WATER SERVICES INFORMATION DISCLOSURE – JULY 2026

1. This Note records Kapiti Coast District Council's Water Services Occasional disclosure responses to Part 4, clauses 4.6 through 4.10 of the Water Services Information Disclosure Determination 2026 [2026] NZCC 3.

Compliance Overview

Clause	Requirement	Status	Section Reference
4.6 Dividend Policy			
(1)	Disclosure of dividends policy or a statement where no policy exists or dividends are not permitted	N/A	ss. 2-3
4.7 Policy for funding growth			
(2)(a)	Explanation of the approach to funding growth	Compliant	ss. 4-6
(2)(b)	Reasons for the chosen funding approach, including the following:	Compliant	ss. 8-10
(2)(b)(i)	- Statement of whether, and if so, a demonstration of how growth is self-funded	Compliant	ss. 11-26
(2)(b)(ii)	- Statement of whether, and if so, a demonstration of how mixed-purpose projects are at least partly funded by growth or connection charges (or both)	Compliant	ss. 7 & 9
(3)(a)	Disclosure of every type of charge or obligation related to new connections or other types of growth	Compliant	ss.11-26
(3)(b)	Description of circumstances in which each charge or obligation applies.	Compliant	ss. 9 & 11-26
6	Disclosure at the single service level	Compliant	s. 9

Clause 4.6 Disclosure – Dividends policy

Disclosure Statement:
The Kapiti Coast District Council as a territorial local authority is not permitted to pay dividends.

2. The Kapiti Coast District Council is a regulated supplier of water services for the purposes of the Water Services Information Disclosure Determination 2026 [2026] NZCC 3. Council has chosen

to deliver its water services through an internal stand-alone business unit, rather than through a council-controlled organisation (CCO) or other entity with shareholders.

3. As a territorial authority constituted under the Local Government Act 2002, Council does not have share capital or shareholders and therefore has no legal basis on which to declare or pay dividends from that business unit. Accordingly, Council has no dividends policy for its water-services activities. Any net operating surpluses are retained or applied in accordance with Council's statutory financial-management and funding obligations, and in accordance with its Revenue and Financing Policy [2024], Financial Strategy [2024] and Treasury Management Policy [2024]. These documents are reviewed and updated in conjunction with the adoption of Council's Long-Term Plan (Kapiti Coast District Council Long-term Plan 2024-34).

Clause 4.7 Disclosure – Policy for funding growth

Disclosure Statement:

Kāpiti Coast District Council applies a growth-pays approach to fund the growth-related costs associated with water, wastewater, and stormwater infrastructure.

Growth-related capital expenditure is primarily recovered through Development Contributions levied on developments that create demand for additional infrastructure capacity. Other funding sources can include fees and charges, rates (general and targeted), and lump sum contributions.

Council's rationale for funding growth, is that a fair proportion of infrastructure needed to serve growth should be funded by those creating the need, rather than existing ratepayers subsidising development.

Growth-related infrastructure may be financed initially through borrowing, with costs subsequently recovered through development contributions, targeted rates, and connection fees. The policy basis for this approach is set out in the Development Contributions Policy 2024, Revenue and Financing Policy 2024, Financial Strategy 2024 – 34, Infrastructure Strategy 2024 – 54, Fees and Charges Schedule, and the 2024 – 34 Long-term Plan.

5. For funding growth, Council's rationale is explained in its Revenue and Financing Policy 2024, which states that:

   Section 198 of the Local Government Act 2002 allows Council to require a contribution from developments to ensure that a fair proportion of the cost of infrastructure needed to serve growth is funded by those who cause the need for that infrastructure.

6. Council's Infrastructure Strategy 2024-54 identifies growth and development as significant infrastructure issues, noting that responding to this development and growth will require an expensive programme of renewals, upgrades and extension to treatment and network capacity, to maintain levels of service and build capacity for growth.
7. Acknowledging the need to maintain capacity and levels of service across the whole water, wastewater, and stormwater networks (including sources, treatment plants, and reservoirs), recognises that growth and network extension can affect service levels to existing residents, and maintaining service capacity to these connections is also a consequence of growth. It also acknowledges that increased capacity and concurrent renewal of aging assets at the time of capacity upgrades is a general public good which should be funded by the general resident population through rates and existing user charges.

Growth funding

8. New development within the district creates the need for the Council to invest in additional capacity in its water, wastewater and stormwater assets and networks to accommodate the new development and the population growth that comes with it.

9. Generally, existing residents and businesses do not create the demand for the additional capacity and in the absence of growth, it would not have been provided. Therefore, they should not be required to fund through rates the addition of capacity to networks that already adequately meet their needs. However, the Council acknowledges that in some instances, existing residents, and the community as a whole, will benefit from new infrastructure to be provided, or the upgrading of existing infrastructure. Where that is the case, those benefits are identified in the calculation of the amount required to be paid through development contributions and the amount payable through rates, or other funding sources. Tables 6 (p.21) and 14 (pp. 39-43) of the Development Contributions Policy attached at Appendix 1 outlines capital works expenditure breakdown at single service level, with the last column expenditure assigned to growth.

10. Council funds growth through the following mechanisms:
    - Development contributions
    - Fees and Charges
    - Borrowing
    - Rates, general and targeted
    - Lump sum contributions.

Development Contributions

11. Council has adopted development contributions, levied under the Local Government Act 2002, as its primary mechanism for funding growth-related network infrastructure and community infrastructure.
12. Development contributions are charges payable to Council to fund the capital infrastructure needed to enable growth. Under Council's current Development Contributions Policy (2024), (Appendix 1) new reticulation and treatment assets for water, wastewater and stormwater are included and attract development contributions. For stormwater, it may also include land for overland flow paths and ponding areas and works associated with open drains.
13. **The purpose of these contributions is to recover from those persons undertaking development, a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.**
14. Development contributions are charged through funding service areas identified and assessed depending on the type of infrastructure, the type of development and the impact of that development. Each capital expenditure project will be assigned to only one funding service area. A development within any funding service area may be required to pay the development contribution applicable in that funding service area.
15. The benefits of funding additional infrastructure capacity resulting from development growth through development contributions include greater transparency and allocative efficiency. The use of funding service areas aids transparency and efficiency in allocation by signalling variations in the cost of providing infrastructure in different funding service areas. The use of funding service areas also aids transparency by indicating that the cost of providing infrastructure will vary depending on the characteristics of the locality and the works required to

provide for growth. The funding service areas for water, wastewater and stormwater are outline in Table 2 (p.16) of the Development Contributions Policy attached as Appendix 1.

16. Each capital expenditure project will be assigned to only one funding service area. A development within any funding service area may be required to pay the development contribution applicable in that funding service area.
17. Development contributions may be required and collected at any of the following points:
    a. when a resource consent is granted, including for subdivision and/or land-use; and/or
    b. when a building consent is granted; and/or
    c. when an application for a service connection is approved; or
    d. when a Project Information Memorandum (PIM) is issued for a small stand-alone dwelling under the Building Act 2004.
18. Development contributions for water, wastewater and stormwater assets are required where development creates a need for new or additional assets, or for assets with increased capacity. In those circumstances, Council, as the regulated supplier of water services, incurs capital expenditure to provide the necessary water, wastewater, and stormwater collection and management infrastructure.
19. Development contributions are only levied to collect the proportion of the total cost of capital expenditure attributable to, and supporting, growth and development. The total cost of capital can include loan and interest costs on funds borrowed for growth related capital projects.
20. Development Contributions Policy includes a cost allocation approach that apportions capital costs between growth, levels of service and renewals. Refer sections 134-138 of Development Contributions Policy (2024)

Water and Wastewater Fees and Charges

21. The Council uses a range of fees and charges to recover a proportion of the cost to provide facilities and services. Generally, the greater the degree of **identifiable private benefit**, the more likely it is that service costs can be recovered through fees and charges.
22. Council charges the following for new connection to its water and wastewater infrastructure:
    a. Application fee to connect
    b. Installation fees for new connections (Water only)
    c. Connection inspection charges for new connections
    d. Water metering configuration modifications (for change of connection use)
    e. Water testing (laboratory charges).

Borrowing

23. The Council borrows to fund capital works where other sources of funding are not available or not appropriate. Any borrowings associated with these expenses will be included in development contribution calculations as the cost of funds.

Rates, General and Targeted

24. As water, and wastewater services are captured within service funding areas, and are not district wide systems, rating income applied to capital projects to meet public good purposes (eg firefighting capacity), level of service, and renewal costs (as noted in section 7 above) in those areas is derived from targeted rates.
25. As stormwater has both district-wide elements and funding areas, rating income applied to stormwater capital works may come from districtwide rate.

Lump sum contributions

26. Lump sum contributions may come in two forms:
    - Contributions from ratepayers for a capital (or lump sum) payment towards meeting the cost of providing a particular growth asset in their community rather than making payment for the capital costs via an annual targeted rate.
    - Lump sum contribution(s) in money or in kind as agreed between Council and a developer in a Development Agreement as provided for by sections 207A to 207F of the Local Government Act 2002.

Appendix 1: Kapiti Coast District Council – Development Contributions Policy 2024

Clause 4.8, 4.9 and 4.10 Disclosure – Charges and IFF Levies

Disclosure Statement:
Kapiti Coast District Council disclosure covering 4.8, 4.9 and 4.10 Charges and IFF Levies attached. This information is effective 1 July 2026 and is subject to change on a yearly basis and will be reviewed and updated in line with the Council's Annual Plan / Water Services Strategy processes.

The Kapiti Coast District Council does not collect any IFF levies under within the meaning of section 7(1) of the Infrastructure Funding and Financing Act 2020.

CHARGES AND IFF LEVIES INFORMATION | Disclosed: 31 July 2026 | Kapiti Coast District Council

Charges

Section	Row	Clause ref	Category1 | Regulated service	Category2 | Charge	Category3 | Property Use	Category4 | Name	Geographic areas	Circumstances	Amount or rate	Amount of charge attributable to the water or wastewater service	Charging basis	Other information
Charges	1	4.9(1-2)	Water supply	Connection	Residential	Application fee – New residential connection/disconnection (permanent or temporary)	Properties connected to, or seeking connection to, the KCDC wastewater network	New connection or disconnection request	$ 61.60	100%	Per application	Schedule of Fees & Charges 2026/27, Section 29 Water, p.43
Charges	2	4.9(1-2)	Water supply	Connection	Combination	Installation fee – New residential connection/disconnection	Districtwide	Physical connection/disconnection works	Quoted per site	100%	Site-specific charge	Schedule of Fees & Charges 2026/27, Section 29 Water, p.43
Charges	3	4.9(1-2)	Water supply	Serviceability	Combination	Water metering configuration modifications	Districtwide	Meter configuration changes requested	Quoted per site	100%	Actual cost	Schedule of Fees & Charges 2026/27, Section 29 Water, p.43
Charges	4	4.9(1-2)	Water supply	Serviceability	Combination	Special reading – water meters	Districtwide	Special meter read requested	$ 51.30	100%	Per meter reading	Schedule of Fees & Charges 2026/27, Section 29 Water, p.43
Charges	5	4.9(1-2)	Water supply	Fixed	Non-residential	Water dedicated filling point access card (annual fee)	Districtwide	Access to dedicated filling point	$ 102.60	100%	Annual charge	Schedule of Fees & Charges 2026/27, Section 29 Water, p.43
Charges	6	4.9(1-2)	Water supply	Serviceability	Combination	Water meter accuracy testing (≤DN25)	Districtwide	Customer-requested meter test	$ 476.00	100%	Per test	Schedule of Fees & Charges 2026/27, Section 29 Water, p.43
Charges	7	4.9(1-2)	Water supply	Fixed	Combination	Districtwide water supply fixed rate	District water supply area (excluding Hautere/Te Horo Water Scheme)	Connected properties	$ 418.65	100%	Fixed charge per SUIP*	Water Supply Fixed Rate – General ($418.65), base charge, reflected. Medium Scale = 90% of base charge; Large Scale = 80%; Accommodation/Hospitality = 200%; Serviceable = 100%. Annual Plan 2026/27, pages 80–100
Charges	8	4.9(1-2)	Water supply	Volumetric	Combination	Districtwide volumetric water supply rate	District water supply area (excluding Hautere/Te Horo Water Scheme)	Metered water consumption	$ 2.27	100%	Per m³ consumed	Annual Plan 2026/27, pages 80–100
Charges	9	4.9(1-2)	Water supply	Volumetric	Non-residential	Water volume charge from dedicated filling points	Districtwide	Water drawn from filling points	1.50 × district water rate	100%	Per m³ consumed	Schedule of Fees & Charges 2026/27, Section 29 Water, p.43
Charges	10	4.9(1-2)	Wastewater	Connection	Residential	Application fee – New residential connection/disconnection	Properties connected to, or seeking connection to, the KCDC wastewater network	New connection or disconnection request	$ 62.00	100%	Per application	Schedule of Fees & Charges 2026/27, Section 27 Water, p.42
Charges	11	4.9(1-2)	Wastewater	Connection	Combination	Inspection fee for new connection/disconnection	Properties connected to the KCDC wastewater network	Connection inspection required	$ 190.00	100%	Per hour	Schedule of Fees & Charges 2026/27, Section 27 Water, p.42
Charges	12	4.9(1-2)	Wastewater	Volumetric	Non-residential	Septage disposal and treatment	Properties connected to the KCDC wastewater network	Septage discharged to wastewater system	$ 55.00	100%	Per cubic metre	Schedule of Fees & Charges 2026/27, Section 27 Water, p.42
Charges	13	4.9(1-2)	Wastewater	Volumetric	Non-residential	Trade Waste – Total volume charge	Properties connected to the KCDC wastewater network	Trade waste discharge	$ 1.10	100%	Per m³ discharged	Schedule of Fees & Charges 2026/27, Section 28 Water, p.42
Charges	14	4.9(1-2)	Wastewater	Contaminants	Non-residential	Trade Waste – Total solids	Properties connected to the KCDC wastewater network	Trade waste discharge	$ 0.80	100%	Per kg discharged	Schedule of Fees & Charges 2026/27, Section 28 Water, p.42
Charges	15	4.9(1-2)	Wastewater	Contaminants	Non-residential	Trade Waste – COD	Properties connected to the KCDC wastewater network	Trade waste discharge	$ 0.50	100%	Per kg discharged	Schedule of Fees & Charges 2026/27, Section 28 Water, p.42
Charges	16	4.9(1-2)	Wastewater	Contaminants	Non-residential	Trade Waste – Total nitrogen	Properties connected to the KCDC wastewater network	Trade waste discharge	$ 2.80	100%	Per kg discharged	Schedule of Fees & Charges 2026/27, Section 28 Water, p.42
Charges	17	4.9(1-2)	Wastewater	Contaminants	Non-residential	Trade Waste – Total phosphorus	Properties connected to the KCDC wastewater network	Trade waste discharge	$ 8.20	100%	Per kg discharged	Schedule of Fees & Charges 2026/27, Section 28 Water, p.42
Charges	18	4.9(1-2)	Wastewater	Fixed	Residential	Districtwide Wastewater Disposal Rate – General	Waikanae, Paraparaumu, Raumati and Ōtaki wastewater rating areas	General rating units connected to the sewerage system	$ 827.12	100%	per rating unit per annum (Base Charge)	Annual Plan 2026/27, pages 80–100 Base Charge reflected. Note below rows reflect: Community = 50% of base charge; Educational = 45%; Recreational = 25%; Large-scale Commercial/Residential = 50%; Serviceable = 50%.

CHARGES AND IFF LEVIES INFORMATION | Disclosed: 31 July 2026 | Kapiti Coast District Council

IFF levies

Section	Row	Clause ref	Category1 | Regulated service	Category2 | Name	Description	Amount or rate	Levy order
IFF levies	4	4.10	Water supply	N/A			
IFF levies	5	4.10	Wastewater	N/A			