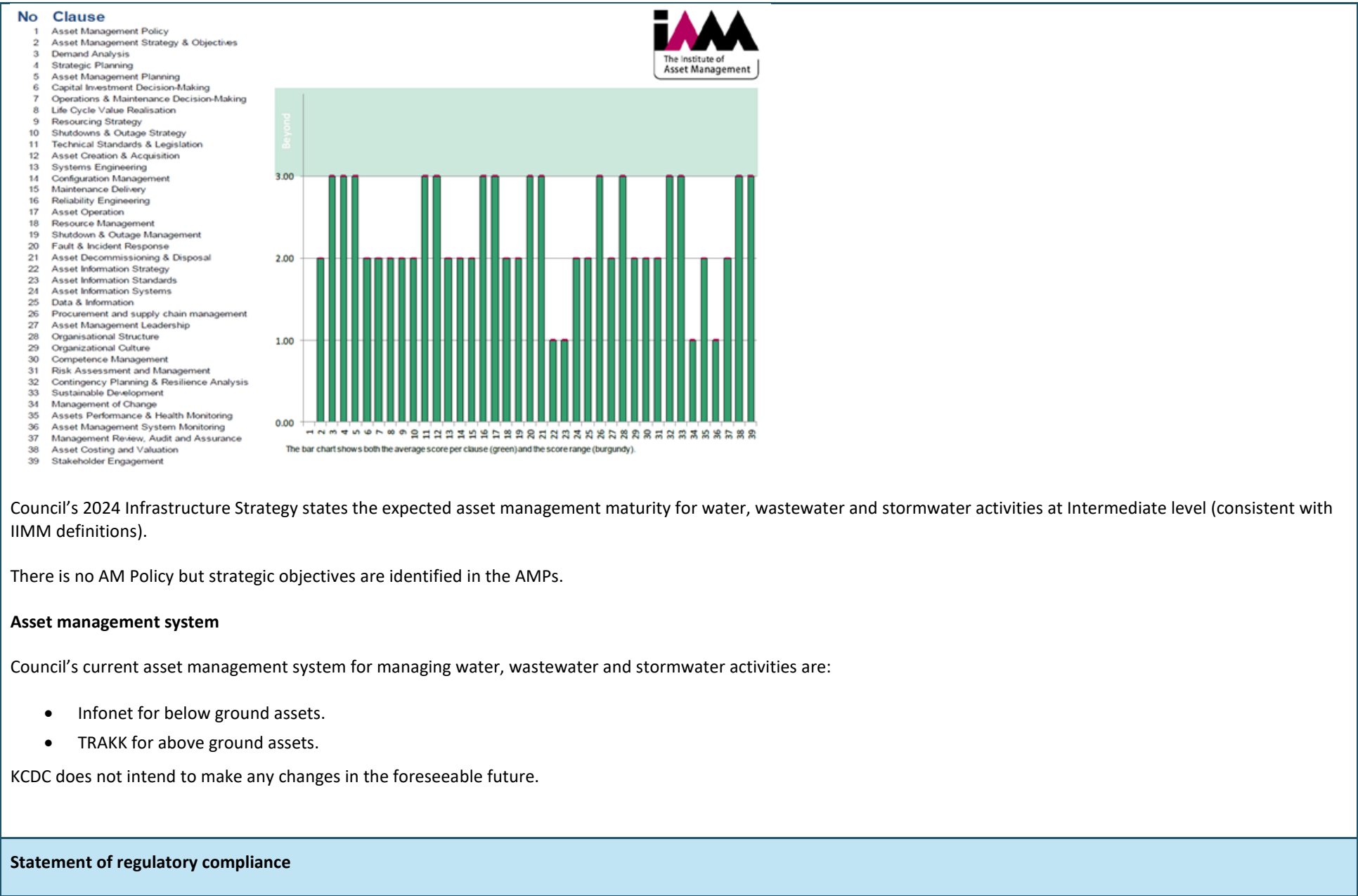
An independent asset management (AM) maturity was completed for water and wastewater asset management (by AECOM) and summarised in the 2024 AMPs. The Institute of Asset Management (IAM) assessment tool was used. There are 39 subject areas and KCDC's practices were mostly at maturity level 2 (out of 0 to 3) refer to figures below. This assessment has identified that the establishment of an asset management policy and strategic asset management plan (or SAMP) will be the two key improvement activities which will bring KCDC's asset management practices towards the ISO 55001 requirements.

Council is currently working through implementing a Strategic Asset Management Plan (SAMP) to establish a framework that KCDC (will use to manage the infrastructure assets and services that support its strategic vision and community outcomes. This work is proposed to be completed late 2025 / early 2026.

Water supply AM maturity results:



Wastewater supply AM maturity results:



Statement of regulatory compliance

Service levels

KCDC did fully achieve drinking water compliance for 2023/24 as shown in the template table below. The service level results for 2023/24 against the targets are summarised in the following tables with further detail in the 2023/24 Annual Report and 2024 Water Supply, Wastewater and Stormwater AMPs.

Water supply

KCDC achieved the water supply performance measures in 2023/24 except for real water losses. Funding to investigate and remediate leaks in 23/24 was constrained by the prioritisation of funding elsewhere in the water management activity. 2024/25 budgets will allow progression in this area in the coming year. The 2022/23 result was 21.5% (achieved).

Level of service statement	Performance measure	2023/24 Target	2023/24 results
Reliable response times	Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:		
	Attendance for urgent call-outs:	Median 1 hour or less	9 mins – achieved
	Resolution of urgent call-outs:	Median 5 hours or less	54 minutes – achieved
	Attendance for non-urgent call-outs:	Median: 3 days or less	21 hours 41 minutes – achieved
	Resolution of non-urgent call-outs:	Median: 4 days or less	1 day, 23 hours and 35 minutes
Providing safe drinking water	The extent to which Council's drinking water supply complies with: Taumata Arowai's Drinking Water Quality and Assurance Rules (DWQAR), Aesthetic Values and the new Drinking Water Standards.		
	Compliant with Part 4 of the Standard	100%	100% - achieved
	Compliant with Part 5 of the Standard	100%	100% - achieved

Customer satisfaction	Residents who are satisfied with the quality of the Council's water supply (taste, odour, and clarity)	80%	84% - achieved
Customer complaints	The total number of complaints received about (per 1,000 connections): - drinking water clarity - drinking water taste - drinking water odour - drinking water pressure or flow - continuity of supply and Council's response to any of these issues	At or below 6.2 complaints per 1,000 connections	5.6/1,000 connections
Water consumption managed wisely	Peak water consumption in litres per person per day	At or below 490 litres per person per day	338 litres per person per day – achieved
	The average consumption of drinking water per day per resident within the district	325 litres per urban resident per day	268 litres per person per day
Water assets managed wisely	Percentage of real water loss from the Council's networked reticulation system calculated per the Water Loss Guidelines using WaterNZ's BenchLoss NZ software	23.6%	29.6%

Wastewater

KCDC fully achieved the wastewater performance measures in 2023/24.

Level of service statement	Performance measure	2023/24 Target	2023/24 Results
Reliable response times	Median response times to sewage overflows resulting from a blockage or other fault measured by attendance time (from the time the Council receives notification to the time that staff are on site).	1 hour or less	24 minutes
	Median response times to sewage overflows resulting from a blockage or other fault measured by resolution time (from the time that the Council receives notification to the time that staff confirm resolution)	5 hours or less	1 hour 15 minutes
Customer complaints	The total number of complaints received about (per 1,000 connections): - wastewater odour	Fewer than 7.2 complaints per 1,000 connections to Council's sewerage system	4.04/1,000 connections

	- wastewater system faults - wastewater system blockages Council's response to issues with its wastewater system		
We will have an effective wastewater system that provides an appropriate level of protection	The number of dry weather wastewater overflows from the Council's wastewater system, expressed per 1,000 sewerage connections to that wastewater system	At or below 2 per 1,000 connections to Council's sewerage system	1.34 overflows per 1,000 connections
We will protect the environment by ensuring our wastewater is properly treated before being discharged to our environment	Compliance with the Council's resource consents for discharge from its wastewater system. Measured by the number of: - abatement notices - infringement notices - enforcement orders - convictions received by Council in relation those resource consents	No notices, orders, or convictions	No notices, orders, or convictions – achieved

Stormwater

KCDC achieved all of the stormwater performance measures in 2023/24.

Level of service statement	Performance measure	2023/24 Target	2023/24 results
Reliable response times	Median response times to attend a flooding event from notification to attendance on site	Urgent = less than or equal to 24 hours	2.2 hours
	Median response times to attend a flooding event from notification to attendance on site	Non-urgent = less than or equal to five days	28.9 hours
Providing stormwater protection	Percentage of all buildings that have been inundated due to minor flooding that are visited within four weeks	90%	100%

Customer complaints	Number of complaints received about the performance of the district's stormwater system	Fewer than 30 per 1,000 properties connected to the Council's stormwater system	6 per 1,000 connections	
Flood protection and control works maintained	Major flood protection and control works are maintained, repaired, and renewed to the key standards as defined in the Council's activity management plan	Achieve	All work done to key standards – achieved	
Providing stormwater protection	Number of buildings (habitable floors) reported to be flooded as a result of a less than one-in-50-year rain event	Fewer than 3 per 1,000 properties connected to the Council's stormwater system	Fewer than 3 per 1,000 properties connected to the Council's stormwater system – achieved	
We will protect the environment from stormwater contaminate discharging into waterways	Compliance with the Council's resource consents for discharge from its stormwater system. Measured by the number of: - abatement notices - infringement notices - enforcement orders - convictions received by Council in relation those resource consents	No notices or convictions	No notices or convictions – achieved	

Consent compliance

KCDC was fully compliant with its consent conditions as disclosed for 2023/24 in its 2024 AMPs and Annual Report, as summarised in the template table below. Information on consent expiry in the next 10 years is summarised in the template table below with detail provided in the following tables.

KCDC does not plan to delay investment in wastewater treatment plant consent renewals.

KCDC – water consent status table

Result at June 2024	Total	Waikanae / Paraparaumu / Raumati	Otaki	Waikanae	Para/Rau	Paekakariki	Hautere
Number of resource consents	16	6	6	6	6	2	2
Type(s) of resource consents	7 x Current Abstraction consents 3 x Abstraction Consent Renewals (Otaki) 2 x Construction Consents 3 x Backwash Discharge Consents 1 x Stream Works Consent	WGN220150 Earthworks consent linked to WWTP upgrades WGN130103 [35973], [35974] & [35975] Abstraction and River Recharge WGN100252 [30450] Stream Works WGN050024 [31776] Discharge into the River	WGN080379 [32188] & [32187] Expired Abstraction consents operating under section 124 RMA WGN180451[35578], [38467] & [40014] Abstraction consent renewal WGN240089 [39276] Bore construction	Abstraction & Discharge & Stream Works	Abstraction & Discharge	WGN130331 [32355] Abstraction WGN160177 [36120] Backwash Discharge	WGN160082 Abstraction WGN240019 Discharge to River
Expiry dates for resource consents	21/05/18, 1/07/2025 & 13/09/2048, 1/07/2025 & 1/07/2025 & 13/09/2048, 25/10/2038 & 25/10/2038, 14/06/31	WGN220150 24 May 2027 WGN130103 13/09/2048	WGN080379 21/5/2018	1/07/2025 & 1/07/2025 & 13/09/2048	1/07/2025 & 1/07/2025 & 13/09/2048	WGN 130221 25/10/2038 WGN160177 25/10/2038	WGN160082 14 June 2031 WGN240019 14 June 2031

		WGN 100252 1/07/2025 & WGN050024 1/07/2025						
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KCDC – wastewater consent status table

<u>Number of resource consents held for wastewater treatment plant</u>	6
<u>Type of resource consent(s)</u>	10 x Discharges to land, air or 23 water 3 x Earthworks & Planting 1 x Consent Renewal
<u>Resource consent expiry date(s)</u>	WGN970255 [2656] – 31 Mar 2022 WGN970255 [27633] – 31 Mar 2022 WGN970255 [34837] – 31 Mar 2022 WGN030149 [22566] – 31 Mar 2022 WGN040098 [34796] - 29 Oct 2038 WGN130218 [32196] – 31 Mar 2022 WGN220189[38051] 1/07/2042WGN220189[38050] 1/07/2042 WGN230028 [38465] 1/03/2028 WGN230028 [38466] 1/03/2028 WGN230028 [38814] 1/03/2028 WGN160002 [22564] – 20/10/ 2036 WGN160002 [33565] 20/10/2036 WGN240172 – TBC
<u>Consent status(s)</u>	WGN970255 [2656] – Operating under s124 RMA WGN970255 [27633] – Operating under s124 RMA WGN970255 [34837] – Operating under s124 RMA WGN030149 [22566] – Operating under s124 RMA

WGN040098 [34796] - Active
 WGN130218 [32196] – Operating under s124 RMA
 WGN160002 [22564] – Active

 WGN160002 [33565] – Active

 WGN220189[38051] -Active

 WGN220189[38050] -Active

 WGN230028 [38465] – Active

 WGN230028 [38466] – Active

 WGN230028 [38814] – Active
 WGN240172 – Application Submitted

KCDC – stormwater consent status table

Location	Consent #	Expiry Date	Purpose/Comment
Global – Paekakariki, Paraparaumu, Waikanae and Ōtaki	WGN160316 [34143]	11 May 2023	Discharge permit for the discharge of stormwater into fresh or coastal water, and onto or into land where it may enter fresh and coastal water from the Kāpiti Coast District Council owned stormwater network. (Expired)
This consent required KCDC to prepare a long-term Stormwater Management Strategy by 10 May 2022 (IP 11). Renewal WGN230212 was lodged of 8 th July 2023, s124 accepted on 2 nd March 2023. Currently, application is at “further information” stage and requires additional iwi input.			
Wharemauku Stream	WGN170298	19 June 2017	Wharemauku Stream tributaries (Ruahine Street) – extract gravel (Expired)
Wharemauku Stream	WGN170252	8 March 2023	Extract gravel – Wharemauku Stream and tributaries (s124 extension)
Wharemauku Stream	WGN050154	8 March 2023	Extract gravel – Wharemauku Stream – Weir only (s124 extension)
Wharemauku Stream	WGN090309	5 June 2044	Wharemauku Stream – to construct five fish passes to allow the migration of native fish along the Wharemauku Stream.

Wharemauku Stream	WGN120085	1 December 2046	Wharemauku Stream – construction and maintenance of a wetland.
Te Puka Stream	WGN050173	20 January 2020	Te Puka Stream – extract gravel above rail bridge (Expired)
Te Puka Stream	WGN100298	2 July 2020	Te Puka Stream – extract gravel below rail bridge (Expired)
Waikakariki Stream	WGN050263	12 July 2020	Waikakariki Stream (Perkins Farm) – construct, maintain gravel weir – extract gravel (Expired)
Kakariki Stream	WGN170156	8 February 2022	Kakariki Stream (various) – extract gravel (s124 extension)
Kakariki Stream	WGN130051	29 May 2028	Kakariki Stream (Main Road) – extract gravel
Mazengarb Drain	WGN160298	17 January 2022	Mazengarb Drain (Stage 1,2) – extract gravel (Expired)
Mazengarb Drain	WGN170147	9 March 2023	Mazengarb Drain (Stage 3) – extract gravel (s124 extension)

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
Drinking water supply - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	Yes Yes Yes 1 Boil Water Notice for Hautere scheme (but not in the last 2 years following upgrade) Council adds fluoride to water supplied to the Waikanae, Paraparaumu and Raumati supply zones. Fluoride is not added to the Ōtaki and Paekākāriki water supplies. 268 l/person/day None (since universal water metering) No for Otaki as identified in the 2019 Master Plan (Stantec)	n/a	n/a
Resource Management - Significant consents (note if consent is expired and operating on S124) - Expire in the next 10 years - Non-compliance: - Significant risk non-compliance - Moderate risk non-compliance - Low risk non-compliance - Active resource consent applications	3 in total for Otaki – expired in 2018 15 in total for WPR 1 in total for Paekakariki 8 for Otaki 5 for WPR 0 0 0 2 – for Otaki water take 0 0 0 0	Wastewater discharge water/land/air 1 for Otaki, 5 for Paraparaumu, 2 for Waikanae ponds Network 0 Expired – all except for Otaki 0 0 0 1 overall – for Paraparaumu consenting package 1 0 0 0	Stormwater discharge – covered under global Network 1 global; 12 gravel extraction / wetland related consents 6 expired consents and 4x S124 extensions 11 (includes 6 expired consents) 0 0 0 [number/detail consent] 0 0 0

- Compliance actions (last 24 months): - Warning - Abatement notice - Infringement notice - Enforcement order - Convictions	0	0	0 0
Source: Drinking Supply – 2022/23 and 2023/24 Annual Reports			

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

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

The significant capital projects include:

- Water:
 - Renewal and upgrades of the Hautere, Waikanae, Paekakariki and Otaki Water treatment plants
 - Construction of new water reservoirs in Otaki
 - Network growth projects to support new demand
 - The Waikanae River Recharge project which relates to resource consent conditions
 - Resilience and drinking water safety upgrades at the Waikanae WTP
 - A new river crossing for resilience.
- Wastewater:
 - Inlet works, bioreactor configuration and UV treatment upgrades at Paraparaumu WWTP
 - IAF funded wastewater improvement projects
 - Upgrades to the Otaki WWTP
 - Renewal of the Waikanae WWTP ponds, Otaki WWTP, and Paraparaumu WWTP and wastewater pump stations.
- Stormwater:
 - Stormwater inflow mitigation works
 - Significant flood protection upgrades.

Projected investment in water services (\$000s)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure – to meet additional demand	6,639	1,896	1,033	2,224	76	86	59	61	672	2,330
Capital expenditure – to improve levels of services	12,084	13,156	7,698	12,940	7,686	4,827	10,216	11,553	8,946	2,613
Capital expenditure – to replace existing assets	1,263	1,914	1,288	1,742	7,575	2,207	1,863	6,146	5,249	26,733
Total projected investment for drinking water	19,986	16,966	10,018	16,906	15,337	7,120	12,139	17,759	14,867	31,676
Wastewater										
Capital expenditure – to meet additional demand	3,970	3,649	4,415	1,668	3,431	860	393	121	1,138	0
Capital expenditure – to improve levels of services	8,988	6,724	6,096	6,781	4,160	1,716	2,468	1,918	2,157	1,973
Capital expenditure – to replace existing assets	1,906	3,546	5,396	4,357	4,085	4,442	4,123	4,913	3,528	4,544
Total projected investment for wastewater	14,864	13,920	15,907	12,806	11,676	7,018	6,984	6,952	6,822	6,517
Stormwater										
Capital expenditure – to meet additional demand	151	78	204	555	855	643	664	470	639	526
Capital expenditure – to improve levels of services	1,884	1,492	9,823	14,788	9,054	6,559	6,553	5,245	8,448	7,635
Capital expenditure – to replace existing assets	582	2,024	1,828	1,167	2,128	2,360	1,961	2,976	2,142	2,492
Total projected investment for stormwater	2,616	3,594	11,855	16,510	12,037	9,562	9,177	8,691	11,228	10,653
Total projected investment in water services	37,467	34,480	37,781	46,222	39,050	23,700	28,300	33,403	32,918	48,847

Historical delivery against planned investment

Water supply

Delivery against planned investment	Renewals investment for water services (\$000)				Total investment in water services (\$000)			
	FY2024/25	FY21/22 – FY23/24	FY18/19 – FY20/21	Total	FY2024/25	FY21/22 – FY23/24	FY18/19 – FY20/21	Total
Total planned investment (set in the relevant LTP)	1,306	5,117	1,302	7,718	20,676	59,153	19,007	98,836
Total actual investment	1,534	5,147	2,339	9,038	22,400	33,144	7,297	62,841
Delivery against planned investment (%)	117%	101%	180%	117%	108%	56%	38%	64%

Wastewater

Delivery against planned investment	Renewals investment for water services (\$000)				Total investment in water services (\$000)			
	FY2024/25	FY21/22 – FY23/24	FY18/19 – FY20/21	Total	FY2024/25	FY21/22 – FY23/24	FY18/19 – FY20/21	Total
Total planned investment (set in the relevant LTP)	1,836	11,016	4,204	17,201	15,398	20,165	8,892	44,455
Total actual investment	1,811	11,137	3,811	16,862	13,418	16,947	5,642	36,007
Delivery against planned investment (%)	99%	101%	91%	98%	87%	84%	63%	81%

Stormwater

Delivery against planned investment	Renewals investment for water services (\$000)				Total investment in water services (\$000)			
	FY2024/25	FY21/22 – FY23/24	FY18/19 – FY20/21	Total	FY2024/25	FY21/22 – FY23/24	FY18/19 – FY20/21	Total
Total planned investment (set in the relevant LTP)	603	2,520	983	4,106	2,711	19,588	10,292	32,591
Total actual investment	2,245	2,466	1,128	5,530	3,407	33,782	11,243	48,432
Delivery against planned investment (%)	373%	98%	115%	135%	126%	172%	109%	149%

Source: KCDC's Financial Report (27/6/25)

Key points on historical capital investment

- Lift in programme delivery:
 - Overall, there has been greater achievement in delivering the capital programmes over the reporting period – 2018/19 to 2024/25.
 - Council recognised that more resources and capability were required to deliver much larger investment programmes in the 2021 Long Term Plan than historically.
 - The PMO was set up in 2017/18 to improve the delivery of capital programmes across Council's activities including 3 waters.
 - The Capital Management Board (a subset of the ELT, plus subject matter experts) was set up to provide governance oversight across all capital projects at council wide level. A more structure process for managing projects has been established including:
 - Projects were moved around if there were delays such as land acquisition or consenting.
 - All capital projects are prioritised using the same prioritisation framework for consistency across Council.

- **Stormwater investment:**
 - There has been significant investment in stormwater assets in response to a major storm event in 2015/26.
 - There was a strong drive from the community and elected members to fix the flooding problem in the urban areas.
 - About 35 stormwater capital projects in total were completed in this reporting period.
 - The capital projects were relatively easier to address with no consenting requirements.
- **Water supply investment:**
 - The low achievement on delivering the growth and resilience water supply projects was due to the following factors:
 - Major increase in 2021 LTP budgets.
 - Challenges to secure suitable external resources for the design work phases.
 - Challenges with Greater Wellington Regional Council to gain resource consent for water takes including the level of detail required.
 - It was unrealistic to deliver this significant programme in short timeframe.
 - The achievement of the capital programme for the last two financial years (2023/24 and 2024/25) has improved at over 80%. The remaining 20% of capital budget were mainly due to delay in granting of consents.
- **Wastewater investment:**
 - Council had an optimistic wastewater capital programme in 2018/19 and 2019/20.
 - There was limited ability to engage with mana whenua due to their lack of resources.
 - Council provided funding for mana whenua to respond to the wastewater projects.
 - Council has set up an Iwi Partnerships Group with the Group Manager reporting to the Chief Executive.

Key steps to improve

The key steps KCDC has undertaken to improve its deliverability of its capital works are mostly established as described above, but include:

- Continuing with the PMO and Capital Management Board oversight and embedding the good practices.
- Continuing with Council's Iwi Partnerships Group to work collaboratively with our iwi partners Te Āti Awa ki Whakarongotai, Ngāti Toa Rangatira and Ngā Hapū o Ōtaki and across Council.

Part C: Revenue and financing arrangements

- Revenue and charging arrangements
- Charging and billing arrangements

KCDC does not maintain individual scheme charges for water, wastewater or stormwater activities within its district. All properties connected to a council-supplied water, wastewater or stormwater service are charged targeted rates which are determined at a district wide level. Stormwater costs are also recovered through the general rates.

The detailed approach to charges is outlined in the following sections. Possible future changes include a transition from general to targeted rates for the flood protection component of stormwater services, and investigation into the possible use of volumetric charging for wastewater activities. These changes will be considered as part of the review of KCDC's revenue and financing policy during the development of the 2027 Long Term Plan.

KCDC will review general ledger accounting arrangements for three waters services to ensure transparency and maintain the ringfencing of three waters revenue. This will ensure full accounting separation.

KCDC will undertake a review of its overhead allocation approach and consider appropriate charging mechanisms for corporate support services provided to three waters activities moving forward. This will include the development of a transparent, robust and defensible methodology to ensure three waters revenue is not applied to other council activities.

KCDC also recognises that current arrangements regarding the capitalisation of labour require greater sophistication. KCDC is currently undertaking a review of this process to improve accuracy of capitalised labour recharges, and change will be implemented upon completion of the review. The financial information presented in this plan is considered to be materially accurate.

- Water services revenue requirements and sources

Detailed information regarding revenue requirements for each activity under the plan are presented in Part E of this WSDP. A high level summary of expected revenue sources is listed for each activity below.

- *Drinking water*

56% of total revenue is derived from targeted rates on residential and non-residential properties. The remainder of operating revenue derived from "fee and charges" which mainly relate to volumetric water charges.

There are no anticipated capital grants or subsidies (IAF funding) for the drinking water activity from 2027/28, however Council relies on development contributions to help fund the costs of growth related infrastructure. Council will continue to review its development contributions going forward to ensure all opportunities to maximise revenue from development contributions (or development levies when introduced).

Minor, immaterial revenue is collected in relation to interest earned on investments.

- *Wastewater*

98% of total operating revenue for wastewater is derived through targeted rates. The remaining revenue is derived through fees and charges, in particular charges for trade waste and connection fees.

Minor, immaterial revenue is collected in relation to interest earned on investments.

- *Stormwater*

Approximately 65% of total revenue for stormwater services is received through a targeted rate based on capital value. With the remaining 35% funded from the general rate. Both rates are based on capital value, and a rating differential applies to the general rate for rural properties, which pay less.

KCDC intends to transition from a general rate to a targeted rate in the 2027/28 financial year for stormwater services as part of the financial ring fencing of water services. The timing of the transition is intended to coincide with the development of KCDC's long term plan and a consequential review of its revenue and financing policy.

- **Existing and projected commercial and industrial users' charges**

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

- *Water*

KCDC sets targeted rates to fund the provision of reticulated water supply. These are set as fixed charges per Separately Used or Inhabited Part (SUIP) for residential properties and charges per rating unit. Council has the following rate differential categories for water supply:

Categories	Rating basis
General	Separately used or inhabited part of a rating unit that is connected to the district's water supply (excluding medium and large-scale rating units, and accommodation/hospitality).
Medium	Rating unit or separately used or inhabited parts of a rating unit, where there are 10 or more, but less than 20, whose water is collectively supplied through one or more water meters and individual check meters have not been installed.
Large scale	Rating units or separately used or inhabited parts of a rating unit where there are 20 or more whose water is collectively supplied through one or more water meters and individual check meters have not been installed.
Accommodation/hospitality	Separately used or inhabited part of a rating unit connected to the district's water supply and used principally or exclusively as motels, camping grounds, hotels, hostels, lodges, licensed hotels and taverns.
Serviceable	Rating units not connected to the district's water supply, but within 100 metres of a water main and capable of being connected.

The various charges are listed as follows:

Districtwide water supply fixed rate

This applies to the water supply system, excluding the Hautere/Te Horo water scheme. Funding is apportioned 50–55% between the districtwide water supply fixed rate and the districtwide water supply volumetric rate.

Categories	Rating basis
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General rating units	Fixed charge per separately used or inhabited part of a rating unit (base charge)
Medium scale rating units	90% base charge per separately used or inhabited part of a rating unit
Large scale rating units	80% base charge per separately used or inhabited part of a rating unit
Accommodation/hospitality rating units	200% base charge per separately used or inhabited part of a rating unit
Serviceable rating units	100% base charge per separately used or inhabited part of a rating unit

Districtwide water supply volumetric rate

This applies to the water supply system, excluding the Hautere/Te Horo water scheme. Funding is apportioned 50–55% between the districtwide water supply fixed rate and the districtwide water supply volumetric rate.

Categories	Rating basis
All rating units provided with a metered water supply service	Fixed rate per cubic metre of water consumed or supplied

Hautere/Te Horo water supply rate

This applies to the water supply system for the Hautere/Te Horo water scheme.

Categories	Rating basis
All rating units with a unit allocation to Hautere/Te Horo water supply	Fixed charge per unit of allocation (annual allocation of 1 unit = 1 cubic metre of water per day)

There is no identified need for future operations to amend pricing structures for drinking water.

- *Wastewater*

KCDC sets targeted rates to fund the provision of reticulated sewerage services. These are set as fixed charges per SUIP for residential properties and fixed charges per rating unit. Council has the following rate differential categories for wastewater:

Categories	Rating basis
General	Rating units connected to the sewerage systems with one water closet or urinal other than rating units in the Community or Educational or Recreational or Large-scale Commercial/Residential categories. A rating unit used primarily as a residence for one household will not be treated as having more than one water closet.
Community	Rating units connected to the sewerage systems and used principally or exclusively as places of religious worship and instruction, marae, hospital and welfare homes, community health services and charitable institutions that provide maintenance or relief.
Educational	Rating units connected to the sewerage systems and used exclusively or principally by schools (with the exception of schoolhouses), colleges, polytechnics, children's health camps and early childhood centres.
Recreational	Rating units connected to the sewerage systems and used principally or exclusively by recreational, sporting, other community organisations and Council community properties.
Large-scale commercial/residential	Rating units connected to the sewerage systems and used for large-scale commercial or residential purposes as characterised by having more than one water closet or urinal and residential rating units connected to the sewerage system and used primarily as a residence for more than one household.
Serviceable	Rating units not connected to the sewerage systems but within 30 metres of a sewer main and capable of being connected.

The various charges are listed as follows:

Districtwide wastewater disposal rate

This applies to the wastewater disposal in the Waikanae, Paraparaumu, Raumati and Ōtaki rating areas.

Categories	Rating basis
General rating units	Fixed charge per rating unit (base charge)
Community rating units	50% base charge for every water closet or urinal
Educational rating units	45% base charge for every water closet or urinal
Recreational rating units	25% base charge for every water closet or urinal
Large-scale commercial/residential rating units	50% base charge for every water closet or urinal
Serviceable rating units	50% base charge per rating unit

There is no identified need for future operations to amend pricing structures for wastewater, however the use of water meters does provide opportunities for Council to consider the introduction of volumetric charging for wastewater at a later date.

- *Stormwater*

KCDC primarily recovers the cost of providing stormwater services through a general rate (for districtwide strategic flood protection) and a targeted stormwater rate (for reticulated stormwater). Both rates are set based on capital value.

KCDC is not required to transition away from a capital value rate. However to meet ringfencing requirements, KCDC will stop collecting stormwater rates through the general rate in the 2027/28 financial year. The date for this transition has been set to align with the first year of its next Long Term Plan, to enable appropriate revisions to KCDC's Revenue and Financing Policy. This change is expected to have only a minor impact on ratepayers due to the comparatively low revenue requirements and only partial reliance on general rate.

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

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

Financial projection included in the WSDP see average residential water charges increasing from 1.4% of median household income to a peak of 2.1% of median household income by 2029. Affordability is expected to improve thereafter, returning to 1.9% by 2034. At 2.1%, affordability is still within industry benchmarks, and is slightly lower than DIA's suggested benchmark of 2.5%.

KCDC is not projected to breach borrowing limits over the long term, and may have some flexibility to further fund some of its capital works programme with debt to alleviate affordability issues if necessary. However in doing so, KCDC will need to consider the long term need for that borrowing capacity, and the costs of debt servicing.

By retaining services in house, KCDC will be better able to complete rate rebate assessments, and provide access to rates postponement schemes if these are deemed necessary in the future.

- Funding and financing arrangements
- Water services funding requirements and sources

KCDC's net debt 'in relation to 3 Waters Services' is expected to increase from \$175M to \$260M over the 10 years of the LTP 2024-34. Further detail regarding the projected increase in debt is set out in the financial sustainability sections of this WSDP.

For the status quo model, working capital would be funded in accordance with KCDC's liability management policy, with invoices for revenue & expenses accounted for on an accruals basis.

If KCDC identifies that there is a need for specific working capital to be held for water services, this will be obtained from existing council reserves or alternatively, through liquidity facilities provided by KCDC's lenders. Any such liquidity facilities would not impact KCDC's net three waters debt position.

KCDC does not currently have a specific limit for 3 waters debt. In the absence of this, we have used a 500% debt to revenue ratio as a guide for the balance of this document. However, the following lending limits are currently applicable at a council-wide level:

- LGFA lending covenants of 280% debt to revenue. KCDC also sets its own quantified limit on debt at the same level as the LGFA lending covenant.

KCDC is not forecast to breach its debt to revenue ratio during the modelling period.

Debt is currently acquired through floating rate debenture stock, with interest rates fixed via a portfolio of interest rate swaps. Debt is repaid at the end of the debenture term, with repayment coming through either refinancing or cash reserves accumulated through a debt prefunding programme. Projected financials included within the WSDP seek to maintain three waters debt at an appropriate level to balance affordability and intergenerational equity considerations, and remain within prudent lending limits over the period.

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

Council's overall financial strategy for the funding of three waters services is:

- Depreciation costs are fully funded
- Renewals are funded through annual depreciation charges, depreciation reserves, or borrowing when annual depreciation and reserves are insufficient. Over the long term renewals are expected to be funded fully through annual depreciation charges.
- Debt is managed to remain within internally established lending limits and lending covenants imposed by KCDC's lenders.
- Development contributions are used to fund growth and are set at a level to ensure that the growth share of new infrastructure costs is intended to be fully recovered from development contributions. This requires debt funding up front as Council is often required to forward fund growth infrastructure before all growth has occurred.
- Investment in new assets (level of service or growth) is funded through external lending. This ensures that long lived assets which benefits future generations of ratepayers are paid for by those future ratepayers.

- **Internal borrowing arrangements**

KCDC currently does not make use of internal borrowing arrangements.

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

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

KCDC intends to review general ledger accounting arrangements for three waters services, including the management of three waters debt. This will improve the transparency of lending further post the transition date.

No decisions have been taken on the overall approach to treasury management past that date. This is expected to be part of a review of KCDC's Treasury Management Policy as part of its next Long Term Plan.

- **Determination of debt attributed to water services**

KCDC manages its borrowing at an activity level and is able to determine existing three waters debt balances through recorded movements against each activity. KCDC's three waters debt is fully backed with external lending, and there is no internal debt or cash reserves for three waters.

Annual movement in debt is determined based on each activity's capital and operating cash flows.

Debt presented in this plan represents net debt.

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

\$000s	Drinking water	Wastewater	Stormwater	Three waters
Net debt	53,972	31,882	65,159	151,014
Operating revenue	10,968	9,966	2,431	23,364
Debt to revenue ratio	492%	320%	2,680%	646%

- **Insurance arrangements**

KCDC's existing insurance arrangements are outlined in the table below. No change is proposed to the ownership of three waters assets, and KCDC confirms that it intends to continue to hold an appropriate level of insurance over three waters assets.

To reduce the cost of insurance Council uses a combination of:

- Transferring the risk by purchasing external insurance cover.
- Sharing the risk between councils. Council participates in the Outer Wellington Shared Services (OWSS) insurance programme with Porirua, Hutt and Upper Hutt city councils for the risk of material damage and business interruption arising from damage to property, plant and equipment and infrastructure assets, both above and below ground. This policy includes cover in the event of a natural catastrophe.

- Council's maximum limits of liability for the Kāpiti district's infrastructure assets have been determined independently through earthquake and liquefaction loss estimate analysis completed by Tonkin Taylor Limited.
- The total value of Council assets covered by insurance contracts and/or financial risk-sharing arrangements and the maximum insurance amount available to the Council are included in the table below.
- Council does not insure land, roading, bridges or its forestry assets and does not administer or hold a restricted self-insurance fund.
- Council holds sufficient professional liability and indemnity insurance cover.

Asset	Type of Insurance	Total value of council assets covered by financial risk sharing arrangements as at 30 June 2025	Maximum limit of insurance cover available to council under those arrangements as at 30 June 2025
Infrastructure assets	Material damage and Business interruption (MDBI) in the event of natural catastrophe	~\$913 million	\$800 million (placed to 40%, assumes central govt contribution 60%) OWSS combined material damage and business interruption limit for an event involving more than one council for any loss or series of losses arising out of any one event.
Property, plant and equipment	MDBI	~\$424 million	\$700 million (placed to 100%) Wellington Combined Insurance Group (WCIG) combined limit for any one loss or series of losses arising out of any one event and applying to material damage and business interruption combined.
Residential property	Included within MDBI policy above Earthquake Commission (EQC)	~\$30 million	Included within MDBI policy limit. EQC: First \$300,000 for each loss event per property to be recovered from the EQC. All other losses: as per MDBI policy above.

Part D: Financial sustainability assessment

- Confirmation of financially sustainable delivery of water services

KCDC confirms that it will be able to achieve financial sustainability by 30 June 2028. KCDC is expected to generate operating surpluses from the 2026/27 year, and is already generating operating cash surpluses. While depreciation costs have not always been fully funded in the past, KCDC moved to full funding of depreciation in the 2025/26 year

Planned investment in renewals and level of service will ensure that regulatory compliance obligations are met and result in an overall improvement in the average age of its assets.

KCDC is projected to have sufficient borrowing headroom from 2027/28 to allow for future investment in three waters services, while still allowing for borrowing to be managed in a way that maintains affordability for water users.

Key risks to achieving financial sustainability relate to:

- Delivery risk for the capital works programme, which will be managed through an increased and dedicated focus on three waters, which includes greater organisational and workforce ringfencing and focus through proposed improved governance arrangements.
- Risk of capital goods inflation outpacing projections – will be managed through regular programme review and existing borrowing headroom.
- Consequential risk of capital goods inflation on depreciation forecasts – full funding of depreciation is not needed to maintain financial sustainability but is considered to be desirable. Existing borrowing headroom within council will allow some ability to absorb increased costs of renewals, allowing for progressive increases to revenue in the event that depreciation costs exceed forecasts.

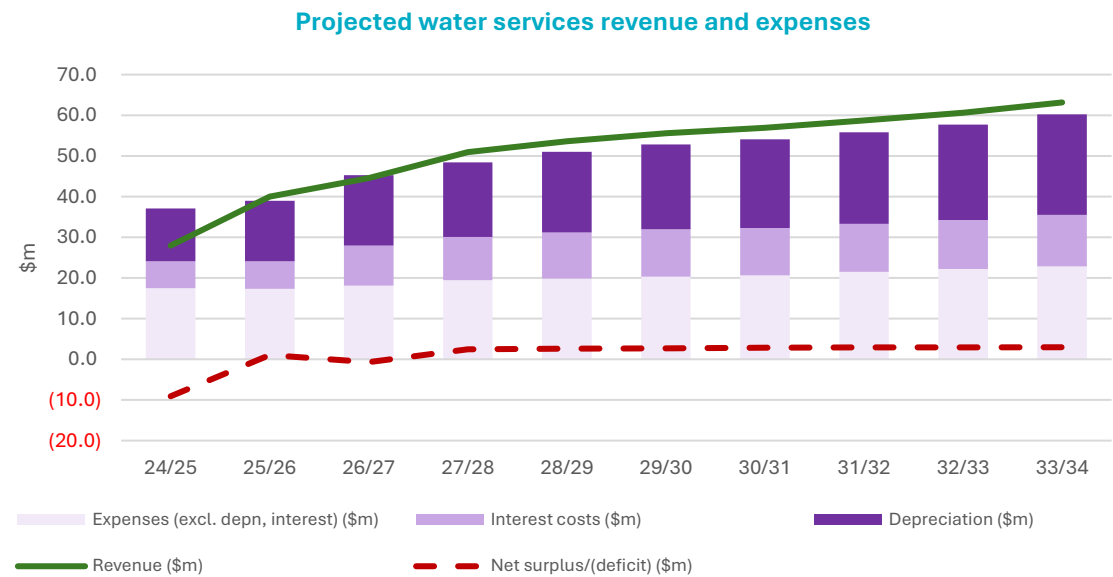
- Financial sustainability assessment – revenue sufficiency
- Projected water services revenues cover the projected costs of delivering water services

The chart below shows the breakdown of expenditure in KCDC for its combined water services activities. It includes projected revenue requirements and operating surpluses.

The chart, and the sections that follow highlight that:

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

Revenue projections presented in this section have been developed as part of comprehensive financial forecasting which includes operating and capital cash flows and financing arrangements. That modelling has indicated that forecast revenues are sufficient to allow for the funding and financing of the required capital investment programme. KCDC also maintains an appropriate level of debt throughout the period which recognises the balance between affordability and investment in long life assets.



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

The table below shows average projected household charges for drinking water, wastewater and stormwater services through the in-house delivery model proposed by KCDC. The charges are estimated average residential charges only, and do not include estimate revenue from commercial or non-residential customers in the district (and include GST).

This is considered appropriate because:

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

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

- Household median income for Kāpiti Coast has been taken from Statistics New Zealand data for the 2023 year.
- Historic growth in median household income in Kāpiti Coast has been determined between 2013 and 2023 using Statistics New Zealand data, this shows median household income has increased 59.6% over the period.
- Historic change in the Local Government Cost Index (LGCI) for water infrastructure has been assessed during the same period. This has shown an increase of 39.9% during the period.
- This shows that household income in Kāpiti Coast has grown at 149% of the rate of water infrastructure costs (per the LGCI) over the previous 10 years. We have assumed this trend will continue.
- Financial modelling uses the LGCI inflators for water infrastructure. Household median income growth has been pegged to occur at 149% of this.

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average drinking water bill (including GST)	445	647	823	867	898	913	914	934	961	1,012
Average wastewater bill (including GST)	668	738	817	913	940	958	958	971	981	985
Average stormwater bill (including GST)	269	433	361	476	494	507	519	532	545	564
Average charge per connection including GST	1,382	1,819	2,001	2,255	2,332	2,377	2,390	2,437	2,488	2,561
Projected increase	28.6%	31.6%	10.0%	12.7%	3.4%	1.9%	0.6%	2.0%	2.1%	2.9%

Water services charges as % of household income	1.4%	1.8%	1.9%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%
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Charges are expected to reach a peak of 2.1% of median household income in 2028/29, from a current estimate of 1.4%. This will signal some increasing affordability issues within the district. However affordability is still lower than DIA's implied benchmark of 2.5% of median household income, and improves further over time.

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

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

Surpluses relate to revenue from fees and charges (connection fees etc) and rates penalties.

Operating surplus ratio (\$000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) excluding capital revenues	(4,505)	(1,179)	(1,505)	1,443	(1,269)	2,802	2,901	2,970	3,021	3,043	7,723
Total operating revenue	27,952	39,999	44,522	50,905	53,577	55,563	56,882	58,710	60,651	63,157	511,918
Operating surplus ratio	(16.1%)	(2.9%)	(3.4%)	2.8%	(2.4%)	5.0%	5.1%	5.1%	5.0%	4.8%	1.5%

- **Projected operating cash surpluses for water services**

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

Operating cash ratio (\$000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) + depreciation + interest costs – capital revenue	15,074	20,510	25,589	30,435	29,875	35,340	36,311	37,284	38,520	40,394	309,333
Total operating revenue	27,952	39,999	44,522	50,905	53,577	55,563	56,882	58,710	60,651	63,157	511,918
Operating cash ratio	53.9%	51.3%	57.5%	59.8%	55.8%	63.6%	63.8%	63.5%	63.5%	64.0%	60.4%

The information shows positive cash surpluses being generated through to 2034, consistent with the positive operating surpluses indicated in the previous section from 2024/25.

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

Debt is drawn down through a mixture of debenture stock and is not managed through a table loan facility. Repayment of debt is managed through the re-issuing of debenture stock where appropriate, or through the application of cash surpluses where available. KCDC's three waters revenue requirement has been determined having regard to the need to maintain an appropriate level of debt. This recognises the need to balance investment in long life assets with short term affordability, and the principles of intergenerational equity.

- Financial sustainability assessment – investment sufficiency
- Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth

This section highlights that investment in KCDC's three waters infrastructure:

- Is planned to exceed depreciation of the network at a total capital investment level.
- Will not exceed depreciation when considering renewals alone. Based on current understanding the projected level of renewals is appropriate for the age, condition, performance (including through information collected through metering), and criticality of existing assets.
- Will ensure that the average age of KCDC's assets is maintained within the expected range for a mature organisation, avoiding overinvestment in assets that have not yet reached end of life.
- Is being replaced at a rate that is consistent with asset management planning and the existing age of asset within the network.

The capital projections included in this section are fully reflected in the underlying financial statements, revenue sufficiency, and financing sufficiency data. This indicates that KCDC can:

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

The chart below shows a breakdown of KCDC's planned investment during the period. This includes significant investments to improve levels of service over the next ten years. Planned renewal expenditure also increases over this time.

Projected water services investment requirements



- Renewals requirement for water services

The table below shows the asset sustainability ratio for three waters services at KCDC. It shows that over time, the asset sustainability ratio is typically below 0% (and is below zero over the total ten year period), indicating investment in renewal of infrastructure is planned to occur at a lower level than forecast depreciation.

Investment in asset renewal has been determined by consideration of the age, condition and performance of assets within Kāpiti Coast's three waters network. Current asset management data indicates that KCDC's planned renewals programme is reflective of the investment needs across its network, with significant investment in renewals not being required within the period covered by this plan.

Additionally, expansion of the existing asset base, due to growth and level of service investment, means that a large portion of depreciation costs relate to relatively young assets which will not need to be replaced for a number of years.

Asset sustainability ratio (\$000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure on renewals	3,751	7,485	8,513	7,266	13,789	9,009	7,948	14,034	10,918	33,770	116,482
Depreciation	12,986	14,881	17,295	18,382	19,785	20,870	21,761	22,491	23,435	24,723	196,610
Asset sustainability ratio	(71.1%)	(49.7%)	(50.8%)	(60.5%)	(30.3%)	(56.8%)	(63.5%)	(37.6%)	(53.4%)	36.6%	(40.8%)

- Total water services investment required over 10 years

The table below shows KCDC's performance against the asset investment ratio for three waters services through to 2034. The information shows total capital expenditure exceeding depreciation consistently from the 2024/25 financial year, indicating that investment in the network will take place at a faster rate than its deterioration/depreciation.

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

- Expected timing to support growth based on a "just in time" principle
- Investment required to support the renewal of resource consents
- Market capacity to deliver
- Whether the investment addresses compliance issues
- Affordability, where other investment drivers are not determining priority

Asset investment ratio (\$000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure	37,467	34,480	37,781	46,222	39,050	23,700	28,300	33,403	32,918	48,847	362,167
Depreciation	12,986	14,881	17,295	18,382	19,785	20,870	21,761	22,491	23,435	24,723	196,610
Asset investment ratio	188.5%	131.7%	118.5%	151.4%	97.4%	13.6%	30.1%	48.5%	40.5%	97.6%	84.2%

- Average remaining useful life of network assets

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

KCDC's three waters infrastructure is ageing, and it is recognised that a significant portion of this infrastructure requires renewal or replacement over the next 10 years. KCDC's capital programme includes \$116 million of planned investment in the renewal of its assets by 2033/34, as well as an additional \$213 million of investment in improving levels of services across the network over the same time period.

This investment programme will result in a minor improvement in KCDC's asset consumption ratio (and consequently average asset age) from 55.4% to 57.3%. There is no agreed benchmark or ideal ratio for the asset consumption ratio. A consumption ratio between 55 – 65% is typically representative of a mature/stable asset base. Stability of this ratio over the 10 year period would indicate that KCDC's planned investment programme is at a level that ensures the average ages of its assets is maintained.

Asset consumption ratio (\$000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Book value of infrastructure assets	515,487	545,395	576,789	616,164	647,751	663,536	683,347	707,926	731,567	770,322
Total estimated replacement value of infrastructure assets	929,943	975,537	1,024,316	1,083,758	1,130,694	1,167,999	1,211,712	1,255,315	1,302,420	1,343,545
Asset consumption ratio	55.4%	55.9%	56.3%	56.9%	57.3%	56.8%	56.4%	56.4%	56.2%	57.3%

- Financial sustainability assessment – financing sufficiency
- Confirmation that sufficient funding and financing can be secured to deliver water services

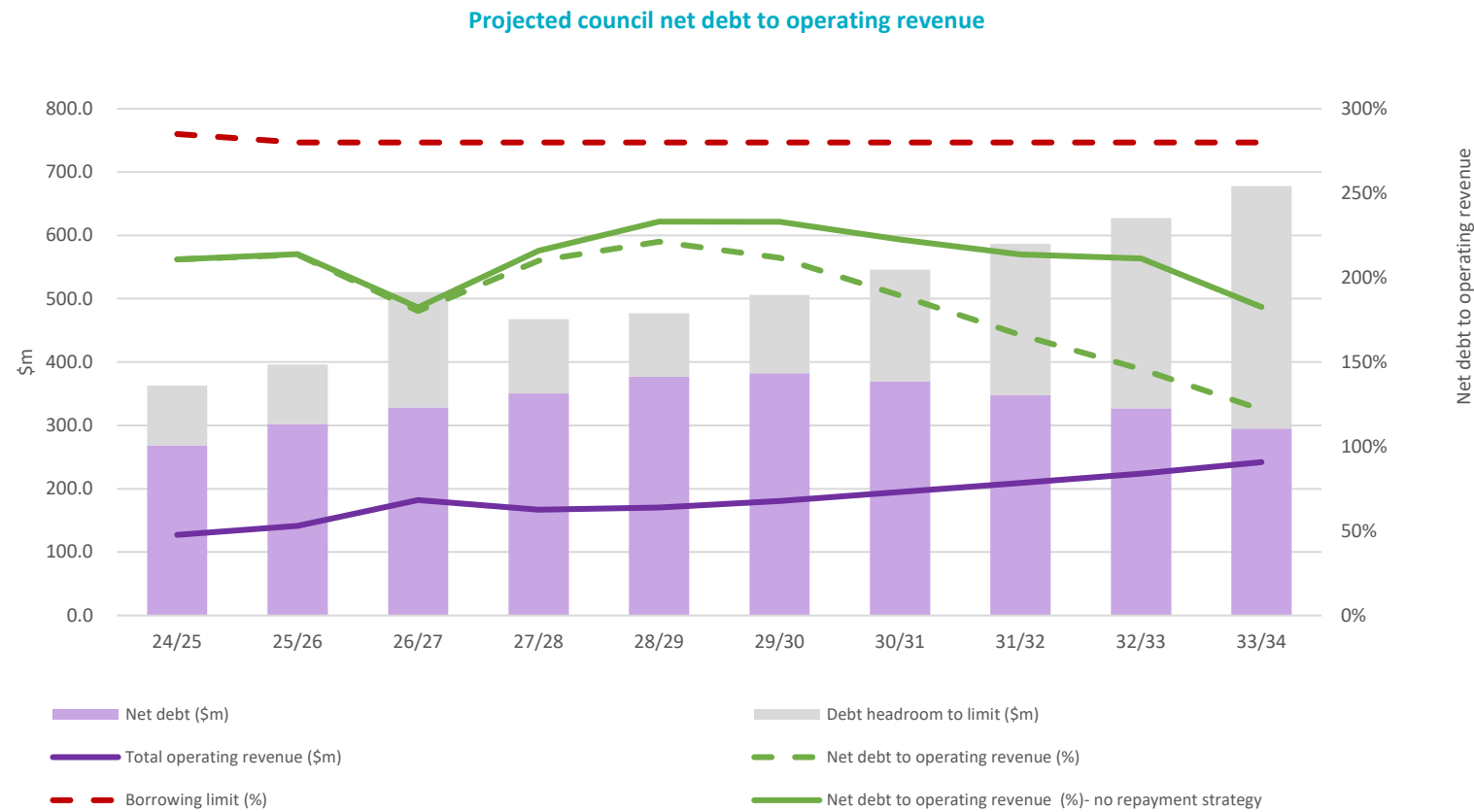
Review of KCDC's future borrowing requirements and operating revenue projections indicates that under its preferred delivery model, from 2027/28 KCDC will:

- Remain within overall council debt to revenue covenants imposed by the Local Government Funding Agency.
- Stay below a 500% three waters debt to three waters revenue ratio. A 500% limit has been determined to be appropriate for the purposes of this plan having consideration to the relative capital intensity of three waters services and the opportunity to leverage KCDC's total revenue to maintain affordability and reflect principles of intergenerational equity for the investment in long life infrastructure.
- Generate sufficient revenue to cover the full cost of servicing three waters debt, such that the delivery of three waters services is not being cross-subsidised by other activities of KCDC.

• Projected council borrowings against borrowing limits

The chart below shows KCDC’s total debt and revenue compared to its whole of council borrowing limits. It shows that KCDC is not anticipated to breach LGFA lending covenants over the modelling period. Water services debt and revenue have been included throughout the modelling period, as KCDC has proposed an in house delivery model for three waters services.

The chart shows two lines relating to KCDC’s total borrowing. The solid line shows KCDC’s debt to revenue without a debt repayment strategy in place. The dotted line shows KCDC’s total borrowing including the impacts of a debt repayment strategy that has been agreed by Council and incorporated in the 2024-34 Long Term Plan. Under both scenarios, the debt repayment strategy relates to non-three waters debt, and three waters debt remains the same.



- **Projected water services borrowings against borrowing limits**

The chart below shows KCDC's three waters debt to revenue compared to applicable borrowing limits. The borrowing limit for three waters debt to revenue is indicated in this plan as being 500%, however there is no formal council resolution adopting a specific limit for three waters activities. As discussed under the heading "Borrowing headroom/(shortfall) for water services", the relative capital intensity of three waters activities indicates that utilising KCDC's ability to leverage its total revenue is appropriate to manage affordability, intergenerational equity, on long term funding considerations for water services.

KCDC's three waters debt is not projected to exceed 500% of its three waters revenue during the period shown in the chart. Long term modelling shows that no such breach is anticipated before 30 June 2054. Council also maintains conformance with an FFO to debt ratio of 9% throughout the modelling period.

- Projected borrowings for water services

The table below considers the net debt to operating revenue ratio for KCDC's combined water services. It does not include operating revenue or net debt for KCDC's wider activities.

The information shows KCDC's water services debt to revenue reducing from approximately 624% of its three waters revenue to 412% of its three waters revenue by 2034. While total debt increases, significant capital funding is received from operating cash surpluses and development contributions. This means that despite a capital programme of \$362 million, total lending increases by only \$85 million over the period.

Net debt to operating revenue (\$000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	174,521	185,232	199,341	218,638	233,094	230,907	232,248	237,811	241,813	260,351
Operating revenue	27,952	39,999	44,522	50,905	53,577	55,563	56,882	58,710	60,651	63,157
Net debt to operating revenue	624%	463%	448%	429%	435%	416%	408%	405%	399%	412%

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

The table below shows projected net debt to operating revenue for combined three waters services at KCDC. It does not include revenues from other KCDC activities, nor does it include debt from those activities.

A net debt to revenue ratio of 500% is considered to be appropriate for the assessment of available borrowing headroom for combined water services through an in-house delivery model. This is broadly consistent with LGFA funding arrangement for water services CCOs, and also recognises that water services is a more capital intensive activity than many of the other activities undertaken by KCDC, and does not typically attract third party capital grants or subsidies. LGFA does not impose lending covenants at an activity level.

Utilising KCDC's ability to leverage its revenue to enable increased rates of borrowing for three waters is consistent with overall policy settings for Local Water Done Well. It contemplates increased use of debt and optimisation of capital structures to ensure that expenditure on long life assets is funded from debt, thereby reducing the burden on existing ratepayers. Imposition of a lower three waters debt to revenue requirement without strong justification risks ratepayers facing higher water charges than are otherwise necessary.

KCDC does not consider that applying a higher debt to revenue ratio for water services than it does for the whole of council constitutes cross subsidisation. All financial forecasts include the full repayment of borrowing costs associated with three waters debt being funded from three waters revenue.

KCDC maintains between \$35 million and \$61 million of borrowing headroom from the 2026/27 financial year for its three waters services when measured against a 500% three waters debt to revenue metric.

Borrowings headroom/(shortfall) against limit (\$000s)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	27,952	39,999	44,522	50,905	53,577	55,563	56,882	58,710	60,651	63,157
Debt to revenue limit	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt	139,761	199,993	222,611	254,527	267,883	277,817	284,409	293,551	303,255	315,783
Total net debt	174,521	185,232	199,341	218,638	233,094	230,907	232,248	237,811	241,813	260,351
Borrowing headroom/ (shortfall) against limit	(34,760)	14,761	23,269	35,889	34,789	46,909	52,161	55,740	61,442	55,433

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- Free funds from operations

KCDC's free funds from operations (FFO) and FFO to debt ratio is presented in the table below for the combined water services activities. The information presented below does not include additional funds from operations generated by other council activities, nor does it include any debt associated with those activities.

Free funds from operations in the table below includes 50% of projected development contribution receipts in accordance with guidance from LGFA.

The three waters FFO to debt ratios are currently not maintained above 9% (the relevant FFO for a water services CCO with 20,000 – 50,000 connections), however they reach compliance with this ratio from the 2027/28 financial year as a consequence of fully funding anticipated depreciation costs.

Over the period of modelling, if measured against an FFO to debt ratio of 9%, the KCDC in house water services unit would have borrowing headroom of between \$25 million - \$65 million. This provides some resilience against price and inflation risks, as well as providing potential opportunities to further leverage existing revenues to manage short term affordability constraints.

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	174,521	185,232	199,341	218,638	233,094	230,907	232,248	237,811	241,813	260,351
Funds from operations	4,462	16,868	17,597	21,913	23,487	24,738	25,770	26,609	27,645	28,996
FFO to debt ratio	2.6%	9.1%	8.8%	10.0%	10.1%	10.7%	11.1%	11.2%	11.4%	11.1%
Debt headroom compared to 9% FFO	(124,946)	2,191	(3,821)	24,845	27,871	43,962	54,088	57,848	65,352	61,827

Part E: Projected financial statements for water services

- Projected financial statements for 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	2,026	4,711	5,272	0	0	0	0	0	0	0
Targeted rates	20,814	26,494	29,619	40,622	42,602	44,035	45,034	46,421	47,907	49,737
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	5,113	8,794	9,632	10,284	10,974	11,529	11,848	12,289	12,744	13,420
Total operating funding	27,952	39,999	44,522	50,905	53,577	55,563	56,882	58,710	60,651	63,157

Applications of operating funding										
Payments to staff and suppliers	15,056	14,488	15,171	16,435	16,728	17,048	17,412	18,190	18,779	19,337
Finance costs	6,593	6,808	9,799	10,610	11,358	11,668	11,649	11,824	12,064	12,628
Internal charges and overheads applied	2,411	2,816	2,979	3,014	3,111	3,258	3,239	3,317	3,434	3,508
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	24,059	24,112	27,949	30,058	31,197	31,974	32,301	33,331	34,277	35,473

Surplus/(deficit) of operating funding	3,893	15,887	16,573	20,847	22,380	23,589	24,581	25,379	26,374	27,684
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Sources of capital funding										
Subsidies and grants for capital expenditure	8,929	5,919	5,051	3,945	0	0	0	0	0	0
Development and financial contributions	1,137	1,963	2,048	2,133	2,215	2,298	2,379	2,460	2,543	2,625
Increase/(decrease) in debt	23,507	10,711	14,109	19,297	14,456	(2,187)	1,341	5,563	4,002	18,538
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	33,574	18,593	21,208	25,375	16,670	111	3,720	8,024	6,544	21,163

Applications of capital funding										
Capital expenditure – to meet additional demand	10,761	5,623	5,652	4,447	4,362	1,590	1,116	652	2,448	2,856
Capital expenditure – to improve levels of services	22,955	21,372	23,616	34,508	20,899	13,101	19,237	18,716	19,551	12,221
Capital expenditure – to replace existing assets	3,751	7,485	8,513	7,266	13,789	9,009	7,948	14,034	10,918	33,770
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	37,467	34,480	37,781	46,222	39,050	23,700	28,300	33,403	32,918	48,847
Surplus/(deficit) of capital funding	(3,893)	(15,887)	(16,573)	(20,847)	(22,380)	(23,589)	(24,581)	(25,379)	(26,374)	(27,684)
Funding balance	0	0	0	0	0	0	0	0	0	0

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	27,952	39,999	44,522	50,905	53,577	55,563	56,882	58,710	60,651	63,157
Other revenue	10,066	7,882	7,099	6,078	2,215	2,298	2,379	2,460	2,543	2,625
Total revenue	38,019	47,881	51,621	56,983	55,791	57,861	59,261	61,171	63,193	65,781
Operating expenses	15,056	14,488	15,171	16,435	16,728	17,048	17,412	18,190	18,779	19,337
Finance costs	6,593	6,808	9,799	10,610	11,358	11,668	11,649	11,824	12,064	12,628
Overheads and support costs	2,411	2,816	2,979	3,014	3,111	3,258	3,239	3,317	3,434	3,508
Depreciation & amortisation	12,986	14,881	17,295	18,382	19,785	20,870	21,761	22,491	23,435	24,723
Total expenses	37,045	38,993	45,244	48,441	50,983	52,844	54,062	55,822	57,712	60,196
Net surplus / (deficit)	973	8,887	6,377	8,542	4,809	5,017	5,199	5,349	5,481	5,586
Revaluation of infrastructure assets	9,628	10,310	10,908	11,536	12,323	12,955	13,271	13,667	14,159	14,631
Total comprehensive income	10,601	19,197	17,285	20,078	17,132	17,972	18,469	19,016	19,640	20,217
Cash surplus / (deficit) from operations (excl depreciation)	13,960	23,769	23,672	26,925	24,594	25,887	26,960	27,840	28,916	30,308

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	13,960	23,769	23,672	26,925	24,594	25,887	26,960	27,840	28,916	30,308
[other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	13,960	23,769	23,672	26,925	24,594	25,887	26,960	27,840	28,916	30,308
Cashflows from investment activities										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(37,467)	(34,480)	(37,781)	(46,222)	(39,050)	(23,700)	(28,300)	(33,403)	(32,918)	(48,847)
Net cashflows from investment activities	(37,467)	(34,480)	(37,781)	(46,222)	(39,050)	(23,700)	(28,300)	(33,403)	(32,918)	(48,847)
Cashflows from financing activities										
New borrowings	23,507	10,711	14,109	19,297	14,456	(2,187)	1,341	5,563	4,002	18,538
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	23,507	10,711	14,109	19,297	14,456	(2,187)	1,341	5,563	4,002	18,538
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	(0)	(0)	0	0	0
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	(0)	(0)	(0)	(0)
Cash and cash equivalents at end of year	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)

Statement of financial position (\$000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Other current assets	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013
Infrastructure assets	515,487	545,395	576,789	616,164	647,751	663,536	683,347	707,926	731,567	770,322
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	522,499	552,407	583,801	623,176	654,764	670,549	690,359	714,938	738,580	777,335
Liabilities										
Borrowings – current portion	174,521	185,232	199,341	218,638	233,094	230,907	232,248	237,811	241,813	260,351
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	174,521	185,232	199,341	218,638	233,094	230,907	232,248	237,811	241,813	260,351
Net assets	347,978	367,175	384,460	404,538	421,670	439,642	458,111	477,127	496,767	516,984
Equity										
Revaluation reserve	9,628	19,937	30,845	42,381	54,704	67,659	80,930	94,597	108,755	123,387
Other reserves	338,350	347,238	353,615	362,157	366,966	371,983	377,181	382,530	388,012	393,597
Total equity	347,978	367,175	384,460	404,538	421,670	439,642	458,111	477,127	496,767	516,984

- Projected financial statements for drinking water

Funding impact statement (\$000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	(553)									
Targeted rates	5,012	7,513	10,858	11,631	12,135	12,391	12,552	12,947	13,467	14,348
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	5,064	7,375	8,145	8,716	9,321	9,792	10,045	10,443	10,866	11,529
Total operating funding	9,524	14,888	19,003	20,347	21,456	22,183	22,597	23,390	24,334	25,877

Applications of operating funding										
Payments to staff and suppliers	5,778	6,153	5,893	6,249	6,369	6,490	6,662	6,936	7,109	7,466
Finance costs	2,596	2,457	3,991	4,156	4,441	4,449	4,351	4,499	4,691	5,198
Internal charges and overheads applied	732	1,324	1,391	1,408	1,450	1,514	1,509	1,544	1,596	1,628
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	9,106	9,934	11,276	11,812	12,261	12,452	12,522	12,979	13,396	14,292

Surplus/(deficit) of operating funding	418	4,954	7,727	8,534	9,195	9,731	10,075	10,411	10,938	11,586
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Sources of capital funding										
Subsidies and grants for capital expenditure	3,009	1,151	531	0	0	0	0	0	0	0
Development and financial contributions	984	1,424	1,485	1,547	1,606	1,666	1,725	1,785	1,844	1,904
Increase/(decrease) in debt	15,576	9,437	275	6,825	4,535	(4,278)	339	5,564	2,085	18,187
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	19,568	12,012	2,291	8,372	6,141	(2,611)	2,064	7,348	3,930	20,090

Applications of capital funding										
Capital expenditure – to meet additional demand	6,639	1,896	1,033	2,224	76	86	59	61	672	2,330

Capital expenditure – to improve levels of services	12,084	13,156	7,698	12,940	7,686	4,827	10,216	11,553	8,946	2,613
Capital expenditure – to replace existing assets	1,263	1,914	1,288	1,742	7,575	2,207	1,863	6,146	5,249	26,733
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	19,986	16,966	10,018	16,906	15,337	7,120	12,139	17,759	14,867	31,676
Surplus/(deficit) of capital funding	(418)	(4,954)	(7,727)	(8,534)	(9,195)	(9,731)	(10,075)	(10,411)	(10,938)	(11,586)
Funding balance	(0)	0	0	0	0	0	0	0	0	0

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	9,524	14,888	19,003	20,347	21,456	22,183	22,597	23,390	24,334	25,877
Other revenue	3,992	2,575	2,017	1,547	1,606	1,666	1,725	1,785	1,844	1,904
Total revenue	13,516	17,463	21,019	21,894	23,062	23,850	24,322	25,174	26,178	27,781
Operating expenses	5,778	6,153	5,893	6,249	6,369	6,490	6,662	6,936	7,109	7,466
Finance costs	2,596	2,457	3,991	4,156	4,441	4,449	4,351	4,499	4,691	5,198
Overheads and support costs	732	1,324	1,391	1,408	1,450	1,514	1,509	1,544	1,596	1,628
Depreciation & amortisation	5,122	5,821	7,264	7,638	8,255	8,749	9,058	9,369	9,877	10,515
Total expenses	14,228	15,755	18,539	19,450	20,515	21,200	21,579	22,348	23,273	24,807
Net surplus / (deficit)	(712)	1,708	2,480	2,444	2,547	2,649	2,743	2,827	2,905	2,975
Revaluation of infrastructure assets	3,173	3,533	3,827	3,958	4,223	4,449	4,506	4,657	4,918	5,116
Total comprehensive income	2,461	5,241	6,307	6,402	6,770	7,098	7,248	7,484	7,823	8,091
Cash surplus / (deficit) from operations (excl depreciation)	4,410	7,529	9,744	10,081	10,802	11,398	11,800	12,196	12,782	13,489

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	4,410	7,529	9,744	10,081	10,802	11,398	11,800	12,196	12,782	13,489
[other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	4,410	7,529	9,744	10,081	10,802	11,398	11,800	12,196	12,782	13,489
Cashflows from investment activities										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(19,986)	(16,966)	(10,018)	(16,906)	(15,337)	(7,120)	(12,139)	(17,759)	(14,867)	(31,676)
Net cashflows from investment activities	(19,986)	(16,966)	(10,018)	(16,906)	(15,337)	(7,120)	(12,139)	(17,759)	(14,867)	(31,676)
Cashflows from financing activities										
New borrowings	15,576	9,437	275	6,825	4,535	(4,278)	339	5,564	2,085	18,187
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	15,576	9,437	275	6,825	4,535	(4,278)	339	5,564	2,085	18,187
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year	0	0	0	0	0	0	0	0	0	0

Statement of financial position (\$000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270
Infrastructure assets	176,664	191,342	197,923	211,150	222,455	225,276	232,863	245,911	255,820	282,097
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	183,934	198,612	205,194	218,421	229,726	232,546	240,133	253,181	263,090	289,367
Liabilities										
Borrowings – current portion	69,548	78,986	79,260	86,085	90,620	86,343	86,681	92,245	94,330	112,517
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	69,548	78,986	79,260	86,085	90,620	86,343	86,681	92,245	94,330	112,517
Net assets	114,385	119,627	125,933	132,336	139,105	146,204	153,452	160,936	168,759	176,850
Equity										
Revaluation reserve	3,173	6,706	10,533	14,491	18,714	23,163	27,669	32,326	37,244	42,361
Other reserves	111,213	112,921	115,401	117,844	120,391	123,041	125,783	128,610	131,515	134,490
Total equity	114,385	119,627	125,933	132,336	139,105	146,204	153,452	160,936	168,759	176,850

- Projected financial statements for wastewater

Funding impact statement (\$000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	12,517	14,094	15,878	18,057	18,914	19,603	19,931	20,466	20,934	21,258
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	48	245	348	363	379	395	408	417	425	430
Total operating funding	12,566	14,339	16,225	18,421	19,293	19,998	20,338	20,883	21,359	21,689

Applications of operating funding										
Payments to staff and suppliers	5,994	5,478	5,891	6,643	6,792	7,039	7,140	7,549	7,864	7,963
Finance costs	2,507	555	2,199	2,487	2,657	2,668	2,543	2,401	2,241	2,053
Internal charges and overheads applied	1,192	1,077	1,142	1,157	1,198	1,262	1,253	1,287	1,336	1,368
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	9,694	7,111	9,232	10,288	10,647	10,969	10,937	11,237	11,441	11,384

Surplus/(deficit) of operating funding	2,872	7,228	6,993	8,133	8,646	9,029	9,402	9,647	9,918	10,305
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Sources of capital funding										
Subsidies and grants for capital expenditure	5,920	4,768	778	203	0	0	0	0	0	0
Development and financial contributions	154	244	255	265	276	286	296	306	316	327
Increase/(decrease) in debt	5,918	1,679	7,881	4,204	2,754	(2,297)	(2,714)	(3,001)	(3,412)	(4,114)
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	11,992	6,691	8,914	4,673	3,030	(2,011)	(2,418)	(2,695)	(3,096)	(3,788)

Applications of capital funding										
Capital expenditure – to meet additional demand	3,970	3,649	4,415	1,668	3,431	860	393	121	1,138	0

Capital expenditure – to improve levels of services	8,988	6,724	6,096	6,781	4,160	1,716	2,468	1,918	2,157	1,973
Capital expenditure – to replace existing assets	1,906	3,546	5,396	4,357	4,085	4,442	4,123	4,913	3,528	4,544
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	14,864	13,920	15,907	12,806	11,676	7,018	6,984	6,952	6,822	6,517
Surplus/(deficit) of capital funding	(2,872)	(7,228)	(6,993)	(8,133)	(8,646)	(9,029)	(9,402)	(9,647)	(9,918)	(10,305)
Funding balance	0	0	0	0	0	0	0	0	0	0

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	12,566	14,339	16,225	18,421	19,293	19,998	20,338	20,883	21,359	21,689
Other revenue	6,074	5,013	1,033	469	276	286	296	306	316	327
Total revenue	18,640	19,352	17,258	18,889	19,569	20,284	20,634	21,190	21,675	22,015
Operating expenses	5,994	5,478	5,891	6,643	6,792	7,039	7,140	7,549	7,864	7,963
Finance costs	2,507	555	2,199	2,487	2,657	2,668	2,543	2,401	2,241	2,053
Overheads and support costs	1,192	1,077	1,142	1,157	1,198	1,262	1,253	1,287	1,336	1,368
Depreciation & amortisation	5,781	6,480	7,280	7,770	8,267	8,635	8,994	9,229	9,493	9,875
Total expenses	15,474	13,591	16,512	18,057	18,914	19,603	19,931	20,466	20,934	21,258
Net surplus / (deficit)	3,166	5,761	746	832	655	681	704	724	742	757
Revaluation of infrastructure assets	3,945	4,206	4,439	4,700	4,895	5,061	5,130	5,192	5,250	5,302
Total comprehensive income	7,111	9,967	5,185	5,532	5,550	5,742	5,834	5,916	5,992	6,059
Cash surplus / (deficit) from operations (excl depreciation)	8,946	12,241	8,026	8,602	8,922	9,315	9,698	9,953	10,235	10,632

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	8,946	12,241	8,026	8,602	8,922	9,315	9,698	9,953	10,235	10,632
[other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	8,946	12,241	8,026	8,602	8,922	9,315	9,698	9,953	10,235	10,632
Cashflows from investment activities										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(14,864)	(13,920)	(15,907)	(12,806)	(11,676)	(7,018)	(6,984)	(6,952)	(6,822)	(6,517)
Net cashflows from investment activities	(14,864)	(13,920)	(15,907)	(12,806)	(11,676)	(7,018)	(6,984)	(6,952)	(6,822)	(6,517)
Cashflows from financing activities										
New borrowings	5,918	1,679	7,881	4,204	2,754	(2,297)	(2,714)	(3,001)	(3,412)	(4,114)
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	5,918	1,679	7,881	4,204	2,754	(2,297)	(2,714)	(3,001)	(3,412)	(4,114)
Net increase/(decrease) in cash and cash equivalents	0	0	0	(0)	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)
Cash and cash equivalents at end of year	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Statement of financial position (\$000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	2,688	2,688	2,688	2,688	2,688	2,688	2,688	2,688	2,688	2,688
Infrastructure assets	210,292	221,938	235,004	244,740	253,044	256,488	259,608	262,523	265,103	267,047
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	212,980	224,625	237,691	247,427	255,731	259,176	262,295	265,210	267,790	269,735
Liabilities										
Borrowings – current portion	37,800	39,479	47,360	51,564	54,319	52,021	49,308	46,307	42,894	38,780
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	37,800	39,479	47,360	51,564	54,319	52,021	49,308	46,307	42,894	38,780
Net assets	175,180	185,146	190,331	195,863	201,413	207,154	212,988	218,904	224,896	230,955
Equity										
Revaluation reserve	3,945	8,151	12,590	17,290	22,185	27,246	32,375	37,568	42,818	48,120
Other reserves	171,234	176,995	177,741	178,573	179,228	179,909	180,612	181,336	182,078	182,835
Total equity	175,180	185,146	190,331	195,863	201,413	207,154	212,988	218,904	224,896	230,955

- Projected financial statements for 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	2,578	4,711	5,272							
Targeted rates	3,284	4,887	2,883	10,933	11,553	12,040	12,552	13,008	13,506	14,131
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	1,174	1,139	1,205	1,274	1,342	1,395	1,429	1,453	1,460
Total operating funding	5,863	10,771	9,294	12,138	12,828	13,382	13,946	14,437	14,958	15,591
Applications of operating funding										
Payments to staff and suppliers	3,284	2,857	3,387	3,543	3,567	3,520	3,611	3,706	3,805	3,908
Finance costs	1,489	3,795	3,609	3,966	4,260	4,551	4,755	4,924	5,132	5,378
Internal charges and overheads applied	487	415	445	449	462	482	477	486	503	513
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	5,259	7,067	7,442	7,958	8,290	8,553	8,842	9,116	9,441	9,798
Surplus/(deficit) of operating funding	603	3,704	1,852	4,180	4,538	4,829	5,104	5,321	5,518	5,793
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	3,742	3,742	0	0	0	0	0	0
Development and financial contributions	0	295	308	320	333	345	357	370	382	394
Increase/(decrease) in debt	2,013	(405)	5,954	8,268	7,166	4,388	3,716	3,000	5,329	4,466
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	2,013	(110)	10,003	12,330	7,499	4,733	4,073	3,370	5,711	4,860
Applications of capital funding										
Capital expenditure – to meet additional demand	151	78	204	555	855	643	664	470	639	526
Capital expenditure – to improve levels of services	1,884	1,492	9,823	14,788	9,054	6,559	6,553	5,245	8,448	7,635

Capital expenditure – to replace existing assets	582	2,024	1,828	1,167	2,128	2,360	1,961	2,976	2,142	2,492
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	2,616	3,594	11,855	16,510	12,037	9,562	9,177	8,691	11,228	10,653
Surplus/(deficit) of capital funding	(603)	(3,704)	(1,852)	(4,180)	(4,538)	(4,829)	(5,104)	(5,321)	(5,518)	(5,793)
Funding balance	0	0	(0)	0	0	0	0	0	0	0

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	5,863	10,771	9,294	12,138	12,828	13,382	13,946	14,437	14,958	15,591
Other revenue	0	295	4,049	4,062	333	345	357	370	382	394
Total revenue	5,863	11,066	13,344	16,200	13,160	13,727	14,304	14,807	15,340	15,985
Operating expenses	3,284	2,857	3,387	3,543	3,567	3,520	3,611	3,706	3,805	3,908
Finance costs	1,489	3,795	3,609	3,966	4,260	4,551	4,755	4,924	5,132	5,378
Overheads and support costs	487	415	445	449	462	482	477	486	503	513
Depreciation & amortisation	2,083	2,581	2,751	2,975	3,264	3,487	3,709	3,892	4,065	4,333
Total expenses	7,343	9,647	10,193	10,933	11,553	12,040	12,552	13,008	13,506	14,131
Net surplus / (deficit)	(1,480)	1,419	3,151	5,267	1,607	1,687	1,752	1,799	1,835	1,854
Revaluation of infrastructure assets	2,510	2,571	2,642	2,877	3,205	3,445	3,635	3,818	3,990	4,213
Total comprehensive income	1,029	3,989	5,793	8,144	4,813	5,132	5,387	5,616	5,825	6,067
Cash surplus / (deficit) from operations (excl depreciation)	603	3,999	5,902	8,242	4,871	5,174	5,461	5,691	5,900	6,187

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	603	3,999	5,902	8,242	4,871	5,174	5,461	5,691	5,900	6,187
[other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	603	3,999	5,902	8,242	4,871	5,174	5,461	5,691	5,900	6,187
Cashflows from investment activities										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(2,616)	(3,594)	(11,855)	(16,510)	(12,037)	(9,562)	(9,177)	(8,691)	(11,228)	(10,653)
Net cashflows from investment activities	(2,616)	(3,594)	(11,855)	(16,510)	(12,037)	(9,562)	(9,177)	(8,691)	(11,228)	(10,653)
Cashflows from financing activities										
New borrowings	2,013	(405)	5,954	8,268	7,166	4,388	3,716	3,000	5,329	4,466
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	2,013	(405)	5,954	8,268	7,166	4,388	3,716	3,000	5,329	4,466
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year	0	0	0	0	0	0	0	0	0	0

Statement of financial position (\$000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Other current assets	(2,945)	(2,945)	(2,945)	(2,945)	(2,945)	(2,945)	(2,945)	(2,945)	(2,945)	(2,945)
Infrastructure assets	128,531	132,115	143,862	160,274	172,252	181,772	190,876	199,492	210,645	221,178
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	125,585	129,170	140,917	157,329	169,307	178,827	187,930	196,547	207,700	218,233
Liabilities										
Borrowings – current portion	67,173	66,768	72,721	80,989	88,155	92,543	96,259	99,259	104,588	109,054
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	67,173	66,768	72,721	80,989	88,155	92,543	96,259	99,259	104,588	109,054
Net assets	58,413	62,402	68,195	76,340	81,152	86,284	91,671	97,288	103,112	109,179
Equity										
Revaluation reserve	2,510	5,080	7,723	10,600	13,805	17,250	20,886	24,703	28,693	32,906
Other reserves	55,903	57,322	60,473	65,740	67,347	69,034	70,786	72,584	74,419	76,273
Total equity	58,413	62,402	68,195	76,340	81,152	86,284	91,671	97,288	103,112	109,179

Water Services Delivery Plan: additional information

- Significant capital projects

Significant projects include projects with a total capital cost exceeding \$2 million, or projects addressing consent, compliance or growth issues outlined in this plan. Network renewals or programmes of routine work are not included.

Significant capital projects – drinking water	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand									
Growth component is included in LOS projects									
Total investment to meet additional demand	1,896	1,033	2,224	76	86	59	61	672	2,330
Projects to improve levels of services									
Waikanae Water Treatment Plant Upgrades	6,000	615	5,940	0	0	0	0	0	0
Waikanae Reservoir/Pipelines	0	0	0	0	0	1,189	6,062	6,183	0
Network upgrades to enable growth	0	0	2,517	1,924	1,165	1,189	1,212	1,237	1,261
Waikanae WTP upgrades for resilience and DWS	0	469	1,682	0	1,290	2,874	675	0	0
Otaki Reservoir 2 (IAF)	4,180	2,022	0	0	0	0	0	0	0
Waikanae River Recharge	28	55	56	76	86	59	61	672	2,330
Water network growth upgrades	110	140	224	228	233	238	242	247	252
Hautere Water Treatment Plant	640								
Water network upgrades	3,049	2,133	3,067	5,077	1,673	4,252	2,877	785	595
River Crossing - resilience	0	1,743	0	0	0	0	0	0	0
Other projects (includes growth)	1,044	1,554	1,678	457	466	475	485	495	505
Total investment to meet improve levels of services	13,156	7,698	12,940	7,686	4,827	10,216	11,553	8,946	2,613
Projects to replace existing assets									
Waikanae WTP Renewals	83	105	168	171	175	178	182	185	189
Otaki WTP Renewal	28	35	56	57	58	59	61	332	18,262
Hautere WTP Renewal	28	35	56	57	58	59	61	131	133
Paekākāriki WTP Renewal	28	35	56	57	58	59	61	131	133
Waikanae WTP Consent Renewals	9	11	122	62	0	0	0	0	147

Hautere WTP Consent Renewal	0	0	0	0	0	104	0	0	0
Water network renewals	1,318	471	655	3,787	1,226	659	3,769	2,733	5,406
Water Meter Renewals	25	109	50	2,816	52	152	1,383	1,027	1,028
Other projects	398	487	580	567	580	591	630	710	1,434
Total investment to replace existing assets	1,914	1,288	1,742	7,575	2,207	1,863	6,146	5,249	26,733
Total investment in drinking water assets	16,966	10,018	16,906	15,337	7,120	12,139	17,759	14,867	31,676

Significant capital projects – wastewater	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand									
Growth component is included in LOS projects									
Total investment to meet additional demand	3,649	4,415	1,668	3,431	860	393	121	1,138	0
Projects to improve levels of services									
Otaki Gravity Main (IAF)	7,629	1,280	342	0	0	0	0	0	0
Wastewater network growth upgrades	138	1,920	3,267	6,205	1,420	2,861	2,039	3,047	1,973
Paraparaumu WWTP inlet works	360	4,000	2,000	182	0	0	0	0	0
Paraparaumu WWTP Bioreactor configuration	258	200	1,067	140	365	0	0	0	0
Otaki WWTP	435	1,086	338	169	233	0	0	247	0
Waikanae duplicate rising main	551	1,384	0	75	558	0	0	0	0
Paraparaumu WWTP UV upgrades	310	0	1,100	0	0	0	0	0	0
All others (includes growth)	692	642	334	820	-	-	-	-	-
Total investment to meet improve levels of services	6,724	6,096	6,781	4,160	1,716	2,468	1,918	2,157	1,973
Projects to replace existing assets									
Waikanae WWTP pond renewal	579	0	0	75	586	1,189	1,212	0	0
Paraparaumu wastewater treatment plant	764	210	112	228	117	119	303	247	1,198
Otaki wastewater treatment plant	215	119	923	171	210	0	0	0	0
Paraparaumu wastewater treatment plant	83	105	168	171	175	178	182	0	0
Otaki Wastewater Treatment Plant consent renewal	0	0	0	0	0	0	121	124	126
All others	1,906	4,962	3,154	3,439	3,354	2,638	3,095	3,157	3,220

Total investment to replace existing assets	3,546	5,396	4,357	4,085	4,442	4,123	4,913	3,528	4,544
Total investment in wastewater assets	13,920	15,907	12,806	11,676	7,018	6,984	6,952	6,822	6,517

Significant capital projects – stormwater	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand									
Growth component is included in LOS projects									
Total investment to meet additional demand	78	204	555	855	643	664	470	639	526
Projects to improve levels of services									
IAF funded stormwater project	0	6,936	7,110	0	0	0	0	0	0
Stormwater inflow mitigation	791	637	960	0	0	0	0	0	0
All others (Major and Minor Projects)	779	2,453	7,273	9,908	7,202	7,216	5,716	9,087	8,161
Total investment to meet improve levels of services	1,492	9,823	14,788	9,054	6,559	6,553	5,245	8,448	7,635
Projects to replace existing assets									
No applicable significant projects									
Total investment to replace existing assets	2,024	1,828	1,167	2,128	2,360	1,961	2,976	2,142	2,492
Total investment in stormwater assets	3,594	11,855	16,510	12,037	9,562	9,177	8,691	11,228	10,653

• Risks and assumptions

Parameters	Drinking supply	Wastewater	Stormwater
Key Risks			
Future water service delivery	Water supply household charges for Kapiti Coast consumers do not reduce long term (from year 10) with keeping in house.	<i>Same comment as drinking water</i>	<i>Same comment as drinking water</i>
Network performance	Leakage rates remain higher than targets due to ongoing funding constraints, and despite universal metering fully implemented.	Wastewater asset condition is poorer than expected.	There is limited formal assessment of stormwater asset condition. This makes it difficult to prepare renewal forecasts other than using age data.
Regulatory compliance	Large number of water consents expiring in next 10 years which will require significant resources to address this.	Only the discharge consent for Paraparaumu WWTP has expired but discharge continued under s124 as the renewal application submitted. All other consents are not due. Mana whenua may still be slow to respond to the wastewater projects despite funding provided.	<i>Similar comment as wastewater.</i>
Delivery of Capital Programme	Continued difficulty to secure suitable external resources for the design work phases in tight market.	Deliverability of wastewater capital works dependent on regulatory improvement with regard to consenting not realised	<i>Similar comment as wastewater.</i>
Organisational capacity	The inhouse service delivery model does not provide the workforce scale and people capability and capacity required to meet the various regulatory requirements and to deliver much large capital investment programmes.	<i>Same comment as drinking water</i>	<i>Same comment as drinking water</i>
Long term issues e.g. providing for growth, climate change	The district's population growth is greater than forecast and impacts infrastructure readiness. Additional new connections may be paused until capacity is built.	<i>Same comment as drinking water</i>	<i>Same comment as drinking water</i>
Significant assumptions			
Future water service delivery	Preferred option is to retain water services in house.	<i>Same comment as drinking water</i>	<i>Same comment as drinking water</i>
Network performance	The water supply assets will have small proportion rated in poor and very poor.	<i>Same comment as drinking water</i>	Stormwater asset condition is based on operational knowledge at this stage.
Regulatory compliance	KCDC will continue to fully achieve drinking water compliance.	KCDC will continue to fully achieve wastewater consent compliance.	KCDC will continue to fully achieve stormwater consent compliance.
Delivery of Capital Programme	KCDC will deliver its planned 3 waters capital programme in accordance with its 2024 Long Term Plan. Continue with PMO and Capital Management Board oversight and embedding the good practices to improve delivery of capital works programme.	<i>Same comment as drinking water</i>	<i>Same comment as drinking water</i>

Organisational capacity	No significant additional resources required to achieve regulatory compliance and / or deliver the planned 3 waters capital programme.	<i>Same comment as drinking water</i>	<i>Same comment as drinking water</i>
Long term issues e.g. providing for growth, climate change	Key growth and climate change assumptions are disclosed in KCDC's 2024 Long Term Plan. Kapiti Coast will continue to experience high population growth.	<i>Same comment as drinking water</i>	<i>Same comment as drinking water</i>