

# KOMITI ITI MAHERE Ā-NGAHURUTANGA / MAHERE Ā-TAU LONG TERM PLAN/ANNUAL PLAN SUBCOMMITTEE

27 May 2024

Order Paper for the meeting to be held in the **Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,** on:

## Tuesday 4 June 2024 commencing at 1.00pm

The meeting will be livestreamed on Council's Facebook page.

## Membership

Cr G Barratt Cr K Brown Cr S Edwards Cr K Morgan Cr N Shaw Cr G Tupou Mayor C Barry (Chair) Deputy Mayor T Lewis Cr J Briggs Cr B Dyer Cr A Mitchell Cr C Parkin Cr T Stallinger

For the dates and times of Council Meetings please visit <u>www.huttcity.govt.nz</u>

#### Have your say

You can speak under public comment to items on the agenda to the Mayor and Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this by emailing DemocraticServicesTeam@huttcity.govt.nz or calling the Democratic Services Team on 04 570 6666 | 0800 HUTT CITY



## KOMITI ITI MAHERE Ā-NGAHURUTANGA/MAHERE Ā-TAU LONG TERM PLAN / ANNUAL PLAN SUBCOMMITTEE

Chair:	Mayor Campbell Barry	
Deputy Chair:	Deputy Mayor Tui Lewis	
Membership:	All Councillors (11)	
Quorum:	Half of the membership	
Meeting Cycle:	Meets on an eight-weekly basis or as required during the LTP/AP	
	process	
Reports to:	Council	

## **PURPOSE:**

To carry out all necessary considerations and hearings, precedent to the Council's final adoption of Long Term Plans (LTP) and Annual Plans (AP) which give effect to the strategic direction and outcomes set by the Komiti Ratonga Rangatōpū me te Rautaki | Policy, Finance and Strategy Committee through setting levels of service, funding priorities, the performance framework and budgets.

#### **Determine:**

- Development of a framework and timetable for the LTP and AP processes.
- The nature and scope of engagement and public consultation required.
- Statements to the media.
- Such other matters as the subcommittee considers appropriate and which fall within its Terms of Reference.
- Informal engagement with the community, and the hearing of any formal public submissions.
- Consideration of submissions on Hutt City Council's Assessment of Water and Sanitary Services.

# Consider and make recommendations to Council:

- Levels of service, funding priorities, performance framework, budgets, rating levels and policies required as part of the LTP or AP, excluding any policies recommended to Council by the Komiti Ratonga Rangatōpū me te Rautaki | Policy, Finance and Strategy Committee.
- Consultation documents.
- Council's proposed and final LTP.
- Council's proposed and final AP.
- Final content and wording, and adoption of the final Hutt City Council Assessment of Water and Sanitary Services.

### TE KAUNIHERA O TE AWA KAIRANGI | HUTT CITY COUNCIL

#### KOMITI ITI MAHERE Ā-NGAHURUTANGA / MAHERE Ā-TAU LONG TERM PLAN/ANNUAL PLAN SUBCOMMITTEE

Meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt on Tuesday 4 June 2024 commencing at 1.00pm.

#### ORDER PAPER

#### PUBLIC BUSINESS

#### 1. OPENING FORMALITIES - KARAKIA TIMATANGA

Whakataka te hau ki te uru Whakataka te hau ki te tonga Kia mākinakina ki uta Kia mātaratara ki tai E hī ake ana te atakura He tio, he huka, he hau hū Tīhei mauri ora. Cease the winds from the west Cease the winds from the south Let the breeze blow over the land Let the breeze blow over the ocean Let the red-tipped dawn come with a sharpened air. A touch of frost, a promise of a glorious day.

#### 2. <u>APOLOGIES</u>

No apologies have been received.

#### 3. <u>PUBLIC COMMENT</u>

Generally up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

### 4. <u>CONFLICT OF INTEREST DECLARATIONS</u>

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have

#### 5. <u>RECOMMENDATIONS TO TE KAUNIHERA O TE AWA KAIRANGI</u> <u>COUNCIL - 4 June 2024</u>

a) Final decisions on the Long Term Plan 2024-2034

Report No. LTPAP2024/3/135 by the Manager Financial Strategy and Planning

#### CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be discussed."

b) Development and Financial Contributions Policy 2024

Report to be separately circulated.

c) Three Waters Investment

Report No. LTPAP2024/3/136 by the Strategic Advisor

#### CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be endorsed."

d) Micromobility Options 2024/25 onwards

Report No. LTPAP2024/3/140 by the Principal Advisor - Micromobility Programme 89

#### CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be discussed."

#### 6. <u>QUESTIONS</u>

With reference to section 32 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

#### 7. EXCLUSION OF THE PUBLIC

#### CHAIR'S RECOMMENDATION:

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

#### 8. <u>TE WAI TAKAMORI O TE AWA KAIRANGI (RIVERLINK)</u> <u>FUNDING AND COMMERCIAL MATTERS</u>

#### 9. <u>POTENTIAL LONG TERM PLAN SAVINGS IN</u> <u>NEIGHBOURHOOD HUBS</u>

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

38

(A)	<b>(B)</b>	(C)
General subject of the matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground under section 48(1) for the passing of this resolution.
Te Wai Takamori o Te Awa Kairangi (RiverLink) Funding and Commercial Matters.	The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities (s7(2)(h)). The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (s7(2)(i)).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.
Potential Long Term Plan savings in neighbourhood hubs.	The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)). The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (s7(2)(i)).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

Kate Glanville SENIOR DEMOCRACY ADVISOR

## HUTTCITY Long Term Plan/Annual Plan Subcommittee

6

23 May 2024

#### Report no: LTPAP2024/3/135

## Final decisions on the Long Term Plan 2024-2034

#### Purpose of Report

1. The purpose of this report is to confirm the final decisions for the Long Term Plan 2024-2034 following the public consultation process.

#### Recommendations

That the Subcommittee recommends that Council:

- (1) notes that on 27 March 2024, Council approved the draft Long Term Plan 2024-2034 Consultation Document and underlying information for public consultation;
- (2) notes that the detailed analysis and results of public consultation were reported to Council on 17 May 2024;
- (3) notes that Council provided initial direction to officers for finalising the Long Term Plan 2024-2034 on 17 May 2024;
- (4) approves for inclusion in the final Long Term Plan 2024-2034 the water services option 1 being an investment of \$1.6B over 10 years, refer to Section D in the report for further details;
- (5) approves for inclusion in the final Long Term 2024-2034 the Petone assets option 3 being an investment of \$20M (Petone wharf \$12M, Petone Library \$5M, Petone Rec grandstand \$3M), refer to Section D in the report for further details;
- (6) approves for inclusion in the final Long Term 2024-2034 the food organics and green organics collection service option 1, however notes that in recognition of the feedback received from our community during the consultation, as well as the uncertainty regarding food and organic participation rates, reliance on unconfirmed government funding, and the need to accommodate those who currently compost, officers have been asked to do further work to identify how these concerns might be met before proceeding further;
- (7) approves for inclusion in the final Long Term 2024-2034 the rates relief for low-income households option 1, refer to Section D in the report for further details;

- (8) considers the budget matters as detailed in Table 2 in the report and agrees decisions on these matters for the final Long Term Plan 2024-2034;
- (9) notes the latest projected debt and balanced operating budget results, as detailed in Section H and graphs 2 and 3 in the report;
- (10) notes that the report includes financial projections based on a number of assumptions about final budgets and the associated rates increases;
- (11) agrees to the rates revenue increases (after growth) to be included in the final Long Term Plan 2024-2034 as follows (refer to Section H in the report) and agrees that these will be updated to reflect final Council decisions as required;

	2024-	2025	2026	2027	2028	2029	203	203	203	203
	25	-26	-27	-28	-29	-30	0-31	1-32	2-33	3-34
Rates	16.9	12.6	12.6	12.6	12.4	12.0	7.0	7.0	7.0	7.0
revenue	%	%	%	%	%	%	%	%	%	%
increase										

- (12) notes the projected rating impact for 2024-25 for the average residential ratepayer is \$10.81 per week, refer to Section I in the report;
- (13) agrees the fees and charges to be included in the final Long Term Plan 2024-2034, refer to Section G in the report;
- (14) endorses the proposed updates to Long Term Plan 2024-2034 narratives to reflect the latest information;
- (15) notes that final reviews are being carried out as well as an external audit process that is to be completed and that further changes may be required to the Long Term Plan 2024-2034 as a result of these processes;
- (16) agrees that the Long Term Plan Working Group (comprising the Mayor, Deputy Mayor and Chairs of Committees) be delegated the authority to make decisions as required in preparing the Long Term Plan 2024-2034 for Council adoption on 27 June 2024 ;
- (17) requires that any such decisions made by the Long Term Plan Working Group be reported back to Council at its meeting on 27 June 2024; and
- (18) considers any further direction and guidance to be provided to officers ahead of the preparation of the final Long Term Plan 2024-2034 to be adopted by Council on 27 June 2024.

For the reasons outlined in the report.

#### Acronyms

DLTP – Draft Long Term Plan 2024-2034 FLTP – Final Long Term Plan 2024-2034 LTP21 – Long Term Plan 2021-2031 AP24 – Annual Plan 2023-24 Capex – capital expenditure Opex – operating expenditure

- - Final decisions on the Long Term Plan 2024-2034

CCOs - Council Controlled Organisations (Urban Plus Ltd, Seaview Marina Ltd) Rates SUIP – separately used or inhabitable part WWL – Wellington Water Limited

8

#### Section A - Executive summary

- 2. Council undertook formal public consultation for the DLTP, which took place from 2 April to 3 May 2024. Feedback and results of the consultation were reported to Council on 17 May 2024.
- 3. Since Council adopted the DLTP for consultation, officers have been working through a review of the budgets to consider any final updates and changes required. There were a range of budget matters where Council direction was sought to progress the FLTP on 17 May 2024.
- 4. Council included a range of key consultation matters in the DLTP for public consultation. Following the feedback from the public consultation process, this report seeks Council direction on these matters, refer to Section D.
- 5. The report provides information on the latest financial modelling and projections for the LTP, based on a number of assumptions.
- 6. Council agreed, as part of the DLTP decisions, to consult on a proposed rates revenue increase of 16.9% for 2024-25 (after growth). The projections that follow assume the rates increase for the duration of the FLTP is retained at the level as detailed in Table 3 (16.9% for 2024-25, between 12% to 12.6% for 2025-26 to 2029-30, thereafter 7%). The financial modelling in summary shows:
  - capex has increased by \$904M in the FLTP compared to AP24 (from \$1,790M to \$2,694M). This is largely due to increased budgeted costs for the three waters, RiverLink and transport projects. These projects will help ensure that our water and transport networks are resilient and will support growth taking place in the city;
  - net debt is projected to peak against the limit in the FLTP at just over \$1.1B in 2029-30 compared AP24 projection of \$800M. This is largely due to the increased capital programme and cost pressures;
  - the DLTP projected a balanced operating budget to be achieved in 2028-29; this remains unchanged in the FLTP; and
  - there is a range of financial risks that have been reported throughout the process of developing the draft plan. These risks remain unchanged.
- 7. Council agreed as part of the DLTP decisions to consult on a proposed rates revenue increase of 16.9% for 2024-25 (after growth). This report provides further indicative rating impact analysis based on the latest rating base data. Based on the latest indicative information, the proposed rates rise equates to an average increase of \$10.81 per week per household or an average increase of \$562 per annum. Investment in water infrastructure makes up almost half (\$251) of this. The remaining \$311 covers cost increases for all the other services provided (including transport, parks, community facilities, rubbish, recycling etc).

- 8. As part of the DLTP, Council set indicative targeted rates for 2024-2025. The targeted rates were proposed based on the continued investment in wastewater and water supply and to reflect the latest cost information for the waste services. No changes are proposed to these for the FLTP, refer to Section E in the report.
- 9. As part of the preparation of the DLTP, Council reviewed a range of policies, and these have been included in the public consultation process. These were approved on 17 May 2024, except for the final Development and Financial contributions policy. A separate report is included in the agenda for approval of this policy.
- 10. As part of the preparation of the DLTP, Council directed officers to increase the fees and charges set in the DLTP at a minimum to offset rising costs across business areas. Fees and charges were updated and included in the DLTP on this basis. Based on decisions on 17 May some changes are proposed in the Aquatics fees. Officers recommend that the updated proposed fees and charges included in Appendix 2 (to be separately circulated) be endorsed for inclusion in the FLTP.
- 11. Following direction and decisions by the Long Term Plan/Annual Plan Subcommittee at this meeting, officers will prepare the final Long Term Plan 2024-2034, which will be considered by Council on 27 June 2024 for adoption. Audit New Zealand will complete an audit process ahead of the adoption of the final LTP.

### Section B - High level plan for LTP 2024-2034

12. Table 1 sets out the timeline for the LTP process as agreed to by Council.

## Table 1: High level plan

Activity	Date	Status
Initial planning	May 2023	Complete
Elected member hui to set initial priorities and objectives for the DLTP	31 May 2023	Complete
Council decisions on draft strategic framework, approach to early engagement and high level approach to DLTP	30 June 2023	Complete
Council decisions following feedback from early engagement and progressing decisions on key DLTP assumptions	30 August 2023	Complete
Council agreement on draft budgets, policies and strategies and any issues arising from the asset management planning review process.	30 October 2023	Complete
Council agreement on updated budgets, policies and strategies, and trade-off considerations.	27 November 2023	Complete
Council agrees on DLTP budgets, policies, strategies and approach to consultation.	12 December 2023	Complete
External audit process by Audit NZ commenced.	5 Feb 2024	Complete
Council decisions on the draft consultation document and survey, further budget decisions and policy settings agreed.	20 Feb 2024	Complete
Council adopted DLTP and consultation material for the formal public consultation process	27 March 2024	Complete
Public consultation process	2 April to 3 May	Complete
Hearings of public submissions on the DLTP	15 - 16 May 2024	Complete
Council provides initial direction and progresses decisions to support the plan being finalised.	17 May 2024	Complete
External audit of final LTP 2024-2034 commences	4 June 2024	In progress
Council meets to make final decisions	4 June 2024	Today
Council adopts the LTP2024-2034 and strikes the rates	27 June 2024	

#### Section C – Development of the Draft LTP 2024-34

13. Over the past 12 months Council has taken a range of decisions to address key matters across Lower Hutt. The key overall theme for the DLTP 2024-34 was to take the next steps in addressing the basic infrastructure needs of the city. The key challenges faced by Council as identified in preparation for the DLTP remained largely unchanged from previous years and include:

11

- demand and pressure on infrastructure, largely due to ageing assets and historical underinvestment,
- housing supply and affordability,
- delivering services for a fast-growing population,
- climate change and sustainability,
- government reform impacts and uncertainties.
- 14. Officers sought elected member feedback and direction through a range of engagements as outlined in Table 1 in developing the DLTP for consultation.
- 15. The DLTP Consultation Document and supporting information are statutorily required to be audited. Audit NZ worked alongside relevant staff for some months to complete the audit process for the consultation phase. Audit NZ issued their audit opinion on 27 March 2024 before the public consultation proceeding. The audit opinion included two emphases of matters being:
  - uncertainty over the delivery of the capital programme,
  - uncertainty over the Three Waters forecasts (largely due to the asset condition information being based on age of assets).

#### Section D - Feedback on the proposals and final Council decisions

- 16. At Council meetings to date, Council progressed a range of budget decisions to be included in the DLTP for public consultation. The public consultation process concluded on 3 May 2024. Council has received the results and analysis of the consultation process.
- 17. The following content provides a summary of the key DLTP consultation budget matters. It includes updated financial content where applicable. Officers are seeking direction and decisions from Council to progress the finalisation of the LTP. Officer advice for each item is detailed.

#### Water services investment proposal

- 18. Advice received from Wellington Water Limited (WWL) on the state of our Three Waters infrastructure showed us that we face significant challenges with the condition and age of the Three Waters assets, with much of the infrastructure reaching or nearing the end of its life. The growing population is also adding pressure on the Three Waters infrastructure.
- 19. A significant increase in Three Waters infrastructure was proposed as the preferred option 1 in the DLTP, with a higher alternative option 2 being the maximum deliverable programme of investment. The option 1 additional investment proposed was largely to avoid asset failures and significant disruption of services to customers, and plan for growth. Both options

included a water meters investment of \$78M. Option 1 Three Waters capital investment of \$1.6B is included in the budget projections.

- 20. Public feedback was supportive of the preferred option 1, with 66% in favour. Officer advice is supportive of option 1 being included in the FLTP, and this is included in the financial projections.
- 21. A separate report in this agenda provides further advice from WWL and details of the final investment programme to be included in the FLTP.

#### Petone assets investment proposal

- 22. These three Petone assets (Petone Wharf, Petone Library and Petone Recreation Ground Grandstand) are in poor condition and need significant investment. We have a limited funding pool, and the costs of repairing and maintaining these assets, now and in the future, are extremely high. We need to make tough choices about how best to utilise the available funding to fix them.
- 23. Public feedback was mixed, with 38% in favour of the preferred option 1 and 34% preferring option 2. A number of submitters also did not support the demolition of the Petone Wharf.
- 24. In recognition of the feedback, the direction was provided to officers to include in budgets a different option (option 3) to the ones consulted as detailed below.

Project		Budget
Petone wharf rebuild/refurbishment		\$12M
Petone Library repair		\$5M
Petone Rec grandstand		\$3M
	Total	\$20M

25. Officers are seeking a final endorsement of this revised position (option 3) as per the direction provided on 17 May 2024, being included in the FLTP. Option 3 is included in the financial projections included in this report.

Food organics and green organics collection service (FOGO)

- 26. The proposal aims to reduce waste overall for our growing city. The previous Government's Te Rautaki Para Waste Strategy (2023) aims to reduce the amount of organic waste that ends up in landfills. The Strategy has targets set out and one of them is that by 2030 to reduce biogenic methane emissions from waste by at least 30%. The goal is to recycle more organics materials instead of sending it to landfill (which could mean introducing nationwide standardised kerbside collection of household food scraps and potential garden waste). The current Government is considering next steps for the kerbside food scraps service policy and related proposals.
- 27. Public feedback did not support the preferred option 1, with only 39% in favour and 55% against.

28. In recognition of the feedback, direction was provided to officers that further work be done and reported back to address the concerns raised around this service before progressing any further. The resolution reads as follows:

#### Minute No. LTPAP 24201

"That the Subcommittee recommends Council notes that recognising feedback received from our community during the consultation, as well as the uncertainty regarding food and organic participation rates, reliance on unconfirmed government funding, and the need to accommodate those who currently compost, asks officers to do further work to identify how these concerns might be met before proceeding further."

29. Officer advice is supportive of option 1 budgets being included in the FLTP as a provision while further work is carried out as requested. Option 1 is included in the financial projections.

#### Rates relief for low-income households

- 30. This proposal aims to help those that need extra assistance with their rates, as cost-of-living pressures are generally felt more by the lowest income households. The proposal effectively provides an uplift of \$250 onto the government-funded Rates Rebates Scheme which provides up to \$750 pa based on certain criteria.
- 31. The Minister of Local Government informed us on 18 April 2024 that the maximum rates rebate would increase from \$750 to \$790 for the financial year starting 1 July 2024. This means that Council would now have a lower portion to fund to retain the uplift to \$1,000 pa reducing from \$250 to \$210 per household.
- 32. Public feedback was supportive of the preferred option 1, with 66% in favour. Officers request that Council provide direction on budgets to be included in the FLTP. The preferred option 1, as consulted on, is included in the FLTP and the financial projections but at the adjusted remission rate of \$210. Refer to Appendix 1 Item 4 for further information on the budgets and rates impact.

## Section E - Further proposed budget changes requiring Council decisions

	Brief Description	Financial impact over the ten	Further
	-	years of the LTP and officer	information
		recommendation	
1	<u>RiverLink</u> Changes to the programme as per the separate report. These budget proposals are included in a separate public excluded report, which is necessary to: enable Council to carry out, without prejudice or disadvantage, commercial activities (s7(2)(h)); and enable Council to carry on, without prejudice or disadvantage, perotiations (s7(2)(i))	Factored in the financial projection is the officer recommendation per the separate report. Officers recommend that Council provides direction on the proposed budget changes to be included in the FLTP.	Refer to separate public excluded report on the agenda.
	of disadvariage, negotiations (57 (2)(1))		
2.	Infrastructure Acceleration Funds projects Rephasing and assumption of Stormwater option 1B progressing.	Factored into the financial projections is net nil overall impact over 10 years with phasing changes for both grant revenue and capex.	Refer to Appendix 1, Item 1
		Officers recommend that Council approves the proposed budget changes to be included in the FLTP.	

### Table 2: Other budget matters requiring review and Council decisions

Financial impact over the ten Further

04 June 2024

		years of the LTP and officer	information
		recommendation	
3	Petone parking options	A range of options are	Refer to
	The DLTP included proposed changes to city	provided in the appendix.	Appendix 1,
	wide parking charges which included (1)	Options 2 - 5 would reduce the	Item 2
	increases to the parking fees (hourly rate,	revenue from parking fees in	
	daily rate etc.) (2) All parking fees to be	Petone between \$0.15M to	
	charged seven days per week . (3) Addition	\$0.4M per annum. Option 1 is	
	of paid parking in the Jackson Street, Petone	factored into the DLTP and the	
	area. Increased parking revenue was included in the DI TP on this basis	current financial projections.	
	Following the public consultation process,		
	officers have been asked to provide further	Officers recommend that	
	parking options on Petone, ranging from not	Council provides direction on	
	implementing the paid parking to allowing	the proposed budget changes	
	for some free parking time. The appendix	to be included in the FLTP.	
	referenced outlines five Petone parking		
	options for consideration.		
	Option 1 – status quo per DLTP – Paid		
	parking in Petone seven days per week		
	Option 2 – paid parking seven days per week		
	but first 60 minutes free (rates increase		
	0.28%)		
	but first 30 minutes free (rates increase)		
	0.17%)		
	Option 4 – remove paid parking in weekends		
	(rates increase 0.09%)		
	Option 5 – paid parking seven days per week		
	but implemented in July 2027 (rates increase		
	2024-25 0.41%).		
	The Hutt Parking Report February 2021 can		
	be viewed <u>here</u>		
4	Micromobility	Options are provided in the	Refer to the
•	Review of priorities and funding levels	separate report. No budget	separate report
	should subsidy funding not eventuate.	change is proposed by officers	on the agenda.
		or factored into the financial	
		projections.	
		Officers recommend that	
		Council provides direction on	
		the proposed budget changes	
		to be included in the FLTP.	
5	Rangatahi action plan	Opex of \$0.1M in 2024-25	Refer to
	Service level improvement through inclusion	(\$1.21M over 10 years)	Appendix 1
1	of additional budget to lead the coordination	Indicative rates impact of	Item 3
1	and implementation of the Rangatahi action	0.06% in 2024-25.	
	plan.		
		Officers recommend that	
1		Council provides direction on	
		the proposed budget changes	
		to be included in the FLTP.	
L			

Brief Description

		16	04 June 2024
	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
6.	<u>Hubs and libraries savings</u> Savings options for cost efficiencies and changes to service levels in Neighbourhood Hub operations. These savings proposals are included in a separate public excluded report which is necessary to: protect the privacy of natural persons (s7(2)(a)) enable Council to carry on, without prejudice or disadvantage, negotiations (s7(2)(i))	No savings in 2024-25, \$0.2M in 2025-26 (\$1.8M over nine years). Favourable rates impact of 0.11% in 2025-26. This change is not factored into the financial projections. Officers recommend Council provides direction on the budget to be included in the FLTP.	Refer to separate public excluded paper on the agenda.
7	<u>Three Waters capital programme</u> A change to the capex programme due to the inclusion of WWL corporate costs which had been mistakenly omitted by WWL in previous advice and is estimated to be \$20.1M for the first three years	<ul> <li>\$20.1M costs are being absorbed across the projects with net nil overall impact over 10 years. There are phasing changes for both subsidy revenue linked joint venture projects and capex factored into the financial projections.</li> <li>Officers recommend that Council agrees to the proposed budget changes to be included in the FLTP.</li> </ul>	Refer to separate paper on the agenda.
8.	<u>Sister City</u> Direction was provided to include in the budget funding for the Sister City programme based on feedback at hearings, with the understanding that confirmation is to be provided to Council that the funding is to be equitably spent. Each year all Lower Hutt secondary schools are approached to see if there is interest. Previous participants in sister city exchanges have included students from Naenae College, Taitā College, Hutt Valley High School, Wainuiomata College, Wā Ora Montessori, St Bernard's College amongst others. There is a process for the student exchanges (hosting and travelling) and volunteering obligations.	Opex of \$0.01M in 2024-25 (\$0.1M over 10 years). Minor rates impact of 0.01% in 2024-25. Officers recommend that Council provides direction on the proposed budget changes to be included in the FLTP.	N/A

33. The report on 17 May 2024 referenced a range of risks around the budgeting process which can be summarised as:

17

- risk related to Hutt City Council's Standard and Poors (S&P) credit rating.
- risks around inflation cost pressures being higher than budgeted.
- high interest rates and volatility in the market making this hard to forecast.
- 34. A range of savings, budget reductions and revenue opportunities have been factored into budgets, to offset the cost pressures. This was close to \$35M for the DLTP. Further reviews were carried out in the preparation of the FLTP and this figure is now \$38M. This includes a savings target for the Corporate Leadership Team of \$0.6M in 2024-25, which will be addressed through procurement activity and resourcing reviews.

#### Section G - Fees and charges

- 35. User fees and charges are an important aspect of how we fund Council facilities and services. Setting fees and charges at an appropriate level is important to pay for the cost of Council's activities and achieve a balanced budget.
- 36. The key aspects of Council's Financial Strategy that were considered in reviewing fees are:
  - a) the importance of a balanced budget so that the projected operating revenue is set at a level to meet expected operating expenses; and
  - b) ensuring the distribution of benefits is fair. Where there are direct identifiable benefits, the proportion of costs associated with those benefits should be recovered by the users.
- 37. As part of the preparation of the DLTP, Council set the expectation that fees and charges set in the DLTP are increased to cover rising costs as a minimum. Fees and charges were updated and included in the DLTP on this basis.
- 38. Council approved the detailed listing of proposed fees and charges for inclusion in the DLTP for engagement. It is important to note that the full detailed DLTP, including all the proposed fees and charges, was available to the public during the consultation period, and feedback has been received on this. Based on the decisions on Aquatics fees on 17 May some changes have been made to these fees.
- 39. Officers recommend that the proposed fees and charges included in the draft of the final long term plan 2024-34 (refer to Appendix 2 to be separately circulated) are endorsed.

#### Section H - Summary financial overview

40. At the Council meetings up to 17 May 2024 a range of budget decisions were progressed. Sections D and E clarify which decisions are included in the indicative modelling presented below for the FLTP. Where no recommendation is being made, these are not factored into the projections.

#### Capital investment

#### Graph 1 Capital investment plan, comparison of FLTP with AP24



- 41. Graph 1 shows the updated capital programme in the FLTP, with a comparison to AP24. Capex has increased by \$904M in the 10-year period of the FLTP compared to AP24 (from \$1,790M to \$2,694M). This is largely due to increased costs for three waters investment, transport projects and RiverLink. Projects rephased from 2023-24 to later years also have a minor impact on the budget.
- 42. This level of investment will contribute to a resilient city that can more effectively deal with the challenges of population growth and climate change, supporting both our residential and commercial ratepayers.
- 43. The latest capital budget projections represent the phasing based on the best available information around deliverability of work programmes. Detailed capital project lists by activity are included in the draft of the final Long Term Plan 2024-34, refer to Appendix 2 (to be separately circulated).

#### **Borrowings**

44. Graph 2 shows the updated projected net debt to revenue in the FLTP, with a comparison to AP24.



Graph 2: Projected net debt to revenue, comparison of FLTP with AP24

- 45. The change in the capital programme results in a corresponding adjustment in the level of borrowings required. Borrowing levels are maintained within the limits set in our financial strategy. Net debt is projected to peak at 227% against the limit in the FLTP at just over \$1.1B in 2029-30 compared to the AP24 projection of \$800M. This is largely due to the increased capital programme together with offsets from assumed government co-funding.
- 46. The impact of changes to development contributions revenue because of decisions on 17 May 2024 are factored into the debt projections. This includes project changes, a transition option for development contribution charges over three years and a remission provision for community housing providers (CHPs). The changes to the capital programme for Three waters are also factored into the development contributions revenue and debt forecast.

#### Balanced operating budget

47. The balanced operating budget position in 2024-25 is projected to be a \$35M deficit compared to a deficit of \$22.7M in AP24. In AP24, we projected to achieve a balanced operating budget in 2030-31; we are now projecting to achieve these two years earlier, in 2028-29.

48. Graph 3 shows the updated projected balanced operating budget target in the FLTP, with a comparison to AP24.

**Graph 3 Projected balanced operating budget target, comparison of FLTP with** AP24



49. Once all budget decisions are finalized, the rates impacts for out years may need to be re-calculated. Any change will be presented to the LTP working group for endorsement before being presented on 27 June for adoption.

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
DLTP	16.9%	12.0%	12.4%	11.5%	11.0%	11.0%	7.2%	7.2%	7.2%	7.2%
FLTP	16.9%	12.6%	12.6%	12.6%	12.4%	12.0%	7.0%	7.0%	7.0%	7.0%

Table 3: Rates revenue increases (after growth).

## Section I - Rates Revenue and related policy

50. Officers continue to update rates modelling and this reflects the latest information from the rating database and projected rating impacts. Rates modelling includes the latest information about projected growth until 30 June 2024.

### Targeted rates

51. As part of the DLTP, Council set the proposed targeted rates for the 2024-25 year. These remain unchanged for the FLTP.

Table 4: FLTP targeted rates

Rate	2023-2024 Rates	2024-2025 Rates	Change
Wastewater – per rating unit or SUIP	\$654	\$766	\$112
Water – per rating unit or SUIP	\$607	\$746	\$139
Refuse 80L – per SUIP	\$115	\$128	\$13
Refuse 120L – per SUIP	\$175	\$192	\$17
Refuse 240L – per SUIP	\$350	\$384	\$34
Recycling – per SUIP	\$128	\$130	\$2
Green waste – per SUIP	\$105	\$115	\$10

#### Rates revenue increase

- 52. Council agreed to include a rates revenue increase in the DLTP of 16.9% together with a growth-related rates revenue component of 1.1%. Officers recommended that the rates increase is retained at the same level for the FLTP. The rates projections in tables 5 and 6 is indicative modelling based on these increases.
- 53. Affordability of rates is a key consideration of Council. The proposed rates rise equates to an <u>average increase of \$10.81 per week per household</u> or an average increase of \$562 per annum. Investment in Three Waters infrastructure makes up almost half (\$251) of this. The remaining \$311 covers cost increases for all the other services provided (including transport, parks, community facilities, rubbish, recycling etc).

Table 5: Indicative rate	s impact for FLTP	P by property category

Property Category	1 July 2024 Capital Value	2023-2024 Rates	2024-2025 Rates	\$ Change annual	\$ Change Weekly	Change %
Average Residential	\$815,000	\$3,348	\$3,910	\$562	\$10.81	16.8%
Average Commercial Central	\$2,350,000	\$19,367	\$22,994	\$3,627	\$69.76	18.7%
Average Commercial Suburban	\$2,418,000	\$16,501	\$19,425	\$2,924	\$56.23	17.7%
Average Rural (no water or wastewater)	\$1,247,000	\$2,342	\$2,694	\$352	\$6.77	15.0%
Utilities	\$3,262,068	\$23,515	\$28,467	\$4,952	\$95.24	21.1%

Table 6: Indicative rates impact for FLTP by suburb

Residential Suburb	1 July 2024 Capital Value	2023-2024 Rates	2024-2025 Rates	\$ Change annual	\$ Change Weekly	% Change
	value					
Alicetown	\$899,500	\$3,533	\$4,125	\$592	\$11.38	16.76%
Avalon	\$760,000	\$3,228	\$3,770	\$542	\$10.42	16.79%
Belmont	\$972,500	\$3,693	\$4,311	\$618	\$11.88	16.73%
Boulcott	\$922,500	\$3,584	\$4,184	\$600	\$11.54	16.74%
Days Bay	\$1,294,500	\$4,398	\$5,131	\$733	\$14.10	16.67%
Eastbourne	\$1,217,800	\$4,230	\$4,936	\$706	\$13.58	16.69%
Epuni	\$834,900	\$3,392	\$3,960	\$568	\$10.92	16.75%
Fairfield	\$818,300	\$3,356	\$3,918	\$562	\$10.81	16.75%
Harbour View	\$912,100	\$3,561	\$4,157	\$596	\$11.46	16.74%
Haywards	\$632,500	\$2,949	\$3,445	\$496	\$9.54	16.82%
Hutt Central	\$1,080,800	\$3,930	\$4,587	\$657	\$12.63	16.72%
Kelson	\$879,600	\$3,490	\$4,074	\$584	\$11.23	16.73%
Korokoro	\$1,023,900	\$3,806	\$4,442	\$636	\$12.23	16.71%
Lowry Bay	\$1,661,600	\$5,202	\$6,066	\$864	\$16.62	16.61%

- - Final decisions on the Long Term Plan 2024-2034

04 June 2024

Manor Park	\$896,400	\$3,527	\$4,117	\$590	\$11.35	16.73%
Maungaraki	\$932,800	\$3,606	\$4,210	\$604	\$11.62	16.75%
Melling	\$766,900	\$3,243	\$3,787	\$544	\$10.46	16.77%
Moera	\$648,200	\$2,983	\$3,485	\$502	\$9.65	16.83%
Naenae	\$659,200	\$3,007	\$3,513	\$506	\$9.73	16.83%
Normandale	\$896,200	\$3,526	\$4,117	\$591	\$11.37	16.76%
Petone	\$950,800	\$3,646	\$4,256	\$610	\$11.73	16.73%
Point Howard	\$1,185,100	\$4,159	\$4,852	\$693	\$13.33	16.66%
Stokes Valley	\$648,800	\$2,984	\$3,486	\$502	\$9.65	16.82%
Taitā	\$661,400	\$3,012	\$3,519	\$507	\$9.75	16.83%
Wainuiomata	\$630,100	\$2,944	\$3,439	\$495	\$9.52	16.81%
Waiwhetū	\$802,800	\$3,322	\$3,879	\$557	\$10.71	16.77%
Waterloo	\$887,700	\$3,508	\$4,095	\$587	\$11.29	16.73%
Woburn	\$1,283,900	\$4,375	\$5,104	\$729	\$14.02	16.66%
York Bay	\$1,128,100	\$4,034	\$4,707	\$673	\$12.94	16.68%

23

- 54. The indicative rates increase by property category above are in the line with the DLTP estimates except for the average commercial central category. There has been lower net growth (including demolitions) than estimated in this category (revised increase now of 18.7% or \$69.76 per week compared to 16.9% or \$63.04 in the DLTP). It is important to note that there will be further updates to property data before the final rates are set for 2024/25.
- 55. For those ratepayers experiencing financial hardship, Council offers a range of support mechanisms for rates bills. This includes payment plans, rates rebate for those on a low income, and rates postponement for those experiencing financial hardship.

#### Next steps

- 56. The FLTP will be updated to reflect final Council decisions.
- 57. Officers are working to update the narrative sections in the FLTP ahead of 27 June 2024. This includes a summary of consultation results, summary of decisions made on consultation items and any external factors have influenced changes to the FLTP since the preparation of the DLTP (eg central government funding)
- 58. Officers will finalise the content of the FLTP to enable Council to adopt the plan on 27 June 2024. The rating resolutions will also be prepared for 27 June 2024.

59. The content for the FLTP will require further review and checking. There are likely to be other updates and minor adjustments to content as this review process is completed.

24

- 60. Officers will report through to the Long Term Plan Working Group (comprising the Mayor, Deputy Mayor and Chairs of Standing Committees) on any matters requiring decisions ahead of the agenda reports being prepared for the Council meeting to be held on 27 June 2024. If there are any such decisions, then these will be reported back to Council on 27 June 2024.
- 61. Audit New Zealand will complete the final external audit processes for the FLTP. The audit opinion and findings of the audit will be reported to Council 27 June 2024.
- 62. The final LTP 2024-34 will be considered by Council at its meeting on 27 June 2024 for adoption.

#### **Climate Change Impact and Considerations**

- 63. The matters addressed in this report have been considered in accordance with the process set out in Council's Consideration Guide.
- 64. The LTP directly responds to the need to achieve emission reductions, by embedding emission reductions in a range of initiatives. For example, Council's investment in Naenae Pool includes that the new building would not use natural gas for heating and instead utilise alternative low-carbon energy sources. The LTP also includes a number of projects to reduce emissions, including the decarbonisation of Council facilities (including pools and the Dowse).

#### **Communications and Engagement**

- 65. Results of the DLTP 2024-34 consultation process were reported on 17 May 2024.
- 66. Officers are preparing communications to go out following the adoption of the LTP 2024-34 on 27 June 2024. These include:
  - consultation report (based on analysis from PublicVoice);
  - email to submitters announcing the adoption of the LTP, including a link to the consultation report;
  - press release to announce the adoption of the LTP, including a link/reference to the consultation report;
  - social media post announcing the adoption of the LTP, including a link to the consultation report;
  - the LTP will be published on Council's website as soon as practicable following adoption to align with the communications listed above; and
  - a limited number of printed copies will be available in Neighbourhood Hubs and at the Administration building by the end of July 2024.

67. Key messages will continue to reference 'Taking the next steps', Council's investment in infrastructure and water and the challenging economic environment.

#### Legal Considerations

68. The most relevant legislation includes the Local Government Act 2002, the Local Government (Rating) Act 2002 and the Rating Valuations Act 1998. The LTP has been prepared to meet the legislative requirements.

#### **Financial Considerations**

69. Financial considerations associated with the draft and final LTP have been addressed in the report.

#### Appendices

No.	Title	Page
1 <u>.</u>	Detailed information for budget decisions - 4 June 2024	26

#### Author: Deepu Nunnian Manager Financial Strategy and Planning

**Author:** Richard Hardie Head of Strategy and Policy

**Reviewed By:** Jenny Livschitz Group Chief Financial Officer

**Reviewed By:** Jarred Griffiths Director Strategy and Engagement

**Approved By:** Jo Miller Chief Executive

## Detailed information to support budget decisions

Infrastructure Acceleration Fund Projects	2
Petone paid parking options	6
Rangatahi action plan budget and service levels	11
Rates remission for financial hardship	12

Infrastructure Acceleration Fund Projects							
Business unit	City Delivery						
LTP/AP Activity	Three Water Services						
Project/Programme	Valley Floor Infrastructure						
Budget type (Capital/Operating)	Capital						
Requested by:	Eddie Anand	21/05/2023					
Approved by director:	Jon Kingsbury	21/05/2023					

#### 1. Brief description of the project

Stormwater and Wastewater enabling infrastructure projects planned on the valley floor to support more housing in Hutt Central, Woburn, Boulcott and Epuni. Together, these projects will directly benefit the existing community and can support up to 3,500 new homes.

- The stormwater alleviation project includes pump stations, new stormwater rising mains (pipes that use pressure to move water against gravity), and extensions to existing stormwater pipes. The impact of these changes will allow intensification of development without worsening existing flooding conditions.
- The new wastewater bypass includes new wastewater pipe work, a pumping station and a new rising main from the new pump station across the river to connect with the Western Hills trunk main. This diversion will alleviate strain on current infrastructure and unlocking additional housing capacity.

The projects are co-funded by Kainga Ora with a total contribution of \$98.9M for stormwater works.

These projects are planned to be completed in stages as agreed with Kainga Ora:

- Stage 1- Feasibility stage
- Stage 2 detailed design, consenting and contractor procurement
- Stage 3 construction

An updated project report was provided to the Infrastructure and Regulatory subcommittee on 9 May 2024 where the stormwater option 1B was endorsed. Refer to <u>IARCC\_09052024</u>.

#### 2. Reason for carryover and rephasing (change in timing)

- Delay in project commencement and creation of project team as well as allowing sufficient time for the feasibility studies to progress to undertake more robust flow modelling, informed consideration of preferred option and initial site constraint investigation. This resulted in stage 1 completion delayed from Dec 2023 to June 2024. This revised timeline was subsequently agreed with Kainga Ora.
- The carryover and rephasing request is in order to complete stages 2 and 3. The current rephasing is based on high level estimates as the detailed work programme still needs to be finalised and is based on assumed stormwater option 1B.

2

#### 3. Overview of project costs

Infrastructure costs identified are outlined in Table 2 and include:

- Wastewater of which the entirety is related to growth.
- Stormwater: a portion is related to growth.

The costs are based on high level estimates linked to the level of design maturity in stage 1. Further work will be done in stage 2, in collaboration with the physical works contractor, to refine and create more robust cost estimates and phasing.

#### 4. Key assumptions around delivery

The contingencies included within the total infrastructure costs are equivalent to a P95 budget i.e. there is an 95% confidence that the project costs will not exceed the budget. Costing of the projects and revenue sources are based on the best available information at this time and are subject to change once site investigation and design work is completed. Assumptions have been made around timelines which, if delayed through unavoidable factors could increase overall project costs. One of these risk factors is RiverLink programme delays that will impact the wastewater pipe crossing across the new Melling Interchange Bridge and stormwater outlets in the river stopbanks.

#### 5. Risks and Mitigations

Risk	Potential Consequences	Potential Mitigation
Proposed increases in Development Contributions not considered affordable by developers	<ul> <li>Developers choose to develop in other locations where there are lower Development Contributions and/or more cost-effective sites are available.</li> <li>Slower rate of development on valley floor</li> <li>Lower income from Development Contributions, resulting in higher debt levels for Council</li> </ul>	Early & regular conversation with potential developers/urban plus to promote the development and to showcase potential transformation opportunities.
Insufficient quantity of developers willing to sign Housing Delivery Agreement	• Kāinga Ora do not perceive that there is enough housing units enabled as a result of the proposed infrastructure and so withdraw from negotiations	Continue to work with Kainga Ora in subsequent stages and keep them engaged in the housing conversations.

Infrastructure schemes are not deliverable within \$174.4M budget	• Council must provide funding for any shortfalls through additional borrowing	Stage 2 will provide further opportunities to have robust cost estimates completed with contractor once detailed design is done and will also explore opportunities to amend minimum requirements (where possible, in collaboration with Wellington Water) to manage project delivery within approved funding.
Escalation rates exceed allowances	<ul> <li>Contingency used to fund escalation</li> <li>Remaining contingency is insufficient if other project risks eventuate</li> </ul>	Track escalations and report against allowances made in the budget. Explore procurement opportunities to reduce escalation risks to Council (stage 2 work).

4

#### Further budget information (\$M)

#### Table 1: Capital grant budget

The presented figures are: Inflated									
\$M	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	<u>2030-</u>	Total
								<u>34</u>	
Draft Long term Plan 2024-34	3.01	13.10	36.32	33.73	12.74	-	-	-	98.90
Final Long term Plan 2024-34	0.00	13.10	25.91	37.52	19.36	-	-	-	98.90
Variance	(3.01)	-	(10.41)	6.80	6.62	-	-	-	-

#### Table 2: Wastewater capital expenditure budget

The presented figures are: Inflated									
\$M	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030-	Total
								<u>34</u>	
Draft Long term Plan 2024-34	2.73	9.87	22.22	3.48	-	-	-	-	38.30
Final Long term Plan 2024-34	0.60	7.00	18.79	21.95	11.95	-	-	-	60.29
Variance	2.13	4.87	3.43	(18.47)	(13.95)	-	-	-	(21.99)

#### Table 3: Stormwater capital expenditure budget

The presented figures are: Inflated									
\$M	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030-	Total
								<u>34</u>	
Draft Long term Plan 2024-34	6.02	20.13	48.01	44.55	16.86	-	-	-	135.57
Final Long term Plan 2024-34	1.10	12.21	30.44	44.08	25.75	-	-	-	113.58
Variance	4.92	7.92	17.57	0.47	(8.89)	-	-	-	21.99

2

Petone paid parking options							
Business unit	Transport						
LTP Activity	Transport						
Budget type	Revenue and operating						
Requested by:	Declan Millin 22/05/2024						
Approved by director:	Jon Kingsbury	22/05/2024					

 1
 Background

 Increases in parking fees and extension of paid parking to weekends were proposed through the DLTP across the City and in Petone. There was a range of feedback around paid parking in Petone with concerns raised around the impact this would have on businesses. Officers were asked to provide further options for paid parking in Jackson st,

- 1. Petone paid parking seven days per week (current draft Long-term plan)
- 2. Petone paid parking seven days per week but first 60 mins free
- 3. Petone paid parking seven days per week but first 30 mins free
- 4. Petone paid parking Monday to Friday only, with weekends free
- 5. Petone paid parking seven days per week but implemented in July 2027.

A parking survey report covering Lower Hutt and Petone, was completed in 2021 and focused on parking occupancy to inform parking restrictions, decisions and policy at the time. This report has been included in the agenda as appendix 3.

#### Reasons to support the need for budget changes

Petone. This paper outlines these five options:

These changes are to provide options to Council for the proposed implementation of paid parking in Petone.

This paper outlines options to reduce the impact of the proposed implementation of paid parking in Petone, but still ensure that the costs of infrastructure are partly offset by its users.

The last option recognises significant and on-going waterpipe replacement works which will prohibit use of section of parks for an extended period.

3	Options for fees and budget impact

#### **Option 1 – Paid parking seven days per week**

This option is to keep the proposed parking charges for 9am to 5pm, 7 days per week as included in the draft Long-Term plan. If this option is preferred, revenue of \$898,560 per annum will be preserved.

#### Option 2 - Paid parking seven days per week but first 60 mins free

This option is to keep the proposed parking charges for 9am to 5pm, 7 days per week, but the first 60 mins of parking would be free of charge. If this option is preferred, it will result in a reduction in estimated revenue of \$439,920 per annum.

#### Option 3 - Paid parking seven days per week but first 30 mins free

This option is to keep the proposed parking charges for 9am to 5pm, 7 days per week, but the first 30 mins of parking would be free of charge. If this option is preferred, it will result in a reduction in estimated revenue of \$260,208 per annum.

#### **Option 4 - Remove paid parking in weekends.**

This option keeps the proposed 9am to 5pm paid parking in Petone, but it would only apply from Monday to Friday, making the weekends free for parking of 120 minutes. If this option is preferred, it will result in the removal of the estimated weekend parking revenue of \$149,000 per annum.

#### Option 5 - Paid parking seven days per week but implemented in July 2027.

This option is to keep the proposed parking charges for 9am to 5pm, 7 days per week, but only implemented in July 2027. If this option is preferred, there will be opex savings of \$256,842 but also a reduction in estimated revenue of \$898,560 for three years.

	Option 1: DLTP- Petone paid parking 7 days per week	Option 2: Petone 1st 60 mins free	Option 3: Petone 1st 30 mins free	Option 4: Petone Mon-Fri 9-5pm paid only	Option 5: Petone paid parking 7 days per week - implemented July 2027
Citywide Parking revenue increase excluding Petone	1,210,139	1,210,139	1,210,139	1,210,139	1,210,139
Petone Weekdays	748,800	382,200	531,960	748,800	-
Petone weekends	149,760	76,440	106,392	-	-
Total parking revenue increase in 2024-25	2,108,699	1,668,779	1,848,491	1,958,939	1,210,139
Reduction to DLTP revenue 2024-25	-	(439,920)	(260,208)	(149,760)	(641,718)
Indicative rates impact in 2024-25	0.41%	0.28%	0.17%	0.09%	0.41%

Key assumptions

That costs of enforcement will be met through enforcement revenue and no other cost increases or changes are expected.

The calculated revenue makes assumptions around levels of occupancy and behaviour change to determine the estimated revenue post fee change.

Parking meters can be programmed for 30 min or 60 min free parking, but entering parking details, even if free, will be required for monitoring and enforcement.

#### **Risks and mitigations**

None.

5

Further budget information (\$M)

The figures in the following tables for the outyears are inflated.

#### **Option 1 – equates to the current Draft Long Term Plan 2023-24.**

**Option 2 – 1**<sup>st</sup> 60 mins Free operating revenue budgets

\$M	2024	2025	2026	2027	2028	2029	2030	2031	2032/	2033/	Total
	/25	/26	/27	/28	/29	/30	/31	/32	33	34	
Draft											
Long-Term	2.18	2.23	2.28	2.33	2.38	2.43	2.48	2.53	2.58	2.63	24.06
Plan 2023-											
2024											
Final											
Long-Term	1.73	1.76	1.80	1.85	1.89	1.93	1.96	2.00	2.04	2.08	19.04
Plan 2024-											
2034											
Variance	(0.45)	(0.46)	(0.48)	(0.49)	(0.50)	(0.51)	(0.52)	(0.53)	(0.54)	(0.55)	(5.02)

Option 3	- 1 <sup>st</sup> 30	mins	Free	operating	g revenue	budgets

\$M	2024	2025	2026	2027	2028	2029	2030	2031	2032/	2033/	Total
	/25	/26	/27	/28	/29	/30	/31	/32	33	34	
Draft											
Long-Term	2.18	2.23	2.28	2.33	2.38	2.43	2.48	2.53	2.58	2.63	24.06
Plan 2023-											
2024											
Final											
Long-Term	1.91	1.95	2.00	2.04	2.09	2.13	2.18	2.22	2.26	2.30	21.09
Plan 2024-											
2034											
Variance	(0.27)	(0.27)	(0.28)	(0.29)	(0.29)	(0.30)	(0.31)	(0.31)	(0.32)	(0.32)	(2.97)

**Option 4 - Weekends Free operating expenditure budgets** 

\$M	2024	2025	2026	2027	2028	2029	2030	2031	2032/	2033/	Total
	/25	/26	/27	/28	/29	/30	/31	/32	33	34	
Draft											
Long-Term	2.18	2.23	2.28	2.33	2.38	2.43	2.48	2.53	2.58	2.63	24.06
Plan 2023-											
2024											
Final Long	2.03	2.07	2.12	2.17	2.21	2.26	2.31	2.35	2.40	2.44	22.35
Term Plan											
2024-2034											
Variance	(0.15)	(0.16)	(0.16)	(0.17)	(0.17)	(0.17)	(0.18)	(0.18)	(0.18)	(0.19)	(1.71)

# Option 5 – Paid parking 7 Days per week implemented July 2027. This option impacts revenue, expenditure and capex as presented below.

Table 1: Revenue budgets

\$M	2024	2025	2026	2027	2028	2029	2030	2031	2032/	2033/	Total
	/25	/26	/27	/28	/29	/30	/31	/32	33	34	
Draft											
Long-Term	2.18	2.23	2.28	2.33	2.38	2.43	2.48	2.53	2.58	2.63	24.06
Plan 2023-											
2024											
Final											
Long-Term	1.25	1.28	1.31	2.33	2.38	2.43	2.48	2.53	2.58	2.63	21.21
Plan 2024-											
2034											
Variance	(0.93)	(0.95)	(0.97)	-	-	-	-	-	-	-	(2.85)
	. ,	. ,	. ,								. ,

#### Table 2: Operating expenditure budgets

\$M	2024	2025	2026	2027	2028	2029	2030	2031	2032/	2033/	Total
	725	/ 20	/ 2/	/ 20	29	730	/31	732	33	34	
Draft											
Long-Term	0.27	0 27	0.28	0.28	0.29	0.30	0.30	0.31	0.31	0.32	2 93
Dlan 2022	0.27	0.27	0.20	0.20	0.27	0.00	0.00	0.01	0.01	0.02	2.70
Plan 2025-											
2024											
Final											
Long-Term	-	-	-	0.28	0.29	0.30	0.30	0.31	0.31	0.32	2.12
Plan 2024-											
1 1011 2024-											
2034											
Variance	0.27	0.27	0.28	-	-	-	-	-	-	-	0.81

#### Table 3: Net Operating impact

\$M	2024	2025	2026	2027	2028	2029	2030	2031	2032/	2033/	Total
	/25	/26	/27	/28	/29	/30	/31	/32	33	34	
Draft Long-Term Plan 2023- 2024	1.91	1.96	2.00	2.05	2.09	2.14	2.18	2.22	2.27	2.31	21.13
Final Long-Term Plan 2024- 2034	1.25	1.28	1.31	2.05	2.09	2.14	2.18	2.22	2.27	2.31	19.09
Variance	(0.66)	(0.68)	(0.69)	-	-	-	-	-	-	-	(2.04)

\$M	2024	2025	2026	2027	2028	2029	2030	2031	2032/	2033/	Total
	/25	/26	/27	/28	/29	/30	/31	/32	33	34	
Draft											
Long-Term	0.14	-	-	-	-	-	-	-	-	0.17	0.31
Plan 2023-											
2024											
Final											
Long-Term	-	-	0.14	-	-	-	-	-	-	-	0.14
Plan 2024-											
2034											
Variance	0.14	-	-	-	-	-	-	-	-	0.17	0.17

Table 4: Capital expenditure budgets

10

Rangatahi action plan budge	t and service levels									
Further information										
Business unit	Connected Communities									
LTP/AP Activity	Connectivity, creativity, learning and red	creation								
Project/Programme	Rangatahi action plan									
Budget type	Operating									
(Capital/Operating)										
Approved by director:	Andrea Blackshaw	21 May 2024								
1. Description of the initiativ	re									
On May 17 Council agreed to person as the point of contact back with information on 'the	direct officers to 'appoint a full-time FTE ) to lead the Rangatahi Action Plan.' Office budget implications and the additional le	position (covered by one ers were requested to report evel of service required'.								
Officers propose the role be es Programme and Innovation M high level scope of the propose budget decisions.	Officers propose the role be established in the Connected Communities team reporting to the Programme and Innovation Manager, in line with the current rangatahi lead function. Below is a high level scope of the proposed role. A more detailed role description will be created following budget decisions.									
Lead the overall Council appr delivery of the Rangatahi/Yo	oach to engaging and working with ranga uth Engagement Action Plan, in particula	atahi, and co-ordinate r:								
• Develop and lead rela o harness our collecti	tionships with other groups working with ve impact	youth in our city to:								
o support the wellbei	ng of young people through Council's spa	aces and places								
Lead the establishmen	t of a student leader network of diverse ir	ntermediate and secondary								
school representatives	to champion civic participation among th	eir peers								
<ul> <li>Share and champion d with rangatahi</li> </ul>	lata and insights developed by Council to	support all those who work								
• Ensure the voice of rar	ngatahi informs significant Council strateg	gies and policies								
Support the engageme	ent team to create educational activations	programme/s to assist								
rangatahi understandi	ng of how council works and their rights	in civic affairs.								
2 Cost and funding implicat	tion									
The proposed budget is \$100k	non c per annum which covers salary costs and	l associated overheads. Note								
there is no additional operation	onal budget for this work. Indicative rates	impact of 0.06% in 2024-25								

\$M	2024/	2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	Total
	25	26	27	28	29	30	31	32	33	34	
Draft Long											
Term Plan	-	-	-								
2023-2024				-	-	-	-	-	-	-	-
Final Long											
Term Plan	0.10	0.11	0.11	0.12	0.12	0.12	0.13	0.13	0.13	0.14	1.21
2024-2034											
Variance											(1.01)
	(0.10)	(0.11)	(0.11)	(0.12)	(0.12)	(0.12)	(0.13)	(0.13)	(0.13)	(0.14)	(1.21)

## Table 1: Inflated operating expenditure budget
Rates remission for financial hardship						
Further information						
Business unit	Finance					
LTP/AP Activity	Corporate Services					
Project/Programme	N/A					
Budget type (Capital/Operating)	Operating					
Approved by director:	Jenny Livschitz	21 May 2024				

#### **1**. Description of the initiative

On May 17 Council agreed to defer the decision on the Rates remission policy- Proposed rates relief for low-income households

The proposal aims to help those that need extra assistance with their rates, as cost-of-living pressures are generally felt more by the lowest income households.

The proposal is effectively an uplift of \$250 onto the government-funded Rates Rebates Scheme which provides for up to \$750 p.a. based on certain criteria.

The Minister of Local Government informed us on the 18 April 2024 that the maximum rates rebate would increase from \$750 to \$790 for the financial year starting 1 July 2024. This means that the Council would have a lower portion to fund now to retain the uplift to \$1,000 p.a., reducing from \$250 to \$210 per household. The financial implications of the cost per the DLTP and FLTP are presented below.

#### 2. Cost and funding implication

Based on the decreased rate as proposed there is a saving of \$0.29M when compared to the DLTP. This is built into the current financial projections.

Should the initiative not be progressed at all it would result in further savings of \$1.5M over three years with an indicative favourable rates impact of 0.28% in 2024-25.

\$M	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
	/25	/26	/27	/28	/29	/30	/31	/32	/33	/34	
Draft											
Long											
Term Plan	0.53	0.59	0.67	-	-	-	-	-	-	-	1.79
2023-2024											
Final Long											
Term Plan	0.44	0.50	0.56	_	_	_	_	_	_	_	1 50
2024-2034	0.44	0.50	0.00	_	_	_	_	_	_		1.50
Variance											
	0.09	0.09	0.11	-	-	-	-	-	-	-	0.29

Table 1: Rates remission for financial hardship budget

#### HUTTCITY TE AWA KAIRANGI Long Term Plan/Annual Plan Subcommittee

38

21 May 2024

#### Report no: LTPAP2024/3/136

## **Three Waters Investment**

#### Purpose of Report

1. This report summarises advice from Wellington Water Limited (WWL) on the 2024-34 Long Term Plan (LTP) to assist Council with finalising the three waters investment programme. It also includes information on universal water meters and the Jackson Street pipe renewals.

#### Recommendations

That the Subcommittee recommends Council:

- (1) notes the advice from Wellington Water Limited (WWL) to assist Council in finalising investment in three waters for its 2024-2034 Long Term Plan;
- (2) agrees to incorporate the changes proposed by WWL to the CAPEX programme, noting that such changes have been made within the overall investment envelope as proposed in the draft Long Term Plan;
- (3) notes that the most significant change to the CAPEX programme is the inclusion of WWL project management costs which had been mistakenly omitted by WWL in previous advice and is estimated to be \$20.1M for the first three years;
- (4) notes that this will impact on all major projects including growth projects such that Development Contribution charges will be updated to reflect the changes as per the WWL advice;
- (5) notes that the renewal of Petone Collecting Sewer has been deferred two years to commence in year three and that both the proposed Jackson Street network renewals and Western Hills Trunk main renewal are not currently included in the detailed three year programme and will need to be considered once further information is available;
- (6) notes that investigations for network renewals in Jackson Street, Petone have been undertaken and that engagement with businesses through the Jackson Street Programme (JSP) is underway to assist Council with deciding on a preferred option;
- (7) notes that the proposed investment programme is expected to result in an overall improvement in levels of service for water and wastewater services;

- (8) notes the risks that WWL has identified for Council's three water assets, as summarised in paragraph 17 of this report, based on the proposed investment programme; and
- (9) agrees to retain investment in universal water metering in the LTP on the basis that the Business Case being prepared for the region in year one is favourable and in line with the positive benefits identified in the work done to date, noting that Council could redirect such investment to network renewals if this was not the case.

#### Background

- 2. WWL has provided Council with advice on three waters investment throughout the preparation of the draft LTP.
- 3. Attached as Appendix 1 to the report is WWL's updated advice on the three waters investment programme for consideration in finalising the LTP. The proposed itemised programme of works for the first three years of the LTP has been updated and is included in the advice.

#### **Investment Programme**

- 4. The advice covers recommended changes to the CAPEX programme, either from identified omissions since the draft was signed off, cost updates or new items such as pressure reducing valve (PRV) renewals.
- 5. Changes to the programme have been made to accommodate the addition of WWL corporate costs associated with the delivery of the CAPEX programme, which had not been previously included in earlier advice. The costs associated with the Major Projects Team, managing all larger projects across the region, had been mistakenly omitted by WWL. This situation is unfortunate.
- 6. The WWL Board has decided to appoint an independent party to work with staff to review what has happened and provide recommendations for system/process improvements to better ensure it is not repeated. WWL is aiming to present the report on the review to the Water Committee at its 24 July 2024 meeting.
- 7. For Hutt City Council, which has the largest capital works programme of the WWL shareholder Councils, the omission of these costs amounts to \$20.1M for the first three years of the Long Term Plan.
- 8. While the overall envelope of capital investment remains unchanged, with the generic budget allocation for network renewals absorbing some of the other detailed changes, the effect of adding in the corporate overheads is to defer some projects to later years. For example, the first stage of works to renew the Petone Collecting Sewer (\$36M) has been re-programmed to commence works in year 3 rather than commence in year 1.
- 9. Growth projects will be impacted with project budget costs changing with a resulting change in development contribution charges. As such the charges have been updated to reflect this.

- 10. Both the Jackson Street network renewals and the Western Hills Trunk Sewer urgent works, the latter of which the scope and cost is yet to be finalised, have not been included in the programme. This means that further programme variations will need to be made to accommodate these projects or new budget investment approved. This will be undertaken as much as possible by bringing forward CAPEX investment from generic renewal budgets in later years.
- 11. Similarly, no budget provision has been made for CAPEX works that may be required to meet new resource consent requirements for wastewater network overflows and stormwater discharges. This includes the upgrade or renewal of the main wastewater outfall pipe which is estimated to cost over \$500M.
- 12. The Jackson Street network renewals investigations have been recently completed. Officers and WWL staff have arranged to meet with representatives of the Jackson Street Programme (JSP) and Petone Community Board (PCB) to engage with businesses on the options and impacts of the work. This will be reported back through the Infrastructure and Regulatory Committee at its next meeting.

#### Levels of Service

- 13. WWL has assessed that the investment programme, (both OPEX and CAPEX), is expected to result in an overall improvement to levels of service.
- 14. This includes investment in Year 1 of the LTP to ensure full compliance with water quality standards. This project will see the 800 households currently non-compliant with the chlorine contact time being resolved.
- 15. Increased investment in addressing water leaks will result in improved resolution times and fewer complaints.
- 16. Significant investment in the Seaview Wastewater Treatment Plant is expected to improve plant performance in the medium to long term, resulting in fewer complaints and less likelihood of actions from the regulator.
- 17. Stormwater is more difficult to assess. With the frequency of severe weather events increasing, levels of service are likely to be impacted.

#### **Risk assessment**

- 18. WWL has provided further information on the risks associated with the proposed investment programme. While service level performance is expected to improve, there are many issues that have been identified which, if any eventuated, could detrimentally impact on performance levels.
- 19. The Active Risk Register appended to the WWL advice records 23 different issues. The main issues are summarised as follows:
  - a. reservoir capacity limitations, and related asset failure risks until remediation projects are completed (e.g. Eastern Hills Reservoir and pipeline);

- b. growing renewal backlogs, may compromise network resiliency and lead to increased frequency of asset failures and increased operational cost to manage and maintain the networks;
- c. risk of continuing water supply restrictions, due to impacts of growth demands and water loss as networks degrade due to slower than recommended renewal rates;
- d. increased chances of flooding because of impacts of sea level rise on coastal outfalls performance;
- e. ongoing risks to the performance of and compliance of Seaview Wastewater Treatment Plant until programme of upgrades and consents are complete;
- f. the wastewater network discharge consent and global stormwater consent issues, as all necessary interventions may need to be delivered earlier than currently planned with significant expenditure implications; and
- g. minimal activity to achieve net carbon zero and address climate change (including flooding) and seismic resilience.

#### Water Meters

- 20. While submissions to the draft LTP favoured the Council's preferred CAPEX investment option in three waters, there were a number of submitters who did not agree with the proposal to invest in universal smart water meters. Many thought that it would be better for Council to use this money for renewals.
- 21. An information paper supporting the case for universal smart water metering, attached as Appendix 2 to this report, was prepared in December 2023 by WWL following the regional water summit. The paper outlined work that had been undertaken to consider options (over 100), to address future water demand for the Wellington metro Councils.
- 22. It concluded that a three-pronged approach was required to ensure future security of water provision. These were an increased investment in managing water loss, installing water meters, and constructing new storage lakes.
- 23. Options excluding investment in water meters were found to be more expensive, had higher carbon emissions and were less able to support water sustainability requirements.
- 24. The paper highlighted the need to address the water security issue from a position of reducing both demand and loss, with water meters being crucial to achieving that. The paper highlighted the experience of others, such as Kāpiti Coast District Council, where a 26% reduction in peak demand was achieved through the installation of universal water metering.
- 25. On the loss side, universal metering would enable WWL to pinpoint leaks more accurately and target resources appropriately. For example, the recent

trial in Greytown, with the installation of 250 smart meters, resulted in 211 new leaks being discovered. It is likely that universal water meters will uncover many previously undetected water leaks which can be triaged and resolved.

- 26. If Council is to reduce water loss from both the public and private parts of the network, to an acceptable level, universal water metering would appear to be essential.
- 27. It should also be noted that Greater Wellington has indicated it will consider setting water allocation limits and imposing surcharges if the four Wellington metro Councils don't seriously consider introducing universal water metering as a means of reducing unacceptably high water loss.
- 28. Officers recommend that Council retain investment in universal water metering within the 2024-34 LTP, noting that WWL will be finalising the business case in 2024/25 at which point Council could decide to defer or redirect investment in meters should the findings not support their introduction.

#### Discussion

29. WWL has reworked the investment programme to include its recommended changes, such that the overall envelope of investment as proposed in the draft LTP remains unchanged. The 10-year investment plan includes generic network renewal budgets that may need to be brought forward to enable works not currently in the programme, such as the Western Hills sewer main, to be funded.

#### Options

30. Council could decide to add the proposed changes to the investment envelope rather than absorb them. The financial impact, including the impact on debt levels, of doing this has not been assessed. This option is not recommended due to the likely negative impact on rates.

#### **Climate Change Impact and Considerations**

- 31. WWL investment advice takes into consideration climate change impacts.
- 32. For example, with significant investment in renewals at the Seaview Wastewater Treatment Plant, WWL has considered carbon reduction opportunities and has undertaken investigations to best ensure that assets in this coastal location will not be compromised by expected sea level rise within their useful working lives.

#### Consultation

33. Consultation on three waters investment was undertaken through the draft LTP process with two/thirds of submitters supporting Council's preferred investment option.

#### Legal Considerations

34. There are no legal considerations.

#### **Financial Considerations**

35. The overall capex investment and subsidy revenue remains largely the same as in the draft LTP but there are timing changes, changes across activities and projects over the ten years. The overall change in budgets by year is presented in the tables that follow.

Capital p	Capital programme: The presented figures are inflated										
\$M	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2033/34	2033/34	Total
Draft											
Long	78.7	119.1	131.4	131.5	165.1	147.9	143.2	149.0	203.8	183.9	1,453.6
term											
Plan											
2024-34											
Final											
Long	79.5	103.0	146.7	140.5	143.7	171.9	142.7	153.0	193.3	178.8	1,453.2
term											
Plan											
2024-34											
Variance	(0.9)	16.0	(15.3)	(9.0)	21.5	(24.0)	0.5	(4.0)	10.5	5.1	0.4
	· · /		, í	· · /		, í		. ,			

Subsidy r	evenue fo	or JV prog	ramme: T	The preser	nted figur	es are infl	ated				
\$M	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2033/34	2033/34	Total
Draft											
Long											
term	10.4	22.2	10 (	0 5	14.0	177	147	01.7	27.0	E O	171 (
Plan	10.4	22.2	10.0	0.5	14.0	17.7	14.7	21.7	57.0	5.2	1/1.0
2024-34											
Final											
Long											
term	0.0	10.0	24.0	11 (	0.2	25.0	15.0	01 F	00.1	4.0	170.0
Plan	9.8	18.0	24.0	11.6	9.3	25.0	15.8	21.5	33.1	4.0	172.2
2024-34											
Variance	(0.6)	(4.2)	53	31	(5.4)	73	12	(0.1)	(47)	(1 3)	0.6
	(0.0)	(4.2)	5.5	5.1	(3.4)	7.5	1.2	(0.1)	(4.7)	(1.5)	0.0

Net impa	Net impact: The presented figures are inflated										
\$M	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2033/34	2033/34	<u>Total</u>
Draft Long term	68.3	96.9	112.8	123.0	150.3	130.2	128.5	127.3	166.0	178.7	1.282.0
Plan 2024-34											,
Final Long term Plan 2024-34	69.7	85.0	122.7	128.9	134.3	146.9	126.9	131.5	160.2	174.9	1,281.0
Variance	(1.5)	11.8	(9.9)	(5.9)	16.0	(16.7)	1.7	(4.2)	5.8	3.8	1.0

#### Appendices

No.	Title	Page
1 <u>.</u>	Appendix 1: WWL Advice on Three Waters Investment Programme	45
2 <u>J</u>	Appendix 2: Universal Smart Water Meters	68

**Author:** Bruce Hodgins Strategic Advisor

**Author:** Deepu Nunnian Manager Financial Strategy and Planning

**Reviewed By:** Jenny Livschitz Group Chief Financial Officer

**Approved By:** Jo Miller Chief Executive



# Finalisation of the Hutt City Council Long Term Plan three waters investment programme

ТО	Bruce Hodgins, Strategic Advisor, Hutt City Council
COPIED TO	Jenny Livschitz, Group Chief Financial Officer, Hutt City Council; Pete Wells, Manager Service Planning, Wellington Water; Kevin Locke, General Manager Customer Operations, Wellington Water
FROM	Julie Alexander, Group Manager Network Strategy and Planning, Wellington Water
DATE	27 May 2024
ACTION	For noting and discussion

#### Contact for telephone discussion (if required)

Name	Position		1st Contact
Julie Alexander	Group Manager Network Strategy & Planning, Wellington Water	021 815 162	
Pete Wells	Head of Service Planning, Wellington Water	021 195 9621	х



#### Purpose

- 1. As guidance as part of finalising the 2024-34 Long Term Plan (LTP) investment programme, this memo advises Hutt City Council (Council):
  - a. that updates to Council's capital programme were required to incorporate changes identified since the draft programme was prepared for consultation, and
  - b. on the information Wellington Water (WWL) will provide based on the final programme about the impacts of Council's investment level on projected levels of service and key risks.

#### Recommendations

- 2. WWL recommends that the Council:
  - a. **Note** that WWL has made changes to the FY24-34 draft LTP capital programme prepared for consultation.
  - b. **Note** the nature and format of information WWL will provide Council on the Level of Service outcomes projected to be achieved and the risks associated with the level of the investment.
  - c. Note that this memo represents WWL's final input to Council's LTP decision making process, but that the risk register and levels of service will be updated to reflect the finalised programme and provided as part of a later pack of LTP closeout advice to Council.
  - d. **Note** that in line with agreed policies on transparency and information sharing, this memo will be published on Wellington Water's public website, subject to any redactions consistent with the Local Government Official Information and Meetings Act 1987, once Council has considered and made decisions regarding this advice.

#### Background

- WWL has worked iteratively with Council since August 2023 to develop the draft LTP (OPEX and CAPEX) investment programme used for consultation. During this time, WWL has provided regular updates to Council officers and Council elected members.
- 4. On 16 February 2024, WWL advised Council on its draft 2024-34 LTP operational and capital programmes to fit Council proposed budgets. In this advice, WWL committed to offering Council further advice on the level of service projected to be achieved, and the residual risks related to the proposed investment levels. This memo offers Council an interim view on those matters.
- 5. Council has proposed an OPEX budget of \$370 million (uninflated), and CAPEX budget of \$1.3 billion (uninflated) for the 2024-34 LTP period. Appendix A provides a recap of how these budgets were split across the three waters prior to consultation.
- 6. WWL notes that Council's proposed budgets represent a significant investment in water infrastructure, and that Council has informed us that the recommended maximum deliverable investment put forward by WWL is unaffordable due to debt headroom constraints and impact on ratepayers.

Page 2 of 23

#### Wellington Water

Updates to Council's draft LTP programme

- 7. Through ongoing engagement, WWL proposed a draft LTP programme to fit Council indicated budgets that has now been used for consultation.
- 8. Since then, WWL has collated changes required to the draft programme, to be considered in the final LTP programme. To support Council's finalisation process, WWL has prepared a revised LTP programme which is attached as Appendix D in the format requested by Council.
- 9. The changes relate to:
  - Budget being brought back into FY 2023/24 to cover approved overspend in the FY 2023/24 capital programme. WWL understands that the Council has adjusted its budget to account for this change.
  - b. Adjustments to existing programme lines to correctly allocate corporate costs across the programme. Corporate cost recovery from the capital programme ensures that costs associated with WWL's delivery capability are met. Calibrating this cost recovery to the correct level equates to \$20M across the triennium. WWL remains committed to delivering within the agreed programme funding and the revised final programme has been re-prioritised accordingly. To manage the impact, the timing of some projects has shifted in the final triennium programme. Of note, construction of the Petone Collecting Wastewater Upgrade has shifted to start in Year 3.
  - c. Additional initiatives identified for potential inclusion in the programme, that have been included in the revised programme are:
    - i Annual recurring renewal projects that were identified as omissions from the draft programme. These can be incorporated in the renewals budgets that were unallocated to specific named lines at the time of the draft programme:
      - HCC PRV Renewals
      - Drainage Investigations Water Quality Renewals (SW)
      - Drainage Investigations Water Quality Renewals (WW).
    - ii Water Service Connection Renewals a new initiative included in the FY 2023/24 Capital Delivery Plan which was identified as part of review and reconciliation of the LTP programme as appropriate for ongoing funding in the LTP. This work has been recommended as part of the acute water shortage package of responses to reduce water loss.
    - iii Totara Park Seismic Resilience WW JV project, which was included in the UHCC draft programme but omitted from the HCC JV investment initiatives and will be updated for both councils to ensure consistency.
- 10. Additional initiatives identified for potential inclusion in the programme, but not included in the revised programme at this time, include:
  - a. VHCA Western Hills Trunk urgent works, which can be considered for inclusion once accurate cost estimates are developed
  - b. Jackson Street renewals programme
  - c. Changes to the draft Network Discharges Programme (NDP) following the issuing of new consents for wastewater network overflows and stormwater discharges and the final conditions attached to those consents.
- 11. WWL will continue to engage with Council on any further changes required to the programme within the capital investment envelope used for consultation.

Page 3 of 23

## Wellington Water

Level of Service projections

- 12. WWL Levels of Service projections provide historical information on the three-year trends (2021-23) in key performance metrics, along with a projection of likely future levels of service based on the delivery of the LTP investment programme. This information is provided on the basis that Council three waters OPEX and CAPEX budgets are expected to contribute to an overall improvement to levels of service.
- 13. An example Levels of Service projection is attached as Appendix B using the consulted LTP programme. This projection informs Council of the following summary impacts of the proposed investment, for each water:
  - a. Drinking Water:
    - i Levels of Service met for all water quality standards from late 2025.
    - ii Levels of Service met for response times to attend and resolve urgent callouts.
    - iii Incremental improvement in reducing water consumption and loss, with greater improvements anticipated after smart water meters are implemented and renewals backlogs addressed.
    - iv Decrease in number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply.
  - b. Wastewater:
    - i Possible improvement in network measures levels of service related to dry weather overflows and customer complaints in the short to medium term, with decreasing performance over the long-term as network degrades and renewal backlog grows.
    - ii Improvements in wastewater treatment plant performance in medium to long term, resulting in less actions from the regulator.
  - c. Stormwater:
    - i Levels of Service in storm water are difficult to predict and largely out of Wellington Water and Council's control, for example more frequent extreme storm events that the network cannot cope with.
    - ii Forecasts indicate that levels of investment may not be sufficient to mitigate damage to people, property, or infrastructure from the effects of climate change into the future.

#### Risk associated with Council investment levels

- 14. The Active Risk Register provides Council with visibility of the risks WWL have identified for Council's three waters assets, in the context of the LTP investment programme.
- 15. An example Active Risk Register based on the consulted LTP programme is attached in Appendix C.
- 16. It provides a risk picture on the basis that the Council proposed capital budget is close to the WWL recommended levels for the triennium, but significantly less for rest of the LTP period (from FY27/28 of FY 33/34).
- 17. The risks associated with the draft LTP programme may result in:
  - a. reservoir capacity limitations, and related asset failure risks until remediation projects are completed (e.g. Eastern Hills Reservoir and pipeline).

Page 4 of 23

#### Wellington Water

- b. growing renewal backlogs, may compromise network resiliency and lead to increased frequency of asset failures and increased operational cost to manage and maintain the networks.
- c. risk of continuing water supply restrictions, due to impacts of growth demands and water loss as networks degrade due to slower than recommended renewal rates.
- d. increased chances of flooding because of impacts of sea level rise on coastal outfalls performance.
- e. ongoing risks to the performance of and compliance of Seaview Wastewater Treatment Plant until programme of upgrades and consents are complete.
- f. the wastewater network discharge consent and global stormwater consent issues, as all necessary interventions may need to be delivered earlier than currently planned with significant expenditure implications.
- g. minimal activity to achieve net carbon zero and address climate change (including flooding) and seismic resilience risks.

#### **Next Steps**

- 18. The revised LTP programme attached and related content in this memo represents WWL's final advice prior to LTP finalisation on Council's investment, but WWL will continue to engage with Council to consider future changes to the programme based on ongoing prioritisation and review, such as for the works noted in (10) which have not been included in the revised programme at this time.
- 19. A final LTP advice pack will also be provided after adoption to close out the programme, consisting of:
  - a. A copy of the final 10 year LTP programme
  - b. a finalised risk register and levels of service projections
  - c. an Investment Snapshot (a summary of WWL investment recommendations and Council decisions).

Page 5 of 23

#### Appendix A: CAPEX and OPEX Investment levels

	-					
Water	LGA Classification	2024/25	2025/26	2026/27	Triennium	TOTAL LTP
Drinking Water	Growth	\$100,000	\$100,000	\$18,795,000	\$18,995,000	\$97,432,000
	Level of Service	\$4,993,100	\$8,659,063	\$19,860,754	\$33,512,917	\$109,487,801
	Renewal	\$11,517,763	\$15,803,697	\$8,564,143	\$35,885,603	\$211,023,140
Drinking Water TOTAL		\$16,610,863	\$24,562,760	\$47,219,897	\$88,393,520	\$417,942,941
Stormwater	Growth	\$2,170,000	\$3,700,000	\$750,000	\$6,620,000	\$39,885,500
	Level of Service	\$1,250,000	\$4,536,786	\$3,920,000	\$9,706,786	\$99,603,786
	Renewal	\$4,064,629	\$7,660,704	\$983,913	\$12,709,246	\$39,187,959
Stormwater TOTAL		\$7,484,629	\$15,897,490	\$5,653,913	\$29,036,032	\$178,677,245
Wastewater	Growth	\$7,397,000	\$994,000	\$3,464,423	\$11,855,423	\$44,501,493
	Level of Service	\$1,319,844	\$1,260,000	\$2,239,600	\$4,819,444	\$56,644,364
	Renewal	\$10,034,000	\$3,065,400	\$5,748,225	\$18,847,625	\$90,067,625
Wastewater TOTAL		\$18,750,844	\$5,319,400	\$11,452,248	\$35,522,492	\$191,213,482
Wastewater JV	Growth	\$0	\$0	\$0	\$0	\$3,351,150
	Level of Service	\$1,023,086	\$492,017	\$128,000	\$1,643,103	\$6,349,103
	Renewal	\$32,499,250	\$71,918,000	\$59,239,680	\$163,656,930	\$506,079,580
Wastewater JV TOTAL		\$33,522,336	\$72,410,017	\$59,367,680	\$165,300,033	\$515,779,833
TOTALS		\$76,368,672	\$118,189,667	\$123,693,738	\$318,252,077	\$1,303,613,501

Uninflated LTP 2024-34 budget for draft CAPEX programme, provided for consultation

нсс		24/25 Council
Drinking Water	Monitoring & Investigations	2,567,221
	Operations	71,548
	Planned Maintenance	1,785,251
	Reactive Maintenance Treatment Plant	9,159,593
	Management & Advisory	
	Services	1,154,820
Total Drinking Water		14,738,433
Stormwater	Monitoring & Investigations	1,131,748
	Operations	36,089
	Planned Maintenance	1,374,274
	Reactive Maintenance	1,416,349
	Treatment Plant	-
	Management & Advisory	
	Services	577,410
Total Stormwater		4,535,870
Wastewater	Monitoring & Investigations	2,038,586
	Operations	106,934
	Planned Maintenance	780,919
	Reactive Maintenance	1,536,623
	Treatment Plant	294,618
	Management & Advisory	
	Services	577,410
lotal Wastewater		5,335,090
Wastewater Joint	Monitoring & Invostigations	607 002
venture	Operations	22,100
	Planned Maintenance	23,000
		300 657
	Troatmont Plant	9 944 270
	Management & Advisory	9,044,270
	Services	1,539,760
Total Wastewater		
Joint Venture		13,237,651
Water Race	Monitoring & Investigations	-
	Planned Maintenance	-
	Reactive Maintenance	-
Total Water Races		-
Tatal		27.947.044
Total		37,847,044

Uninflated LTP 2024-34 OPEX budget, provided for consultation

Triennium Council	10 Year Council
8,022,414	26,481,402
214,644	729,480
7,550,298	34,585,617
20,905,216	64,130,052
-	-
3,464,460	11,548,200
40,157,032	137,474,751
3,373,750	11,083,872
108,267	374,890
4,122,822	13,742,740
4,345,181	14,889,040
-	-
1,732,230	5,774,100
13,682,250	45,864,642
6,244,378	20,309,765
320,802	1,097,340
2,342,757	7,809,190
4,742,022	15,599,451
893,553	2,996,900
1,732,230	5,774,100
16,275,742	53,586,746
2,101,547	6,147,428
69,000	244,000
2,228,943	7,429,810
1,198,971	3,996,570
29,801,367	99,811,893
4,619,280	15,397,600
40,019,108	133,027,301
-	-
-	-
-	-
110,134,132	369,953,440

#### **Appendix B: Level of Service Projections**

#### Overall

Increased investment in OPEX and CAPEX over the 2024-34 LTP period is expected to make improvements to levels of service across the board. The levels of service in storm water are most difficult to predict and to a large extent out of Wellington Water and council's control, for example extreme storm events becoming more frequent.

#### Potable Water

#### Water quality:

							Forecast		
Performance Measure	Target	2020/21 Result	2021/22 Result	2022/23 Result	23/24	24/25	25/26	26/27	27-34 Trend
The extent to which the local authority's drinking water supply complies with part 4 of the drinking- water standards (bacteria compliance criteria)	100%	Compliant	Compliant	Non-compliant	Non-compliant	Non-compliant	Compliant	Compliant	Compliant
The extent to which the local authority's drinking water supply complies with part 5 of the drinking- water standards (protozoal compliance criteria)	100%	Compliant	Compliant	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant

#### Context

Taumata Arowai has become the new drinking water regulator and their new drinking water standards took effect for the 2022/23 period.

#### Outlook

With the indicative level of investment, Council can expect to compliance with protozoal compliance criteria. The bacteria compliance criteria are forecasted to be met from the end of 2025 once related initiatives that'll increase the contact time for chlorine with water leaving the Waterloo Water Treatment Plant are delivered.

#### Response times

Performance Measure	Target	2020/21 Result	2021/22 Result	2022/23 Result
Median response time to attend urgent call-outs	<=90 (mins)	135	114	98
Median response time to resolve urgent call-outs	<= 8 (hours)	17.9	18.3	6.7
Median response time to attend non-urgent call- outs	<= 72 (hours)	162	193	548

		Forecast		
23/24	24/25	25/26	26/27	27-34 Trend
Improvement	Meet LOS	Meet LOS	Meet LOS	Meet LOS
Continue to meet LOS	Continue to meet LOS	Continue to meet LOS	Continue to meet LOS	Continue to meet LOS
Stabilisation but not meeting LOS.	Stabilisation but not meeting LOS.	Stabilisation but not meeting LOS.	Stabilisation but not meeting LOS.	Stabilisation but not meeting LOS.

Median response time to resolve non-urgent call- outs	<= 20 (working days)	8	12	23	Stabilisation, meeting LOS.	Stabilisation, meeting LOS.	Stabilisation, meeting LOS.	Stabilisation, meeting LOS.	Stabilisation, meeting LOS.
--	----------------------	---	----	----	-----------------------------	--------------------------------	--------------------------------	--------------------------------	--------------------------------

#### Context

The time to respond and resolve urgent call-outs (where water supply is interrupted) is improving. However, the operational budget is shared with non-urgent jobs, and due to an increase in the number of jobs and flatlined operational budgets, the time that it takes to attend and resolve non-urgent jobs (e.g., leaks) may increase.

#### Outlook

With the indicative level of investment, we can expect to see increased incidence of leaks and bursts as the network continues to age and condition worsen. The rate of increase in non-urgent works begin to stabilise with increased maintenance activities, however we are unable to determine in detail to what extent the recommended budget will mitigate or reverse the trend of increased non-urgent response times. Water consumption and water loss

							Forecast		
Performance Measure	Target	2020/21 Result	2021/22 Result	2022/23 Result	23/24	24/25	25/26	26/27	27-34 Trend
The percentage of real water loss from the local authority's networked reticulation system	<= 20%	Data quality issues	31%	37%	Incremental improvement	Incremental improvement	Incremental improvement	Incremental improvement	Stabilisation (likely above 20% target)
Average consumption of drinking water per day per resident	<385L	379L	381	410L	Stabilisation or small improvement	Improving after Water Meters			

#### Context

Unfortunately, due to a lack of metering, accurate leakage data is difficult to ascertain with high confidence. What we can see from the data below, however, is that the population in Hutt City has steadily increased over time and is not tied to demand for water of the city as a whole (including leakage). From 2004-2015, demand for water reduced while the population has risen. Since then, population has risen approximately 10%, while water demand has increased nearly 40%.

The primary levers to reduce water consumption are to invest in operational maintenance activities in the network and to progress smart metering.



\*Red line indicates population growth and blue line indicates water demand, from 2004 to 2023.

#### Outlook

The level of funding in the council preferred budget will likely begin to stabilise and reverse this trend. We are unable to determine in detail to what extent the recommended budget will mitigate or reverse this trend. Evidence has shown that water meters will have an impact on consumer behaviours which should bring down consumption, although adding meters without additional network interventions will not reduce water losses in the network.

#### Complaints

							Forecast		
Performance Measure	Target	2020/21 Result	2021/22 Result	2022/23 Result	23/24	24/25	25/26	26/27	27-34 Trend
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per one thousand connections	<=20	17.6	24.3	26.1	Improvement	Improvement	Improvement	Improvement	Meet LOS

#### Context

Complaints are a good measure to assess the overall quality of the network. Generally, the worse the network is performing, the higher the number of complaints.

We have seen a significant increase in the number of complaints over the past three years, which tracks with the general performance of the network (in the other measures) trending downwards. Outlook

Complaints are tied strongly to investment in the network. As above, we can expect to see a decrease in complaints under the council's preferred budgets and better performance relatively, with the recommended budgets.

#### Wastewater

#### Wastewater Network Measures

							Forecast		
Performance Measure	Target	2020/21 Result	2021/22 Result	2022/23 Result	23/24	24/25	25/26	26/27	27-34 Trend
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per one thousand connections	<20	6.25	3.6	5.3	Continue to meet LOS	Deteriorating due to growing renewal backlog & network degradation			
Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 90 mins	Data quality issues	19.4	8.4 hours	Improvement	Improvement	Improvement	Improvement	Improvement
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 8 hours	Data quality issues	25.7 hours	30.3 hours	Improvement	Improvement	Improvement	Improvement	Improvement
The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per one thousand connections	<=30	19.1	20.6	22.1	Continue to meet LOS	Deteriorating due to growing renewal backlog & network degradation			

#### Context

It is difficult to draw strong conclusions on the performance of the Hutt City wastewater networks based on the DIA measures.

The number of dry weather overflows has both fluctuated and has a function of being weather dependent. With reliable data only spanning three years, no reliable conclusions can be drawn about the performance of the network. Similarly, with wastewater response times, no reliable data is available before the 2021/22 financial year, and significant staffing issues have difficulties driving up response times, which are only now starting to normalise. Moreover, wastewater jobs should always have a high priority, but a proportion of these are reported as potable water issues when reported to councils. This results in a lower that intended prioritisation of the job, until crews can assess the job on-site. This means the high median response times for non-urgent water issues inadvertently drive up the response time of a portion of wastewater jobs. We will see an improvement in WW response and resolution times because of increased drinking water funding, as these incorrectly classified jobs will be identified more quickly.

In the longer term, backlog of renewals will grow indicating that the network is continuing to degrade over the period, and growth will put pressure on undersized assets. As a result, the number of dry weather overflows may increase. Complaints about sewerage odour, faults, blockages and WWL's response to these issues have increase by 16%, indicating that performance is deteriorating, although not as dramatically as in the potable water space. This indicates that the wastewater network is comparatively doing better than the water network.

#### Outlook

Again, as it is difficult to draw strong conclusions, we can only say that the Council level of investment will necessarily see an improvement in the performance (reflected in customer satisfaction) of the wastewater network in the short terms. It is unclear if this improvement will meet LOS targets for wastewater response and resolution times. In the longer term, the dry weather overflows and complaints may increase as network deteriorates and because of less wastewater planned and reactive maintenance activities due to flatline opex budgets.

#### **Regulatory actions**

							Forecast		
Performance Measure	Target	2020/21 Result	2021/22 Result	2022/23 Result	23/24	24/25	25/26	26/27	27-34 Trend
Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	2	1	1	Increased regulatory action	Improvement at WWTP leading to less regulatory action	Improvement at WWTP leading to less regulatory action	Improvement at WWTP leading to less regulatory action	Increasing compliance
Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	0	2	5	Increased regulatory action	Improvement at WWTP leading to less regulatory action	Improvement at WWTP leading to less regulatory action	Improvement at WWTP leading to less regulatory action	Increasing compliance
Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0	0	Increased regulatory action	Improvement at WWTP leading to less regulatory action	Improvement at WWTP leading to less regulatory action	Improvement at WWTP leading to less regulatory action	Increasing compliance
Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0	0	Increased regulatory action	Improvement at WWTP leading to less regulatory action	Improvement at WWTP leading to less regulatory action	Improvement at WWTP leading to less regulatory action	Increasing compliance

#### Context

Actions from the regulator tend to be centred on operations at the Seaview Wastewater Treatment Plant. The plant has had difficulties with compliance for several years, particularly this year, with one abatement notice and 28 infringement notices relating to odour.

#### Outlook

The preferred level of investment from the council will see improvements at the wastewater treatment plants which should result in less actions from the regulator.

#### Stormwater

							Forecast	-	-
Performance Measure	Target	2020/21 Result	2021/22 Result	2022/23 Result	23/24	24/25	25/26	26/27	27-34 Trend
The number of flooding events that occurred throughout the year	<=2	0	2	0	Weather dependant	Weather dependant	Weather dependant	Weather dependant	Weather dependant
For each flooding event, the number of habitable floors affected; expressed per one thousand connections	<0.24	N/A	0.3	N/A	Weather dependant	Weather dependant	Weather dependant	Weather dependant	Weather dependant
Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0	0	N/A	N/A	N/A	N/A	N/A
Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0	0	N/A	N/A	N/A	N/A	N/A
Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0	0	N/A	N/A	N/A	N/A	N/A
Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0	0	N/A	N/A	N/A	N/A	N/A
Median response time to attend a flooding event	<=8 hours	N/A	71 hours	N/A	Weather dependant	Weather dependant	Weather dependant	Weather dependant	Weather dependant
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per one thousand connections	<=20	6.71	14.3	18.2	Deteriorating	Deteriorating	Deteriorating	Deteriorating	Not meeting LOS

#### Context

Performance of the stormwater system is difficult to determine when assessing the DIA measures. Its performance is relative to the extremity of the storm events in any given year. Additionally, we assume that because of climate change, the frequency and extremity of storm events will increase over time, rendering the network less able to deal with extreme events.

We have seen a dramatic increase in the number of complaints about stormwater performance over the past few years, although this has not led to an increase in the number of flooding events. This is due to the very narrow definition of flooding events under the DIA rules – as well as the difficulty in getting this data.

Note that the enforcement actions related to the stormwater system are not a good reflection of the performance of the network. Historically, enforcement actions from the regulator tend to centre around operational work which discharges contaminants into the system, which then pollute the environment. No enforcement action should not be taken as an indicator of network performance.

#### Outlook

Again, it is difficult to draw strong conclusions, but the preferred level of investment will likely see the number of complaints about the stormwater network performance continue to rise or start to even out. This level of investment will not be sufficient to mitigate damage to people, property, or infrastructure from the effects of climate change into the future.

The preferred level of investment will begin to mitigate the effects of climate change that we are already witnessing, but we will require a coordinated plan and engagement with councils and communities to determine a path moving forward to protect people, property, and infrastructure.

## Appendix C: Active Risk Register

Item	Issue	Circumstances	Overarching Risk	
1	There is not enough capacity at the Seaview WWTP to meet full compliance when major maintenance is needed.	The design of the plant means that part of the capacity must be taken out of service to carry out major maintenance. While this is happening, it is not possible to maintain full compliance during wet weather flows. There is no funding in the LTP to increase the redundancy of the plant.	Treatment of wastewater	Treatment capa redundancy. There will be pe
2	The condition of the Seaview WWTP assets means that there will continue to be compliance issues until the funded renewals are complete.	The ageing assets in Seaview WWTP poses a significant risk in the plant's overall performance and compliance with the resource consents. Most of the asset risks are currently being addressed through capital renewal which will take some time and are subject to funding availability. Reliable consent compliance will likely be to achieved when these asset renewals are complete. Operating plant at or near end-of-life results in an increased likelihood of breakdowns and/or compliance failure. The Seaview plant has come to a time in its asset life where major renewals and operational intervention is required to ensure it meets both capacity and compliance requirements. This means investment is required in the short term.	Treatment of Wastewater	Treatment cann There will be pe complete.
3	There is a potential that the community expectations of the odour mitigation at Seaview WWTP are not met within the funded LTP project scope.	<ul> <li>The lack of asset redundancy means that maintenance and renewal is complex and compliance risk increases as treatment capacity is reduced during renewal work.</li> <li>The work scoped in the funded LTP project focusses on the largest potential odour sources at Seaview WWTP.</li> <li>We are aware that the community may have expectations greater than that which is required to be achieved under the consented activity. This may lead to a further need for investment to upgrade odour management activities.</li> <li>Current condition of assets means that more odour is being generated by those end-of-life assets, which in turn exacerbates the overall odour issue at the plant.</li> </ul>	Treatment of Wastewater	Risk of non-com May need to co
4	Wastewater Treatment plant and wastewater network vulnerable to climate change.	Investment is being made in strategic planning for an adaptive approach to climate change. The outcomes of which may require further investment to implement.	Treatment of Wastewater	May need to co
5	Reconsenting the overflow from Seaview to Waiwhetū Stream is more complex due to changes in the NRP and the increased frequency of discharges both wet and dry weather (joint failures).	<ul> <li>There has been an increased frequency of wet weather discharges due to changes in the network operation combined with growth and rainfall patterns.</li> <li>Changes in the network operations are focussed on reducing environmental impact through network overflows which has re-directed the impact to the treatment plant.</li> <li>The cumulative number of discharges from Seaview is exceeding the consentable number and is forecast to increase due to growth.</li> <li>There is an increase in frequency of joint failure on the outfall pipe leading to treated discharges to Waiwhetū Stream during dry weather.</li> <li>The Waiwhetū overflow is the largest consenting issue at the Seaview WWTP.</li> <li>Active conversation underway with Mana whenua with a focus on the long-term solutions.</li> </ul>	Treatment of Wastewater	Investment will consent require

Overarching Risk Context
icity cannot be ensured due to inadequate
eriods of non-compliance when maintenance d out.
not be ensured due to the condition of the assets.
eriods of non-compliance until the renewals are
npliance until the project is complete.
nsider further investment.
nsider further investment.
be required to meet the environmental and ments.

6	Seaview long outfall pipe - the frequency of joint leaks / failures is unpredictable leading to a variable increase in OPEX spend and environmental impact. Capacity constraints due to the pipe condition is leading to more frequent treated discharges to the Waiwhetū Stream. This impacts the Waiwhetū consent issue.	<ul> <li>There is an increase in frequency of joint failure on the outfall pipe leading to treated discharges to Waiwhetū Stream during dry weather.</li> <li>Pre-implementation (option assessments, consent strategy, and early design) to start in 2024/25. Options assessment will determine the funding requirements for the next LTP.</li> <li>Construction is unfunded in the current 10yr LTP.</li> <li>The 18km pipeline was commissioned in 1962. Its max. operating pressure has been lowered twice to reduce rubber ring joint failures, occurring since commissioning. As flows to the plant increase, treated overflows frequency has increased due to the pipeline capacity limitations.</li> </ul>	Unplanned critical three waters asset failure	Parts of the long environmental ar Investment may l consent requirem
7	Sludge dryer at Seaview WWTP is nearing end of life. It is causing increased maintenance costs, and the maintenance regime is meaning it is getting close to not being able to meet the demand for sludge drying.	Capital investment is planned in this LTP with target completion mid-2028. Sludge will need to be disposed to landfill for planned or unplanned maintenance, this causes odour issues and is not preferred by the landfill operator. This increases OPEX costs. The sludge dryer is the largest Seaview WWTP investment required. The dryer is also close to its design capacity and will require replacement to accommodate projected growth. One of the key objectives of the project is that the replacement dryer has lower carbon emissions, with the existing natural gas being the largest single source emission in Council control.	Unplanned critical three waters asset failure	Condition of asse treatment potent
8	Erosion occurring on the Hutt River potentially undermining 825mm bulk wastewater pipeline adjacent Taita rock.	Riverbank is eroding away and is potentially going to undermine the wastewater main that services Upper Hutt, Manor Park, and part of Stokes Valley. No funding in LTP to address this risk.	Unplanned critical three waters asset failure	Assets located in environmental ar Investment may service is maintai
9	Reservoirs condition means they are vulnerable to contamination. There are several reservoirs that are reaching the end of life and have condition issues. This makes them vulnerable to having contamination issues and increased risk of structural failure.	<ul> <li>There is the potential that several reservoirs may be compromised in the life of the LTP due to the optimisation of the funding. This leads to the potential for a contamination event or structural failure that may require reprioritisation of funding.</li> <li>The funding constraints means that the renewal of reservoirs is not ideally aligned to the level of risk.</li> <li>Ageing reservoir assets require increasing levels of operational maintenance in an ongoing basis.</li> <li>This increases the risk of contamination of water supply.</li> <li>LTP is funding the remediation of contamination risk. There will be a residual risk until the contamination is remediated.</li> <li>Regulatory requirements include the need for a Water Storage Management Plan which may mean additional funding required.</li> <li>Renewals of individual reservoirs are a significant investment requirement i.e. tens of millions.</li> </ul>	Unplanned critical three waters asset failure	Asset condition h safe drinking wat WWL budgets in insufficient fundi Failures of critica healthy water to

g outfall pipe fail with no notice causing and cultural impact.
y be required to meet the environmental and ements.
sets impacting the ability to deliver sludge ntially leading to consent non-compliance.
n unstable environments failure may lead to and cultural impact.
y need to be re-prioritised to ensure the level of ained.
has the potential to compromise the provision of ater.
n compliance with the LTP have areas of ding to maintain, operate and repair assets.
al assets impacts the ability to provide safe and o our communities.

10	Significant and growing renewals back log in water and wastewater due to age profile and	Aging infrastructure, leakage, blockages / overflows, seepage. Condition assessment is difficult.	Unplanned critical three	Results in more of budgets with cor
	condition of pipe materials.	Capex spend does not address the backlog.	waters asset failure	leaks repaired, m
		Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach).		CAPEX spend is i more failures ove
		Reprioritisation causes impacts to customers and inefficiency.		Potential loss of time.
		Assets have the potential to disrupt critical regional infrastructure, the general public and disrupt services to a range of customers e.g. SH2, Rail corridor etc		Impact on custor
		Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. slips, leaks and damage over time.		
11	System deterioration (water, waste,	The assets life is reduced with the flow on effect being an increase in failures.	Unplanned critical three	Results in more of budgets with cor
	infiltration, means that the assets have to work harder than they are designed for.	The whole of life is reduced leading to additional investment above what would be normally expected.	waters asset failure	leaks repaired, n
		There is no funding in the LTP to account for the system deterioration impact.		CAPEX spend is in impact which lea
				Potential loss of time.
12	Pump stations are at risk of failure due to	Pump stations have a range of components including many with shorter e.g., 15-year life, requiring on-going	Unplanned	Results in more of
	the backlog of renewals, known condition and funding constraints.	investment to keep up in reliable operation. The current capex spend does not address the required investment and there is a backlog of renewals specifically in the mechanical and electrical components.	critical three waters asset failure	budgets with cor leaks repaired, m
		Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach). Some critical components have long lead times to replace when they fail which does compromise the resiliency of the nump station and increases		CAPEX spend is in which leads to m
		operational costs.		Potential loss of time.
		Reprioritisation causes impacts to customers and inefficiency.		Impact on custor
		Assets have the potential to disrupt services to customers e.g. reservoirs draining, overflows to the environment, properties flooded.		to asset failure e
		Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g., property flooding, loss of water.		

operational costs impacting maintenance nsequential reduction in levels of service e.g. less nore blockages.
insufficient to address the backlog which leads to ver time.
service to customers for significant periods of
mers through potential for property damage due
operational costs impacting maintenance nsequential reduction in levels of service e.g. less nore blockages.
insufficient to address the system deterioration ads to more failures over time.
service to customers for significant periods of
operational costs impacting maintenance nsequential reduction in levels of service e.g. less nore blockages.
insufficient to address the asset renewal backlog nore failures over time.
service to customers for significant periods of
mers through potential for property damage due e.g. flooding

13	Stormwater network is not resilient to flooding nor climate change the network is under capacity and is degrading with growth and climate change impacting customers and the environment.	<ul> <li>Lack of investment in asset renewals program leading to reducing levels of service as the condition of the stormwater assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues.</li> <li>Growth has increased the risk over time reducing the capacity of the system and increasing operational costs with new infrastructure. This may lead to connections being declined or coming at a high cost.</li> <li>Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased public health and environmental risk and less reliable when needed during incidents.</li> <li>Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities.</li> <li>Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g., slips, leaks, overflows and damage over time. The frequency and extremity of storm events will increase over time as a result of climate change rendering the network less able to deal with extreme events.</li> <li>Flooding / stormwater flow causing damage to pipes, creating voids, causing slips and impacting health and safety and causing legal liability and decline in customer satisfaction.</li> <li>Investment in the stormwater network will not address the long-term impacts of climate change if adaptation is not introduced and the required mitigations are considered e.g. managed retreat.</li> </ul>	Unplanned critical three waters asset failure	Parts of the netw and public health Council will incur fail. Impact on custor to asset failure a Local growth-rela
		Risk the when the stormwater asset fails, and we do not have a strategic plan for what the most effective renewal is.		
14	Drinking Water network safety, performance and resiliency is compromised due to poor condition of assets and underinvestment in asset renewals.	Lack of investment in asset renewals programme leading to reduced levels of service as the condition of the water assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being	Unplanned critical asset failure	Parts of the netw supply and the p drinking water. Council will incur
		declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased contamination risk and less reliable when needed during incidents. e.g., backflow prevention, unauthorised access to fire hydrants, pressure management, critical valve maintenance Lack of investment in monitoring and investigations means the maturity and accuracy of water measurement is heavily constrained. This means we are not able to confidently calculate water loss		fail. Council will fail ir water under the regulatory action Local growth-rela
		Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities.		
		Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g., leaks and damage over time.		
		Renewals and upgrade funding is constrained which will limit opportunities to address fire flow deficiencies.		
		There is no dedicated funding to target parts of the network that have specific issues with meeting firefighting requirements. As growth develops in these areas the number of properties exposed increases.		

twork fail with no notice causing loss of service Ith and environmental risk.
ur significant unbudgeted costs when these assets
omers through potential for property damage due and on-going issues e.g., overflows, slips
elated development is constrained or thwarted.
twork will fail with no notice causing a loss of potential to compromise provision of safe
ur significant unbudgeted costs when these assets
in their duty of care to provide sufficient drinking e Water Services Act and are vulnerable to on.
elated development is constrained or thwarted.

15	Wastewater networks resiliency is compromised due to poor condition of asset and underinvestment in maintenance and renewals.	Lack of investment in asset renewals program leading to reducing levels of service as the condition of the waste assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues.	Unplanned critical asset failure	Parts of the netw and public health Council will incur
		As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being declined or coming at a high cost.		fail.
		Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased public health and environmental risk and less reliable when needed during incidents. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renowal leads to deformate of other critical activities.		Impact on custor to asset failure e Insufficient OPEX medium to long levels.
		Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g., slips, leaks, overflows and damage over time.		Local growth-rela
16	Unexpected events including severe weather events, result in OPEX budget exceedance or reduction in maintenance activities.	The OPEX budgeted provided by HCC does not include adequate allowance for the costs of responding to unexpected events including severe weather and asset failure events. Response to events is not optional and result in un-forecasted pressures on the OPEX budget. Funding of incident/emergency events from reactive opex/capex budgets impacts maintenance and renewal	Unplanned critical asset failure	Council will incur unexpected ever
		activity funding and leads to deferral of other critical activities. No funding within budgets to respond to unexpected events.		
17	We are unable to meet mana whenua and the community expectations to control contaminant discharges e.g., wastewater and stormwater overflows	Very low funding for growth projects and level of service improvements to meeting environmental water quality improvement expectations. Investment in network renewals is not to the level recommended to reduce the issues which cause contaminant discharges.	Unplanned critical asset failure	The continued di discharging into
		The way that growth is permitted exacerbates the issue.		
18	Water demand for Hutt City is outstripping supply due to water loss in the network and growth	Demand driven by network age and condition, water loss, private side water loss and growth. Resourcing constraints are impacting the ability to mitigate / reduce the loss (metering, data, backlog, etc.).	Water supply shortage	Condition of the water to custom
	High proportion of high-risk materials for ongoing leakage (Likely to either be leaking or leaking in the near future.) i.e., >90% of the galvanised watermains in the region. ~	. Aging network and increasing renewals backlog may compound the leakage issue in the medium to long term as current funding levels for drinking water renewals is averaging around 50% of WWL recommended levels. Increased funding for leak repairs will address the current leak backlog issue but is likely to grow in the future as networks degrade faster than required renewal rates.		Demand outpace worse are requir Cost of additiona
	110km of galvanised pipe. Network water loss means water use is contrary to the principles of Te Mana o te	HCC have invested in reducing the backlog; however, water loss management requires sustained an on-going funding into the future.		WWL budgets in of insufficient fu
	Wai.			The increasing re proactive mainte
	I			1

work fail with no notice causing loss of service h and environmental risk.
r significant unbudgeted costs when these assets
mers through potential for property damage due e.g., overflows, slips
X to maintain current levels of service in the term due to lesser than recommended funding
lated development is constrained or thwarted.
r significant unbudgeted costs when these nts occur.
lischarges of wastewater contaminants the environment.
e network impact's ability to supply sufficient ners.
es supply capacity and Level 3 restrictions or red for the region during summer.
al source capacity for the region is significant.
n compliance with the LTP which highlight areas Inding to maintain, operate and repair assets.
eactive leak repair costs impacts on other enance work.

19	Existing reservoir storage insufficient for design standards (including fire storage) with growth adding to the demand and reducing the storage further.	<ul> <li>Storage in the reservoirs is insufficient to provide supply for significant network outages and is a risk during peak demand periods. This increases the operational risk.</li> <li>In the current funding environment growth will go ahead of upgrades of reservoir capacity meaning a shortfall in reservoir storage and potential customer impact over time.</li> <li>There is no current defined minimum level of service.</li> <li>Allowing continued new connections and developments will degrade the existing capacity. This is also driving undesirable operational outcomes in the form of temporary storage provided by developers in the form of tank farms.</li> <li>The Eastern Hills reservoir programme will commence in 2026/27 and once complete (estimated 3-4yrs) will</li> </ul>	Water supply shortage	Results in more o budgets with con service. Failures of critica healthy water to
20	There is inadequate investment to ensure provision of safe drinking water supplies after a significant earthquake event.	Some seismic resilient storage exists, in certain zones, but overall, the quantity of storage across the city is below the level of storage required. There is insufficient funding to make seismic improvements to critical water assets.	Water Supply Shortage	Asset resiliency h safe drinking wat
21	Coastal stormwater outfalls experiencing sea level rise resulting in increased sedimentation and need for more frequent clearing. Coastal outfalls are causing flooding on Jackson Street with no physical solution to fix.	The OPEX budgeted provided by HCC does not include adequate allowance for the costs of responding to sea level rise. Response to maintain levels of service are not optional and result in un-forecasted pressures on the OPEX budget. Foreshore is changing and impacting the functionality of outlets.	Operational funding	Increasing pressu impact ability to There is no agree
22	Wastewater Network Discharge Consent & Global Stormwater consent	<ul> <li>The wastewater network discharge consent and global stormwater consent may require all necessary interventions to be delivered earlier than currently planned.</li> <li>The costs to deliver the necessary interventions to meet these consents may be greater than expected, noting the interventions and associated costs are currently indicative.</li> <li>Mana whenua expectations around reducing frequency of discharge to the environment are higher than currently budgeted for.</li> <li>Regional Council Regulatory frameworks and Council funding models are currently considered unworkable.</li> <li>There is currently a 4.7billion dollar gap across the region between Council investment and GWRC assessment of economic evaluation.</li> <li>There is no certainty that the investment assessed by the Regional Council will achieve the targets that have been set. WWL are assessing the most effective mitigations to achieve the environmental outcomes, these may not align with the Regional Councils funding assessment nor priorities.</li> </ul>	Compliance with regulations	Additional investi resource consent There are several the risk of regulat There is currently mitigations. i.e., F work with Region Operational fund means we may no consent applicati technical analysis
23	There is limited ability to control the impact private property asset condition has on the Council networks. The enforcement powers and policy packages e.g., by-laws are constrained.	Private assets are failing at a similar rate to the public assets impacting the environment and contributing to the asset risk e.g., inflow and infiltration into stormwater and wastewater networks, leakage of water. There have been targeted improvements at finding the private faults, but resolutions are difficult with constrained enforcement powers held by Wellington Water.	Compliance with regulations	Results in more of budgets with con- less leaks repaire Private property the provision of s Private property discharges of was environment.

operational costs impacting maintenance nsequential potential for reduction in levels of
al assets impacts the ability to provide safe and our communities.
nas the potential to compromise the provision of iter.
ures from climate change and sea level rise will meet levels of service.
ed level of service that will be provided.
tment will be required to meet the future at requirements.
al interventions that could be pursued to mitigate atory non-compliance with 2040 standards. ly no operational funding to pursue these Plan change hearings, seek changes / variations, anal Council officers.
ding to support the activity is constrained which not be able to lodge / support an effective tion process and carry out the supporting is.
operational costs impacting maintenance nsequential reduction in levels of service e.g., ed, more blockages.
<sup>7</sup> asset condition has the potential to compromise safe drinking water.
asset condition exacerbates the continues astewater contaminants discharging into the

## Appendix D: HCC Revised LTP Investment Programme 2024-34

HCC LTP Budget	2024/25 Uninflated	2025/26 Uninflated	2026/27 Uninflated	Triennium	2027/28 Uninflated	2028/29 Uninflated	2029/30 Uninflated	2030/31 Uninflated	2031/32 Uninflated	2032/33 Uninflated	2033/34 Uninflated	LTP
HCC LTP Consultation												
Budget	\$76,368,672	\$118,189,667	\$123,693,738	\$318,252,077	\$122,929,091	\$151,071,942	\$128,326,531	\$129,920,564	\$128,319,773	\$172,280,847	\$152,512,676	\$1,303,613,501
LTP Revised Programme	\$76,930,839	\$100,801,446	\$140,294,829	\$318,027,114	\$131,339,672	\$131,417,630	\$127,883,994	\$151,027,170	\$131,806,319	\$163,377,675	\$148,308,576	\$1,303,188,150

Intera         Loa         Onimated         On	Service	Primary	WWL Project	2024/25	2025/26	2026/27	Tuisuusium	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	LTP
Drinking Water         Renewal Mangaraki Reservoir Replacement         51,175         31,050         31,050         113,275         30,000	Area	LGA	LICC DW Control Systems Denovals	Uninflated	Uninflated	Uninflated	Iriennium	Uninflated							
Drinking Water       Renewal Water       Gracefield Reservoir Replacement       - <td>Water</td> <td>Renewal</td> <td>HCC DW Control Systems Renewals</td> <td>51,175</td> <td>31,050</td> <td>31,050</td> <td>113,275</td> <td>30,000</td> <td>50,000</td> <td>30,000</td> <td>30,000</td> <td>30,000</td> <td>30,000</td> <td>30,000</td> <td>343,275</td>	Water	Renewal	HCC DW Control Systems Renewals	51,175	31,050	31,050	113,275	30,000	50,000	30,000	30,000	30,000	30,000	30,000	343,275
Drinking WaterRenewal WaterMaungaraki Reservoir Replacement	Drinking Water	Renewal	Gracefield Reservoir Replacement	-	_	_	-	103,500	500,000	5,000,000	10,000,000	10,000,000	5,000,000	_	30,603,500
WatchRenewalMaungaraki Reservoir Structural Repairs420,000420,000100,000300,000300,00010,000,000 <t< td=""><td>Drinking Water</td><td>Renewal</td><td>Maungaraki Reservoir Replacement</td><td>_</td><td>_</td><td>_</td><td>_</td><td>_</td><td></td><td></td><td>100.000</td><td>500.000</td><td>5 000 000</td><td>10,000,000</td><td>15 600 000</td></t<>	Drinking Water	Renewal	Maungaraki Reservoir Replacement	_	_	_	_	_			100.000	500.000	5 000 000	10,000,000	15 600 000
Water420,000420,000420,000Drinking WaterRenewal WaterHCC Water Pump Station PLANNED Renewals 369,668369,668230,236113,622713,526299,030117,590623,8301,033,75068,31068,31068,310151,1903,075,536Drinking WaterHCC VHCA Reservoir Water Quality Renewals Water1,353,1431,835,232-3,188,3753,188,375Drinking WaterRenewal WaterGracefield Reservoir Urgent Structural Repairs 2,7892,7892,7892,7892,7892,7892,7892,7892,789	Drinking	Renewal	Maungaraki Reservoir Structural Repairs								100,000	500,000	3,000,000	10,000,000	15,000,000
Drinking WaterRenewal WaterHCC Water Pump Station PLANNED Renewals 369,668369,668230,236113,622713,526299,030117,590623,8301,033,75068,31068,310151,1903,075,530Drinking WaterRenewal WaterHCC VHCA Reservoir Water Quality Renewals 1,353,1431,835,232-3,188,3753,188,3753,188,3753,188,3753,188,3753,188,3753,188,3753,188,3753,188,3753,188,3753,188,3753,188,375 </td <td>Water</td> <td></td> <td></td> <td>420,000</td> <td>-</td> <td>-</td> <td>420,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>420,000</td>	Water			420,000	-	-	420,000	-	-	-	-	-	-	-	420,000
Drinking Water       Renewal       HCC VHCA Reservoir Water Quality Renewals       1,353,143       1,835,232       -       3,188,375       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       -       -       -       3,188,375       -       -       -       -       -       -       -       -       -       -       2,789       -       -       -       -       -       -       -	Drinking Water	Renewal	HCC Water Pump Station PLANNED Renewals	369,668	230,236	113,622	713,526	299,030	117,590	623,830	1,033,750	68,310	68,310	151,190	3,075,536
Water     Gracefield Reservoir Urgent Structural Repairs     1,555,145     1,655,125     -     5,166,575     -     -     -     -     -     -     5,166,575       Drinking     Renewal     Gracefield Reservoir Urgent Structural Repairs     2,789     -     -     -     -     -     -     2,789       Drinking     Renewal     Naenae Reservoir Number 1 replacement     Image: Constructural Repairs     -     -     -     -     -     -     2,789	Drinking Water	Renewal	HCC VHCA Reservoir Water Quality Renewals	1 353 1/3	1 835 232		3 188 375	_		_				_	3 188 375
Water     Z,789     -     -     Z,789     -     -     -     -     -     -     2,789       Drinking     Renewal     Naenae Reservoir Number 1 replacement     Image: Construction of generative of generat	Drinking	Renewal	Gracefield Reservoir Urgent Structural Renairs	1,555,145	1,033,232		3,100,375								5,100,575
Drinking Renewal Naenae Reservoir Number 1 replacement	Water	Renewal		2,789	-	-	2,789	-	-	-	-	-	-	-	2,789
Water 3.520.886 3.520.886	Drinking Water	Renewal	Naenae Reservoir Number 1 replacement	_	_	_	_	-	_	_	_	_	_	3,520,886	3.520.886
Drinking Renewal RB Network Renewals Pot HCC DW	Drinking	Renewal	RB Network Renewals Pot HCC DW											-,	
Water - 959,240 500,000 1,459,240 10,060,128 12,036,436 13,176,505 13,065,197 13,032,716 12,929,251 28,552,738 <b>104,312,2</b>	Water			-	959,240	500,000	1,459,240	10,060,128	12,036,436	13,176,505	13,065,197	13,032,716	12,929,251	28,552,738	104,312,211
Drinking Renewal HCC District meter area PLANNED renewals	Drinking	Renewal	HCC District meter area PLANNED renewals												
Water         290,636         281,514         248,141         820,291         253,908         270,381         253,172         271,753         215,368         31,939         -         2,116,812	Water			290,636	281,514	248,141	820,291	253,908	270,381	253,172	271,753	215,368	31,939	-	2,116,812
Drinking Renewal HCC Pipe Network Reactive Renewals - Drinking	Drinking	Renewal	HCC Pipe Network Reactive Renewals - Drinking												
Water         Water         1,688,775         1,698,780         1,706,025         5,093,580         1,736,000         1,914,000         2,010,000         2,111,000         2,327,000         19,230,580	Water	<u> </u>	Water	1,688,775	1,698,780	1,706,025	5,093,580	1,736,000	1,823,000	1,914,000	2,010,000	2,111,000	2,216,000	2,327,000	19,230,580
Drinking Renewal HCC Pressure Reducing Valve (PRV/PCV) Renewals	Drinking	Renewal	HCC Pressure Reducing Valve (PRV/PCV) Renewals									10.000			
Water 89,848 103,878 102,989 296,715 99,872 99,870 99,551 100,702 16,923 713,634	Water	+ <u> </u>		89,848	103,878	102,989	296,715	99,872	99,870	99,551	100,702	16,923	-	-	713,634
Drinking         Renewal         HCC Reservoir Renewals         111 970         100 705         97 574         200 220         00 971         00 552         100 217         101 220         15 060         926 160	Drinking	Renewal	HCC Reservoir Renewals	111 970	100 705	97 574	200.220	00.972	00.971	00 552	100 217	101 220	15.060		926 150
Watel         111,070         109,795         07,574         309,259         99,071         99,552         100,517         101,559         15,909         -         620,159           Dripking         Renowal         HCC Water Service Connection Renowals         -         620,159         -         620,159	Drinking	Bonowal	HCC Water Service Connection Renewals	111,870	109,795	07,574	509,259	99,072	99,071	99,552	100,517	101,559	15,909	-	020,159
Water 1000 000 1 000 000 1 000 000 1 000 000	Water	Kenewai	The water service connection Renewals	1 000 000	1 000 000	1 000 000	3 000 000	1 000 000	1 000 000	1 000 000	_	_	_	_	6 000 000
Drinking Renewal HCC WM Renewals Package 2 Rata St (Naenae Rd	Drinking	Renewal	HCC WM Renewals Package 2 Rata St (Naenae Rd	1,000,000	1,000,000	1,000,000	3,000,000	1,000,000	1,000,000	1,000,000					0,000,000
Water         to Hay St)         3,582,250         2,587,500         -         6,169,750         -         -         -         -         6,169,750	Water		to Hay St)	3,582,250	2,587,500	-	6,169,750	-	-	-	-	-	-	-	6,169,750
Drinking Renewal HCC WM Renewals Package 3 Waddington Dr	Drinking	Renewal	HCC WM Renewals Package 3 Waddington Dr												
Water         (Prouse Cres to Judd Cres)         -         2,070,000         -         -         -         -         -         2,070,000	Water		(Prouse Cres to Judd Cres)	-	2,070,000	-	2,070,000	-	-	-	-	-	-	-	2,070,000
Drinking Renewal HCC WM Renewals Package 5 Howard Rd and	Drinking	Renewal	HCC WM Renewals Package 5 Howard Rd and												
Water         Church Lane         3,582,250         -         -         3,582,250         -         -         -         -         -         -         3,582,250         -         -         -         -         -         -         3,582,250         -         -         -         -         -         -         3,582,250         -         -         -         -         -         -         3,582,250         -         -         -         -         -         3,582,250         -         -         -         -         -         3,582,250         -         -         -         -         -         3,582,250         -         -         -         -         -         -         3,582,250         -         -         -         -         -         3,582,250         -         -         -         -         -         3,582,250         -         -         -         -         3,582,250         -         -         -         -         3,582,250         -         -         -         -         -         3,582,250         -         -         -         -         3,582,250         -         -         -         -         3,582,250         -         -	Water		Church Lane	3,582,250	-	-	3,582,250	-	-	-	-	-	-	-	3,582,250
Drinking Renewal Residential smart meter renewals	Drinking	Renewal	Residential smart meter renewals												
Water 355,894 359,943 364,101 368,361 372,749 377,262 <b>2,198,310</b>	Water	+		-	-	-	-	-	355,894	359,943	364,101	368,361	372,749	377,262	2,198,310
Drinking Renewal Stokes Valley and Wainuiomata Galvanised Iron	Drinking	Renewal	Stokes Valley and Wainuiomata Galvanised Iron	0.500.450	6.040.000	0.4.40.000	10.050.450								40.000 400
Water         Ridermain Renewals         2,502,458         6,210,000         2,140,000         10,852,458         -         -         -         -         -         10,852,458	Water	<u> </u>	Ridermain Renewals	2,502,458	6,210,000	2,140,000	10,852,458	-	-	-	-	_	-	-	10,852,458
Drinking Renewal Wilkie Cres Watermains Renewal and Upgrade	Drinking	Renewal	Wilkie Cres Watermains Renewal and Upgrade	20 705			20.705								20 705
Water         Dividing         Lovel of         HCC Management of Fire Hydrant Lice         SU, /US         -	Drinking	Lovel of	HCC Management of Eire Hydrant Lice	30,705	-	-	50,705	-	-	-	-	-	-	-	50,705
Uniting         Level of         Incomagement of File Hydrant Ose         1023 500 <t< td=""><td>Water</td><td>service</td><td></td><td>1 023 500</td><td></td><td></td><td>1 023 500</td><td></td><td> </td><td></td><td></td><td></td><td></td><td></td><td>1 023 500</td></t<>	Water	service		1 023 500			1 023 500								1 023 500
Drinking Level of Kingsley Reservoir Seismic replacement	Drinking	Level of	Kingsley Reservoir Seismic replacement	1,023,300	-	-	1,023,300		-	-	-		-	-	1,023,300
Water         service         -         -         -         -         -         -         1.500.000	Water	service		-	-	-	-	-	-	-	-	_	-	1,500.000	1,500,000

Drinking	Level of	Critical pipelines seismic upgrade												
Water	service		-	-	-	-	-	-	-	-	-	-	881,000	881,000
Drinking	Level of	Install Bypass smart flow meter												
Water	service		-	-	-	-	-	1,500,000	1,575,000	1,654,000	1,736,000	1,823,000	1,914,000	10,202,000
Drinking	Level of	HCC Security Locks Reservoirs	10.270	20.776	20 500	50.752	10.074	10.074	10.010	20.140	2.205			142 125
Water Drinking	service	Consister Mater Network by Setelling a struggl	18,379	20,776	20,598	59,752	19,974	19,974	19,910	20,140	3,385	-	-	143,135
Drinking	Level of	matering loggers (Water Loss)											1 025 000	1 025 000
Drinking	Level of	Iniversal Residential Smart Metering	-	-	-	-	-	-	-	-	-	-	1,955,000	1,935,000
Water	service	Oniversal Residential Smart Metering	1 425 736	7 137 360	18 154 935	26 7 18 0 3 1	21 789 000	20 689 000	4 548 000	_	-	_	_	73 744 031
Drinking	Level of	(SWS) HCC PW Pressure Management	1,423,730	1,131,300	10,134,333	20,710,001	21,705,000	20,000,000	4,540,000					15,144,051
Water	service		921,150	1,035,000	1,035,000	2,991,150	1,000,000	1,000,000	650,000	-	-	-	-	5,641,150
Drinking	Level of	Capital Carbon Modelling WS												
Water	service		10,235	10,350	10,350	30,935	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,935
Drinking	Level of	Smart Services implementation WS												
Water	service		15,353	15,525	15,525	46,403	15,000	15,000	15,000	15,000	15,000	15,000	15,000	151,403
Drinking	Level of	HCC Rezoning Package 2a Rata and Sunville												
Water	service		1,125,850	-	-	1,125,850	-	-	-	-	-	-	-	1,125,850
Drinking	Level of	Network WQ Improvements - Backflow Prevention												
Water	service		33,776	34,155	34,155	102,086	33,000	33,000	33,000	33,000	33,000	33,000	33,000	333,086
Drinking	Level of	HCC Authorised Tanker Fill Points					207.000	400.000	1 400 000					2 007 000
Drinking	service	LICC Water supply rebuild, recalibration and Zone	-	-	-	-	207,000	400,000	1,400,000	-	-	-	-	2,007,000
Water	Level OI	management plan			3/ 838	34 838	38 760	37 740				_	_	111 338
Drinking	Level of	Rata and Sunville Rezonia		_	54,050	54,030	30,700	57,740				_	-	111,550
Water	service		_	_	-	-	-	-	_	_	-	-	662.000	662.000
Drinking	Level of	Kamahi Street Pressure Control Valve Installation												
Water	service		1,285,000	-	-	1,285,000	-	-	-	-	-	-	-	1,285,000
Drinking	Level of	HCC Water Network Modelling												
Water	service		358,225	51,750	51,750	461,725	50,000	50,000	350,000	50,000	50,000	50,000	50,000	1,111,725
Drinking	Level of	Smart DMA Actuated Boundary Shut Valves (tell if												
Water	service	open/close or partial open)	-	-	-	-	900,000	945,000	992,000	1,042,000	1,094,000	-	-	4,973,000
Drinking	Level of	HCC Reservoir Level of Service Improvements												
Water	service		-	337,852	255,645	593,497	283,000	281,000	247,127	247,127	247,127	247,127	-	2,146,005
Drinking	Growth	Naenae No 2 Reservoir and Outlet Main - moved			10 759 600	10 750 600	22,000,000	12,000,000						F 4 7F9 600
Vrater	Crowth	to start in FY28/29	-	-	19,758,600	19,758,600	22,000,000	13,000,000	-	-	-	-	-	54,758,000
Water	Growth	FV28/29	_	_	219 540	219 540	15 000 000	10,000,000	_	_	_	_	_	25 219 540
Drinking	Growth	Wainujomata Water Supply Storage and Network			215,540	215,540	13,000,000	10,000,000						25,215,540
Water	0.0111	Upgrades	-	-	-	-	-	-	-	-	-	100,000	1,500,000	1,600,000
Drinking	Growth	Reactive Growth Development Projects - HCC -												
Water		Water	102,350	103,500	103,500	309,350	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,009,350
Drinking	Growth	Manor Park Water Storage Reservoir												
Water			-	-	512,325	512,325	1,980,000	7,920,000	6,237,000	-	-	-	-	16,649,325
Stormwater	Renewal	HCC SW Control Systems Renewals												
			20,470	10,350	10,350	41,170	10,000	10,000	20,000	10,000	10,000	10,000	20,000	131,170
Stormwater	Renewal	HCC Global consent for operations and												
		maintenance works in streams	20,470	20,700	-	41,170	-	-	-	-	-	-	-	41,170
Stormwater	Renewal	I e Mome Pump Station Renewal and Optimisation					296 100	7 0 2 7 0 5 4	7.002	6 2 2 2				7 2 27 470
Stormuster	Popowal	HCC SW/ Pump Station Panawala	-	-	-	-	280,108	1,021,954	7,083	0,333	-	-	-	1,321,418
Stormwater	Renewal		170 229	108 613	143 451	422 203	1 255 320	1 235 520	2 909 610	2 306 700	334 620	2 656 170	153 450	11 273 683
Stormwater	Renewal	RB Network Renewals Pot HCC SW	110,223	100,015	145,451	+22,233	1,233,320	1,233,320	2,303,010	2,300,700	554,020	2,030,170	155,450	11,213,003
	i ci ci vai		-	1,244.824	673.500	1,918.324	50,000	200.000	4,120.000	-	-	-	-	6,288.324
Stormwater	Renewal	HCC Drainage Investigations Water Quality		,,=		,,			,, _ 00			1	1	
		Reactive Renewals SW	501,043	543,375	570,285	1,614,703	579,000	608,000	638,000	670,000	704,000	739,000	776,000	6,328,703

	1		1		-									
Stormwater	Renewal	HCC Pipe Network Reactive Renewals -	331 614	332 001	332 001	997 602	408.000	51/ 000	648 000	817 000	1 029 000	1 297 000	1 634 000	7 344 602
Stormwater	Renewal	Knights Road - Colin Grove E Coli - Stormwater	250,000	552,554	552,554	357,002	408,000	514,000	048,000	817,000	1,029,000	1,297,000	1,034,000	7,544,002
Stormwater	Renewal	Seaview road SW Upgrade	1 000 000	-	-	2.047.000	-	-	-	-	-	-	-	350,000
Stormwater	Level of	Dowse Dr Stormwater Improvement	1,000,000	1,047,000		2,047,000			-			-		2,047,000
	service		30,705	-	-	30,705	-	-	-	-	-	-	-	30,705
Stormwater	Level of service	Hutt City - SW Network - Seaview Flooding	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Stormwater	Level of	Hutt City - SW Network - Woburn Flooding											250.000	250.000
Stormwater	Level of	Hutt City - SW Network - Taita Flooding					-	-	-	-	-	-	230,000	230,000
Stormustor	service	Hutt City SW Notwork Hair St Flooding	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Stormwater	service	Hull City - SW Network - Hair St Flooding	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Stormwater	Level of	NDP: SW Subcatchment Asset Management Plan -	_	_	_	_	_	_	_	140.000	140 000	1 000 000	1 000 000	2 280 000
Stormwater	Level of	Hutt City - SW Network - Cornish Street Flooding								140,000	140,000	1,000,000	1,000,000	2,200,000
	service		-	-	-	-	-	-	-	-	-	-	250,000	250,000
Stormwater	Level of service	Hutt City - SW Network - Oroua St Flooding	-	_	_	_	_	-	-	-	_	_	250.000	250.000
Stormwater	Level of	Muritai Rd (92-96) Rona St, Marine Parade (19)				0.007.074							/	
Stormustor	service	Stormwater Upgrades	-	2,397,874	-	2,397,874	200,000	900,000	900,000	-	-	-	-	4,397,874
Stormwater	service	Hull City - SW Network - Bulleriny Creek Flooding	-	-	-	-	-	-	-	-	-	-	250.000	250.000
Stormwater	Level of	Hutt City - SW Network - Stokes Valley Flooding											coo ooo	
Stormwater	service	Hutt City - SW Network - Western Hills Flooding	-	-	-	-	-	-	-	-	-	-	600,000	600,000
Stormwater	service	Hatt city SW Network Western Hins Hooding	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Stormwater	Level of	Hutt City - SW Network - Konini St Flooding	_	_	_	_	_	_	_	_	_	_	250.000	250.000
Stormwater	Level of	NDP: SW Subcatchment Asset Management Plan -											230,000	230,000
	service	Hutt City A	-	-	-	-	-	140,000	140,000	1,000,000	1,000,000	1,000,000	1,000,000	4,280,000
Stormwater	Level of service	Improvement to fish passage	-	-	_	_	-	-	-	-	_	-	10.000	10.000
Stormwater	Level of	Hutt City - SW Network - Petone Flooding											10,000	10,000
Champanatan	service	Dusing a language and Dusing the	-	-	-	-	-	250,000	8,200,000	8,200,000	8,200,000	8,200,000	8,200,000	41,250,000
Stormwater	service	Drainage improvement Projects	307,050	310,500	310,500	928,050	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,028,050
Stormwater	Level of	NDP: SMS workstream 1 implementation for water												
Champanatan	service	quality	102,350	103,500	103,500	309,350	250,000	907,000	977,000	1,500,000	1,200,000	900,000	1,000,000	7,043,350
Stormwater	service	Flooding	-	-	-	-	-	-	-	-	200,000	-	-	200,000
Stormwater	Level of	Capital Carbon Modelling SW												
Champanatan	service		10,235	10,350	10,350	30,935	10,000	10,000	10,000	10,000	10,000	-	-	80,935
Stormwater	service	Black Creek	143,290	144,900	1.035.000	1.323.190	1.000.000	1.000.000	1.000.000	4,440,000	4,440,000	4,440,000	4,440,000	22.083.190
Stormwater	Level of	Climate Resilience Plan - Alicetown/Petone	,		.,	.,	.,	.,	.,	.,,	.,,	.,	.,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	service		-	-	388,125	388,125	388,125	-	-	-	-	-	-	776,250
Stormwater	Level of service	Climate Resilience Plan - Seaview	-	-	388,125	388,125	388,125	-	-	-	-	-	-	776,250
Stormwater	Level of	Climate Resilience Plan - Eastbourne			250 750	250.750								F17 F00
Stormwater	Level of	Hutt City - SW Network - Davs Bay North Flooding	-	-	258,750	258,750	258,750	-	-	-	-	-	-	517,500
	service		-	-	-	-	258,750	-	-	-	300,000	2,000,000	-	2,558,750

Stormwater	Level of	Hutt City - SW Network - Days Bay South Flooding				_	258 750	_	_	_	_	300.000	2 000 000	2 558 750
Stormwater	Level of	HCC Stormwater Pump Stations Energy					100.000	21.000	105.000			300,000	2,000,000	2,550,750
Stormwater	Level of	NDP: Resource consent for stormwater discharges	-	-	-	-	109,000	21,000	105,000	-	-	-	-	235,000
Stormwater	service	Smart Services implementation SW	511,750	517,500	517,500	1,546,750	-	-	-	-	-	-	-	1,546,750
Stornwater	service	Smart Services implementation Sw	-	-	45,540	45,540	44,000	44,000	89,000	89,000	89,000	89,000	51,000	540,540
Stormwater	Level of	Wellesley College stream inlet and outlet erosion			E 17E	E 17E								E 17E
Stormwater	Level of	Freshwater Management tool - Build	-	-	5,175	5,175	-	-	-	-	-	-	-	5,175
	service		-	-	207,000	207,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,607,000
Stormwater	Level of	HCC Stormwater Modelling		250 750	250 750	770 075	250.000	250.000	250.000	250.000	250.000	250.000	250.000	2 522 275
Stormwater	Growth	Hutt City - SW Network - Waiwhetu Stream	255,875	258,750	258,750	//3,3/5	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,523,375
Stormwater	Growth	Hutt City - SW Network - Wainuiomata - Black	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Stormwater	Growth	Hutt City - SW Network - Wainuiomata - Lowry	-	-	258,750	258,750	480,000	4,700,000	5,000,000	5,000,000	5,000,000	5,000,000	-	25,438,750
			-	-	-	-	-	-	-	-	-	-	250,000	250,000
Stormwater	Growth	Hutt City - SW Network - Wainuiomata - Parkway Flooding	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Stormwater	Growth	Hutt City - SW Network - Wingate Flooding	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Stormwater	Growth	Hutt City - SW Network - Hutt Central North Flooding	-	-	-	-	247,500	-	198,000	2,970,000	2,970,000	-	-	6,385,500
Stormwater	Growth	Reactive Growth Development Projects - HCC -	400.050	100 500	102 500	200.250	100.000	100.000	100.000	100.000	100.000	100.000	100.000	
Stormwater	Growth	Stormwater Hutt City - SW Network - Hutt Central South	102,350	103,500	103,500	309,350	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,009,350
Stormater	Growth	Flooding	1,023,500	828,000	207,000	2,058,500	-	-	-	-	-	-	-	2,058,500
Stormwater	Growth	Melling Stormwater Pumpstation and Pipe Upgrades	1,023,500	828,000	207,000	2,058,500	-	-	-	-	-	-	-	2,058,500
Stormwater	Growth	Riverlink SW Outlets Upsized	511,645	2,070,000	_	2,581,645	-	-	-	-	-	-	_	2,581,645
Wastewater	Renewal	HCC WW Pump Station Renewals												
Wastowator	Popowal	PR Notwork Panawals Pot HCC W/W	67,551	77,625	2,235,336	2,380,512	37,500	37,500	37,500	75,000	75,000	75,000	75,000	2,793,012
wastewater	Kellewal	RB Network Renewals For FICC WW	-	-	-	-	575,000	1,562,000	1,320,000	1,046,000	735,000	381,000	33,998,000	39,617,000
Wastewater	Renewal	HCC Drainage Investigations Water Quality	970 900	960.400	012.970	2 6 6 2 1 6 0	026.000	072.000	1 021 000	1 072 000	1 126 000	1 1 9 2 0 0 0	1 241 000	10 202 160
Wastewater	Renewal	HCC Pipe Network Reactive Renewals -	879,890	869,400	912,070	2,002,100	926,000	972,000	1,021,000	1,072,000	1,120,000	1,182,000	1,241,000	10,202,160
Wastewater	Renewal	Wastewater Knights Road - Colin Grove E Coli - Wastewater	/16,450	837,315	966,690	2,520,455	1,079,000	1,246,000	1,439,000	1,662,000	1,919,000	2,217,000	2,561,000	14,643,455
mustemater	Renewal		6,141,000	1,388,349	1,834,517	9,363,866	-	-	-	-	-	-	-	9,363,866
Wastewater	Renewal	Stokes Valley Rd WW Renewal	409,400	_	_	409,400	_	_	_	_	-	_	-	409-400
Wastewater	Renewal	Wainui Road and Rishworth Street Sewer												100,100
		Renewals	-	-	-	-	1,200,000	-	-	-	-	-	-	1,200,000
wastewater	Renewal		1,012,549	-	-	1,012,549	-	-	-	-	-	-	-	1,012,549
Wastewater	Level of	Capital Carbon Modelling WW	10.235	10.350	10,350	30,935	10.000	10.000	10.000	10.000	10.000	10,000	10,000	100 935
Wastewater	Level of	HCC WW Control Systems Renewals	10,200	10,000	10,000		10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Mosteveter	service	Smart Canicas implementation MAA	30,705	31,050	51,750	113,505	30,000	30,000	30,000	50,000	30,000	30,000	30,000	343,505
vvastewater	service	smart services implementation www	_	-	<u>26,</u> 910	26,910	26,000	26,000	51,000	51,000	51,000	51,000	89,000	371,910

Wastewater	Level of	Epuni and Woburn WW Network Upgrades	20 705			20 705								30 705
Wastewater	Level of	NDP: WWNO subcatchment reduction plan - Hutt	50,705	-	-	50,705	-	-	-	-	-	-	-	50,705
	service	City B	-	-	-	-	-	-	-	-	150,000	150,000	8,390,000	8,690,000
Wastewater	Level of	NDP: WWNO subcatchment reduction plan - Hutt	_	_	_	_	_	150,000	150,000	8 390 000	8 390 000	8 390 000	8 390 000	33 860 000
Wastewater	Level of	NDP: www.overflows.universal.measures						150,000	150,000	0,550,000	0,330,000	0,550,000	0,550,000	33,000,000
Wastewater	service	NDF. www.overnows.universal measures	102,350	103,500	103,500	309,350	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,009,350
Wastewater	Level of	Drainage Investigations Improve I&I												
M/o at a wat a r	service		-	-	688,896	688,896	698,880	734,240	770,640	809,120	849,680	892,320	937,040	6,380,816
wastewater	Level of	HCC Wastewater Model	204 700	207.000	465 750	077 450	c00 000	250.000	200.000	200.000	200.000			2 227 450
	service		204,700	207,000	465,750	877,450	600,000	250,000	200,000	200,000	200,000	-	-	2,327,450
Wastewater	Level of	NDP: Resource consent for dry weather overflows	207.050	210 500	210 500	000.050								000.050
	service		307,050	310,500	310,500	928,050	-	-	-	-	-	-	-	928,050
Wastewater	Level of	NDP: Resource consent for wet weather overflows	511 750	517 500	517 500	1 546 750	_	_	_	_	_	_	_	1 546 750
Wastewater	Growth	Wainuiomata North Wastewater Trunk Network	511,750	517,500	511,500	1,540,750								1,540,750
wastewater	Glowin		6 1 / 1 0 0 0		12 651	6 153 651	_						_	6 153 651
Wastowator	Growth	Wohurn Wactowator (ovel IV) Pump Station	0,141,000		12,031	0,155,051								0,155,051
wastewater	Glowin	Improvements											257 400	257 400
Mastawatar	Crowth	Reactive Crowth Development Prejects	-	-	-	-	-	-	-	-	-	-	257,400	257,400
wastewater	Growth	Reactive Growth Development Projects - HCC -	102.250	102 500	102 500	200.250	100.000	100.000	100.000	100.000	100.000	100.000	100.000	1 000 350
		Wastewater	102,350	103,500	103,500	309,350	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,009,350
Wastewater	Growth	Wainuiomata Wastewater (excl JV) Network												
		Improvements	303,980	614,790	2,151,765	3,070,535	-	-	-	-	-	-	-	3,070,535
Wastewater	Growth	Wainuiomata Wastewater (excl JV) Storage Upgrades - Fraser St EOP Storage	-	-	512,325	512,325	990,000	2,970,000	2,970,000	2,475,000	-	-	-	9,917,325
Wastewater	Growth	Alicetown Wastewater (excl JV) pump station and												
		storage improvements	-	-	512,325	512,325	2,475,000	495,000	-	-	-	-	-	3,482,325
Wastewater	Growth	Maungaraki Wastewater (excl JV) Storage						-						
		Improvements	-	-	-	-	1,003,860	2,007,720	3,513,510	3,513,510	-	-	-	10,038,600
Wastewater	Growth	Hutt Central Wastewater (excl JV) Network												
		Improvements	511,750	310,500	207,000	1,029,250	-	-	-	-	-	-	-	1,029,250
Wastewater	Growth	Korokoro Wastewater (excl JV) Pipe Upgrades												
			-	-	-	-	-	-	-	-	-	-	158,400	158,400
Wastewater	Growth	Stokes Valley Wastewater (excl JV) Network												
		Improvements - Hawthorn Cres Sewer Connection	-	-	-	-	-	158,400	990,000	-	-	-	-	1,148,400
Wastewater	Growth	Waterloo Wastewater (excl JV) Pipes Upgrades												
			-	-	-	-	-	-	-	-	-	-	366,300	366,300
Wastewater	Growth	Stokes Valley Wastewater (excl JV) Pipe												
		Improvements - Richard Gr Intrsctn Sewer	-	-	-	-	-	-	-	-	-	-	564,300	564,300
Wastewater	Growth	Naenae Wastewater (excl JV) Storage												
		Improvements - Seddon St WW Storage	-	-	-	-	393,030	786,060	2,751,210	-	-	-	-	3,930,300
Wastewater	Growth	Waiwhetu Wastewater (excl JV) Storage												
		Improvements - Whites Line WW Storage	-	-	-	-	-	-	-	-	-	-	495,000	495,000
Wastewater	Growth	Boulcott Wastewater (excl JV) Pipe Upgrade												
			-	-	86,112	86,112	500,000	500,000	560,000	-	-	-	-	1,646,112
Wastewater	Growth	North Wainuiomata new WW Pump Station and												
	C. C. C. C.	Rising Main (Greenfield)	-	_	-	-	-	_	-	-	-	-	1.052.370	1.052.370
Wastewater	Renewal	Seaview WWTP IV Renewals											1,002,010	.,
IV	nenewai		8 133 770	16 288 225	10 916 900	35 338 895	11 922 750	20 200 000	5 205 000	3 000 000	1 500 000	1 800 000	2 000 000	80 966 645
Wastewater	Renewal	Seaview WWTP IV Process Model Development	0,100,110	10,200,223	10,510,500	55,550,055	11,522,150	20,200,000	5,205,000	3,000,000	1,500,000	1,000,000	2,000,000	00,000,040
	Nenewai			155 250	51 750	207.000	50.000	50.000	150.000	50.000	50.000	150.000	50.000	757 000
Wastowator	Ponowal	Sopulary W/WTP IV Sludge Handling Panawal and	-	133,230	51,750	201,000	50,000	50,000	130,000	50,000	50,000	130,000	50,000	131,000
wastewater	Renewal	Capacity Upgrade					350.000	1 400 000	3 500 000					5 250 000
Jv Masteriater	Panawal	Concent repowed Service MANTE constal	-	+	+	+	330,000	1,400,000	3,300,000	+	-	+	-	5,230,000
wastewater	Kenewai	discharge (ovp. 2021)					E00.000	1 000 000	2 000 000	E00.000				4 000 000
74		uischarge (exp 2031)	1 -	1 -	1 -	1 -	500,000	1,000,000	2,000,000	500,000	I -	-	-	4,000,000

		1		-				-	-	1	1		-	-
Wastewater	Renewal	Consent renewal - Seaview WWTP coastal												
JV		occupation (exp 2029)	-	-	-	-	250,000	150,000	-	-	-	-	-	400,000
Wastewater	Renewal	Consent renewal - Seaview WWTP (maintenance)												
JV		(exp 2031)	-	-	-	-	-	200,000	200,000	200,000	-	-	-	600,000
Wastewater	Renewal	Consent renewal - Seaview WWTP Discharge to air												
JV		(exp 2031)	-	-	-	-	500,000	500,000	500,000	-	-	-	-	1,500,000
Wastewater	Renewal	Seaview WWTP Odour Control Renewal												
JV			7,851,680	5,678,078	-	13,529,758	-	-	-	-	-	-	-	13,529,758
Wastewater	Renewal	Seaview WWTP Sludge Drver Replacement												
JV		······································	7.619.500	35,286,400	38.419.500	81.325.400	9.500.000	_	-	-	-	-	-	90.825.400
Wastewater	Renewal	HCC JV/DBO WW Pump Station Renewals	, ,											
JV			750.226	758.655	758.655	2,267,536	411.480	1.302.480	869.850	417.420	311,490	375.840	549.090	6.505.186
Wastewater	Renewal	RB Network Renewals Pot HCC WW IV			100,000		,	.,	000,000	,		010,010	0.07000	
IV	nenewa		-	_	-	-	500.000	800 000	3 340 000	46 550 000	56 500 000	89 750 000	2 000 000	199 440 000
Wastewater	Renewal	Trunk Type B Network Development - Petone					300,000	000,000	3,3 10,000	10,330,000	30,300,000	03,130,000	2,000,000	10071107000
IV	nenewar	Collecting Wastewater Upgrade	2 395 800	_	26 133 990	28 529 790	12 074 700	2 000 000	20,000,000	20,000,000	-	_	-	82 604 490
Wastewater	Renewal	VHCA-Western Hills Trunk	2,333,000		20,100,000	20,323,130	12,01 1,100	2,000,000	20,000,000	20,000,000				02,001,100
IV/	Reflewar		_	_	_	_	_	_	9 960 000	_	_	_	_	9 960 000
Wastewater	Level of	Seaview WWTP Wastewater Storage							5,500,000					5,500,000
IV/	service	Seaview wwwn wastewater Storage	1 0/7 129	509 238		1 556 366			_		_	_		1 556 366
Wastowator	Level of	Service M/M/TR IV Crit Removal	1,047,129	509,250	-	1,550,500	-	-	-	-	-	-	-	1,550,500
wastewater	Level OI							800.000	1 600 000	2 500 000	2 200 000			8 100 000
JV Wastowator	Service	Convious MM/TD IV/ Transmont System Madification	-	-	-	-	-	800,000	1,000,000	2,500,000	5,200,000	-	-	8,100,000
wastewater	Level of	(expected with the second seco									200.000	1 200 000	2 000 000	4 500 000
JV	service		-	-	-	-	-	-	-	-	300,000	1,200,000	3,000,000	4,500,000
wastewater	Level of	HCC WWJV Control Systems Upgrades - HUVA			101 420	101 120	07.000	100.000						207 420
JV	service		-	-	101,430	101,430	97,000	109,000	-	-	-	-	-	307,430
Wastewater	Level of	Odour modelling			24.050	21.050								
JV	service		-	-	31,050	31,050	-	-	-	-	-	-	-	31,050
Wastewater	Level of	Iotara Park Road Seismic Resilience WW												
JV	service		3,838,125	-	-	3,838,125	-	-	-	-	-	-	-	3,838,125
Wastewater	Growth	Silverstream Wastewater (JV) storage												
JV			-	-	-	-	-	-	-	-	-	-	3,351,150	3,351,150
		Total												
	1		76,930,839	100,801,446	140,294,829	318,027,114	131,339,672	131,417,630	127,883,994	151,027,170	131,806,319	163,377,675	148,308,576	1,303,188,150



## **Table of Contents**

1. Universal metering is about water security, not revenue generation
<ol> <li>The objective is for customers to have sufficient water during typical summer conditions while ensuring the health of the freshwater and minimising infrastructure costs</li></ol>
3. We have to reduce our water takes to improve freshwater health within the next 10 years $\dots 4$
4. There are three pathways to water security, and we'll need to follow them all
5. Meters provide multiple benefits
Insight: Wellington's high level of water use shows that material reductions are possible
6. Meters support the lowest cost, lowest carbon, best-for-water investment pathway7
We've considered the full range of options using robust economic and technical analysis
We've recommended a robust approach that balances the financial, social and environmental impacts
7. Meters have been a demonstrated success for other NZ cities and towns
Tauranga – 30% reduction in water production achieved10
Kāpiti – an ongoing 26% reduction in peak demand achieved11
Insight: What did universal metering mean for Kāpiti's growth?
We will further test the proposed investment as we continue our planning13
8. The costs of meters is appropriately understood15
9. Why universal smart meters and not universal analogue meters or more network meters? 15
10. Why invest in meters and more water loss reduction, and not pipe renewals?16
11. What happens if there is no investment in meters and increased water loss management?17
12. What does it mean for the Bulk Water Levy?17
13. Scenario comparison – supply and demand curves19
14. References

r



Universal Smart Water Meterin<sub>§</sub> – Information Paper for HCC Councillors

#### 1. Universal metering is about water security, not revenue generation

While people might instinctively associate meters with collecting the revenue that pays for the water supply services, in our context their value is improving water management and reducing risk and cost. That is, they are not about making money but about reducing the amount of money you would otherwise have to spend.

Meters do this by telling us where the water is actually going, and whether it is being used or lost. This helps us ensure it is supplied and used efficiently. By losing and using less water, we need less infrastructure. There is also no endless supply of freshwater, and we are already over-using what we have. The more we use and lose, the greater the risk of running out, or of having to move on to sources that require more cost, energy, and carbon to treat and distribute safe and healthy drinking water to the community.

# 2. The objective is for customers to have sufficient water during typical summer conditions while ensuring the health of the freshwater and minimising infrastructure costs

Achieving a sustainable water supply system involves using only the water that is needed, supplying it effectively and efficiently, and ensuring the long-run health of the rivers and aquifer the water is taken from. Excessive, inefficient water use requires increased water takes and more infrastructure (lakes, pipes, reservoirs, etc.). This problem is compounded if we don't supply it effectively and lose it through leakage. Our freshwater sources are already under-pressure, over-allocated and unable to properly support their connected ecosystems.

The region's level of service for water supply is to have sufficient water available to meet normal customer demand except in a 1-in-50-year or greater drought event (also referred to as 2% annual shortfall probability or ASP). This level of service is relatively low compared to the ASPs of <1% (1-in-100-years or greater) that are typically being used elsewhere, so our customers are already accepting a relatively high level of water supply risk.

The level of service flows through into investment decisions. It recognises there is a trade-off between the costs to customers from water restrictions and shortages, and the cost of investing in infrastructure and services to ensure the water is available<sup>1</sup>. The impacts of water shortages for customers are set out in WWL's Drought Management Plan<sup>2</sup> and can include a need for shorter showers, reduced laundry loads, and a total ban on all outdoor water use.

This issue is here and now, and real – there is a 24% likelihood of severe water restrictions this year.

#### **Understanding our legal obligations**

Under the Water Services Act 2021, drinking water suppliers – the councils together with Wellington Water - must ensure that a sufficient quantity of drinking water is provided to each point of supply. Every officer, employee, and agent of the drinking water supplier must exercise due diligence to ensure that the drinking water supplier complies with that duty, including understanding the risks and how these can be controlled or eliminated.

 <sup>&</sup>lt;u>https://www.legislation.govt.nz/act/public/2021/0036/latest/LMS374564.html.</u>
 <u>https://www.wellingtonwater.co.nz/assets/Reports-and-Publications/Drought-Management-Plan-Wellington-Metropolitan-Area-revision-G.pdf</u>



Universal Smart Water Metering – Information Paper for HCC Councillors

<sup>&</sup>lt;sup>1</sup> As outlined in the text box, there are also legislated obligations for drinking water suppliers. See clauses 25 and 29 of the Water Services Act 2021, available at

Achieving this level of service can include a mixture of supply-side (i.e. water supply and storage) and demand-side (i.e. water use efficiency and leakage management) activities.

# **3.** We have to reduce our water takes to improve freshwater health within the next 10 years

The region's water supply comes from three sources: Te Awa Kairangi/Hutt River, the Waiwhetu Aquifer, and the Wainuiomata and Orongorongo rivers. The aquifer's source water is also from Te Awa Kairangi.

This freshwater is currently over-allocated, that is, more water is being taken than the rivers and their ecosystems can sustain. Almost all the water being removed is for the metropolitan drinking water supply. This means the only way to restore the health of these rivers is to change the way we use water so that we are taking less.

Looking ahead, Greater Wellington Regional Council's Natural Resources Plan will make it harder to get consent to take the same amount of water we are taking now.

To ensure the rivers are restored to health, the Te Whanganui-a-Tara Whaitua Committee has recommended that Greater Wellington Regional Council progressively increase the required minimum river flows<sup>3</sup>. This will reduce the amount of water that can be drawn from them in the summer months. The rivers are considered to be taonga by mana whenua, who support the recommended increase in minimum flows<sup>4</sup>. The required changes to the Natural Resources Plan are expected to commence in 2025 and apply from the mid-2030's.

The Natural Resources Plan already includes provisions that will have consequences for the reconsenting of the existing water allocations in the early 2030's. Schedule P of the Plan<sup>5</sup> will require the submission of a water management plan that demonstrates the volume of water required is justified and that it will be used efficiently.

In summary, within the next 10 years we will need to shift from the current position where more water is being taken than is sustainable for the rivers, to be taking significantly less water in the summer. We will need to demonstrate ongoing water loss reduction and the efficient use of water. Not doing so will impact on our ability to get consent for this activity, as will impact on the health of the freshwater.

<sup>&</sup>lt;sup>5</sup> <u>https://www.gw.govt.nz/assets/Documents/2023/07/Chapter-12.pdf</u>



Universal Smart Water Metering – Information Paper for HCC Councillors

<sup>&</sup>lt;sup>3</sup> Recommendation 83 from the Te Whanganui-a-Tara Whaitua Implementation Plan. Available at <u>https://www.gw.govt.nz/environment/freshwater/protecting-the-waters-of-your-area/whaitua-te-whanganui-a-tara/whaitua-implementation-programme-recommendations/</u>

<sup>&</sup>lt;sup>4</sup> The objectives of mana whenua for the rivers are set out in Te Mahere Wai o Te Kāhui Taiao, available at <u>https://www.gw.govt.nz/environment/freshwater/protecting-the-waters-of-your-area/whaitua-te-whanganui-a-tara/te-mahere-wai-recommendations/</u>

#### 4. There are three pathways to water security, and we'll need to follow them all

Water supply is a system that runs "from catchment to tap" and encompasses supply, delivery, and use.





Water security can be supported all the way along this system through applying the following KRAs for water supply:

(	Keep the water in the pipes	Water lost to leakage is water that could				
( 🏚 K )		have stayed in the river, and that has				
		required investment in treatment and				
		supply that does not benefit customers				
	Reduce water demand through water	Water that has been used inefficiently has				
(🚓 K)	metering	required investment in treatment and				
		supply that could have been avoided				
(	Add more supply so there is enough in	We will require more water as the				
(× A)	summer when river and aquifer	population grows, and to be able to store				
	availability declines.	water in winter so we don't need to take as				
		much in the summer				

#### 5. Meters provide multiple benefits

Meters are an essential component of the 'reduce' element. The only way that customers can effectively act to reduce their demand for water and to use it efficiently is by understanding how much water they are actually using. In the absence of information and data specific to them, they can only act on generic messaging and have no way of determining if their actions have been effective.

Meters are also fundamental to the 'keep' element, both through detecting private-side leakage and enabling the complete picture of both supply and demand on the public network to be completed. We currently only understand how much water is entering relatively large areas of the networks, but not where it is going and whether it is being used of lost. When we understand both how much water is entering the system and where it is being used, we can better determine how much is being lost, and where we need to look for the leaks.

E



Universal Smart Water Metering – Information Paper for HCC Councillors
The meters will provide the following benefits:

- Provide information for customers to support water efficiency and conservation actions ('Reduce')
- Facilitate rapid detection of leaks on customer pipes and property ('Keep')
- Enable faster, more efficient, and more effective public network leak detection than can be achieved with existing approaches ('Keep')
- Optimise operating and capital expenditure through understanding actual water consumption
- Facilitate water efficiency and leakage reduction activities required for re-consenting water takes
- Integrate into 'smart' networks to optimise operations (smart meters only).

The benefits of metering information were explored in the Economic Case for Providing Residential Water Consumption Information, completed in October 2020 (available from the References list). While the investment context has changed since that report was completed – with the need for action having become more urgent – the description of the benefits remains valid.

#### Insight: Wellington's high level of water use shows that material reductions are possible

Based on the currently available data, the typical Wellington metropolitan region household uses around 200 litres of water per person per day. This compares unfavourably with other major cities such as Auckland (145 litres/person/day) and Melbourne (160 litres/person/day) and with no evidence that there is something specific about our region that would require the increased use of water.

Globally there is a drive to improve water use efficiency, typically through requirements for water efficient fittings and appliances. The drive is towards use of less than 100 litres per person per day, or around half of our current consumption. The UK building code already requires houses in water stressed areas to be designed for 110 litres/person/day and use in Copenhagen in Denmark is also already at around 100 litres/person/day.



c

Figure 2: Water use in Wellington compared to other cities



# 6. Meters support the lowest cost, lowest carbon, best-for-water investment pathway

We've looked carefully at all the options for providing the required level of service into the future and recommend that the best option is a three-part approach of universal smart water meters, increased water loss management, and additional storage lakes.

Meeting the required level of service requires long-run investment that accounts for a range of factors:

- *Water demand* usage by residents and commercial and other non-residential users, which varies over time as demographics and commercial activity change
- Water loss leakage and other water loss, both in the public network and on private property
- *Population growth* the number of new customers connecting to the water supply system
- Climate change long-run changes in rainfall patterns and sea level rise can impact both water availability and demand patterns
- Environmental requirements the need to ensure water sources remain healthy and sustainable into the future, including through giving effect to the principles of Te Mana o te Wai<sup>6</sup>.

#### We've considered the full range of options using robust economic and technical analysis

Our options evaluation has considered both the wide range of future scenarios that these factors can produce, and more than 100 different options for ensuring the level of service can be met. Our approach incorporated best practice from the UK and Australia and utilised specialist NZ and global expertise. It is also now being developed as a case study for a global water supply planning guideline. Our process saw the available options (as shown in Figure 3) filtered for their ability to meet the requirements, followed by a more detailed assessment of the costs, benefits and feasibility to establish a shortlist of options. These options were then evaluated in more detail, then developed into potential investment plans and pathways and assessed against the potential future scenarios. The full assessment process is shown in Figure 4.

As required under the National Policy Statement on Freshwater Management and given effect through Greater Wellington Regional Council's Natural Resources Plan.



SURF WAT	ACE			30 options			
				24 options			
GROI WAT		12 options					
PURIFI RECYC DRINKING	LED WATER	12 options					
RECYCLED FOR NU DRINKI	o WATER ON- ING 5 OPT	tions					
	TER 4 optic	ons					
SEAW DESALIN	ATER 6 opt	lions					
WATER SI BETWEEN	HARING REGIONS 3 option	s					
WATE EFFICIE	ER INCY Sti	ill considering options	s - programme of ac	ctivities including me	tering, water loss redu	uction, demand manage	ement
STORM	WATER STING 2 option	s					
	VATER 3 option	15					
	HER 3 option	15					
•	1	5	10	15	20	25	30

Figure 3: Options considered in the future water supply analysis

*Figure 4: The analysis approach used to identify the recommended approach* 



The shortlisted investment pathways were assessed for costs; ability to meet demand; lifetime carbon emissions (i.e. the emissions for both construction and operation); and ability to meet the future minimum flow requirements for the source waters. This meant that the financial, social, and environmental impacts of the options were all considered in the overall analysis.

o



# We've recommended a robust approach that balances the financial, social and environmental impacts

The outcomes of this analysis were presented at the Regional Water Summit<sup>7</sup> in a highly summarised format, see Figure 5 below. The full analysis is available in the detailed project report (see References section) and some examples of the study outputs that highlight the differences between the scenarios are provided in Section 12 of this paper. The results of the analysis are also now being developed into a Programme Business Case that will provide the key reference document for the individual investment activities required across each of the K-R-A workstreams.

*Figure 5: Comparison of the ability of the investment pathways to meet financial, social and environmental objectives* 



The figure highlights that the three-limbed approach of universal smart water meters, increased water loss management, and additional storage lakes ('Scenario 1') is the best option across all the evaluation considerations. This approach was also the most robust to all of the future uncertainty, remaining effective when considering factors such as changing population growth rates.

Options that exclude investment in meters (Scenario 2), and both meters and increased water loss management (Scenario 3) are up to four times more expensive, have higher carbon emissions, and are less able to support the water sustainability requirements.

Putting it another way, the volume of water saved through meters and leakage management is available at a lower cost and environmental impact than supplying that volume through additional sources and supply. This also makes sense intuitively – if our existing, over-allocated water sources have limited ability to provide additional water, we will have to turn to sources that require much higher degrees of treatment to provide safe drinking water.

https://www.wellingtonwater.co.nz/assets/Reports-and-Publications/2023-Regional-Water-Shortage-Summit-Final-slide-pack-11-September-2023.pdf, refer to slide 22 of 44.



7

#### 7. Meters have been a demonstrated success for other NZ cities and towns

More than 60% of New Zealand's domestic water customers are already metered. This includes all of Auckland and this, together with the associated charging regime, is likely to be a key factor in their per capita consumption being around 75% of Wellington's (see text box, above).

#### Tauranga – 30% reduction in water production achieved

Another relevant example of a city successfully adopting water metering is Tauranga (current population ca. 160,000). Faced with rising demand and the pending need for investment in new water sources, a decision was made to progress universal water metering in 1999. Metering and billing commenced in 2002. Over that period per capita water production reduced by more than 20%. Per capita production has continued to progressively decline and is now more than 30% below pre-metering levels.



Figure 6: Per capita drinking water production in Tauranga between 1987 and 2022<sup>8</sup>

Residential consumption in Tauranga is also now comfortably below that for metropolitan Wellington, at around 170 litres per person per day. Water is charged entirely volumetrically with a single rate for all domestic customers. The council also operates a water efficiency programme that provides advice and support for customers<sup>9</sup>.

See <u>https://www.tauranga.govt.nz/council/water-services/the-tauranga-water-conservation-project/water-watchers</u>.



https://motu-www.motu.org.nz/wpapers/23\_09.pdf. Water production is the total water supplied into the system, including leakage and commercial demand.



Figure 7: Residential per capita consumption in Tauranga between 2012 and 2022<sup>10</sup>

#### Kāpiti – an ongoing 26% reduction in peak demand achieved

Closer to home, Kāpiti Coast District Council commenced universal water metering and billing in the 2013/14 financial year. This saw around 23,000 meters installed across the district, with indicative bills provided to customers ahead of the start of formal billing to give them an opportunity to address leaks or high consumption. This project saw peak water demand reduce by 26%. Per capita demand remained at this lower level in the subsequent years.



Figure 8: Per capita water consumption for Kāpiti Coast District Council<sup>11</sup>

<sup>10</sup> Ibid.

<sup>&</sup>lt;sup>11</sup> Data taken from the annual 'Kapiti Coast Water Conservation Reports' and assuming the most recent report reflects a consistent approach for historical data. See <u>https://www.kapiticoast.govt.nz/media/b0xkwa4d/kapiti-coast-water-conservation-report-2021-22.pdf.</u>



Kāpiti Coast District Council apply a 50/50 combination of fixed and variable (volumetric) charges for drinking water supply, together with rebates when private leaks are identified and repaired and rates remission for vulnerable households that have high water use. The Council also uses its bylaws, and the associated powers under the Local Government Act to require customers with identified leaks to take action to address them.

Some 'snapshot' highlights of the results from Kāpiti's meter deployment are provided in the figure below. What these snapshots show is that a relatively small proportion of customers can have a significant impact on total water consumption, whether that is through leaks or excessive water consumption. Supplying all of this 'extra' water comes at the cost of increased operating costs (i.e. energy and chemicals) and capital expenditure (treatment plants, storage, etc.) that must be paid for by all customers.



Figure 9: 'Snapshot' outcomes from Kāpiti's universal meter deployment<sup>12</sup>

The recent pilot project to install 250 smart meters in Greytown (replacing existing analogue meters) also yielded similar, successful results. 211 leaks were identified across the 250 properties. And despite previously being metered, and charged for their water, the households with smart meters were able to achieve total usage reductions of around 20%.

This scenario of a small number of customers using a relatively large proportion of the water has been seen in other towns (for example, 65% of Waipa customers also paid less after universal metering was adopted) and has been observed in some of the small number of reference meters deployed in Wellington. The only way that this excessive consumption can be readily identified is through a meter.

The NZ experience is replicated elsewhere. UK data shows that properties in England and Wales with meters use 30% less water than properties without meters<sup>13</sup>.

<sup>&</sup>lt;sup>13</sup> Table 2 in the Artesia Consulting report 'The long term potential for deep reductions in household water demand' produced for Ofwat, 26 April 2018. Unmetered households used an average of 379 l/property/day vs 266 for metered.



<sup>&</sup>lt;sup>12</sup> First two figures from https://www.waternz.org.nz/Attachment?Action=Download&Attachment\_id=345#:~:text=Residents%20ar e%20now%20paying%20%24190,metre%20for%20the%20volumetric%20charge and "75% of residents pay less" taken from the news article <u>https://www.stuff.co.nz/dominionpost/news/wellington/107331015/kpiti-coast-residents-tapped-for-increased-water-rates</u>.

#### Insight: What did universal metering mean for Kāpiti's growth?<sup>14</sup>

In the late 1990s and early 2000s, Kāpiti Coast District Council (KCDC) exceeded its assigned water take and was issues abatement notices by Greater Wellington Regional Council. After its initial application to expand its supply was refused, KCDC prepared a comprehensive water strategy that would optimise demand and supply. The measures were implemented in phases, and it took about 15 years to complete implementation.

The last phase of the strategy saw KCDC having to make a choice between universal metering and two different water supply schemes: a river recharge system and a dam. The meters were identified as having both the lowest capital and ongoing operational costs, and so the lowest direct cost impact for ratepayers (annual charges were more than 20% lower with the metering option). Without the demand reduction benefits achieved from the meters, additional water source options would have been required within the next 20 years, at a higher cost than the most expensive current source option.

The meters have achieved the expected 25% reduction in peak demand that was forecast and the timing for any additional supplies has been pushed out to around 40 years.

Other benefits have included avoiding the need to apply summer water restrictions and taking more than one million cubic metres less water from the Waikanae River than in past years.

So, while water supply did not prevent or limit growth in Kāpiti, the use of universal smart metering has enabled population growth – and ongoing reliable supply for the existing community - at a significantly lower cost, now and into the future, than following a supply-led approach. At the same time the community has achieved greater water security and helped to preserve healthy river flows.

The story shares many similarities with the metropolitan Wellington story. A successful strategy requires a combination of supply and demand initiatives. Meters, and water conservation, is a lower cost option than taking a supply-led approach. Failing to reduce demand will increase the likelihood of summer water restrictions and will bring forward the need for very expensive water sources such as desalination.

#### We will further test the proposed investment as we continue our planning

It is difficult to predict the level of savings that will be achieved from the adoption of universal smart water metering, as it is inherent in our problem that we do not know where the water is actually going. Our existing measurement approach, utilising network meters and reference consumption data from the Small Area Monitors gives as an idea of the average usage, private leakage, and network leakage, but these averages will not show the full story. The data from other cities and towns (such as the Kāpiti example, above) suggests there is a 'long tail' of customers with high use and/or leakage that may be contributing significantly to water use. For Kāpiti, 80% of the 26% usage

12



<sup>&</sup>lt;sup>14</sup> Source materials include the Office of the Auditor General's report "Managing the supply of and demand for drinking water", September 2018: <u>https://oag.parliament.nz/2018/drinking-water/docs/drinkingwater.pdf</u> and the 'The Charging Regime Advisory Group Report to Kāpiti Coast District Council on a Recommended Water Charging Formula', <u>https://www.kapiticoast.govt.nz/media/gomlyhoa/1013-22kcdc-app-report-crag-sp-12-509.pdf</u>.

reduction was from leaks on private property and lateral pipes, with the remainder saved by customers using less water<sup>15</sup>.

As part of developing the final business case for universal metering we will test both the expected and conservative scenarios for usage and loss reduction to ensure that appropriate net benefits are still achieved. It is also important to note that achieving the maximum benefit will require supporting activities – the meters tell us where loss and excessive use is occurring, but do not fix leaks and reduce demand on their own. The expected range of savings, to be refined and tested in the final universal metering business case is set out in the table below.

Source	Current Contribution	Range of expected reduction	Notes
Private-side leakage	Approx. 10% of total demand	5 – 15% <sup>16</sup> of total demand	Requires enforcement of water supply bylaws to require leak repair. Repair also incentivised by any charging regime, if implemented.
Network leakage	Approx. 34% of total demand	5 – 10% of total demand	Requires sufficient funding for associated leak detection and repair activities. Universal smart metering enables faster identification of leakage and more efficient and targeted detection.
Private usage	ca. 200 l/p/d	0 – 5%	Requires enforcement of 'extraordinary use' elements of bylaws. Also incentivised by any charging regime, if implemented.

Table 1: Expect	ed range of w	ater usage redu	ictions from ur	niversal smart metering
-----------------	---------------	-----------------	-----------------	-------------------------

The programme for the implementation of universal smart metering across the region is expected to run over about six years. The first two years would involve final design and planning, including procurement and potentially a pilot trial. Installation would commence late in year two, with most of the delivery across years three-to-five, with wrap-up and close out in year 6. The benefits will start to be gained as the deployment progresses, with any private leaks and excessive consumption being progressively identified. The network leakage benefits will be gained as deployment into all, or the majority of a supply zone is completed. The timing of broader private usage benefits will be influenced by the approach taken to providing customers with information, and the introduction of any charging regime.

<sup>&</sup>lt;sup>16</sup> Experience from other deployments, such as Kāpiti, suggests that actual water loss on the private network can be higher than what is estimated from referencing network meters and SAMs.



<sup>&</sup>lt;sup>15</sup> From the OAG report referenced in footnote 14.

#### 8. The costs of meters are appropriately understood

In addition to working to understand the expected benefits of universal smart metering, we have also continued to develop our understanding of the expected costs of the project. This has included engagement with the supply chain (including for meter hardware, installation, and all of the data services), obtaining information from other meter deployments elsewhere in NZ and offshore and collecting data on the expected installation conditions for a local deployment.

The basis for the cost estimate currently being applied in the LTP process has been described in a memo that has been provided to officers (see the list of references at the end of this document).

The cost estimates will continue to be revised as the project progresses and the councils move closer to final investment decisions. This work will include investigating alternative delivery models, utilising "as a service" elements for some or all of the programme. There may also be implications resulting from the new government's approach to three waters reform that need to be considered.

# 9. Why universal smart meters and not universal analogue meters or more network meters?

The original economic case for providing residential water consumption information (see References) assessed a range of options including business-as-usual, increased network metering, universal analogue metering, and variations on universal smart metering. Only universal smart water metering was found to provide net benefits from investment.

Short descriptions of how network meters and universal analogue (or manually read) meters follow below, but a more comprehensive assessment is provided in Appendix F of the economic case, that sets out the multi-criteria analysis scoring and rationale for the different options.

Network meters do not enable any distinction between customer use and water loss, and do not identify any private-side losses. They may help to identify where material network water loss is occurring, but at a relatively low resolution. Data from network meters does not provide customers with information that can help them adjust their own behaviour or identify leaks. Some additional network metering may ultimately be useful to make optimal use of universal smart metering data.

Universal analogue meters only provide information as often as they are read. This is typically only every 2-3 months, due to the associated operational costs for manual metering reading. At this reading frequency these meters provide limited value for network leakage detection (for example, they will not show night flows), will not reveal small customer leaks, and will delay the time until a private leak is detected. They also provide only averaged usage data, so do not enable a customer to directly see the results of any behaviour change actions. The Greytown pilot project (see earlier text box) showed how customers could make significant usage savings with access to timely smart meter data when compared to their usage with only access to occasional analogue meter data.



#### 10. Why invest in meters and more water loss reduction, and not pipe renewals?

We have to come at the issue from all sides – reducing demand and reducing loss – and meters are crucial to reducing both.

Water loss and leakage can occur anywhere along the network, from the mains, to supply pipes (laterals), to tobies/manifolds and valves. There can be a range of factors that cause the leak such as the pipe or fitting material, age, and quality, the water pressure (constant and instantaneous), and the operating environment (vibrations from vehicles, land movement and earthquakes, etc.). For this reason, water loss reduction is an ongoing activity that looks at the entire network.

Our data shows that more than 85% of the reported leaks are occurring on service pipes, fittings and valves, and only around 13% on mains pipes (see Figure 10, below). While an aged pipe is generally more susceptible to failure than a new pipe, leaks can also occur on newer pipes and fittings. There is around 2,600 km of drinking water mains pipe across the metropolitan networks. With renewal pipe renewal costs of around \$2m per km, the forecast cost of around \$280m for the deployment of smart meters across these networks would be equivalent to around 140 km of just 5% of the network, i.e. they would address only a very small component of the leakage problem. Meters, as well as better enabling the detection and location of these network leaks, also help to address the other elements of the demand challenge – private use and leakage.



Figure 10: Sources of network leaks (from WWL data)

The necessary approach is then to not just look at one solution (i.e. not just renewals, or not just meters) but to use a range of the tools and approaches available. Leak detection and management is an ongoing maintenance activity. Water loss reduction involves a full suite of activities encompassing prevention (including renewals of pipes and fittings, and pressure management), awareness (supported by the universal smart meters), location (also supported by the universal smart meters) and maintenance/repair (including the renewal of mains, service pipes, and fittings).

16



# 11. What happens if there is no investment in meters and increased water loss management?

There is no "do nothing" approach that would satisfy the level of service requirement. Even the "supply only" option fails to meet demand. At the strategic and risk level, inaction would mean:

- An ongoing, elevated risk of water shortages for customers and ratepayers<sup>17</sup>
- Proceeding more rapidly to higher cost, high carbon, high environmental impact water supply options such as desalination<sup>18</sup>
- Breaching our existing resource consents and potentially preventing the planned reduction in summer water takes, with adverse impacts for the rivers and Te Mana o te Wai<sup>19</sup>
- Likely reductions in regional growth, as the ongoing water shortage situation acts as a deterrent and impacts economic activity
- Increased likelihood of regulatory compliance and other legal challenges, with consequential reputational issues and the potential for wider impacts on effective service delivery (i.e. reviews, restructures, etc.).

#### 12. What does it mean for the Bulk Water Levy?

Councils that reduce their demand relative to that of the other councils will pay a reduced share of the Levy, but these savings will be modest compared to the overall benefits of risk and total cost reduction.

Residential customers in the metropolitan Wellington region currently pay for their water services through rates-based charges (i.e. costs are allocated with reference to property value). These charges include the pass through of the costs associated with the bulk water supply – the collection and treatment of the water and its delivery to the reservoirs. These costs are charged to each council as a share of the total water supplied through the Bulk Water Levy. How these charges are allocated is shown in Figure 11, over.

If a council takes a more active approach to reducing the demand for bulk water than its counterparts, for example through investing in universal water meters and increased water loss management, then its share of the water supplied – and so the costs – will be reduced. However, inaction on demand reduction from the other councils will mean that the capital investment to ensure sufficient water is available, such as additional storage lakes, is still required. The costs will then be shared across all councils (though with a reduced allocation to those that are water efficient). In the ideal scenario, all the councils would act together and enable this investment to be deferred.

<sup>&</sup>lt;sup>19</sup> The reconsenting of the water takes in the early-2030's will also require water use efficiency improvements to have been implemented.



<sup>&</sup>lt;sup>17</sup> This risk would only briefly be alleviated by Greater Wellington Regional Council's current project to optimise the Te Marua water treatment plant, and the benefits of their investment are also reduced proportionately.

<sup>&</sup>lt;sup>18</sup> This pathway would also extend the duration of the elevated water shortage risk as these investments all have a very long lead time.



Figure 11: How the costs for bulk water supply are passed through to customers

Hutt City Council is currently allocated around 27% of the total Bulk Water Levy. If both Hutt City and Porirua City both remain committed to universal smart water meters and Wellington and Upper Hutt do not, then Hutt City's share of the Bulk Water Levy is estimated to reduce to around 24%. Using the currently forecasted total Bulk Water Levy for 2024/25 as the reference, this would reduce Hutt City's share of the costs by around \$2.5m per annum<sup>20</sup>. This is a relatively modest amount reflecting that the main benefit of universal smart water metering is in avoiding or deferring the cost of more significant infrastructure solutions.

10



<sup>&</sup>lt;sup>20</sup> This calculation is intended to only provide an order of magnitude indication of the potential reduction in bulk water charges. In practice a more detailed assessment would be required than has been undertaken for this exercise. Also note that the Levy for 2024/25 is expected to be significantly higher than the current, 2023/24 amount, and will also have increased further by the time the meters are implemented.

#### 13. Scenario comparison – supply and demand curves

As discussed in section 6, the Water Source Options Assessment (see References, over) completed a detailed and robust assessment of the different possible approaches to achieving a sustainable supply and demand for water. The figures below provide an example of the analysis undertaken, that help to highlight the effectiveness of the recommended approach. The figures compare available supply (red lines) against projected median (blue line) and 25-75% quartile (blue shading) demand. The impact of metering is shown as happening in a single year, for ease of visualisation. The figures show that only the recommended approach can satisfy the forecast demand. Other elements of the analysis then also considered factors such as cost and carbon emissions.



Figure 12: Assessment of adequacy of supply against demand for different investment pathways

5. Reduce leakage (high investment, requires meters) 6. Reconsent water takes at 80% MALF)



Universal Smart Water Metering - Information Paper for HCC Councillor:

10



4. Managed aquifer recharge + Wainuiomata storage lake

5. Pakuratahi Lake 3 and WTP upgrade (offsets impact of reconsenting water takes at 80% MALF)

6. Porirua desalination (or purified recycled water) 25ML/d



practicable implementation)

4. Porirua desalination (or purified recycled water) 50ML/d (includes reconsenting water takes at 80% MALF)



#### 14. References

Presentation slides from 2023 Regional Water Shortage Summit: <u>https://www.wellingtonwater.co.nz/assets/Reports-and-Publications/2023-Regional-Water-Shortage-Summit-Final-slide-pack-11-September-2023-v2.pdf</u>

Questions from the Regional Water Shortage Summit held 11 September 2023: https://www.wellingtonwater.co.nz/assets/Resources/Drinking-Water/Questions-and-answersfrom-the-Regional-Water-Shortage-Summit-Sept-2023.pdf

'Water Source Options Assessment for Wellington Metropolitan Supply - Shortlisted Options Assessment and Dynamic Adaptive Pathways Planning Report', Connect Water, June 2023 (available on request, to be published online shortly)

Economic Case for Providing Residential Water Consumption Information, EY & Beca, October 2020: https://www.wellingtonwater.co.nz/assets/Reports-and-Publications/561Wellington-Water-Economic-Case-for-Providing-Residential-Water-Consumption-Information-FINAL-Oct-2020.pdf

Memo to Client Council Representatives on release of economic case for providing residential consumption information, 12 November 2020: <u>https://www.wellingtonwater.co.nz/assets/Reports-and-Publications/20201112-Memo-to-CCrs-on-release-of-economic-case-for-providing-residential-consumption-information-v2.pdf</u>

'Universal Residential Smart Meter Costings for Metropolitan Wellington' sent by Wellington Water to Client Council Representatives on 2 October 2023 (available on request, to be published online shortly)

Our Water Supply System, Wellington Water Committee Paper, November 2020: https://www.wellingtonwater.co.nz/assets/Reports-and-Publications/562201125-Our-Water-Supply-System.pdf

Sustainable Water Supply Strategic Case and 'Case on a page', 2019 (available on request, to be published online shortly)



#### HUTTCITY TE AWA KAIRANGI Long Term Plan/Annual Plan Subcommittee

89

23 May 2024

### Report no: LTPAP2024/3/140

# **Micromobility Options 2024/25 onwards**

#### **Purpose of Report**

- 1. To provide options for micromobility projects if the National Land Transport Plan 2024-27 (NLTP 2024-27) does not subsidise the projects submitted, including:
  - a. summarising the budget available in the Draft Long Term Plan (DLTP) for micromobility projects without NZTA.
  - b. summarising projects and options that Council could consider within the available budget.
  - c. set out dependencies and next steps.

#### Recommendations

That the Subcommittee recommends Council:

- (1) receives and notes the report;
- (2) notes Council has \$7.28M budget available over the period 2024-27, based on the DLTP, to fund Micromobility projects itself;
- (3) notes that Micromobility funding should be prioritised for projects that are already underway or are ready for construction (e.g., Taitā);
- (4) notes that updated project costs that fall within the category above will be investigated and reported back through the Infrastructure and Regulatory Committee at its 12 September 2024 meeting;
- (5) notes this report does not cover any micromobility projects included in the Cross Valley Connections and RiverLink programmes; and
- (6) considers including additional Capital budget of \$8.6M (inflated) per year in the Long-Term Plan for years 2031/32 to 2033/34. Subsidies, at 51%, are assumed. The specific projects this funding relates to will be informed by the cycleway review in 2024/25.
  - (a) agrees to increase the Long-Term Capital budget by \$8.6M (inflated) per year in the Long-Term Plan for years 2031/32 to 2033/34. Subsidies, at 51%, are assumed together with debt funding of the balance;

OR

(b) agrees to retain the budgets with no changes.

# Background

- Council submitted nine Micromobility programme projects (total value \$47.5M) for the NLTP 2024-27 seeking a NZTA funding subsidy of 51%.
- 3. The Government's Policy Statement (GPS) on land transport will not likely prioritise these Micromobility projects high enough for funding, and the available funding pool for these projects will also be constrained. The NLTP 2024-27, which sets out which projects receive subsidy, will be published in the last quarter of 2024.
- 4. Table 5 sets out the projects that were submitted and two additional projects that were considered within the options (River trails and Stokes Valley).
- 5. The DLTP has a \$14.86M total budget over the 2024-27 period for Micromobility projects. This budget assumes NZTA 51% subsidy, which, without this, would allow a \$7.28M budget for projects to be funded by Council itself. Table 4 sets out the budget available by year.
- 6. This approach reduces capital spend by \$7.58M (resulting in \$7.28M capital spent). The reduced capital spend, \$7.58M, equals the NZTA subsidy assumed in the DLTP. If the NZTA subsidy is not received, the net effect on rate funding or debt required, with the reduced capital spend, is equal to the spending of \$14.86m capital and receiving the NZTA subsidy of \$7.58M.
- 7. The Cross Valley Connections programme has three cycleway phases: Woburn to Hutt Road, Hutt Road to CBD and the Esplanade Cycleway. RiverLink has two projects, the Melling City Link Bridge and a cycleway link between bridges within the same NZTA subsidy funding class as the submitted Micromobility projects.
- 8. Options for these cycleways will be addressed separately later as there are dependencies on Crown decisions (for RiverLink) and from findings in the Cycleway Strategic Overview proposed for future 2024/25 projects.

#### Discussion

# Additional optional projects

- 9. The Cycleway Strategic Overview project and Avalon and Taitā projects, once costs are re-validated, will be reported back to the Infrastructure and Regulatory Committee on 12 September 2024 as to the scope of progression. Current costs for these two projects are estimated at \$6M of the calculated \$7.28M. If Avalon and Taitā project costs have increased materially, which is likely to keep within the available budget, the project scope may need to be reduced, or the additional optional projects not progressed.
- 10. The options for the additional optional projects that might be progressed are set out in the following section for feedback and comment.

#### Additional budget in 2031/32 to 2033/34

11. The DLTP does not currently have a budget for the years 2032 to 2034 due to the uncertainty of specific requirements at that point. The proposed cycleway strategic review will help inform those specific requirements.

12. An increase to the current DLTP for a capital budget of \$6.8M (inflated) per year is sought for 2031/32 to 2033/34. NZTA subsidy, at 51%, is assumed. The capital budget is based on the average spend over the earlier DLTP period that has been included in these years. The net amount over the three years (\$9.9M) is assumed to be debt funded.

# Options

# **Options for allocating \$7.28M**

- 13. The Cycleway Strategic Overview project and Avalon and Taitā project are currently estimated to be \$6M of the \$7.28M available budget.
- 14. Tables 1 and 2 show two options for the remaining budget. They differ in the focus of the remaining pre-implementation work; they either focus on the Northern Valley area (Stokes Valley and Eastern Hutt Road) or more on the central valley and CBD. A third option of a mix of these areas of focus of pre-implementation projects is also possible.
- 15. The Cycleway Strategic Overview project is required to inform where the priorities are for the network. This will consider the gaps in the network and required connections.
- 16. Within the existing budget, the Avalon and Taitā projects completed preimplementation and engagement in 2023 have the best design certainty to progress.
- 17. Re-validation of the Avalon and Taitā project costs will be required due to the potential cost escalation since the pre-implementation phase was completed in late 2023. This will then inform what further projects (within the \$7.28M) are possible. If NZTA subsidy is approved later in the year, decisions beyond the \$7.28M can also be made.
- 18. There are three options for consideration:

# Option 1 (Table 1)

Option 1 - Deliver for communities and prepare Northern Valley for implementation in 2028-31

reference no	Description	Value
1	Single-Stage Business Case - Cycleways strategic	500,000
2	Implementation - Avalon and Taitā school cycleways - imp	5,500,000
	River trail options around new Silverstream Water pipe	
8	bridge – to work with GWRC	250,000
9	Pre-Implementation - Eastern Hutt rd cycleway	500,000
	Stokes Valley cycleway connection to Eastern Hutt Road	
10	Cycleway	500,000

Total

7,250,000

#### Option 2 (Table 2)

Option 2 - Deliver for communities and prepare central/ CBD for implementation in 2028-31

reference no	Description	Value
1	Single-Stage Business Case - Cycleways strategic	500,000
	overview	
2	Implementation - Avalon and Taitā school cycleways - imp	5,500,000
4	Pre-implementation" - Naenae school cycleways - pre-imp	500,000
6	Pre-implementation" - Waterloo to CBD cycleway - pre-imp	500,000
11	Pre-Implementation element - RiverLink to CBD cycleway	250,000
Total		7,250,000

#### Total

Option 3 – A mix of the options to balance where pre-implementation works are focused

- 19. The next steps are:
  - a. commence the Cycleways strategic overview in Q2 2024/25 (project reference 1) as this will be required regardless of subsidy decisions by NZTA or prioritisation of projects by Council;
  - b. revalidate costs for the Avalon and Taitā projects to inform the scope that is affordable and which, if any, further projects can be progressed;
  - c. confirm decisions of third parties, if possible, that impact project prioritisation, such as Greater Wellington Regional Council for the River Trail and Waterloo station redevelopment and Crown for RiverLink and the Cross Valley Connections, the latter of which impacts the Southern micromobility network; and
  - d. report back through the Infrastructure and Regulatory Committee at its 12 September 2024 meeting.

#### Table 3

Budget available - DLTP

Description	Budget Account	2023/24	2024/25	2025/26	Total budget 2024–27
DLTP budget	Cycling Microbility Programme total	7,862,511	3,972,789	3,024,350	14,859,650
Budget if no NZTA subsidy	49% of DLTP	3,852,630	1,946,667	1,481,932	7,281,229

59,500,000

# <u>Table 4</u>

IF I VIECUS V allu IV ale liet	(Proj	iects	8	and	10	are	new)	í
--------------------------------	-------	-------	---	-----	----	-----	------	---

referen ce no	Exisiting or new project scope to be developed	Description	Value
1	Submitted in NLTP	Single-Stage Business Case - Cycleways strategic overview	1,000,000
2	Submitted in NLTP	Implementation - Avalon and Taitā school cycleways - imp	5,500,000
3	Submitted in NLTP	Central Beltway - implementation (includes pre-imp)	5,500,000
4	Submitted in NLTP	Pre-implementation" - Naenae school cycleways - pre-imp	1,000,000
5	Submitted in NLTP	Implementation - Naenae school cycleways - imp	5,000,000
6	Submitted in NLTP	Pre-implementation" - Waterloo to CBD cycleway - pre-imp	1,000,000
7	Submitted in NLTP	Implementation - Waterloo to CBD cycleway - imp	10,000,000
8	New project to be developed	River trail options around new Silverstream Water pipe bridge - to work with GWRC	6,000,000
9	Submitted in NLTP	Implementation - Eastern Hutt rd cycleway -imp	10,000,000
10	New project to be developed	Stokes Valley cyclew ay connection to Eastern Hutt Road Cyclew ay	6,000,000
11	Submitted in NLTP	Implementation - RiverLink to CBD cycleway - imp	8,500,000

Total

Values may be adjusted, via scope adjustment to fit funding

# **Climate Change Impact and Considerations**

- 20. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.
- 21. Most of the options presented have been through prior Council decisions, Single Stage Business Case, or pre-implementation phases, including climate change impact implications. For those that have not, this will be addressed when Council decisions are sought.

# Consultation

22. Most of the projects in the table were included in the NLTP 2024-27 and covered within the RLTP mid-term consultation process. The Avalon and Taitā projects undertook community engagement in 2023 (which noted the project was subject to funding availability). Still, any further engagement requirements for that project will be considered and actioned as required. Decisions on further projects will be considered as part of the decision to progress these.

# Legal Considerations

23. The decision requested is part of the current LTP process.

# **Financial Considerations**

- 24. No budget change is being proposed for the 2024-27 period that impacts rates. The presented options are all within the DLTP budgets for the 2024-27 period.
- 25. A decision is sought for the additional budget in the 2031/32 to 2033/34 years of \$8.6M (inflated) and assumes a subsidy of 51%. The Cycleway Strategic Overview project will help inform the specifics of projects that underpin that additional budget.

26. A placeholder capital and revenue value, based on the average budget, has been proposed in the period 2031 to 2034 until specific projects are identified. This would be debt funded and is expected to have a minor impact on rates requirements for the last three years of the LTP.

The presented figures are: Inflated											
¢. r	2024/	2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	Total
\$M	25	26	27	28	29	30	31	32	33	34	Total
Draft LTP	4.01	2.03	1.54	2.02	4.05	4 34	5 50				24 38
2024-2034	4.01	2.05	1.54	2.02	4.90	4.54	5.50	-	-	-	24.50
Final LTP				2.02	4.05	4.24	5 50	3 50	3 50	3 50	27.20
2024-2034	-	-	-	2.02	4.90	4.34	5.50	5.50	5.50	5.50	27.50
Variance	(4.01)	(2.03)	(1.54)	-	-	-	-	3.5	3.5	3.5	2.9

# Table 5: Revenue budgets

# Table 6: Capital expenditure budgets

The presented figures are: inflated												
¢) (	2024/	2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	Total	
QIVI	25	26	27	28	29	30	31	32	33	34	Total	
Draft LTP	7.00	2.07	2.02	2.05	0.51	0.51	10.70				47.00	
2024-2034	7.86	7.86	5.97	5.02	5.95	9.71	8.51	10.78	-	-	-	47.80
Final LTP	0.05	1.05	1.40	2.05	0.51	0.51	10.50	6.00	( 00	( 00	(0.(0	
2024-2034	3.85	3.85	1.95	1.48	5.95	9.71	8.51	10.78	6.80	6.80	6.80	60.62
Variance	4.01	2.03	1.54	-	-	-	-	( 6.80)	( 6.80)	( 6.80)	(12.82)	

# Appendices

There are no appendices for this report.

Author: Declan Millin Principal Advisor - Micromobility Programme

**Author:** Deepu Nunnian Manager Financial Strategy and Planning

**Reviewed By:** Jon Kingsbury Director Economy & Development

**Reviewed By:** Jenny Livschitz Group Chief Financial Officer

**Approved By:** Jo Miller Chief Executive