# Joint Water Services Delivery Plan

## Waikato District Council and Hamilton City Council

30 June 2025

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# Introduction

This Water Services Delivery Plan sets out a joint delivery model for Hamilton City Council and Waikato District Council. Both councils are committed to providing equitable, affordable, and consistent value-for-money water services to their communities.

After a robust business case assessment and community consultation, the Council Controlled Organisation (CCO) was identified by both councils as the strongest option to manage the region's future growth and development, and to support the councils' commitments to Te Ture Whaimana o Te Awa o Waikato. Enhanced financial capacity and investment flexibility, and increased ability to care for the health and wellbeing of the Waikato awa, Waipaa awa and Whaaingaroa moana were primary factors in selecting this approach.

The CCO will be incorporated and operate under the name **IAWAI – Flowing Waters**.

Councils recognise the importance of wai to Maaori and continue to work in partnership with iwi and hapuu to apply a Te Ao Maaori lens to three waters services.

The two-council joint model is expected to deliver optimal financial efficiency through:

- Aligning investment planning with growth and affordability
- Creating sufficient funding capacity to meet required investments
- Generating sustainable long-term savings
- Maximising economies of scale

These efficiencies are expected to minimise increases in costs compared to the status quo, and optimise value for money while minimising risks.

Benefits from the new model will be cumulative. This plan sets out the agreed pathway to first achieving financial sustainability, then addressing strategic commitments to service and pricing equity, and improved efficiencies over time.

It recognises the significant effort required to manage service amalgamation and transition, and the staged pathway necessary to shift capital investment plans, level of service commitments and supporting processes and systems, and to shift communities currently charged based on capital value to user-pays models both from a mindset and systems and processes perspective.

This plan is a point of time assessment, predicated on:

- Delivery of investment programmes set out in respective councils' baseline planning documents as follows:

  <u>For Hamilton:</u>

  - The Hamilton City Council 2024-34 Long Term Plan [1] , with the enhanced capital programme as identified in the Local Water Done Well Business Case (LWDW BC). [2]
  - Amendments to the capital works programme as approved by Council[3].

  <u>For Waikato:</u>

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[1] Hamilton City Council 24-34 Long-Term-Plan

[2] Local Water Done Well Business Case FINAL December 2024

[3] Local Water Done Well: Deliberations Report - 29 May 2025

    - Levels of Service and assumptions are predicated on the Waikato District Council 25-34 Long Term Plan.
    - As the LTP excludes financial provision for water and wastewater from 2026/27 onwards, financial aspects of this plan are predicated on the approved LWDW business case[4], amended per Council LTP deliberations on 27–28 May[5].
    - Although Water and Wastewater programmes are excluded from the LTP from 2026/27, WDC has retained the Waikato district work programme as an appendix to its Infrastructure Strategy for transparency.
- The point in time financial statements and investment programmes will be superseded by the CCO-led Water Services Strategy and future Long-Term Plans, and do not reflect subsequent Council planning decisions outside the baseline planning documents above.
- Maintaining Levels of Service (LoS) commitments as set out in baseline planning documents and agreed with communities through those processes, with review of LoS through subsequent strategic planning rounds and associated community consultation.
- Expectation that the CCO will transition customers charged based on capital value to a combination of volumetric and/or fixed charges within a 5-year transition period commencing 1 July 2026.
- Agreement that the price harmonisation pathway will begin from the date of the asset transfer to the new entity, with a phased approach allowing the CCO to complete a five-year metering process and the new CCO to focus first on establishing amalgamated services and systems, and the charging model transition outlined above.

The Joint CCO model

- Enables critical infrastructure to be built faster which is vital for achieving compliance, new housing and new industry.
- Is better for the Waikato River, enabling coordinated management of a broader catchment.
- Allows the councils to balance costs and better respond to climate change.
- Provides for faster and more effective responses to emergencies.
- Provides for a more substantive organisation which in turn attracts greater talent.
- Removes current council boundary focused thinking on infrastructure sharing and water allocation enabling effective cross-boundary investment that is currently very difficult to do.

[4] Local Water Done Well Business Case FINAL December 2024

[5] WDC - 2025-2034 Long Term Plan Deliberations Report on Waters Services Delivery Model – 27 May 2025

# Part A: Statement of Financial Sustainability, Delivery Model, Implementation Plan and Assurance

## A.1 Statement That Water Services Delivery is Financially Sustainable

### A1.1 - Financially sustainable water services provision

This plan demonstrates that Water and Wastewater Services in the Hamilton City Council (Hamilton City) and Waikato District Council (Waikato District) will be delivered in a financially sustainable manner by a joint water services council-controlled organisation (CCO) by 30 June 2028.

To achieve financial sustainability for Stormwater within Hamilton City Council and Waikato District Council, action will be required prior to 30 June 2028.

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

Financial modelling in the plan is predicated on:

- Investment requirements for not less than 10 consecutive years.
- Maintaining current Level of Service (LoS) commitments as set out in baseline planning documents and agreed with communities through that process.
- Expectation that the CCO will transition customers charged based on capital value to a combination of volumetric and/or fixed charges within a 5-year transition period commencing 1 July 2026.
- Agreement that the price harmonisation pathway will begin from the date of the asset transfer to the new entity, with a phased approach allowing for completion of the five-year metering process for Hamilton City and the new CCO to focus first on establishing amalgamated services and systems, and the charging model transition outlined above.

### A1.2 - Investment Response

The combined Hamilton City and Waikato District area faces significant strategic growth, compliance, renewal and resilience challenges that require significant investment in three waters infrastructure over the next 10 years and beyond.

The Strategic issues which have been responded to include:

- **Response to growth:** Both councils expect substantial growth, with an anticipated combined 22% increase in population over the next 10 years. Given current Government policy changes, namely Going for Housing Growth, means Councils will be required to enable more development, in more areas. This will have implications regarding how and where the CCO invests given the uncertainty this raises for where and when growth will materialise. Significant infrastructure investment in three waters capacity, managing demand and water allocation is required to enable development in key growth areas while addressing existing network limitations. In addition, new consent allocations will be required for water and wastewater. Further investment and, water and wastewater consent allocations will be required. Changes to the National Policy Statement: Urban Development are forthcoming in 2025, with the requirement to zone 30-years of supply, along with up to 10 prospective Fast-track urban development proposals seeking ministerial referral or already listed across the Waikato District and Hamilton under the Fast-Track Approvals Act. While both Councils have growth strategies and district plans, these central Government policy changes will likely impact these and the direction they set.

- **Look after what we have:** renewal of aging infrastructure with varied condition, recognising renewal investment peaks where efficient planning is complicated by inconsistent historical capital delivery, limited condition assessment data and assets being replaced earlier than necessary with new larger capacity infrastructure in response to growth.
- **Compliance:** multiple wastewater treatment plants face compliance challenges with critical resource consents expiring in the next decade, requiring renewal and increased discharge parameters under potentially more stringent regulatory and national compliance standards, and alignment with Te Ture Whaimana o Te Awa o Waikato.
- **Resilience of service**: the serviced area has single-point vulnerabilities in treatment infrastructure, climate change impacts, and limited debt headroom to fully respond to emergencies necessitate improved system redundancy and more integrated catchment management approaches.

## A1.3 - Sufficient Investment

- Investment is required to address strategic issues, including in new and renewed infrastructure to meet levels of Service, compliance, demand management, resource consenting, and to service growth. These investment needs are outlined in further detail in Part B. Network Performance .
- Planned capital investment are sufficient to address the Councils' strategic issues.
- Hamilton and Waikato are experiencing high growth, which is anticipated to continue for decades. This growth requires investment in strategic infrastructure which is anticipated to be used for up to 100 years.
- Analysis of Investment Sufficiency is further detailed in Section D.3 Financial Sustainability Assessment - Investment Sufficiency.

## A1.4 - Sufficient revenue

- Water and wastewater revenues are sufficient to achieve financial sustainability by 30 June 2028.
- The allocation of revenue to Stormwater Activities within Councils will require rebalancing to achieve financial sustainability by 30 June 2028. The implementation plan includes actions to resolve this.
- The projected average cost of three waters remains within international guidelines for affordability.
- Analysis of Revenue Sufficiency is further detailed in Section D.2 Financial Sustainability Assessment - Revenue Sufficiency.

## A1.5 - Sufficient Financing

- Financing of water and wastewater investments can be maintained within a Funds from Operations to Net Debt ratio of 8% minimum borrowing threshold throughout the 10 years modelled, assuming access to financing through the LGFA.
- Councils can manage respective stormwater networks within their council-wide debt to revenue limit for every year modelled.
- The collective debt headroom available to both Councils and the CCO, when considered on an aggregated basis (for all three waters), is projected to be $1.36b in 2033-34.
- Analysis of Financing Sufficiency is further detailed in Sections C.2 Funding and Financing Arrangements and D.4 Financial Sustainability Assessment - Financing Sufficiency.

# A.2 Proposed Delivery Model

## A2.1 - Proposed Model to Deliver Financially Sustainable Water Services

Water Services for the Hamilton City Council (Hamilton City) and Waikato District Council (Waikato District) combined servicing area will be delivered by a joint water services council-controlled organisation (CCO). The CCO will own water supply infrastructure and wastewater assets and provide stormwater services to councils' who maintain ownership of stormwater assets.

Following a robust business case and community consultation process, Waikato District and Hamilton City identified a Multi-Council CCO as the preferred future water services delivery option, which over the long term is anticipated to deliver the greatest scale of benefit for the community and for the awa. The councils' resolved to progress a joint model which was assessed as providing the best pathway to optimal financial efficiency for their respective areas.

Both Hamilton City and Waikato District have left the door open for other councils to collaborate and potentially merge with the CCO, if that is what those councils choose.

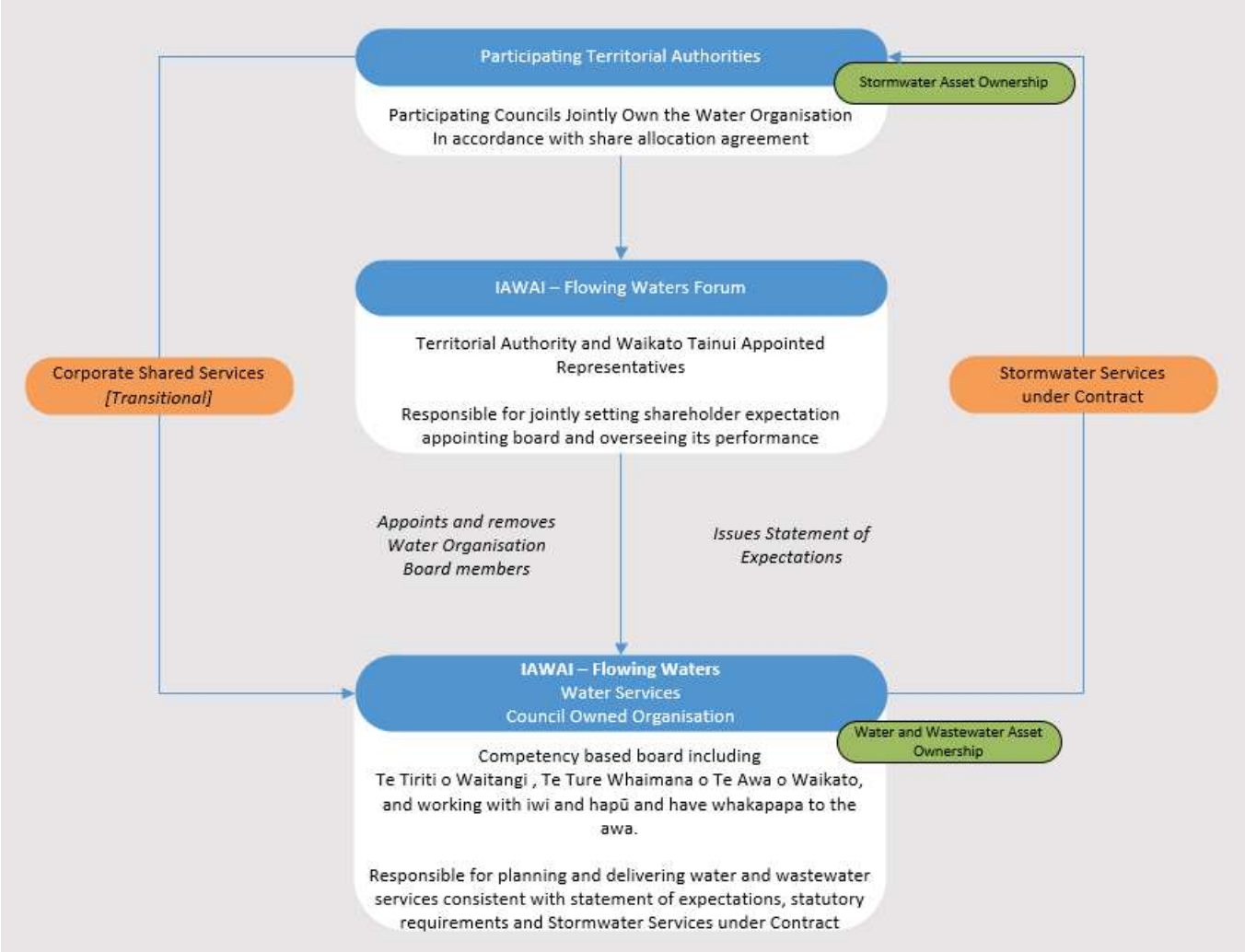
The joint arrangement is intended to:

- Involve a water services council-controlled organisation (CCO), which will own, manage and operate the water and wastewater assets currently held by both councils, and deliver stormwater services under contract for both councils.
- Deliver water services for all councils ensuring financially viable and environmentally sustainable operations for all councils within the joint arrangement.
- Address specific considerations related to stormwater services, depending on the councils' strategies.

The councils have resolved through their transition agreement to adopt a Minimum Viable Product (MVP) approach throughout, including across all transition planning and through to the services structure for Day 1, providing the minimum required for the CCO to function and empowering the board to make future decisions guided by the Statement of Expectations.

## A2.2 - Organisational Structure

Three waters will be managed under the proposed structure below. Water Supply Infrastructure and wastewater assets will transfer from the councils to a CCO. Stormwater asset ownership remains with respective councils, with services delivered by the CCO under contract.




## A2.3 - CCO Ownership Structure

- Hamilton City and Waikato District will be the establishment shareholders.
- The CCO will own and manage water supply infrastructure and wastewater assets, with financial and performance accountability to the shareholding councils.
- Stormwater assets will remain council-owned, with the CCO managing under contractual arrangements with councils.

## A2.4 - Te Tiriti o Waitangi and Te Ture Whaimana o Te Awa o Waikato

The shareholders' intent is that the CCO would honour Te Tiriti o Waitangi and the Treaty Settlements within its area operation and will give effect to Te Ture Whaimana o Te Awa o Waikato (Vision and Strategy for the Waikato River).

Both Hamilton City and Waikato District have made commitments to iwi and hapuu arising from Treaty settlements, such as the ongoing commitment to the health and wellbeing of significant waterbodies. Both councils are committed to ensuring that through the development of a CCO they honour those commitments. The proposed governance and oversight arrangements for the CCO are intended to reflect existing commitments to Iwi through Memoranda of Understanding, Joint Management Agreements, and a number of co-governance and co-management arrangements.

## A2.5 - Control and financial rights

- Each council's control and financial rights will be clearly defined within a shareholders' agreement and the constitution of the CCO. The CCO will set its own charges, manage its own balance sheet and debt without paying dividends, under the oversight of an independent, professional board appointed through a IAWAI – Flowing Waters Forum.

## A2.6 - Shareholder support

- Shareholding councils will provide proportional financial support in connection with the current debt incurred by the Shareholder attributable to the Water Infrastructure Assets and all relevant reserves by way of transitional loans.
- Both councils will provide shared services to the CCO through a transition period to ensure service continuity.

## A2.7 - Anticipated benefits

Three waters services are critical to the health and wellbeing of our communities. The CCO proposal includes the transfer of water and wastewater Assets and Services, and the provision of stormwater Services under Contract to Councils. The anticipated benefits for all three waters by transitioning to a CCO service delivery model include:

| Benefit[6] | Description |
|---|---|
| Te Ture Whaimana o Te Awa o Waikato / Better for the river (which is better for the people) | Offers a coordinated approach to support the quality and health of the awa in giving effect to Te Ture Whaimana o Te Awa o Waikato. |
| Supports coordinated and boundaryless planning and investment | Enables investment in the right infrastructure to support development across the joint boundary, including improved consenting efficiency / Fast Track consenting and aligned / coordinated investment for large scale investments to support community growth and service resilience, reduced risk of stranded investment. |
| Better for water users / Improved customer experience | Puts customers at the centre through a sole focus on waters across the joint area, allows for price harmonisation, delivers (in time) consistent levels of service for all customers. |
| Improved Financial efficiency | By enabling holistic, cost-effective investment planning aligned with growth and affordability; improved borrowing capacity to support capital investment and enable cost of investment spread fairly across generations to align with lifespan of assets and manage cost to ratepayers; increased debt headroom for emergency response, resilience to respond to unplanned events and changing circumstances. |
| People and Capability | Pooling of resources to achieve better outcomes, career opportunities, attraction, retention and growth of highly skilled workforce. |

[6] The scale of benefit is proportional to the size of the CCO, the larger the entity the greater the scale of benefit.

| Benefit[6] | Description |
|---|---|
| Operational effectiveness | Reduction in duplication – parts, chemicals, process over time. Stable operating environment (resilient against fluctuation in political cycles), water meters. |
| Opportunities of scale | Enables establishment of larger cohesive investment programmes, optimised resource allocation and strategic procurement; greater purchasing power to negotiate better contracts and secure more favourable pricing, improved regulatory engagement and consolidation/coordination of consenting activities, speeds up compliance response where required, enables asset management system efficiencies. |
| Regional contribution | Combined skills and capability, flexibility to expand, first step towards a multi–Council CCO, open for others to join when the time is right, increasing opportunities of scale and cumulative benefits for the wider region (amplifying key benefits above and resolving additional risks). |

The above benefits will support the CCO ensuring water services will comply with regulatory requirements. Increased debt headroom has enabled upgrades to meet compliance to be programmed sooner than was previously possible, such examples are future referenced in Section B5, Compliance tables.

## A2.8 - Scope of Services

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

It may provide Water Services to non-shareholding local authorities or Water Services CCOs by agreement.

Each council will contract the CCO to provide stormwater services including strategy, planning, consenting, project design, delivery, maintenance, engineering and related services, with an initial focus on urban environments. The CCO may additionally:

- Provide non-urban stormwater services to each council by agreement.
- Support water-related infrastructure in parks, transport corridors and other public assets, where aligned with council strategics and agreed service arrangements.

## A2.9 - Ringfencing of Water Services Revenue

1. Prior to transition (Pre-1 July 2026)
    - Each council will maintain balance sheet and rates separation ensuring that Three Waters revenues and expenditures are attributed specifically to water, wastewater and stormwater activities.
    - Shareholding Councils retain operational responsibility for three waters services prior to the transition.
2. Following transition (From 1 July 2026)
    - Water and wastewater assets and service delivery will be fully transitioned to the CCO, which will operate as a standalone legal entity with its own balance sheet and financial reporting structure.
    - The CCO will manage all revenues, opex, capital investments and debt servicing for water and wastewater.
    - The CCO revenue will be ringfenced for water and wastewater purposes only.

- Each Council will maintain balance sheet, rates separation and revenue sufficiency for Stormwater Activities.

## A2.10 - Revenue Collection

Council funding models currently consist of a mix of usage-based charges and rates based on capital value.

The CCO will, where water and wastewater is charged based on capital value, transition to charging based on combination of volumetric and/or fixed charges over a five-year period. This transition aims to create a fairer, more transparent and financially sustainable pricing structure for water services while ensuring cost recovery and investment.

Councils will continue to set and collect rates for the provision of stormwater services, which will continue to be the responsibility of each council (separately).

**Transition Period and Phased Implementation**

Prior to transition - (Pre-1 July 2026)

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

Following transition (From 1 July 2026 – 30 June 2031)

- CCO sets water and wastewater charges and councils collect charges on behalf of the CCO using existing billing systems.
- Existing volumetric or load based charging continues.
- The proportion of water and wastewater charges based on capital value reduces in each year of the transition as required by the legislation.
- The timing of CCO direct billing depends on the completion of the Hamilton universal water metering programme and the move to a new billing system. Volumetric charging models will be implemented as the meter roll out is completed.
- Councils will, through the appropriate strategic planning process, ensure Stormwater activities are financially sustainable by 30 June 2028.
- Price harmonisation will be progressed through this period in a staged manner.
- The revenue pathway and charging transition will be set out in the CCO's Water Services Strategy and Development Contributions Policy.

**Final Phase**

by 30 June 2031

- Complete transition to CCO direct billing and implement price harmonisation.

3. Pricing structure and harmonisation of charges
    a. Tariffs will be determined by the CCO board considering service costs, infrastructure needs, geographic variations, and the goal of gradually aligning charges to reflect true costs.
    b. Potential approaches to tariffs include volumetric charges based on actual water usage, fixed charges covering essential services, or a hybrid model combining both approaches to balance affordability with conservation incentives.
4. Revenue Sufficiency and cost coverage (CCO to ensure revenues are sufficient to cover):
    a. Operational costs.
    b. Capital Expenditure (CAPEX) including reinvestment.
    c. Debt servicing and financial obligations.

d. Support mechanisms such as government rate rebate program.

# A.3 Implementation Plan

## A3.1 - Implementing the Proposed Service Delivery Model

This implementation plan outlines the proposals and undertakings (including process, milestones and timeframes) for giving effect to the proposed service delivery model.

## A3.2 - Implementation Approach / Policy Statements

Significant effort is required to manage service amalgamation and transition while ensuring no disruption to business-as-usual operations, and the staged pathway necessary to achieve the model's longer-term service efficiency, equity and quality goals.

To ensure a smooth transition a Minimum Viable Product (MVP) and shared services approach has been assumed throughout, including across all transition planning and through to the services structure for Day 1, providing the minimum required for the CCO to function.

The model includes prioritised standup of the Water Services Strategy (CCO-led strategic plan) process and empowers the board to make future decisions guided by Councils' Statement of Expectations.

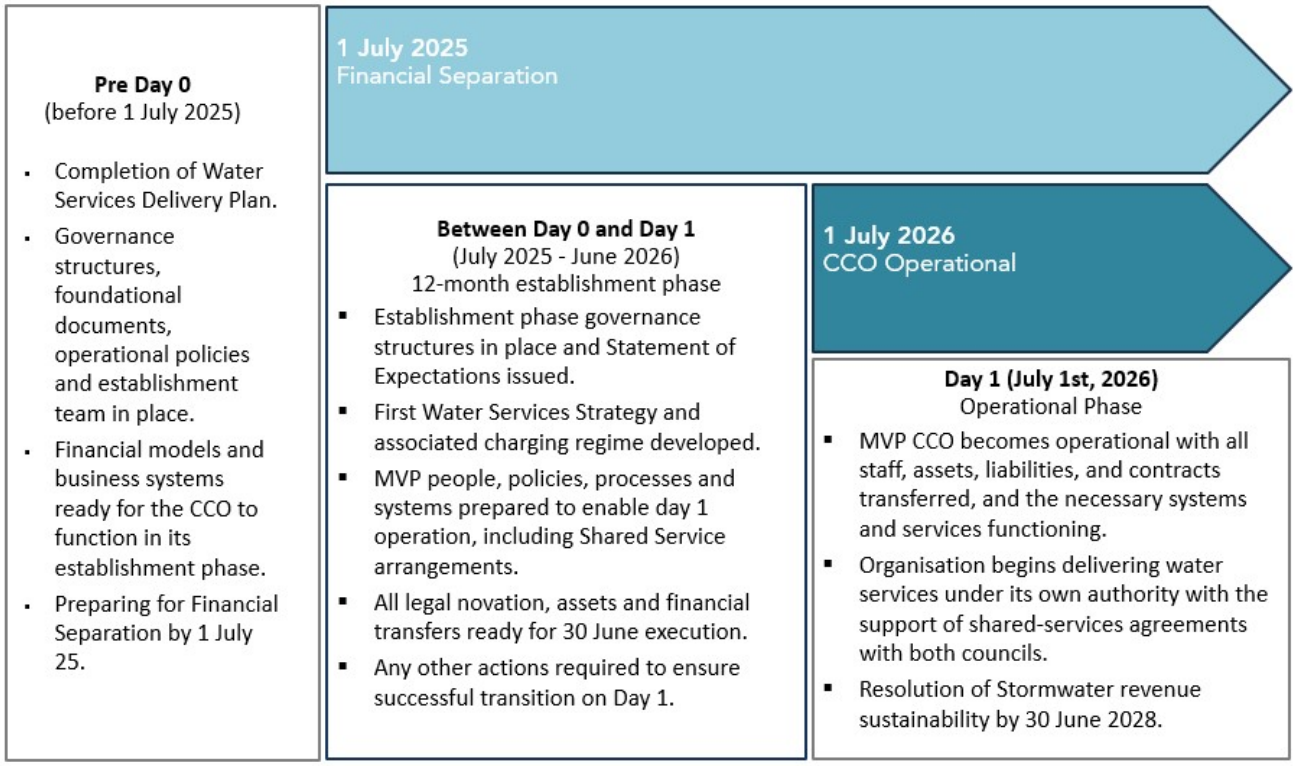
It is anticipated that the CCO will transition away from council shared services over a 5-year period as new business systems are established. This approach provides the councils with time to manage any stranded overheads.

## A3.3 - Principles Guiding the Process

- Commitment to Te Ture Whaimana o Te Awa o Waikato (supporting the health of the Waikato River), and other water bodies such as the Waipaa Awa and Whaaingaroa Harbour.
- Minimum Viable Product (MVP) approach,
- People-centred transition,
- Uninterrupted water services delivery,
- No reduction in Levels of Service,
- Shared services approach,
- Debt-funded establishment costs,
- Design for potential future mergers with other councils or other CCO's.

## A3.4 - Timeframes and Milestones

Implementation of the new water service delivery model takes a staged approach over approximately 12 months of establishment work, focusing on ensuring operational readiness while maintaining service continuity, with an assumption that the CCO will progressively develop its own systems and processes, gradually unwinding shared services arrangements.




# A.4 Consultation and Engagement

## Consultation and Engagement Undertaken

## A4.1 - Te Tiriti o Waitangi and Maaori Engagement

Both councils are deeply committed to upholding their Te Tiriti o Waitangi commitments and the Waikato River Treaty Settlement Act. Partnership conversations with iwi and roopu Maaori informed selection of the preferred CCO model, governance arrangements of the proposed CCO development of the Future Service Delivery approach.

Interactions with tangata whenua included senior members of the Waikato Tainui - Hamilton City Council Co-Governance Forum, parties to the Waikato District Council - Waikato Tainui Joint Management Agreement, and Wai Waananga and Toituu Hapori hui with mana whenua between September 2024 and March 2025.

These engagements informed the structure of the CCO and development of this Plan with the following commitments incorporated into the model:

- **Honouring Te Tiriti o Waitangi and Treaty Settlements** – Both Councils have committed to ensuring the CCO honours Te Tiriti o Waitangi and existing Treaty settlement commitments, with this obligation to be embedded in the CCO's Constitution.

- **Giving effect to Te Ture Whaimana o Te Awa o Waikato** – The CCO will give effect to Te Ture Whaimana o Te Awa o Waikato, which has been established as a foundational principle.
- **Governance representation for Waikato-Tainui** – The IAWAI - Flowing Waters Forum will include representative(s) appointed by Waikato-Tainui, who will have voting rights on board appointment matters.
- **Board competency requirements** – The board must collectively include skills relevant to Te Tiriti o Waitangi, Te Ture Whaimana o Te Awa o Waikato, working with iwi and hapuu and have whakapapa to the Awa.
- **Maintaining effective relationships** – The Constitution will require the CCO to maintain effective relationships with iwi and hapuu and to work in a way that supports the Joint Management Agreement (JMA) relationships.
- **Exploring partnership opportunities** – The CCO will be open to exploring opportunities for iwi to become partners and investors in the development of waters infrastructure through mechanisms such as PPPs and development agreements.

## A4.2 - Public Consultation

Following the selection of the preferred Joint CCO Water Service Delivery option, Councils sought the views of the public of the future of water services delivery through formal consultation processes[7].

Overall, most submitters supported the preferred CCO option.

| Hamilton City Council | Waikato District Council |
|---|---|
| **74% Support** | **75% Support** |

**Hamilton City Council consulted on**

- Option 1: Forming a joint waters company with Waikato District Council (Councils' preferred option)
- Option 2: Forming an in-house business unit.

A month-long consultation saw more the 18,000 views of waters and rating information on Council's website. More than 290,000 people were reached on social media and more than 3,000 emails were sent to people who have sought more information.

Of the 209 formal submissions regarding Water Service Delivery Options received, 74 percent said forming a joint waters company was the best option for the city.

These submissions informed Council's decision to form a joint water services CCO made on the 29 May 2025.[8]

**Waikato District Council consulted on**

- Option 1: Forming a joint waters company with Hamilton City Council (supporting Council's preferred option)
- Option 2: Retaining outsourced services model

[7] In accordance with Section 51 to 54 of the Local Government (Water Services Preliminary Arrangements) Act 2024.
[8] HCC - Local Water Done Well: Deliberations Report - 29 May 2025

Public consultation took place between 11 April to 11 May 2025. A total of 555 submissions were received on the 2025-2034 Long Term Plan and related documents, with 143 of these submissions in relation to water matters.

Of the 143 submissions regarding Water Service Delivery Options received, 75% percent said forming a joint waters company was the best option for the district.

These submissions informed Council's decision to form a Joint Water Services CCO made on the 27 May 2025.[9]

[9] WDC - 2025-2034 Long Term Plan Deliberations Report on Waters Services Delivery Model – 27 May 2025

## A.5 Assurance and Adoption of the Plan

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

- Independent legal review against the requirements in the Act.
- Independent analysis of financial sustainability.
- External peer review of the financial aspects of the plan.

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

- **Regulatory Compliance:** High confidence in compliance supported by internal documentation and existing compliance frameworks.
- **Asset Management:** There is a high level of confidence that the asset information and approach outlined in the plan are consistent with respective council's asset management information and practices.
- **Investment Requirements and Asset Condition:** There is a high level of confidence that the investments and asset information within the plan is consistent with respective councils' asset management maturity, condition assessment methodologies and current understanding of optimised investment. There are limitations with quality and quantum of condition assessment information.
- **Financial Projections:** There is a high level of confidence that baseline financial projections are consistent with each council's baseline planning documents.

### A5.1 - Council Resolution to Adopt the Plan

In approving this Plan, each council commits to giving effect to the Joint Water Service Delivery model as the first step towards a Multi Council CCO.[10]

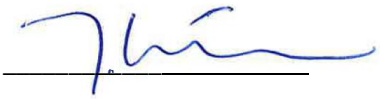
- Hamilton City Council resolved to adopt this Joint Water Services Delivery Plan on the 26 June 2025[11].
- Waikato District Council resolved to adopt this Joint Water Services Delivery Plan on the 30 June 2025.[12]

[10] Local Government (Water Services Preliminary Arrangements) Act 2024, Clause 22.
[11] Hamilton City Council: Ordinary Council | Hamilton City Council – 26 June 2025
[12] Waikato District Council: Council Meeting - Adoption of Long Term Plan – 30 June 2025

## A5.2 - Certification of the Chief Executive of Waikato District Council

I certify that this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information relating to Waikato District Council used to inform and contained in the Plan is true and accurate.

Signed: 

Name: for and on behalf of Craig Hobbs

Designation: Chief Executive

Council: Waikato District Council

Date: 14 July 2025

## A5.3 - Certification of the Chief Executive of Hamilton City Council

I certify that this Water Services Delivery Plan:

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

Signed: 

Name: Lance Vervoort

Designation: Chief Executive

Council: Hamilton City Council

Date: 14 July 2025

# Part B. Network Performance

## B.1 Investment to Meet Levels of Service, Regulatory Standards and Growth Needs

### B1.1 - Investment Required in Water Services

**Introduction / Approach to investment at transition**

The CCO shareholding councils recognise substantial investment in its three waters infrastructure over the next decade to address anticipated population growth (circa 49,279), aging infrastructure, new and renewed critical consents, single point vulnerabilities in treatment infrastructure, and climate change impacts.

Previously, each council has effectively served its communities, meeting respective Levels of Service (LoS) on all but one metric each, and implementing robust capital investment programmes to address growth, renewal, and resilience needs. However, there are gaps and opportunities that the Joint CCO model can better address through enhanced coordination, improved financial position, and holistic management of a broader catchment.

The following sections detail current network performance and future investment needs, including the combined scope of services and projected service requirements. They outline the corresponding investment programme that will support sustainable development, maintain critical infrastructure, meet regulatory obligations, and enhance system resilience in alignment with Te Ture Whaimana o Te Awa o Waikato principles.

As per the transitional MVP model, Shareholding councils have agreed the following approach to LoS and capital investment planning:

- The initial investment response for the CCO will focus on delivering programmes identified in Councils' baseline planning documents, including approximately $80-120 million annual investment for Waikato District and $200-400 million annual investment for Hamilton City across the three waters services, and inclusive of the enhanced capital programme identified in the LWDW BC.
- Current LoS will be maintained unless re-set through CCO led review of LoS over time, with corresponding community engagement to understand and prioritise any changes.
- Current investment programmes will be replaced by a CCO-led Water Services Strategy that will allow the new entity to enhance delivery for the serviced communities and for the Awa o Waikato, maximising benefits from the new model. Once formalised, capital programmes and financial analysis in the Water Services Strategy will supersede information in this Plan.
- There are several major projects identified by the councils' that will have the biggest impact on sustaining future growth as well as ensuring the councils are operating in line with legislation. To that end, the most significant capital projects focus on increasing water & wastewater Treatment capacity for growth centres as well as ensuring that applicable consents are current and adhered to. There is additionally significant investment in maintaining existing assets and reticulation.

## B1.2 - Serviced Population

The combined Waikato District and Hamilton City currently service over 220,000 people[13], including approximately 82,000 residential and 8,700 non-residential connections.

The combined area faces substantial population growth of approximately 22% over 10 years with an estimated population of 270,000[14] people (over 100,000 residential connections and 11,000 non-residential connection) being serviced by 2036.

Growth is expected to concentrate within and adjacent to the Hamilton City boundary, and in key growth areas along the SH1 between Auckland and Hamilton, in line with locational approaches set out in the Future Proof Strategy, Hamilton City Urban Growth Strategy, and Waikato District's Waikato 2070 Growth and Economic Development Strategy. More recently addition growth pressure has resulted from consenting proposals under the Fast Track Approvals Act 2024.

**Table 1 Waikato District Projected Serviced Population[15]**

| Waikato District Projected * | FY2024/25 | FY2025/26 | FY2026/27 | FY2027/28 | FY2028/29 | FY2029/30 | FY2030/31 | FY2031/32 | FY2032/33 | FY2033/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Serviced population | 37,385 | 39,642 | 42,036 | 44,574 | 47,265 | 50,119 | 53,145 | 56,354 | 59,756 | 59,957 |
| Total residential connections | 16,507 | 17,176 | 17,873 | 18,597 | 19,351 | 20,136 | 20,953 | 21,802 | 22,686 | 23,200 |
| Total non-residential connections [16] | 157 | 159 | 161 | 164 | 166 | 168 | 171 | 172 | 174 | 176 |

[13] Population forecasts for both councils are based on the NIDEA High population model, consistent with the population assumptions in both the HCC 2024-34 Long Term Plan and WDC 25-34 Long term plan.

[14] Waikato District forecast to grow from around 37,000 to around 60,000 residents, and Hamilton City from 185,300 to around 212,007 over a 10-year period.

[15] Waikato District serviced population includes wastewater only connections for Pookeno and Tuakau – these are detailed in Table 3 'Wastewater extent of services, and 'wastewater schemes' in section B.5 below.

[16] Growth in Waikato District non-residential connections is assumed to be aligned with the Waikato Integrated Scenario Explorer (WISE) Model

**Table 2 Hamilton City Projected Serviced Population**

| Hamilton City Projected serviced population | FY2024/25 | FY2025/26 | FY2026/27 | FY2027/28 | FY2028/29 | FY2029/30 | FY2030/31 | FY2031/32 | FY2032/33 | FY2033/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Serviced population | 185,300 | 188,207 | 191,141 | 194,098 | 197,074 | 200,057 | 203,044 | 206,034 | 209,022 | 212,007 |
| Total residential (HUE)[17] | 65,869 | 67,051 | 68,235 | 69,393 | 70,641 | 71,875 | 73,125 | 74,395 | 75,639 | 76,943 |
| Total non-residential (HUE) | 8,563 | 8,563 | 8,851 | 9,153 | 9,476 | 9,771 | 10,035 | 10,296 | 10,541 | 10,796 |

[17] Household Unit Equivalents (HUEs) are used to measure service demand. Water Supply HUE are used as an indicator for all three waters. While there are minor variations between these projections and those in infrastructure master planning, these differences are not considered material.

## B1.3 - Serviced Areas

Water supply services across the two areas are provided to developed properties within urban zones of the area depicted below, and some adjacent rural areas, while wastewater and stormwater Services are provided exclusively to developed properties within urban zones, following District Plan zoning requirements.

Service expansion in the Waikato District focuses on key locations along the SH1 between Auckland and Hamilton, including Pookeno, Tuakau, Te Kauwhata, Huntly and Ngaaruawaahia. Additionally, Raglan has been identified as a growth area in the Future Proof strategy.

For Hamilton City, growth cells (in green) will be serviced over time as the city grows, and provision of central city services will respond to planned intensification of the urban centre.

**Table 3 Extent of Services – Waikato District Council**

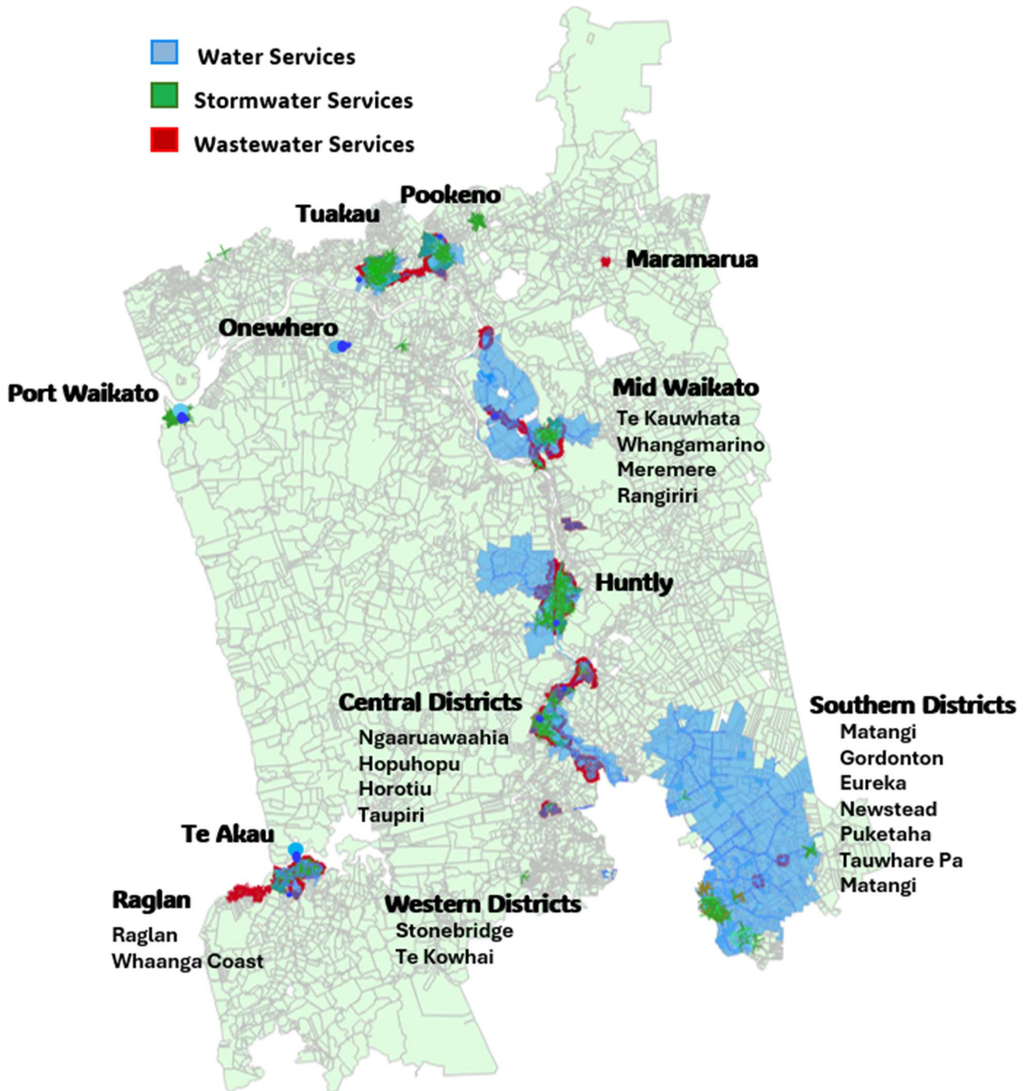
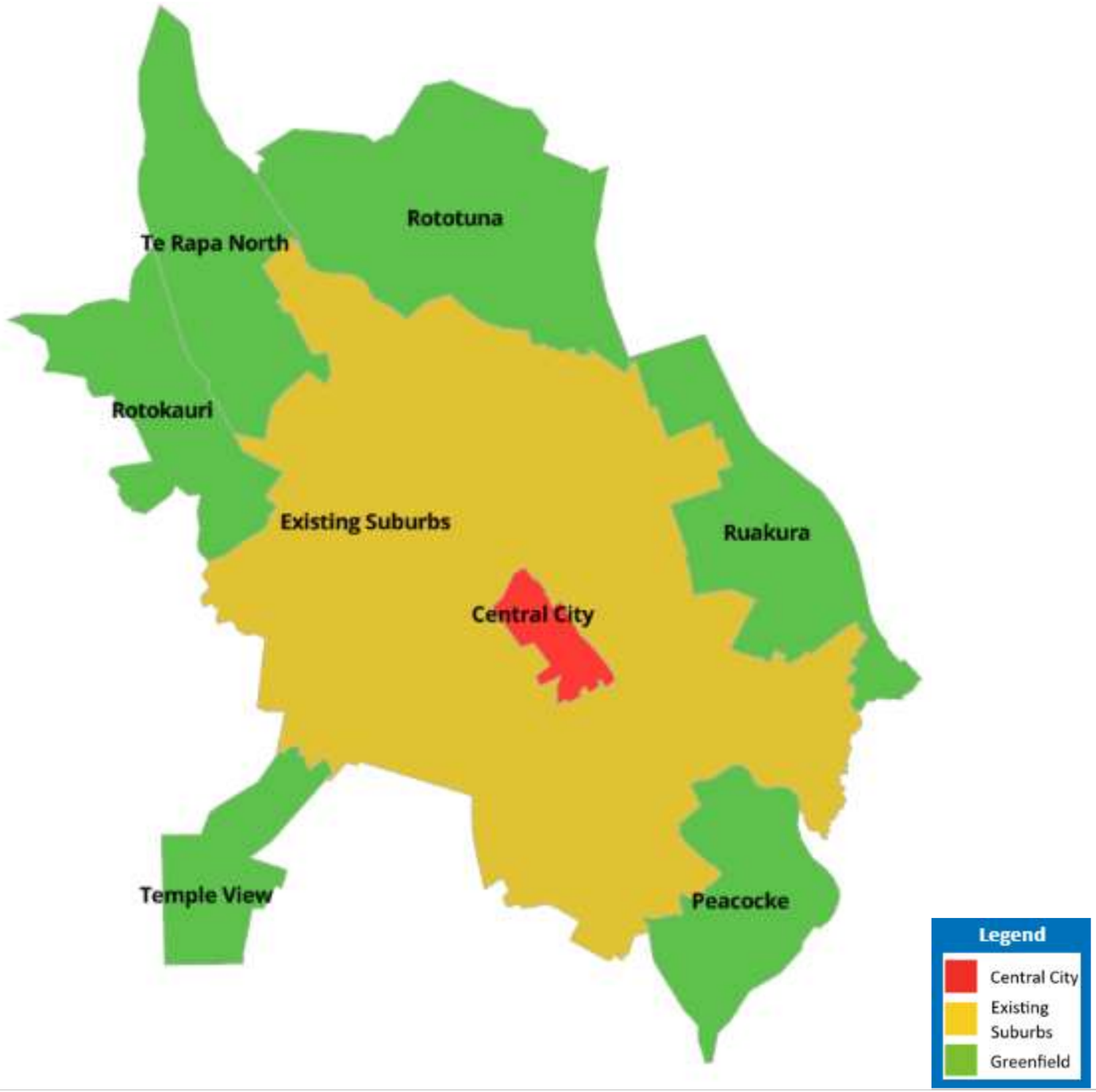
| Extent of Service Map - Waikato District Council | Description of the extent of services |
|---|---|
|  | **Water Supply**<br><br>Water supply services primarily serve urban areas and some adjacent rural zones, currently connecting approximately 48% of households in the Waikato District. Service provision follows District Plan zoning, with rural properties generally excluded unless specifically approved on individual request.<br><br>The district has water supply agreements with Watercare (2 bulk supply points), Hamilton City (8 bulk supply points), and Te Kauwhata Irrigation Association (1 Waikato River water inlet) with 5 additional tanker filling stations serving rural customers through registered water carriers.<br><br>**Wastewater**<br><br>Wastewater services focus on urban areas following District Plan zoning requirements. Pookeno and Tuakau wastewater is exported to Watercare for treatment under a contract while a few customers in Tamahere (via individual connections) are served by Hamilton City through historical arrangements.<br><br>**Stormwater**<br><br>Urban stormwater management utilises both piped networks and open drains, with three pump stations located in Port Waikato, Ngaaruawaahia, and Huntly where terrain prevents gravity discharge. Further work is required to review the extent of the service and the properties that benefit. There are also emerging areas, like Te Kowhai, which have historically been served through the rural network, but through land development and subdivision, the area is becoming urbanised and requires greater level of service. |

**Table 4 Extent of Services – Hamilton City Council**

| Extent of Service Map – Hamilton City Council | Description of the extent of services |
|---|---|
|  | **Water Supply**<br><br>Water services are provided to developed areas within Hamilton City Boundary, to water tanker companies (who service rural residential and commercial customers) via 5 water tanker filling stations across the city and to a proportion of Waikato District by agreement. Some neighbouring residents that are close to existing Hamitlon City water networks are also included in Hamilton City through individual agreement or historical arrangements.<br><br>**Wastewater**<br><br>Wastewater services are provided to developed areas within the Hamilton City Boundary. Some rural properties in future development areas are currently serviced by private septic tanks. Some neighbouring residents that are close to existing Hamilton City wastewater networks are also serviced by Hamilton City through individual agreement or historical arrangements.<br><br>The Wastewater Treatment Plant also receives tanker waste mainly from septage and commercial grease trap waste. This was could origiate from outside the city.<br><br>**Stormwater**<br><br>Stormwater services are provided to developed areas within with the Hamilton City Boundary.<br><br>The city receives stormwater from catchments outside the city boundary, and some isolated areas from the city contribute to catchments outside the city boundary. |

## B1.4 - Service Areas by Network and Catchment

There are no identified urban areas in the Waikato District or Hamilton City that are excluded from water, wastewater and Stormwater[18] services. However, planned residential growth in some areas are currently constrained by limited wastewater treatment plant capacity, water supply limitations, and the need for upgraded and expanded infrastructure to service new developments, including urbanisation of rural areas and urban infill in parts of the city.

Future service areas are outlined in Section B.3 Responding to Growth.

**Table 5 Waikato District Services Areas**

| Waikato District Serviced areas (by reticulated network) [19] | Water Distribution Schemes<br>10 schemes | Wastewater Service Schemes<br>10 schemes | Stormwater<br>8 catchments[20] |
|---|---|---|---|
| **Residential areas** | **Northern Waikato**<br>- Pookeno/ Tuakau<br>- Onewhero<br>- Port Waikato | **North Waikato**<br>- Pookeno / Tuakau<br>- Maramarua | **North Waikato**<br>- Pookeno<br>- Tuakau<br>- Port Waikato |
| | **Mid Waikato**<br>- Te Kauwhata | **Mid Waikato**<br>- Meremere<br>- Te Kauwhata | **Mid Waikato**<br>- Te Kauwhata |
| | **Central Waikato**<br>- Huntly<br>- Ngaaruawaahia | **Central Waikato**<br>- Huntly<br>- Ngaaruawaahia | **Central Waikato**<br>- Huntly<br>- Ngaaruawaahia |
| | **Western Waikato**<br>- Te Kowhai Road[21] | **Western Waikato**<br>- Te Kowhai | |

[18] Stormwater services focus on urban areas as per Local Government (Water Services Preliminary Arrangements) Act 2024, Section 5.

[19] The water and wastewater treatment plants used to service Tuakau and Pookeno are owned by Watercare. Water allocation consent for Te Kauwhata and surrounding areas is owned by a third party. Treated water to service Southern Waikato is sourced from Hamilton City Council.

[20] Stormwater catchment 'serviced areas' listed here are grouped based on operational and infrastructure management needs, this differs from consented Stormwater schemes outlined in section B.5.

[21] A small proportion of Te Kowhai is currently serviced via trickle feed supply. Water is sourced from Hamilton City through agreement. This area is not a registered as a supply scheme.

| Waikato District Serviced areas (by reticulated network) [19] | Water Distribution Schemes<br>10 schemes | Wastewater Service Schemes<br>10 schemes | Stormwater<br>8 catchments[20] |
|---|---|---|---|
| | **Raglan**<br>- Raglan<br>- Te Aakau | **Raglan**<br>- Raglan | **Raglan**<br>- Raglan |
| | **Southern Waikato (Hamilton City fed)[7]**<br>- Southern District (Tamahere, Matangi ,Tauwhare, Gordonton)<br>- Western District (small zone) | **Southern Waikato**<br>- Tauwhare Pa<br>- Matangi | **Southern Waikato**<br>- Tamahere |
| **Non-residential areas** | 0 | 0 | N/A<br>(urban only) |
| **Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)** | 0 | | |
| **Areas that do not receive water services** | There are no identified urban areas that are explicitly excluded from water services. Service provision is linked to the District Plan with some service limitation linked to Planning Zones. The future Te Kowhai residential development is in the Waikato District Servicing Strategy but not yet funded.<br>A significant proportion of Waikato District is rural and does not receive water services. There are no current plans to change this approach. | | |

**Table 6 Hamilton City Serviced Areas**

| Hamilton City Serviced areas (by reticulated network) | Water supply<br>1 scheme | Wastewater<br>1 scheme | Stormwater<br>13 catchments |
|---|---|---|---|
| **Residential areas** | Hamilton Water Supply (HAM001) – Fluoridated Supply<br>59,237 Connections[22] | Pukete Wastewater Treatment Plant Catchment<br>55,234 Connections | Hamilton Stormwater Network<br>>64,000 Connections |
| **Non-residential areas** | Hamilton Water Supply (HAM001)<br>5,855 Connections | Hamilton Wastewater Catchment<br>5,117 Connections | N/A |
| **Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)** | N/A (no rural services) | N/A | N/A |
| **Areas that do not receive water services** | 0 | 0 | 0 |

[22] Current connections are based on rateable units. Growth projections are based on household equivalents which may include multiple dwellings / rateable units serviced by a single connection.

# B.2 Meeting Our Customers' Needs - Levels of Service

## B2.1 - CCO Approach to Levels of Service

Councils have distinct differing Levels of Service (LoS) models that have been agreed with respective communities through their baseline planning documents.

Respective LoS targets and performance detail are therefore set out separately below, noting both councils are performing well against agreed metrics, with improvement areas in consent compliance for treatment plants and maintaining adequate water supply to residents.

Key investments to maintain existing and proposed Level of Service Include:

- Continued operational investment in maintenance programmes to respond to network issues and improve network resilience.
- Investment in wastewater capacity to ensure compliance is achieved.
- Investment in flood control to reduce flooding incidents
- Installation of water metering to support reduction in water loss (along with enabling equitable pricing and supporting water demand management)

In line with the transitional MVP approach to CCO establishment, existing LOS measures and commitments will be maintained through the initial transition period. This approach recognises the significant effort required to manage service amalgamation and transition, and the staged pathway necessary to engage with communities to re-set and align, where appropriate, the approach. This WSDP is therefore predicated on each council's baseline planning documents and assumes that LoS will continue for the 10-year period of the Plan.

The CCO is empowered to plan for service equity and consistent service quality over time – Current LTPs will be superseded, and future Water Services Strategy's will allow for refinement of LoS, and ensuring community involvement in proposals.

The key underpinning assumptions for LOS can be found in Appendix 2 Risks and Assumptions.

## B2.2 - Levels of Service - Waikato District Council

**Summary of Waikato District Performance**

Waikato District is currently meeting its three waters LoS for all measures.

### Waikato District Water Supply

Waikato District commits to safe, reliable and good pressure water supply to all customers. It is currently meeting all commitments to water quality in line with Taumata Arowai DWQAR requirements and its call out response times.

**Table 7 Water Supply Levels of Service**

| What's important for this activity (major aspects) | What the community can expect from us (level of service) | How we will measure our performance (performance measure) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Baseline result | Year 1 2025/26 | Year 2 2026/27 | Years 3-9 2027/28-33/34 |
| **Safety –** The community can expect a quality water supply that protects people's health and supports industry requirements. | We will provide water supply that is safe to drink. | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.4 T1 Treatment Rules. * | New measure. | 100% | 100% | 100% |
| | | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.5 D1.1 Distribution System Rule. * | New measure. | 100% | 100% | 100% |
| | | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.7.1 T2 Treatment Monitoring Rules. * | New measure. | 100% | 100% | 100% |
| | | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.7.2 T2 Filtration Rules. * | New measure. | 100% | 100% | 100% |

| What's important for this activity (major aspects) | What the community can expect from us (level of service) | How we will measure our performance (performance measure) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Baseline result | Year 1 2025/26 | Year 2 2026/27 | Years 3-9 2027/28-33/34 |
| | | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.7.3 T2 UV Rules. * | New measure. | 100% | 100% | 100% |
| | | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.7.4 T2 Chlorine Rules. * | New measure. | 100% | 100% | 100% |
| | | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.8 D2.1 Distribution System Rule. * | New measure. | 100% | 100% | 100% |
| | | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.10.1 T3 Bacterial Rules. * | New measure. | 100% | 100% | 100% |
| | | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.10.2 T3 Protozoal Rules. * | New measure. | 100% | 100% | 100% |
| | | The extent to which the Council's drinking water supply complies with the drinking water quality assurance rule: 4.11.5 D3.29 Microbiological Monitoring Rule. * | New measure. | 100% | 100% | 100% |

| What's important for this activity (major aspects) | What the community can expect from us (level of service) | How we will measure our performance (performance measure) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Baseline result | Year 1 2025/26 | Year 2 2026/27 | Years 3-9 2027/28-33/34 |
| **Reliability / responsiveness –** The community can rely on a continuous supply of water. | We will provide water supply that is reliable and ensure that water which is received has a good flow / pressure. | Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time. Attendance for nonurgent callouts: from the time that Council receives notification to the time that service personnel reach the site * Roll-over measure. | 2023/24: 1 day. Achieved. | ≤5 Days | ≤5 Days | ≤5 Days |
| | | ** Call outs included in this performance measure are categorised as a 5-day routine response type as outlined in the service level timeframes table. | | | | |
| | | Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time. Attendance for urgent callouts: from the time that Council receives notification to the time that service personnel reach the site* ** Roll-over measure. | 2023/24: 31 minutes. Achieved. | ≤60 minutes | ≤60 minutes | ≤60 minutes |
| | | | | | | |
| | | Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time. Resolution of nonurgent callouts: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. * ** Roll-over measure | 2023/24: 1 day. Achieved. | ≤5 Days | ≤5 Days | ≤5 Days |

| What's important for this activity (major aspects) | What the community can expect from us (level of service) | How we will measure our performance (performance measure) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Baseline result | Year 1 2025/26 | Year 2 2026/27 | Years 3-9 2027/28-33/34 |
| | | ** Call outs included in this performance measure are categorised as a 5-day routine response type as outlined in the service level timeframes table. | | | | |
| | | Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time. Resolution of urgent callouts: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. * ** Roll-over measure. | 2023/24: 85 minutes. Achieved. | ≤240 minutes | ≤240 minutes | ≤240 minutes |
| | | | | | | |
| | | The total number of complaints received by Council on drinking water clarity, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, and Council's response to any of these issues, expressed per 1,000 connections to Council's networked reticulation system. + | 2023/24: 10.74. Achieved. | Less than or equal to 25 per 1,000 connections | Less than or equal to 25 per 1,000 connections | Less than or equal to 25 per 1,000 connections |
| **Sustainability – The community can expect a water supply network that minimised wastage.** | We will ensure we don't waste water and that we consider the needs of future generations. | The average consumption of drinking water per day per resident within the Waikato district. + | 2023/24: 166L. Achieved. | 250L | 250L | 250L |
| | | The percentage of real water loss from Council's networked reticulation system (including a description of the methodology used to calculate this). + | 2023/24: 26%. Achieved. | 28% | 28% | 28% |

+ Measure required by the Department of Internal Affairs

## Waikato District Wastewater

Waikato District is committed to reliable, safe, efficient and effective wastewater treatment and treatment and disposal that minimises harm to the environment. The council is currently meeting its targets for all measures aside from a key compliance concern regarding discharge consents.

**Table 8 Waikato District Wastewater Levels of Service**

| What's important for this activity (major aspects) | What the community can expect from us (level of service) | How we will measure our performance (performance measure) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Baseline result | Year 1 2025/26 | Year 2 2026/27 | Years 3-9 2027/28-33/34 |
| **Safety –** The community can expect the wastewater system to protect people's health and our environment. | We will minimise risks to public health and our waterways. | The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1,000 sewerage connections to the sewerage system. +. | 2023/24: 0.91. Achieved. | Less than or equal to 3 per 1,000 connections | Less than or equal to 3 per 1,000 connections | Less than or equal to 3 per 1,000 connections |
| **Reliability / responsiveness –** The community can rely on our services to remove wastewater from proprieties | We will provide a wastewater system that is reliable, efficient and effective. | Where Council attends to sewerage overflows resulting from a blockage or other fault in Council's sewerage system, the median response time. Attendance time: from the time that Council receives notification to the time that service personnel reach the site. + ** | 2023/24: 42 minutes. Achieved | ≤60 minutes | ≤60 minutes | ≤60 minutes |
| | | ** Call outs included in this performance measure are categorised as a 1-hour urgent response type as outlined in the service level timeframes table. | | | | |
| | | Where Council attends to sewerage overflows resulting from a blockage or other fault in Council's sewerage system, the median response time. Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.+ ** | 2023/24: 113 minutes. Achieved | ≤240 minutes | ≤240 minutes | ≤240 minutes |

| What's important for this activity (major aspects) | What the community can expect from us (level of service) | How we will measure our performance (performance measure) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Baseline result | Year 1 2025/26 | Year 2 2026/27 | Years 3-9 2027/28-33/34 |
| | | ** Call outs included in this performance measure are categorised as a 4-hour urgent response type as outlined in the service level timeframes table. | | | | |
| | | The total number of complaints received by Council about sewerage odour, sewerage system faults, sewerage system blockages, and Council's response to issues with its sewerage system, expressed per 1,000 connections to Council's sewerage system. + | 2023/24: 4.25. Achieved | Less than or equal to 10 per 1,000 connections | Less than or equal to 10 per 1,000 connections | Less than or equal to 10 per 1,000 connections |
| | | Compliance with Council's resource consents for discharge from its sewerage system measured by the number of convictions received by Council in relation to those resource consents.+ | 2023/24: 0. Achieved | 0 | 0 | 0 |

| What's important for this activity (major aspects) | What the community can expect from us (level of service) | How we will measure our performance (performance measure) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Baseline result | Year 1 2025/26 | Year 2 2026/27 | Years 3-9 2027/28-33/34 |
| Sustainability – The community can expect us to minimise the pollution of the district's waterways caused by contaminants in stormwater runoff. | We will manage wastewater treatment and disposal to minimises harm to the environment. | Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of Abatement Notices, Infringement Notices and Enforcement Orders received by the Council in relation to those resource consents.+ | 2023/24: 2, achieved[23] | ≤2 | ≤2 | ≤2[24] |

+ Measure required by the Department of Internal Affairs

[23] The two abatement notices carried over from previous years relate to Raglan and Te Kauwhata treatment plants. Upgrades are complete (Raglan) or in progress, with stage one of Te Kauwhata now complete and remaining work in progress. A further abatement notice has been received for Ngaaruawaahia, with planning underway to upgrade the facility by 2027. All three upgrades have been designed with more stringent regulation in mind, however there is a residual risk that designed discharge quality may exceed or fall short of the new, proposed discharge standards.

[24] The council's target for wastewater treatment compliance is greater than ≤2 due to known non-compliance and planned upgrades of wastewater treatment plants in Raglan (completed and now compliant), Te Kauwhata (partially complete) and Ngaaruawaahia (in planning). It is anticipated these investments will enable a higher LOS in the future.

## Waikato District Stormwater

Waikato District aims to provide reliable, safe, efficient, effective and environmentally responsible stormwater management for its communities to protect them from the effects of stormwater overflow. Agreed LoS were met within the last monitoring period, recognising this result varies year-on -year depending on climate events, and the need for ongoing work to improve resilience during extreme events – Waikato District met its complaint target of less than 4 per 1000 during the 22/23 cyclone, only failing on response times due to road closures.

Maintaining Levels of Service during extreme weather events requires a holistic response, current plans to maintain or improve network resilience include increased system redundancy, power supply backup through generator and UPS, and a proactive emergency response plan to obtain equipment like sucker trucks and hire-generators.

**Table 9 Waikato District Stormwater Levels of Service**

| What's important for this activity (major aspects) | What the community can expect from us (level of service) | How we will measure our performance (performance measure) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Baseline result | Year 1 2025/26 | Year 2 2026/27 | Years 3-9 2027/28-33/34 |
| **Safety** – The community can expect that our infrastructure will protect people and properties from flooding caused by stormwater runoff. | We will provide a reliable stormwater system that protects people and properties from flooding. | **The number of flood events** that occur in the Waikato district**.+ | 2023/24: 0. Achieved. | Less than 5 events per annum | Less than 5 events per annum | Less than 5 events per annum |
| | | For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to Council's stormwater system).+ | 2023/24: 0. Achieved. | 0.3 affected per 1,000 properties per event | 0.3 affected per 1,000 properties per event | 0.3 affected per 1,000 properties per event |
| | We will provide a stormwater system that is reliable, efficient and effective. | The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. + | 2023/24: 0. Achieved. | Less than or equal to 2 hours | Less than or equal to 2 hours | Less than or equal to 2 hours |

| What's important for this activity (major aspects) | What the community can expect from us (level of service) | How we will measure our performance (performance measure) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Baseline result | Year 1 2025/26 | Year 2 2026/27 | Years 3-9 2027/28-33/34 |
| **Reliability / responsiveness –** The community can expect a reliable stormwater network that drains water away. | | The total number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to Council's stormwater system.+ | 2023/24: 1.88. Achieved. | Less than 4 per 1,000 properties per year | Less than 4 per 1,000 properties per year | Less than 4 per 1,000 properties per year |
| **Sustainability** – The community can expect us to minimise the pollution of the district's waterways caused by contaminants in stormwater runoff | We will provide a stormwater system that minimises the impact on the districts waterways. | Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders, and successful prosecutions received by Council in relation to those resource consents.+ | 2023/24: 0. Achieved | 0 | 0 | 0 |

+ Measure required by the Department of Internal Affairs

## B2.3 - Levels of Service – Hamilton City Council

### Hamilton City Water Supply

Through its Levels of Service framework Hamilton City Council commits to providing residents and businesses safe drinking water through a well-maintained network, sustainable water management practices and prompt response and resolution to any supply issues.

Hamilton City met six of its seven 2023/24 monitored targets, exceeding the number of complaints per 1000 connections regarding drinking water quality and supply and has implemented actions to reduce the number of complaints.

New measures as noted below have been set to demonstrate compliance with the new Drinking Water Quality Assurance Rules and Standards 2022. These measures were adopted through the 24/25 Annual Plan process. [25] Public reporting will be through the Annual Report.

**Table 10 Hamilton City Water Supply Levels of Service**

| What you can expect from us | What we will measure | Latest result (2023/24) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| Our water network is managed in a way that minimises the loss of water. | The percentage of real water loss from the water network infrastructure in the city.+ | 11.6% | No more than 16% | No more than 16% | No more than 16% | No more than 12% |
| We will work with the community to sustainably manage the supply and use of water. | The average use of drinking water per Hamilton resident, per day.+ | 323 litres | No more than 400 litres per resident, per day | No more than 400 litres per resident, per day | No more than 400 litres per resident, per day | No more than 400 litres per resident, per day |
| The water we supply is safe to drink | The extent to which Council's drinking water supply complies with the Drinking Water Quality Assurance Rules 2022, part 4.10.1 T3 Bacterial Rules: | | | | | |
| | i. Number of non-compliant days+ | New Measure | 0 days | 0 days | 0 days | 0 days |
| | The extent to which Council's drinking water supply complies with the Drinking Water Quality Assurance Rules 2022, part 4.10.2 T3 Protozal Rules: | | | | | |
| | i. Number of protozoa log removal credits achieved. + | New Measure | 3 log removal credits | 3 log removal credits | 3 log removal credits | 3 log removal credits |

[25] HCC - Council Open Agenda -11 February 2025.pdf

| What you can expect from us | What we will measure | Latest result (2023/24) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| | The extent to which Council's drinking water supply complies with the Drinking Water Quality Assurance Rules 2022, part 4.11.5 D3.29 Microbiological Monitoring Rule: | | | | | |
| | The number of compliant months for Hamilton City zone. + | New Measure | 12 Months | 12 Months | 12 Months | 12 Months |
| | The number of compliant months for Temple View zone. + | New Measure | 12 Months | 12 Months | 12 Months | 12 Months |
| | The number of compliant months for Claudelands Grandstand Tap zone. + | New Measure | 12 Months | 12 Months | 12 Months | 12 Months |
| To be satisfied with the clarity, taste, odour, continuity, and pressure of the water supply | The total number of complaints received about drinking water clarity, taste, odour, pressure, flow or continuity of supply and Hamilton City's response to any of these issues. + | 9.63 complaints per 1000 connections (against target 5 per 1000)[26] | No more than 7 complaints per 1000 connections<br><br>(rounded to nearest whole number) | No more than 7 complaints per 1000 connections<br><br>(rounded to nearest whole number) | No more than 7 complaints per 1000 connections<br><br>(rounded to nearest whole number) | No more than 7 complaints per 1000 connections<br><br>(rounded to nearest whole number) |

[26] Most of the complaints (334 of 608) are related to reduced or lost pressure and is directly related to two significant water outage incidents. Actions have been implemented to reduce the number of complaints, including closer management of contractors working on replacing/extending the water network to minimise any unnecessary reactive impacts and improving data capture and customer feedback during the initial customer contact.

| What you can expect from us | What we will measure | Latest result (2023/24) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| A timely response and a timely resolution if there is a problem with the water supply. | The median attendance time for urgent call-outs from the time that the council receives notification of the fault or unplanned interruption to the time that service personnel reach the site. + | 38 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes |
| | The median resolution time of urgent call-outs from the time that the council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption.+ | 2 hours | No more than 5 hours | No more than 5 hours | No more than 5 hours | No more than 5 hours |
| | The median attendance time for non-urgent call-outs from the time that the council receives notification of the fault or unplanned interruption to the time that service personnel reach the site.+ | 3 working days | No more than 5 working days | No more than 5 working days | No more than 5 working days | No more than 5 working days |
| | The median resolution time of non-urgent call- outs from the time that the Council receives notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or interruption.+ | 3 working days | No more than 10 working days | No more than 10 working days | No more than 10 working days | No more than 10 working days |

+ Measure required by the Department of Internal Affairs

## Hamilton City Wastewater

Hamilton City commits to providing residents and businesses a wastewater system designed and maintained to minimise harm to the community and environment, minimise odour and blockages and minimise the impact on the environment, along with timely response and resolution if there are urgent problems.

Hamilton City is meeting all its current agreed LoS for wastewater.

**Table 11 Hamilton City Wastewater Levels of Service**

| What you can expectfrom us | What we will measure | Latest result (2023/24) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| Our wastewater system is designed and maintained to minimise harm to the community and environment. | The number of dry weather wastewater overflows from the wastewater system.+ | 2.14 overflows per 1,000 connections | No more than 4 overflows per 1000 connections | No more than 4 overflows per 1000 connections | No more than 4 overflows per 1000 connections | No more than 2 overflows per 1000 connections |
| We operate and maintain the wastewater system to minimise odour and blockages. | The total number of complaints received about sewage odour, system faults or blockages and responses to issues raised with Hamilton City's wastewater system.+ | 8.91 complaints per 1000 connections | No more than 20 complaints per 1000 connections | No more than 20 complaints per 1000 connections | No more than 20 complaints per 1000 connections | No more than 12 complaints per 1000 connections |
| | The number of abatement notices received in relation to resource consents for discharge from the wastewater system.+ | 0 abatement notices | No more than 1 abatement notice | No more than 1 abatement notice | No more than 1 abatement notice | No more than 1 abatement notice |

| What you can expectfrom us | What we will measure | Latest result (2023/24) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| We operate and maintain the wastewater system to minimise the impact on the environment | The number of infringement notices, enforcement orders and convictions received in relation to resource consents for discharge from the wastewater system.+ | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions |
| A timely response and resolution if there is an urgent problem with the wastewater system | The median attendance time for call-outs from the time that the council receives notification of the blockage or other fault to the time that service personnel reach the site.+ | 44 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes |
| | The median resolution time for call-outs from the time that the council receives notification of the blockage or other fault to the time that service personnel confirm resolution of the fault or interruption.+ | 2 hours | No more than 4 hours | No more than 4 hours | No more than 4 hours | No more than 4 hours |

+ Measure required by the Department of Internal Affairs

## Hamilton City Stormwater

Hamilton City commits to providing Hamilton city residents and businesses a stormwater system designed and maintained to prevent flooding of habitable buildings and operations focused on minimising environmental impacts, along with timely, reliable response to issues and general customer satisfaction with services.

The council is meeting all LoS targets, and has plans in place to improve the management of flooding risk within the city.

**Table 12 Hamilton City Stormwater Levels of Service**

| What you can expectfrom us | What we will measure | Latest result (2023/24) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| The stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings. | The number of flooding events^ that occur within the city.+ | 0 flooding events | No more than 3 flooding events | No more than 3 flooding events | No more than 3 flooding events | No more than 1 flooding event |
| | For each flooding event^, the number of habitable floors affected.+ | 0.00 habitable floors per 1000 properties across all events | No more than 1 per 1000 properties | No more than 1 per 1000 properties | No more than 1 per 1000 properties | No more than 1 per 1000 properties |
| The Council will operate and maintain the stormwater system to minimise the impact on the environment. | The number of abatement notices related to the management of the stormwater system.+ | 0 abatement actions | No more than 1 abatement notice | No more than 1 abatement notice | No more than 1 abatement notice | No more than 1 abatement notice |
| | The number of infringement notices, enforcement orders and convictions related to the management of the stormwater system.+ | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions |

| What you can expectfrom us | What we will measure | Latest result (2023/24) | Targets | | | |
|---|---|---|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| | The median response time, from the time that we receive notification to the time that our service personnel reach the site of the flooding event.+ | 0 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes |
| A timely response if there is a problem with the stormwater system or flooding of a habitable building. | The median response time, from the time that we receive notification to the time that our service personnel reach the site of the flooding event.+ | 0 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes |
| We provide a reliable and effective stormwater system that the community is satisfied with. | The number of complaints received about the performance of the stormwater system.+ | 13.40 complaints per 1000 properties | No more than 20 complaints per 1000 connections | No more than 20 complaints per 1000 connections | No more than 20 complaints per 1000 connections | No more than 10 complaints per 1000 connections |

^ A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor (a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages)

+ Measure required by the Department of Internal Affairs

# B.3 Responding to Growth

## Extent of Infrastructure for Growth

## B3.1 - Population Growth and Development Capacity

Councils have responded to significant anticipated growth over the past decade through investment in wastewater, water and stormwater infrastructure. Infrastructure needs are targeted in key growth nodes along SH1 between Auckland and Hamilton (including Pookeno, Tuakau, and Te Kauwhata), as well as Hamilton's development areas in Peacocke, Rotokauri, Ruakura, Rototuna and planned city centre intensification in alignment with the Future Proof growth strategy.

The location of future growth will be less certain with the changes in Government policy – these will likely lead to a more dispersed settlement pattern and a number of new growth cells being plan-enabled through NPS-UD changes and Fast-track Approvals Act.

Infrastructure in Table 13 and Table 14 below set out Waikato District and Hamilton City plans to meet projected property yield and densities for each growth cell in their respective areas based on key assumptions in Appendix 2. Risks and Assumptions.

**Key Investments include:**

- Continued investment in strategic planning to optimise infrastructure investment.
- Strategic infrastructure investment for prioritised growth nodes.
- Strategic upgrades to existing infrastructure to address growth impacts.

A detailed breakdown of planned infrastructure investment across the combined districts can be found in B.6 Capital Expenditure Required to Deliver Water Services and Ensure That Water Services Comply with Regulatory Requirements and Significant Projects sections.

The tables provide a high-level view of the growth response for each key growth area including:

- Strategic infrastructure to be provided by the CCO (all bulk treatment and distribution networks)
- Local infrastructure that will generally be constructed by developers through RMA or Fast Track land development processes to Regional Infrastructure Technical Specifications before being vested to the asset owner
- Some strategic infrastructure may be developer-led through Private Development Agreements with possible council financial participation when upsizing benefits broader development. These are bespoke, by negotiation and are pursued as opportunities arise.

**Growth Drivers:**

***Regulatory and Policy Drivers***

Since 2020, Central Government has reset the rules for land use growth and introduced legislation that tells councils how they must make that happen. These are the National Policy Statement on Urban Development (NPS-UD) and Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 (HSAA).

Updates to the NPS-UD are due to be released mid-2025, these are expected, as per the Going for Housing Growth Policy to direct Councils to zone 30-years' worth of land supply along with more permissive zoning controls within brownfield environments (e.g. more mixed-use zones, and up-zoning along transport corridors).

The NPS-UD and HSAA have driven and enabled greater density and changed distribution of planned growth in Hamilton City (through Plan Change 12) and some areas within the Waikato District (through Variation 3).

Through plan change processes, consideration of infrastructure is required when addressing the "use and development of land"[27]. In the context of local authority responsibilities there is a requirement to have "sufficient development capacity for housing and business land to meet the expected demands of the district"[28].

The NPS-UD directions that tier 1-3 local authorities are to "engage with providers of development infrastructure and additional infrastructure to achieve integrated land use and infrastructure planning"[29].

As part of local authorities enabling more supply currently as per the NPD-UD "Local authorities must be satisfied that the additional infrastructure to service the development capacity is likely to be available."[30]

There are a number of further legislative changes underway which will have an impact on how and where growth occurs across the districts:

i. **Resource Management Act reform** – an entirely new system which will simplify regulation through nationwide standardisation, simplify environmental regulation and monitoring – legislation to be introduced late 2025.
ii. **Fast-track Approvals Act** – creating a streamlined, one-stop-shop for projects that are regionally and nationally significant to get the required approvals in one place. The legal framework for decisions re-balances the Resource Management Act in favour of enabling development to proceed.
iii. **Going for housing growth** – this is a broader policy agenda of government which includes requiring local authorities to live zone land to accommodate 30-years of demand (to address housing affordability), changes to funding and financing of infrastructure and incentivising Councils through a return of GST or otherwise on development.

[27] Section 31(a) Resource Management Act
[28] Section 31(1)(aa) Resource Management Act

[29] Policy 10 (b), NPS-UD.
[30] Section 3.5(1), NPS-UD

iv. **Building Act Amendments** – changes to the Building Act to allow granny flats to support the supply of housing and to change consenting approvals processes to speed up and lower the compliance costs of construction, deregulation of certification of housing products to allow more competition in the market to lower building material costs.

*Lower order growth planning and projections*

A key direction setting document for growth in the sub-region is the Future Development Strategy which sets out the settlement pattern for the sub-region over the next 30-years. This is now embedded in the Regional Policy Statement, which must be given effect to.

Some of these new greenfield growth areas are already identified in some way in the Hamilton City Council District Plan and the Waikato District Plan. With the forthcoming government policy changes to zone 30-years of supply, we expect these greenfield areas are likely to be required to be live zoned, either by Council or developers through private plan changes.

As outlined in Section B.1 Investment to Meet Levels of Service, Regulatory Standards and Growth Needs, Serviced Population above, the population of the combined area is anticipated to increase by 22% over a 10-year period. A similar pace of population growth in anticipated over the subsequent 20 years.

## B3.2 - Future Investment Planning

Investment plans are predicated on each council's baseline planning documents with the addition of key investments required to meet financial sustainability and to manage future legislative funding constraints and the enhanced capital plan set out in the CCO business case.

Neither council's baseline planning document fully funds infrastructure required to support continued growth within the Waikato District and Hamilton City, these will need to take account of the changing spatial dispersion of growth as a result of fast-track development proposals under the Fast-Track Approvals Act and changes to the NPS-UD.

Given the increase in enabled land for urban development under the changes to the NPS-UD and Fast-track Approvals Act, careful consideration will need to be given to when (timing), where (spatially e.g. headworks, trunk or growth cell) and how (proactive or reactive) the CCO invests in enabling growth. Due to the spatial uncertainty of where growth is likely to manifest, the CCO will need to be more responsive with regards to investment. Investment that is agnostic to where growth materialises (for examples investing in headworks) will be a least regrets scenario, whereas investing into a growth cell will carry more risk of whether development occurs in that cell or elsewhere.

Over time it is anticipated that the CCO will identify further opportunities to optimise investment and improve development capacity through coordinated planning across council boundaries and utilising increased debt headroom to manage costs over asset lifespans. These plans would be reflected in the applicable Water Services Strategy.

The following sections of this plan outline the infrastructure required to service growth over the 10-year period of this plan. Details on anticipated infrastructure investment for the subsequent 20 years can be found in each Councils Infrastructure Strategies.

## B3.3 - Responding to Growth – Waikato District

The Waikato District's growth over 10 years, is partially enabled, as per the table below.

There are key infrastructure constraints which have been identified and are being addressed, these include:

- Te Kauwhata wastewater treatment plant has insufficient capacity for future growth, upgrades are in progress, unlocking growth in Central Waikato from Mid-2030.
- A new reservoir is required to service Raglan and is scheduled for completion 2027.
- Ngaaruawaahia wastewater treatment plant is non-compliant and has insufficient capacity, upgrades are in the pipeline for 2025/26.
- Huntly wastewater treatment plant is non-compliant and has insufficient capacity, upgrades are in the pipeline for 2027/28.
- Wastewater and water supply solutions for Pookeno and Tuakau are in the early feasibility stage and not yet confirmed or funded. The CCO will consider options and timing for Pookeno through its Water Services Strategy process.

**Table 13 Waikato District Key Growth Areas**

| **Extent of Infrastructure to Service Growth Areas** | **Planned (as identified in district plan)** | **Infrastructure Constraints** | **Infrastructure enabled. (as identified and funded in baseline planning documents [31]) (Yes[32] / No / Partial[33])** | | **Properties (10-year) [34]*** |
|---|---|---|---|---|---|
| | | | Strategic | Local | |
| Tuakau | | Wastewater treatment allocation, impacting both towns | Partial | | 688 |
| Pookeno | | | Partial | | 625[35] |

[32] Council provides funding in baseline planning documents for Ad Hoc Network Extensions as required for new developments and connections outside of current network supply areas. This allowance is considered sufficient to support potential growth in these locations.

[33] Ad Hoc Network extensions are funded but will not be sufficient to address development constraints in this area. As noted above, solutions for wastewater are in the early feasibility stage and not yet confirmed or funded.

[34] This forecast is based on the Waikato 2070 Growth and Economic Development Strategy, with growth projections based on the Nidea High with an assumed 2.6 persons per household. Long term household growth forecasted are: Tuakau : 2750; Pookeno: 2500; Te Kauwhata: 850; Huntly: 600; Ngaaruawaahia: 500; Raglan: 1000,

[35] Significantly higher than predicted growth demand in being experienced in Pookeno for both residential and industrial customers.

| Extent of Infrastructure to Service Growth Areas | Planned (as identified in district plan) | Infrastructure Constraints | Infrastructure enabled. (as identified and funded in baseline planning documents [31]) (Yes[32] / No / Partial[33]) | | Properties (10-year) [34]* |
|---|---|---|---|---|---|
| | | | Strategic | Local | |
| Te Kauwhata | These towns are specifically identified in the Waikato District Plan as growth-nodes along SH1 between Auckland and Hamilton. Though most of the focus is on provision of alternative accommodation to Auckland & Hamilton respectively, Pookeno and Tuakau is further identified as future commercial potential. | Wastewater treatment capacity – addressed through planned and funded investment | *Yes* | Localised service provision is generally done by developers. Once completed, these services are vested to Council as part of the S224 process. | 213 |
| Huntly | | Water supply capacity and quality, non-compliant and constrained capacity of WWTP. Stormwater management / flooding. Short and long-term solutions in progress. Huntly WTP and WWTP will be required to service the private zone change of Ohinewai with the Sleepyhead Development along with the accompanying commercial and residential development. | *Yes* | | 150 |
| Ngaaruawahia | | Water treatment capacity and resilience. Non-compliant and constrained capacity of WWTP – solution in progress.<br>Stormwater capacity and quality. | Yes | | 125 |
| Raglan | Raglan is identified as a bespoke growth centre for a high amenity environment. | Water supply capacity to enable growth – being addressed by new reservoir. New raw water source required in the medium future to accommodate future demand.<br>WWTP capacity – online 2025. | Yes | | 250 |

| Extent of Infrastructure to Service Growth Areas | Planned (as identified in district plan) | Infrastructure Constraints | Infrastructure enabled. (as identified and funded in baseline planning documents [31]) (Yes[32] / No / Partial[33]) | | Properties (10-year) [34]* |
|---|---|---|---|---|---|
| | | | Strategic | Local | |
| Te Kowhai West | Te Kowhai West is identified in the Waikato District Plan as a growth-node.[36] | Very small aging infrastructure in place, proposed to be replaced with trunk water supply and wastewater reticulation connecting to the Waikato / Hamilton network to support growth. | No | | 803 |

[36] Waikato District Council through its 2025/34 LTP deliberations received submissions regarding growth aspirations for the Te Kowhai Area. A resolution was passed capturing that WDC wished for the CCO to consider service provision for this area when developing its Water Services Strategy.

## B3.4 - Responding to Growth – Hamilton City

Over the past decade, approximately 50% of growth has been in brownfield (in-fill areas) and 50% into greenfield areas, predominantly Rototuna and Ruakura. New greenfield areas include Rotokauri, Peacocke, and Te Rapa North (Te Awa Lakes, Private Plan Change 17). Future intensification is being directed into the central city and walkable catchment as per Plan Change 12. Growth is placing pressure on existing water storage, water mains, and wastewater infrastructure and water and wastewater consent limits.

The Hamilton City identifies areas of potential development and growth and proactively plans the servicing of these areas. For the most part, Hamilton City provides strategic, bulk and transmission infrastructure allowing developers the opportunity to focus on localised service provision as part of the development construction. While this approach can work in strategically serviced greenfield development areas, it is more challenging for infill development where developers lack sufficient economic scale to address local servicing constraints.

**Table 14 Hamilton City Key Growth Areas**

| Extent of Infrastructure to Service Growth Areas | Planned (as identified in district plan)[37] | Infrastructure enabled (as identified and funded in Baseline Planning Documents) (Yes / No / Partial[38]) | | Properties (10 year) |
|---|---|---|---|---|
| | | Strategic | Local | |
| Infill | Yes<br><br>Various zones including Residential, Business, Community Facilities, and Industrial intensification. Within existing developed areas. | Partial | Partial [39] | 2991 |

[37] Hamilton City Council Operative 2017 District Plan (as at 30 June 2025). Excludes any proposed private plan changes.

[38] **Partial** means - Funding has been allowed to support Council contributions to development, such as where there is benefit of upsizing assets to achieve broader outcomes. A proportion of growth-related infrastructure is funded and constructed by Developers through RMA consenting processes or Private development agreements. These assets are then vested to Council upon completion under RMA 224c processes or retained in private ownership where appropriate.

[39] Development in Infill areas is enabled to the extent to which existing capacity can accommodate the increased demand. There are some areas of the city which are capacity constrained, these areas are not enabled with three waters infrastructure, however some funding is available to reactively respond to development proposals in constrained areas. Recent requirements to increase housing density have not been fully responded to.

| Extent of Infrastructure to Service Growth Areas | Planned (as identified in district plan)[37] | Infrastructure enabled (as identified and funded in Baseline Planning Documents) (Yes / No / Partial[38]) | | Properties (10 year) |
|---|---|---|---|---|
| | | Strategic | Local | |
| | Note: Plan Change 12 included an infrastructure overlay to recognise that not all infill areas could develop ahead of an investment in infrastructure capacity. | | | |
| Central City (Stage 1) | Yes<br><br>Various zones including Residential, Business intensification and Community Facilities. Within existing developed areas. | Partial | Partial, but sufficient within 10 years<br><br>IAF funding contributes to some of the required strategic infrastructure (waters as well as some reactive upgrades in response to development.<br><br>Funding of some of the proactive water and wastewater upsizing. | 4000 |
| Rototuna | Yes<br><br>Various zones including Residential, Business and Community Facilities. The growth cell is predominantly developed | N/A | Partial, but sufficient within 10 years<br>Wastewater and stormwater upsizing are funded, drinking water unfunded. | 1329 |
| Ruakura | Yes<br><br>Various Residential, Knowledge, Business, Logistics and Industrial Park zones. The growth cell is under development. | N/A | No [40] | 1240 |

40 The Ruakura growth cell is primarily a private development enabled by a private plan change. Localised infrastructure is being delivered by the developer; some infrastructure will remain in private ownership.

| Extent of Infrastructure to Service Growth Areas | Planned (as identified in district plan)[37] | Infrastructure enabled (as identified and funded in Baseline Planning Documents) (Yes / No / Partial[38]) | | Properties (10 year) |
|---|---|---|---|---|
| | | Strategic | Local | |
| Rotokauri | Yes<br><br>General and Medium Density Residential, Future Urban, Business, Industrial, Community Facility zones. The growth cell is primarily undeveloped. | Yes | Partial, but sufficient within 10 years<br>Upsizing for all three waters partially funded | 1181 |
| Peacocke | Yes<br><br>Various Residential and business, and community facility zones. The growth cell is primarily undeveloped. | Yes | Partial, but sufficient within 10 years | 2500 |
| Te Rapa North | Yes<br><br>Various Residential, Community Facility and Industrial zones. Industrial zones are deferred (not yet available for development). The growth cell is partially developed. | Partial | No | *397* |
| Temple view | Partially<br><br>General Residential, Future Urban, Business and Community Facility zones. The growth cell is partially developed. | No | No | *0* |

## B3.5 - Emerging Areas

Given growth pressures and changing government policy settings, there is significant demand on the edge of Hamilton City to open greenfield growth areas ahead of when they were anticipated.

These areas have varying degrees of strategic recognition, with some being recognised within the Future Proof Settlement pattern, and some additional areas have recently been identified under the Fast Track Approvals Act.

In addition, some of these areas are covered by Strategic Boundary Agreements with neighbouring local authorities to transfer into Hamilton City's jurisdictional control.

Identified areas are outlined in the table below and further depicted in Figure 1 Emerging Areas adjacent to Hamilton City Boundary.

| Area | Planning Status | | Infrastructure Status |
|---|---|---|---|
| | Within Settlement Pattern | Seeking Fast-track Approval | |
| Southern Links (SL2)* | × | × | These areas are not currently zoned for urban development and there is currently no provision for associated infrastructure servicing. |
| Horsham Downs (HT1)* | ✓ | ✓ (in part) | |
| Brymer Road | × | × | |
| Te Kowhai East (TKE) | × | × | |
| Ruakura 2 (R2)* | ✓ | ✓ | Some developments within these areas have been recognised as "listed projects" under the Fast Track Approvals Act 2024.<br>Provision for strategic and local water and wastewater infrastructure has been assumed to be provided or funded by developers. |
| Wallace Road (WA)* | ✓ | ✓ | |
| Ruakura East | ✓ | × (via plan change) | |
| Southern Links (SL1)* | ✓ | ✓ (in part) | |

*Subject to Strategic Boundary Change Agreements.

The release of future land supply in these areas will require significant infrastructure investment. Such investment needs to be optimised by carefully timing with population demand to ensure infrastructure is utilised and remain financially sustainable over the life of the assets.

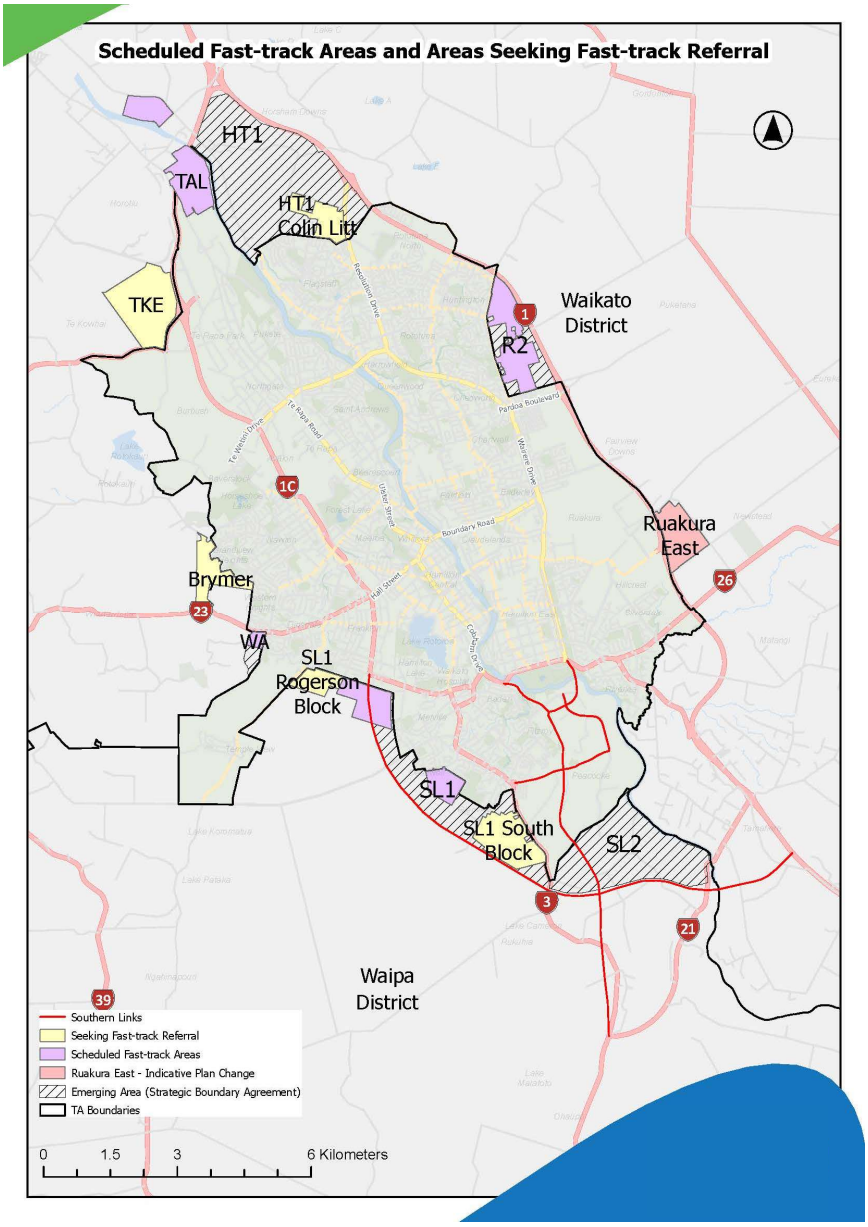



**Figure 1 Emerging Areas adjacent to Hamilton City Boundary**

## B3.6 - Subregional Growth Opportunities

Hamilton City actively engaged with Waikato District Council, Matamata-Piako District Council, Waipa District Council, iwi and Central Government agencies to establish a shared initiative to provide specific outcomes for the respective communities. This initiative known as *Future Proof* aims to optimise provision of three waters Infrastructure within the subregion included exploring the following opportunities, which will be further explored under the CCO through its Water Services Strategy:

- Investment in a new Subregional Southern Hamilton Wastewater Treatment Plant to provide increased capacity and resilience.
- Investment in upgrading the Pukete Wastewater Treatment Plant to enable subregional wastewater treatment capacity.
- Boundaryless response for infrastructure planning required to support growth outcomes.

# B.4 Looking After What We Have

## Assessment of the Current Condition and Lifespan of the Water Services Network

As with much of Aotearoa, Waikato District and Hamilton City are navigating maintenance and renewal of aging water infrastructure alongside responding to growth and managing the complex challenges associated with climate change. Approximately 14% of all water and wastewater networks across both Councils are in a poor or very poor condition and has an increased risk of unplanned failure.

Hamilton City carries a particularly high risk in maintaining uninterrupted water supply with about a quarter of the water network in a poor or very poor condition. Deferred renewals and enhanced asset knowledge have created investment peaks that will need to be addressed in the coming decade.

The CCO model presents the opportunity to address these challenges through a coordinated approach to infrastructure renewal, improved asset condition monitoring, and strategic investment planning to ensure sustainable service delivery while managing financial impacts.

In the immediate term, assets will be managed in line with respective baseline planning documents.

Key Investments include:

- Renewal programmes to address poor condition assets, noting that LoS and Growth investments can also contribute towards improved asset condition and vice versa.
- Continued operational investment to enhancing condition assessment information
- Continued operational investment to enhance asset management maturity and information.
- Continued investment in optimising asset lifecycle management optimisation through robust asset management practices.

A detailed breakdown of planned infrastructure investment across the combined districts can be found in Appendix 1.

## B4.1 - Average Age of Network Assets

The following tables summarises the current condition and lifespan of the Hamilton City and Waikato District water services networks.

### Waikato District Council

Waikato District water network assets average 39 years below ground and 18 years above ground. Currently, 2% of the water network and 19% of the wastewater network are in poor or very poor condition. Deferred renewals have created a significant peak of assets requiring replacement in the next decade.

**Table 15 Waikato District Average Age of Network Assets**

| Parameters | Drinking supply | Wastewater | Stormwater |
|---|---|---|---|
| **Average age of Network Assets** | Below ground: 16 years<br>Above ground: 15 years | Below Ground: 31 years<br>Above ground: 22 years | Below Ground: 20 years<br>Above ground: 18 years |
| **Critical Assets** | Criticality assessed per asset. Not all assets classified. | Criticality assessed per asset. Not all assets classified. | Criticality assessed per asset. Not all assets classified. |

| Parameters | Drinking supply | Wastewater | Stormwater |
|---|---|---|---|
| **Above ground assets** | | | |
| • Treatment plant/s | 7 | 9 | |
| • Percentage or number of above ground assets with a condition rating | 100% | 100% | 100% |
| • Percentage of above –ground assets in poor or very poor condition | 12% | 7% | 18% |
| **Below ground assets** | | | |
| • Total Km of reticulation | 857.4 km | 366.8 km | 190 km |
| • Percentage of network with condition grading[41] | 100% | 100% | 100% |
| • Percentage of network in poor or very poor condition | 2% | 19% | 0% |

## Hamilton City Council

**Table 16 Hamilton City Average Age of Network Assets**

| Parameters | Drinking supply | Wastewater | Stormwater |
|---|---|---|---|
| **Average age of Network Assets** | 31 years | 34 years | 29 years |
| **Critical Assets** | Identified | Identified | Not Identified |
| **Above ground assets** | | | |
| • Treatment plant/s | 1 | 1 | n/a |
| • Percentage or number of above ground assets with a condition rating | 100% | 100% | 100% |
| • Percentage of above ground assets in poor or very poor condition | 17% | 22% | <1% |
| **Below ground assets** | | | |
| • Total Km of reticulation | 1525 km | 1287 km | 1067 km |
| • Percentage of network with condition grading[37] | 100 % | 100 % | 100 % |
| • Percentage of network in poor or very poor condition | 24 % | 10 % | 6 % |

[41] As per the condition assessment methodology, a large proportion of these assets have an assumed condition rating based on age, an improvement programme is in place to progressively mature asset condition information overtime.

## B4.2 - Condition Assessment Methodology

The councils utilise a common assessment rating system and undertake Condition assessment of Wastewater and Stormwater underground network assets based on physical inspection (CCTV)[42].

An ongoing programme of inspections is in place across both networks, with assessments prioritised based on asset life and where performance issues are experienced. For the basis of this plan, where condition has not been assessed, condition ratings are assigned based on asset age in accordance with IIMM condition assessment guidelines.

Individual asset ratings are based on the following classifications:

**Table 17 Condition Ratings**

| Condition Rating | Definition |
|---|---|
| Yet to be assessed | % N/A |
| Very Good | Between 80 and 100% of its life remaining |
| Good | Between 50 and 79% of its life remaining |
| Fair | Between 20 and 49% of its life remaining |
| Poor | Between 5 and 19% of its life remaining |
| Very Poor | Between 0 and 5% of its life remaining |

## B4.3 - Asset Criticality Methodology

Critical assets are defined as those that have a high consequence when they fail and cease to function (whatever the cause of the failure or the likelihood of any failure).

Asset criticality is assigned based on a range of criteria. The respective criticality models for each council are set out below.

### Waikato District Council

Waikato District assets are assessed using the scale below. Criticality is assigned at the asset component level.

| Criticality Rating | Score | Consequence of failure |
|---|---|---|
| Not Rated | 0 | N/A |
| Very Low | 1 | Negligible |
| Low | *2* | Reduction in production |

[42] Physical condition assessment of water supply networks is limited as technology such as CCTV cannot be used in pressurised and clean environments. Condition assessment of underground assets is limited by accessibility and cost.

| | | |
|---|---|---|
| Medium | *3* | Loss of production |
| High | *4* | Non-compliance |
| Very High | *5* | Health and Safety |

### Hamilton City Council

Hamilton City's criticality assessments are based on the following criticality bands. Criticality scores are a weighted average of the six consequences of failure.

| Criticality Rating | Score | Consequence of failure |
|---|---|---|
| Not Rated | 0 | • Health and Safety<br>• Regulatory/Compliance/Environmental<br>• Levels of Service<br>• Financial<br>• Reputation<br>• Ability/time to return to service. |
| Very Low | 0-2 | |
| Low | *2-4* | |
| Medium | *4-6* | |
| High | *6-8* | |
| Very High | *>8* | |

Watermains and wastewater mains and associated manhole, valves and hydrants have been assessed.

## B4.4 - Assessment of Current Infrastructure

### Waikato District Council

### Water Supply

**Age and Condition**

The following graph shows the expected remaining lifespan and condition of water network assets in the Waikato District.

The graph shows that most infrastructure (>90%) is in a good condition with >50 years useful life remaining. This is indicative of recently constructed assets in response to growth in the district, especially around urban densification in towns like Pookeno and Tuakau.

A small proportion (approximately 9%) of water supply assets are anticipated to reach end of life within the next 10 years, some of which have been deferred from previous years.

Replacement of water supply assets has been budgeted for in alignment with asset replacement methodologies which**,** in addition to asset age and condition, factor in other aspects such as levels of service, criticality, budget, cost savings opportunities and growth.

Funding sufficiency is considered as part of the assessment in D.3 Financial Sustainability Assessment - Investment Sufficiency.

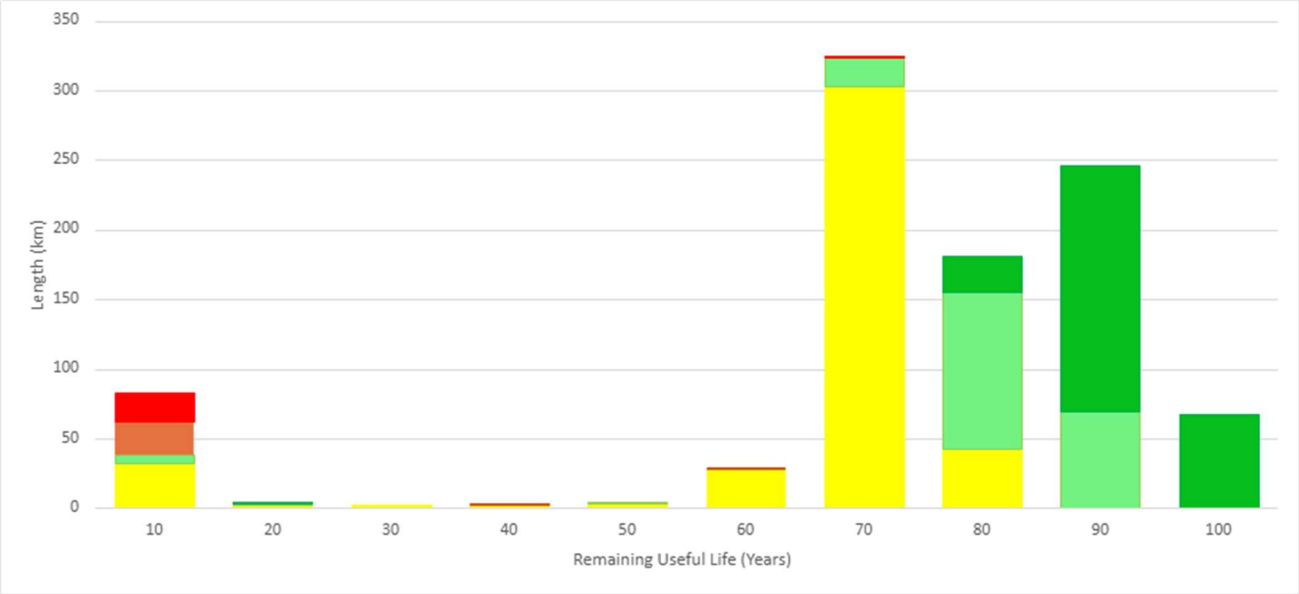



**Figure 2 Water Network Asset Condition and Remaining Life by Length.**

Condition Fair Good Poor Very Good Very Poor

## Critical Assets

As mentioned above, criticality is one of the factors considered when prioritising replacement of Water Supply Network Assets. Of the water supply mains anticipated to reach end of life in the next 10 years, approximately 43% are of high or very high criticality.

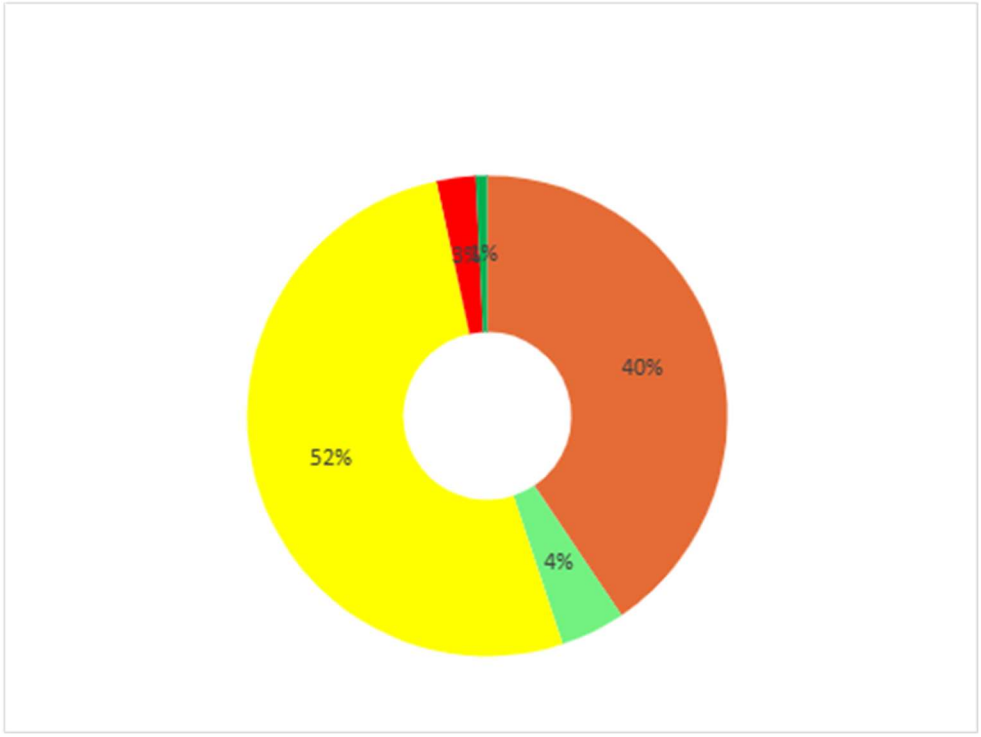



***Figure 3 Criticality of Water mains expected to require replacement in the next 10 years.***

Criticality Medium High Low Very High Very Low

## Wastewater

### Age and Condition

The following graph shows the expected remaining lifespan and condition of wastewater network assets in the Waikato District.

The graph shows that most (approximately 96%) of wastewater network assets are in fair or better condition. This is partially indicative of recently constructed assets in response to growth in the district, especially around urban densification in towns like Pookeno and Tuakau. The graph also indicated that some older wastewater assets are still in fair or better condition, any therefore likely to last longer than anticipated.

A large proportion (approximately 23%) of assets are anticipated to reach the end of life within the next 10 years, however, the majority are still in good condition.

Replacement of wastewater network assets has been budgeted for in alignment with asset replacement methodologies which in addition to asset age and condition outlined in the graph, factor in other aspects such as levels of service, criticality, budget, cost savings opportunities and growth.

Funding sufficiency is considered as part of the assessment in D.3 Financial Sustainability Assessment - Investment Sufficiency.

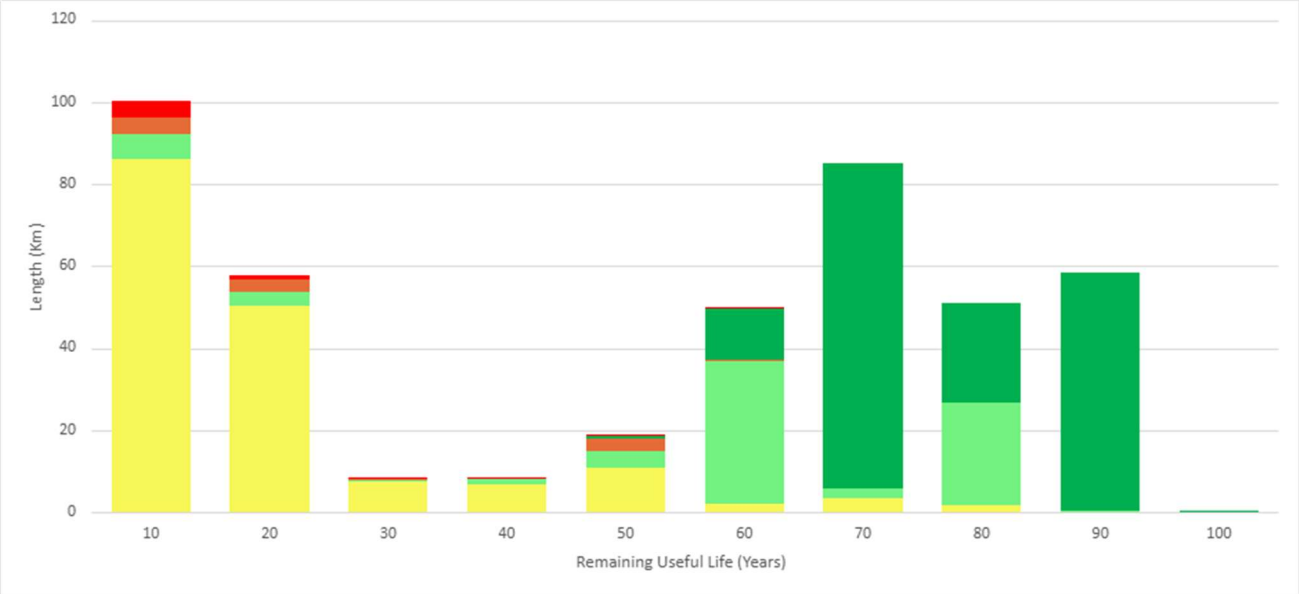



***Figure 4 Wastewater Network Asset Condition and Remaining Life by Length.***

### Critical Assets

As mentioned above, criticality is one of the factors considered when prioritising replacement of wastewater network assets. Of the wastewater mains anticipated to reach end of life in the next 10 years, approximately 6% are of High or Very High criticality.

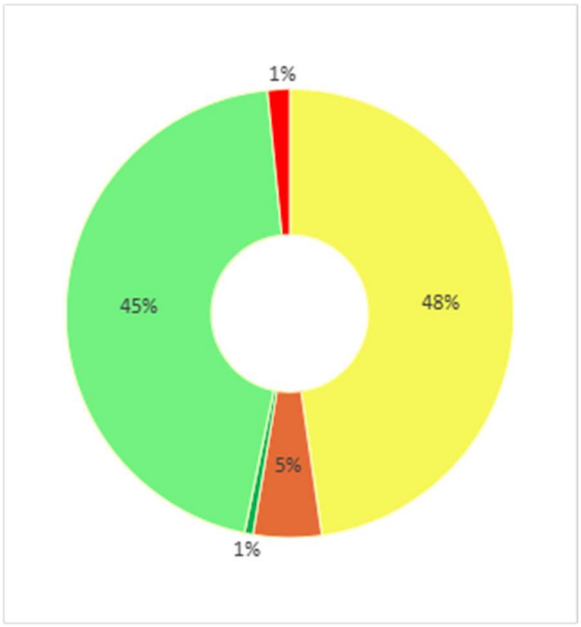



***Figure 5 Criticality of Wastewater mains expected to require replacement in the next 10 years.***

## Stormwater

**Age and Condition**

The following graph shows the expected remaining lifespan and condition of stormwater network assets in the Waikato District.

The graph shows that most infrastructure (approximately 99%) is in fair or better condition with >50 years useful life remaining. This is indicative of recently constructed assets in response to growth in the district, especially around urban densification in towns like Pookeno and Tuakau.

A very small proportion (4%) of stormwater assets are anticipated to reach end of life within the next 10 years.

Replacement of stormwater supply assets has been budgeted for in alignment with asset replacement methodologies which in addition to asset age and condition, factor in other aspects such as levels of service, criticality, budget, cost savings opportunities and growth.

The sufficiency of funding is considered as part of the assessment in D.3 Financial Sustainability Assessment - Investment Sufficiency.

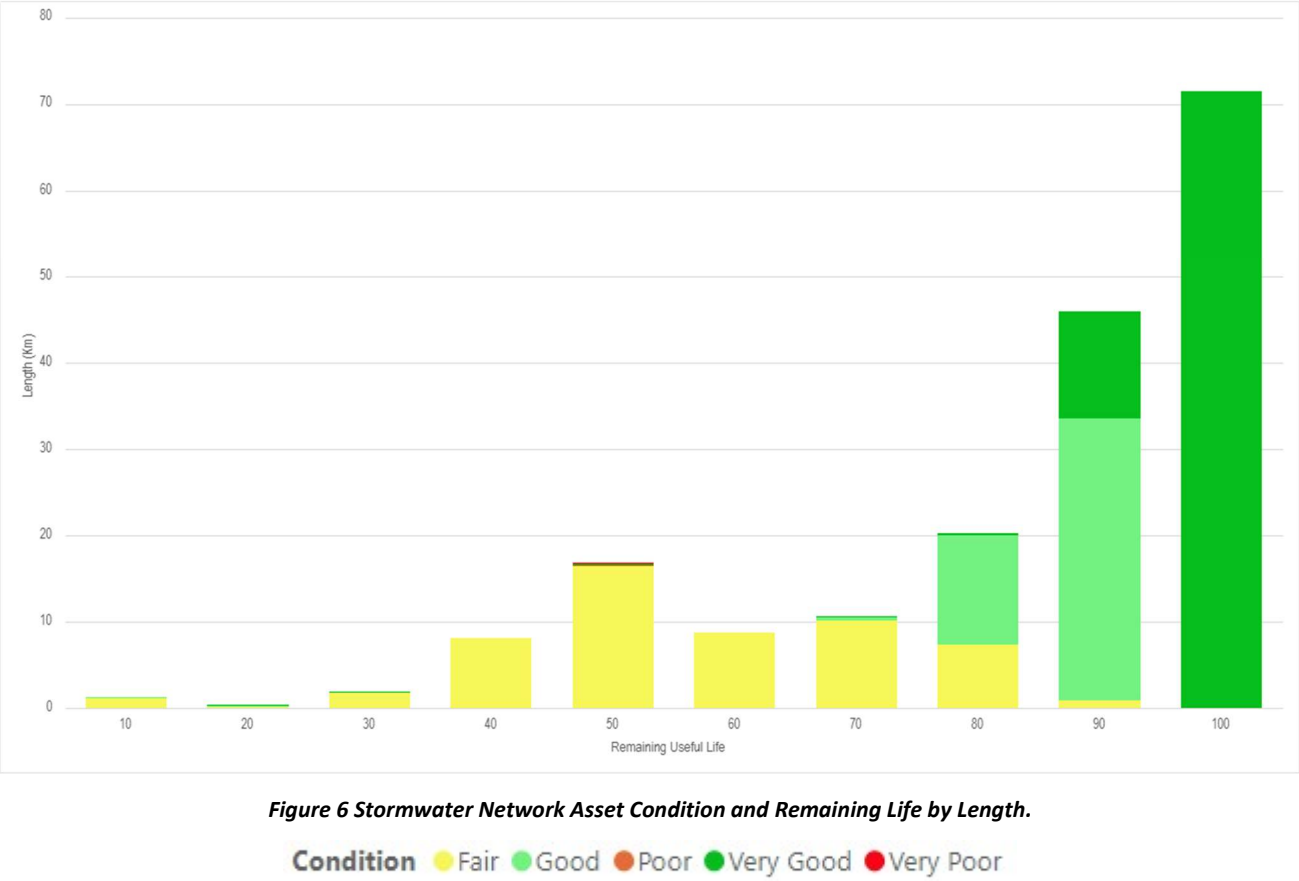



***Figure 6 Stormwater Network Asset Condition and Remaining Life by Length.***

## Critical Assets

All stormwater network assets due for replacement in the next 10 years have a Criticality rating of Very Low.

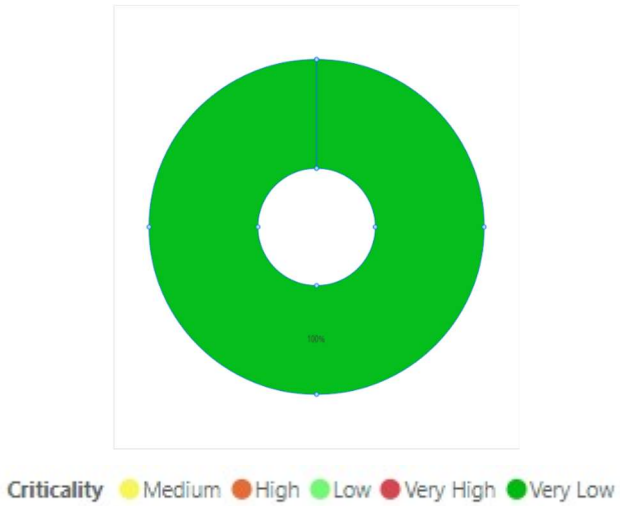



**Figure 7 Criticality of Stormwater Mains expected to require replacement in the next 10 years**

**Age and Condition**

The following graph shows the expected remaining lifespan and condition of water supply network assets in Hamilton City.

The graph shows that approximately 76% of assets are in fair or better condition. Assets in later years are indicative of recent asset investments primarily in respond to growth.

Approximately 15% of water supply assets are anticipated to reach end of life within the next 10 years, some of which have been deferred from previous years or reduced life expectancy of some materials.

Replacement of water supply assets has been budgeted for in alignment with asset replacement methodologies which in addition to asset age and condition, factor in other aspects such as criticality, deliverability, and programme alignment.

The sufficiency of funding is considered as part of the assessment in D.3 Financial Sustainability Assessment - Investment Sufficiency.

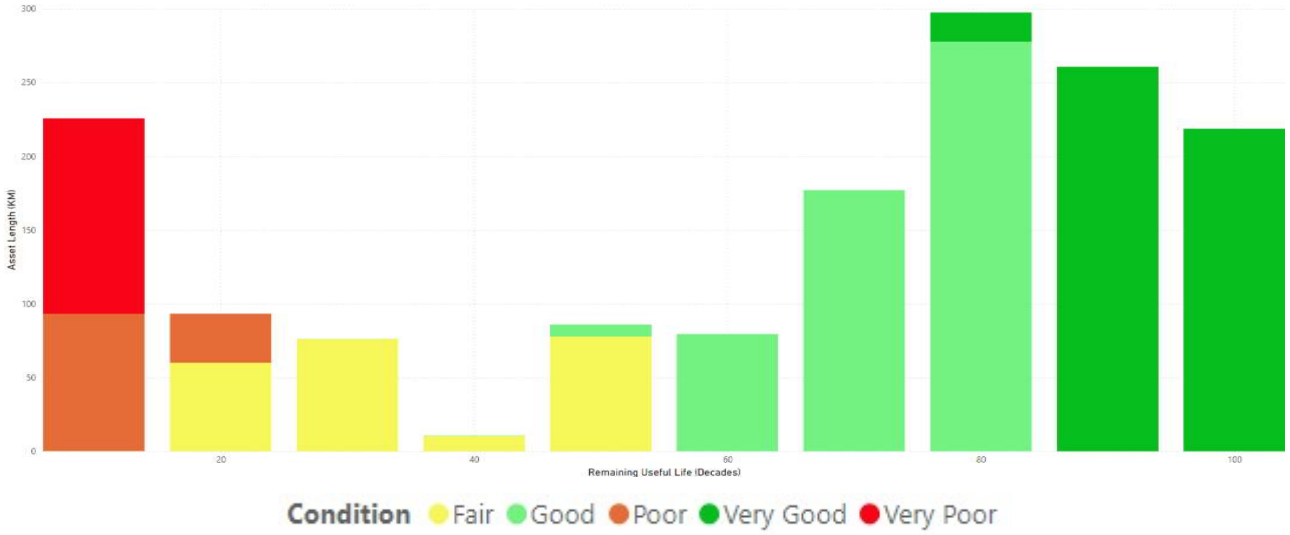



***Figure 8: Water Network Asset Condition and Remaining Life by Length.***

**Critical Assets**

As mentioned above, criticality is one of the factors considered when prioritising replacement of water supply network assets. Of the water mains anticipated to reach end of life in the next 10 years, approximately 27% are considered highly or very highly critical.

The Water Treatment Plant is considered very highly critical as it is the only treatment plant supplying water to the city.

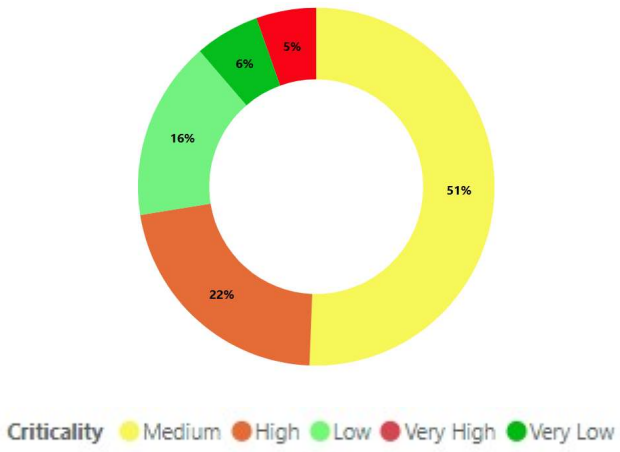



***Figure 9: Criticality of Water mains expected to require replacement in the next 10 years.***

## Wastewater

### Age and Condition

The following graph shows the expected remaining lifespan and condition of wastewater Network assets in Hamilton City.

The graph shows that most infrastructure (approximately 89%) is in fair or better condition.

Approximately 11% of wastewater network assets are anticipated to reach end of life within the next 10 years, a small proportion of which have been deferred from previous years.

Replacement of water supply assets has been budgeted for in alignment with asset replacement methodologies which in addition to asset age and condition, factor in other aspects such as criticality, deliverability, and programme alignment.

The sufficiency of funding is considered as part of the assessment in D.3 Financial Sustainability Assessment - Investment Sufficiency.


***Figure 10: Wastewater Network Asset Condition and Remaining Life by Length.***

**Critical Assets**

As mentioned above, criticality is one of the factors considered when prioritising replacement of wastewater network assets. Of the wastewater mains anticipated to reach end of life in the next 10 years, approximately 33% are considered highly or very highly critical.

The Wastewater Treatment Plant is considered highly critical as it is the only wastewater treatment plant servicing Hamilton.

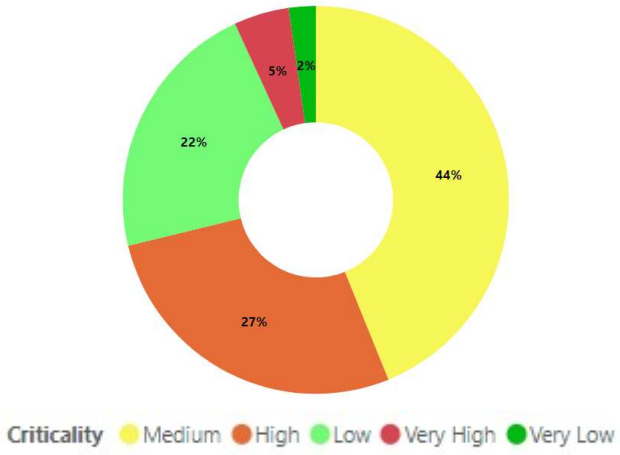



***Figure 11: Criticality of Wastewater mains expected to require replacement in the next 10 years.***

## Stormwater

**Age and Condition**

The following graph shows the expected remaining lifespan and condition of stormwater network assets in Hamilton City.

The graph shows that most infrastructure (approximately 95%) are in fair or better condition, with >50 years useful life remaining. This is indicative of recently constructed and more complex stormwater assets primarily in response to growth within the city.

Approximately 12% of stormwater assets are anticipated to reach end of life within the next 10 years.

Replacement of stormwater network assets has been budgeted for in alignment with asset replacement methodologies which in addition to asset age and condition, factor in other aspects such as criticality, deliverability, and programme alignment.

The sufficiency of funding is considered as part of the assessment in D.3 Financial Sustainability Assessment - Investment Sufficiency.


***Figure 12: Stormwater Network Asset Condition and Remaining Life by Length***

**Critical Assets**

Stormwater assets have not yet been assessed for criticality.

## B4.5 - Asset Management Approach

**Existing Service Delivery Mechanisms**

### Waikato District Council

Waikato District delivers water services through an outsourced model, with Watercare Services Limited providing operations, maintenance, and asset management services under a Service Level Agreement extended until June 2028. Waikato District maintains in-house teams for smaller development engineering assessments and first-line customer service. Strategic planning and the Land Development Engineering assessments for major developments are outsourced to Watercare for technical expertise.

### Hamilton City Council

Hamilton City currently delivers water services through an in-house model with core teams managing key functions. Asset management, operations, and maintenance are delivered by in-house teams leveraging consultants and contractors as needed. Strategic planning and capital delivery are similarly managed by core in-house teams.

The proposed future CCO delivery model is outlined in section A.2 Proposed above.

**Asset Management Policy, Framework and Maturity**

Both councils maintain asset management policies which outline the organisation's approach to asset management to ensure physical infrastructure is managed in a way that delivers the desired level of service in a sustainable, well planned, and cost-effective manner.

Policies require Asset Management Plans (AMP's) to be prepared for the water supply, wastewater and stormwater activities to underpin the Long-Term Plan and outlines the target 25/26 maturity level for each asset management area. Activity management Plans have been produced for each of the three waters activities.

The desired level of asset management maturity for three waters services being between intermediate and advanced maturity level (as measured within the International Infrastructure Management Manual (IIMM)).

Asset Management Maturity for Hamilton City has been assessed at intermediate level[43].

**CCO Asset Management Systems**

***Current Systems:***

- Both councils maintain different asset management systems, with Hamilton City using IPS and Maintenance Connection, while Waikato District's asset information is managed through Watercare's IPS[44] systems. Both councils use GIS for information sharing and planning purposes.
- Existing asset management systems will continue to be utilised through the transition period until the CCO determines the appropriate unified asset management system.

Future systems will be considered as part of the implementation plan outlined in section A.2 Proposed .

[43] 2021 HCC Independent assessment. Waikato District Council's last independent assessment was conducted in 2018 through Waugh Associates and no longer represents current state.

[44] Although Watercare and HCC both utilise IPS as the primary Asset Management System, the modules used, and configuration of systems differs substantially.

# B.5 Statement of Regulatory Compliance

## B5.1 - Summary

Overall, the combined Waikato District and Hamilton City serviced areas are compliant with drinking water supply safety requirements.

With respect to resource consents, multiple Waikato District Treatment Plants are experiencing non-compliance, and some are operating on expired consents. Plans are in place or have been executed to address this. Hamilton City Treatment Plants are compliant with no current notable non-compliance.

Population growth places increased pressure on existing networks and treatment plants. Responding to Growth ensures future compliance is maintained.

Both councils have numerous critical resource consents expiring within the next decade. These will require renewal under evolving regulatory conditions, to align with proposed Wastewater Discharge Standards, Te Ture Whaimana o Te Awa o Waikato and improve environmental outcomes.

Key investments to achieve and maintain compliance[45] include:

- Renewal of expiring Resource Consents and pursuit of comprehensive consents to streamline stormwater compliance.
- Strategic treatment plant and Reticulation upgrades.
- Enhanced operational and maintenance programmes.
- Ensuring new Infrastructure, such as treatment plants, have appropriate resource consents to operate.

A detailed breakdown of planned infrastructure investment across the combined districts can be found in the Appendix 1 Significant Capital Projects section.

The following tables set out each council's statements of compliance.

[45] Upgrades and renewals have been designed with more stringent regulation in mind, however there is a residual risk that designs may exceed or fall short of new standards.

**Table 18 Waikato District Council Three Waters Compliance Summary**

| Parameters | Drinking supply 6 schemes | Wastewater 9 schemes | Stormwater 19 Urban Areas |
|---|---|---|---|
| **Drinking water supply** | | | |
| Bacterial compliance (E.coli) | Yes | n/a | |
| Protozoa compliance | Yes | | |
| Chemical compliance | Yes | | |
| Boiling water notices in place | 0[1] | | |
| Fluoridation | Partly[2] | | |
| Average consumption of drinking water | 180 l/person/day[3] | | |
| Water restrictions in place (last 3 years) | No | | |
| Firefighting sufficient | Yes | | |
| **Resource Management** | | | |
| Significant consents (note if consent is expired and operating on S124) | Water supply take 4<br>Water discharge 3 | Wastewater discharge water/land/air: 18[4]<br>Network: 0 | Stormwater discharge: 19[5]<br>Network: 0 |
| Expire in the next 10 years | 2 | 11 | 19 |
| Non-compliance: | | | |
| • Significant risk non-compliance | 0 | 2 | 0 |
| • Moderate risk non-compliance | 1 | 1 | 0 |
| • Low risk non-compliance | 3 | 4 | 19 |
| Active resource consent applications | 1 | 2 | 0 |
| Compliance actions (last 24 months): | | | |
| • Warning | 0 | 1 | 0 |
| • Abatement notice | 0 | 2 | 0 |
| • Infringement notice | 0 | 0 | 0 |
| • Enforcement order | 0 | 0 | 0 |
| • Convictions | 0 | 0 | 0 |

Notes:

1. The last boil water notice was issued by Waikato District in November 2016 following an earthquake near Raglan's water supply, it was lifted on 22 November 2016.
2. Certain parts of the water supply are fluoridated, including southern, western and northern district zones. However, areas including Raglan, Port Waikato, Onewhero and Te Aakau do not have fluoridated water supplies. There is currently no plan or intention to fluoridate the entire supply as there has been no such directive from the Ministry.
3. The most recent available figure for the entire Waikato District area is for the period between July 2020 and June 2021.Information retrieved from Waikato District Council Scorecard Report (July 2020 to July 2021), page 3.
4. Four of the 18 wastewater discharge consents are expired and operating under S.124 protection. These related to the Raglan and Matangi WWTPs and more information can be found below under "Expired Consents".
5. In addition to the 19 urban area consents, Waikato District also holds several site-specific resource consents. For the purposes of this WSDP, these have not been categorised as "Significant".

**Table 19 Hamilton City Council Three Waters Compliance Summary**

| Parameters | Drinking supply 1 scheme | Wastewater 1 scheme | Stormwater 13 Catchments |
|---|---|---|---|
| **Drinking water supply** | | | |
| Bacterial compliance (E.coli) | Yes | n/a | |
| Protozoa compliance | Yes | | |
| Chemical compliance | Yes | | |
| Boiling water notices in place | 0 | | |
| Fluoridation | Yes | | |
| Average consumption of drinking water | 305[1] l/person/day | | |
| Water restrictions in place (last 3 years) | Yes[2] | | |
| Firefighting sufficient | Yes[3] | | |
| **Resource Management** | | | |
| Significant consents (note if consent is expired and operating on S124) | Water supply take: 3<br>Water discharge: 3[4] | Wastewater discharge water/land/air: 5<br>Network 0 | Stormwater discharge: 1[5]<br>Network: 0 |
| Expire in the next 10 years | 4 | 2 | 0 |
| Non-compliance: | | | |
| • Significant risk non-compliance | 0 | 0 | 0 |
| • Moderate risk non-compliance | 0 | 0 | 0 |
| • Low risk non-compliance | 0 | 1 | 1 |
| Active resource consent applications | 0 | 1 | 0[6] |
| Compliance actions (last 24 months): | | | |
| • Warning | 0 | 0 | 0 |
| • Abatement notice | 0 | 0 | 0 |
| • Infringement notice | 0 | 0 | 0 |
| • Enforcement order | 0 | 0 | 0 |
| • Convictions | 0 | 0 | 0 |

Notes:

1. Information obtained from page 40 of the 2023 – 2024 Hamilton City Annual Report.
2. The last formal water restriction was in place from 11 February 2025 until 4 April 2025. HCC introduced Alert Level 1 restrictions due to high water demand. Prior to this, in December 2021, Hamilton City moved to Water Alert Level 2 primarily due to a significant decrease in water levels in the city's reservoirs, caused by a prolonged period of dry weather.
3. Hamilton City is actively enhancing its investment in infrastructure and planning to ensure firefighting capabilities are continued to be met as the urban area expands.
4. “Significant Consents” have been deemed to be the resource consents (water supply take and water discharge) associated with the Waiora Water Treatment Plant (WTP). As such, trade waste consents and other permits have not been included in this WSDP.
5. Stormwater consents for subdivisions and isolated projects are not deemed “significant” in the context of this WSDP. However, they need to be included in any planning associated with the new water controlling entity.
6. Stormwater Consents are routinely applied for by developers and vested to Hamilton City through the RMA process. The consents are then amalgamated into the Hamilton City’s comprehensive discharge consent.

## B5.2 - Compliance Context

**Water Supply standards**

The Drinking Water Quality Assurance Rules 2022 (DWQAR) set the minimum requirements for monitoring and treatment of drinking water supplies. These rules include testing water samples and ensuring that systems, processes, and monitoring equipment are working effectively. The regulatory authority for drinking water in New Zealand is Taumata Arowai. Drinking water suppliers are required to upload data to the Hinekoorako portal for reporting purposes. Taumata Arowai oversees compliance and enforcement, ensuring that suppliers adhere to the standards set forth in the DWQAR.

The Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWS) establish the maximum acceptable values (MAVs) for various contaminants in drinking water, such as Escherichia coli and total pathogenic protozoa. The DWQAR and DWS regulations provide a comprehensive framework for drinking water suppliers to comply with key parts of the Drinking Water Standards and other requirements under the Water Services Act 2021.

**Resource management**

Waikato Regional Council (WRC) is the regulating authority for both Waikato District and Hamilton City. They carry out periodic assessments of the consents held by Waikato District and Hamilton City which enable operation of their respective WTPs, WWTPs and stormwater discharges. Compliance with regulations (*) has been summarised in this WSDP using the following rating system used by WRC:

- **Full compliance** – Full adherence to all consent conditions
- **Low risk non-compliance** – Minor breaches with low risk of environmental harm or technical issues.
- **Moderate non-compliance** – Many breaches with some environmental impacts and moderate risk of adverse effects.
- **Significant non-compliance** – Majority breaches with significant environmental impacts and high risk of adverse effects.

# B5.3 - Regulatory Compliance by Servicing Area

## Waikato District Council

## Water Supply

### Drinking Water Safety Compliance

Waikato District Council demonstrates compliance with drinking water standards through monitoring and assessment of various water supply zones. These assessments have been carried out by independent suppliers[46].

| Scheme | Drinking Water Compliance Status | Notes |
|---|---|---|
| All Schemes | Compliant | Drinking water compliance is independently assessed and reported through Waikato District Annual Reports. Drinking water compliance requirements have consistently been achieved in 2022/23 and 2023/24.<br><br>Overall, the council's efforts in monitoring and addressing any issues contribute to maintaining high standards of drinking water quality that comply with regulatory requirements. |

### Drinking Supply Schemes Resource Consent Compliance

Significant Consents for drinking supply for Waikato District are defined as water supply take and water discharge consents associated with the following six schemes[47]. The following table summarises the compliance status for each resource consent.

[46] Last assessment by Wai Comply Limited (Wai Comply) for the period 1 July 2024 - 30 September 2024.

**Table 20 Waikato Drinking Water Schemes and Resource Consents – Compliance Status**

| Scheme | Consent Type | Consent Expiry Date | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|
| Port Waikato | Water discharge | 30/04/2051 | Moderate Non-Compliance | Misinterpretation in 2022–2023; no discharge occurred; WRC aware. | Review planned.<br><br>Additional investment to achieve compliance is not required. There are alternative methods for backwash management that may be considered in the future. |
| | Surface water take | 30/04/2051 | Low Risk Non-Compliance | Administrative errors related to reporting submission processes (rather than operational non-compliance) along with some minor breaches, all of which have since been addressed. | |
| Raglan | Surface water take | **15/01/2034** | | | Capacity upgrades planned to address growth " WA RAG Water supply treatment plant extension" and "WA TKA Water supply treatment plant extensions" projects.<br><br>Consent Renewals for Raglan are funded through the "WA RAG Water treatment plant planning and management" and Te Kauwhata mid Waikato servicing strategy. |
| Te Kauwhata | Water discharge | **30/11/2030** | | | |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | Upgrades to WTP capacity and conveyance (long-term and short-term) are funded through “Te Kauwhata WS Treatment Plant Upgrades” and “Mid Waikato water supply treatment plant upgrades”. |
| | Water Take | The water take consent (and intake structure) is owned by Te Kauwhata Water Association (TKWA). WDC has an agreement in place with TKWA to source bulk water from the Waikato River, treat it for community use, and ensure compliance with environmental standards. Both entities coordinate on operations, maintain infrastructure, and engage with stakeholders to manage the water supply effectively. | | | |
| Huntly<br>Ngaaruawaahia | Surface water take | No<br>12/01/2046 | Full Compliance | | |
| | Water discharge | 11/03/2044 | Not yet assessed | Resource consent is relatively new (issued mid-2024) and therefore yet to be assessed. | |
| Te Aakau | N/A | N/A | N/A | No resource consent held. | New resource consent application currently underway to operate a bore and water treatment plant. |
| Onewhero | Water supply which consists of a single spring and a small treatment plant - due to the nature of this scheme, it does not require consent. | | | | |
| South Waikato | Supplied by Hamilton City, therefore no Waikato District consents<br>- Southern District (Tamahere, Matangi ,Tauwhare, Gordonton)<br>- Western District (small zone) | | | | |

| | |
|---|---|
| Pookeno / Tuakau | Bulk supplied (BSP) by Watercare, therefore no Waikato District consents. |
| Te Kowhai | Supplied by Hamilton City, therefore no Waikato District consents. |

**Expired Consents:** There are currently no expired Significant Consents associated with the drinking supply of Waikato District.

**Future Compliance:**

It is assumed that Government RMA reforms will not materially impact resource consent compliance or the ability to obtain new and renewed consents.

Factors which could impact future consenting requirements include:

- Te Ture Whaimana o te Awa o Waikato.
- Availability of Water Allocation.
- Land use intensification and population growth.

## Wastewater

**Schemes and Current Consents**

Significant consents for wastewater are defined as consents associated with nine wastewater treatment plants (schemes) operated by council

There are 14 current consents associated with the Waikato District wastewater system, comprising seven water discharges, four land discharges and three air discharges. Ten Resource Consents are due to expire within the next 10 years and two treatment plants are currently operating on expired consents. There is funding in the baseline planning documents for consenting renewal for all four WWTPs. The following table summarises the compliance status for each scheme and its associated resource consent.

**Table 21 Waikato Wastewater Schemes and Resource Consents – Compliance Status**

| Scheme | Consent Type | Consent Expiry Date | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|
| Ngaaruawaahia | Water discharge | **31/03/2029** | Significant Non-Compliance | A formal warning and abatement notice were issued following non-compliance. The matter is currently under active resolution[48].<br><br>Significant non-compliance was identified during the 1 July 2019 to 30 June 2020 period, and in the 1 July to 2022 to 30 June 2023 period. Non-compliance relates to exceedances in Ammoniacal Nitrogen ($NH_4$-N), Total Nitrogen (TN), the median summer (December to May) Total Nitrogen concentration, and the corresponding seasonal Total Nitrogen load. | Ngaaruawaahia wastewater treatment plant (WWTP) upgrade underway to resolve non-compliance; Construction anticipated from 2028.<br><br>Treatment Plan upgrades to meet regulatory requirements are funded through the "WW NGA (Ngaaruawaahia wastewater treatment plant upgrades)" Project, which has been brought forward to 2027 through the enhanced capital programme. |

[48]Watercare commenced design on a WWTP Upgrade. Initial discussions and site visit with Iwi have been undertaken, two discharge options identified. The tender and construction are to follow.

| | | | | | |
|---|---|---|---|---|---|
| | | | | There was also a failure to construct and commission the required upgrade within two years of breaching the trigger level. | Consent Renewals to meet regulatory requirements are funding through the through the "WW DIW (District Wide treatment plant upgrades)" Programme. |
| Te Kauwhata | Water discharge | **04/07/2028** | | Formal warning and abatement notice issued[49]; non-compliance has since been addressed by new WWTP (constructed 2023-2024).<br><br>Significant non-compliance relates to exceedances in Total Kjeldahl Nitrogen (TKN), Total Nitrogen (TN), Total Suspended Solids (TSS), Total Nitrogen Load (TN Load), Total Phosphorus Load (TP Load), and Carbonaceous Biochemical Oxygen Demand (5-day) (cBOD5).<br><br>There were also issues with Escherichia coli (E. coli) and TP. Since the audit, the new Te Kauwhata WWTP has been constructed and was commissioned in 2023-2024. This addressed the non-compliance and currently awaiting renewed audit from WRC. | Awaiting renewed audit from WDC to confirm new Te Kauwhata WWTP is compliant. Consent renewal is funded.<br><br>Treatment Plan upgrades to meet regulatory requirements are funded through the "WW Te Kauwhata wastewater treatment plant upgrades" Project.<br><br>Consent Renewals to meet regulatory requirements are funded through the through the "WW DIW (District Wide treatment plant upgrades)" Programme. |

[49] Significant non-compliance relates to exceedances in Total Kjeldahl Nitrogen (TKN), Total Nitrogen (TN), Total Suspended Solids (TSS), Total Nitrogen Load (TN Load), Total Phosphorus Load (TP Load), and Carbonaceous Biochemical Oxygen Demand (5-day) (cBOD5). There were also issues with Escherichia coli (E. coli) and TP. Since the audit, the new Te Kauwhata WWTP has been constructed and was commissioned in 2023-2024. This addressed the non-compliance and currently awaiting renewed audit from WRC.

| | | | | | |
|---|---|---|---|---|---|
| Te Kowhai | Land discharge | **31/10/2033** | Moderate Non-Compliance | Related to exceedances of TSS and Carbonaceous Biochemical Oxygen Demand; changes to operations have been made which are anticipated to continue to achieve compliance. | Consent renewal is funded through the "WW DIW (District Wide treatment plant upgrades)" Programme. |
| Meremere | Water discharge | 9/12/2055 | Low Risk Non-Compliance | Previous assessment in 2022-2023 was affected by Cyclone Gabriel, minor volumetric discharge exceedance; 2023-2024 results had full compliance; awaiting new WRC audit. | |
| Maramarua | Land discharge | 15/12/2039 | | Minor breaches to consent with low risk of environmental harm; focus on continuous process improvement to resolve. These were due to minor breaches with low risk of environmental harm or technical issues. Waikato District, along with Watercare are working on these as part of continuous improvement. | |
| Tauwhare Pa | Land discharge | **31/10/2035** | | | Consent Renewal to meet regulatory requirements are funded through the through the "WW DIW (District Wide treatment plant upgrades)" Programme. |
| Huntly | Water discharge<br><br>(consent one of three)[50] | **31/03/2029** | | | |
| | Water discharge | | Not yet assessed | | |

[50] There are three wastewater discharge consents associated with Huntly. These all have the same expiry date but different compliance statuses.

| | | | | | |
|---|---|---|---|---|---|
| | (consent two of three) | | | | |
| | Water discharge<br><br>(Consent three of three) | | | | |
| | Air discharge | | | | |
| Ngaaruawaahia | Air discharge | **31/03/2029** | | | |
| | Land discharge | | Full Compliance | | |
| | Water discharge | | | | |
| Te Kauwhata | Air discharge | **04/07/2028** | | | |
| Raglan | Water discharge<br><br>(consent one of two) | **Expired 14/02/2020** | Significant Non-Compliance<br><br>(noting expiry) | Non-compliance related to total suspended solids and five-day carbon.<br><br>Operating under expired Resource consent (Section 124) | New resource consent application currently underway for the new Raglan WWTP. |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | The new plant, to be commissioned in 2025, will fully address consent conditions. Optioneering investigations have been progressing regarding alternative discharge locations, with engagement from the community and Iwi.<br><br>Upgrades to meet regulatory requirements are funded through the "WW RAG (Raglan wastewater treatment plant upgrades)" project.<br><br>Consent Renewal to meet regulatory requirements are funding through the through the "WW DIW (District Wide treatment plant upgrades)" Programme. |
| | Water discharge<br><br>(consent two of two) | **Expired 14/02/2020** | Full Compliance (noting expiry) | Operating under expired Resource consent (Section 124) | Consent Renewal to meet regulatory requirements are funding through the through the "WW DIW (District Wide treatment plant upgrades)" programme and is likely to be complete by 2024. |
| | Air discharge | **Expired 14/02/2020** | Full Compliance (noting expiry) | Operating under expired Resource consent (Section 124) | Consent Renewal to meet regulatory requirements are funding through the through the "WW DIW (District Wide treatment plant upgrades)" Programme. |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| Matangi | Water Discharge | **Expired 30/09/2021** | Full Compliance (noting expiry) | Operating under expired Resource consent (Section 124) | New resource consent application currently underway for existing Matangi WWTP.<br><br>There are ongoing discussions with the WRC, Mana Whenua, and Matangi School (Ministry of Education) to work towards an agreeable solution.<br><br>Consent Renewal to meet regulatory requirements are funding through the through the "WW DIW (District Wide treatment plant upgrades)" Programme. |
| Pookeno / Tuakau | Services by Wastewater Treatment Plants owned by Watercare; therefore, no consents are held. | | | | |

**Expired Consents:** There are currently four expired Significant Consents associated with the wastewater treatment of Waikato District. These are associated with the active resource consent applications for Raglan and Matangi.

**Active Applications:** There are two active applications for the Raglan and Matangi WWTPs which are expected to be lodged by September 2025.

**Future Compliance:**

It is assumed that Government RMA reforms will not materially impact resource consent compliance or the ability to obtain new and renewed consents.

Taumata Arowai have released the proposed new wastewater standards for consultation, these will affect Waikato District WWTP compliance status. The impact of these proposed new standards, along with enhanced monitoring and reporting requirements is currently being assessed by Waikato District and its supplier Watercare. This will transition to a CCO response once wastewater standards are finalised and implemented.

Other factors which could impact future consenting requirements include:

- Te Ture Whaimana o te Awa o Waikato
- New and more stringent wastewater discharge standards and management requirements.
- Land use intensification and population growth.

## Stormwater

Significant Consents for Waikato District urban stormwater are defined as consents associated with major points of discharge from the 19 urban areas (one for each area). The following table outlines the current consent compliance status for each urban stormwater catchment

**Table 22 Waikato Stormwater Schemes and Resource Consents – Compliance Status**

| Scheme | Consent Type | Consent Expiry Date* | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|
| Various Stormwater Catchments[51] | Divert and discharge stormwater | **22/09/2028** | Low Risk Non-Compliance | Minor breaches to consent, focus on continuous improvement to resolve. Improvements include maintenance requirements for stormwater water quality devices such as rain gardens and swales.<br><br>Compliance is address through updated maintenance scheduling.<br><br>Tuakau - Water quality issues identified, sources under investigation. Informal cross connections identified through this investigation – all addressed.<br><br>Huntly - identified flooding issues are currently being addressed. | Consent renewal is funded through the "SW DIW Consent renewals" Project<br><br>All 19 consents are currently in the process of being amalgamated into 1-3 comprehensive stormwater discharge consents, prior to the expiry of these current consents.<br><br>Operational funding is sufficient to support updated maintenance schedules. |
| **Expired Consents:** There are currently no expired Significant Consents associated with the stormwater schemes of Waikato District. | | | | | |
| **Active Applications:** There are currently no active applications for Significant Consents associated with the stormwater schemes of Waikato District. | | | | | |

[51] Stormwater Catchments include Glen Massey (two consents with common expiry), Hopuhopu, Horotiu, Meremere, Ngaaruawaahia, Ohinewai, Rangiriri, Taupiri, Te Kauwhata, Te Kowhai, Whatawhata, Gordonton, Matangi, Pookeno, Port Waikato, Pukemiro, Raglan, Tuakau, and Huntly.

| Scheme | Consent Type | Consent Expiry Date* | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|
| **Future Compliance:**<br><br>It is assumed that Government RMA reforms will not materially impact resource consent compliance or the ability to obtain new and renewed consents.<br><br>Factors which could impact future consenting requirements include:<br><br>- Te Ture Whaimana o te Awa o Waikato.<br>- Since 2020, several pieces of legislation have been enacted and/or amended that impact the way stormwater is managed:<br>  ○ The National Policy Statement for Freshwater Management 2020 (NPS-FM)<br>  ○ Water Services Act 2021<br>  ○ Waikato Regional Policy Statement<br>  ○ Climate Change Response Act 2002<br>  ○ Resource Management Act 1991<br>- New and more stringent requirements (both quality and quality)<br>- Land use intensification and population growth | | | | | |

# Hamilton City Council

## Water Supply

### Drinking Water Safety Compliance

Hamilton City Council establishes compliance with Drinking Water Quality Assurance Rules through management processes and testing across various distribution zones and treatment plants.

| Scheme | Drinking Water Compliance Status | Notes |
|---|---|---|
| Waiora | Compliant | Drinking water compliance is internally assessed and reported through Hamilton City's Annual Report. Drinking water compliance requirements have consistently been achieved in 2022/23 and 2023/24.<br>Compliance assessments are independently reviewed. |

### Supply Scheme Resource Consent Compliance

There are six current consents associated with Hamilton's single water supply scheme. Consents comprise of three surface water takes and three water discharges. Five of the six are fully compliant. One is relatively new and yet to be assessed. Four of the consents are due to expire within the next 10 years as summarised in the table below.

**Table 23 Hamilton Drinking Water Schemes and Resource Consents – Compliance Status**

| Scheme | Consent Type | Consent Expiry Date[52] | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|
| Waiora | Surface water take[53] | **31/01/2027** | Full Compliance | | Consent renewal is funded through the " CE10138 - Treatment Plant & Reservoir Renewals" Programme. |
| | | **01/02/2028** | | | Consent renewal is funded through the " CE10138 - Treatment Plant & Reservoir Renewals" Programme. |
| | | 02/03/2044 | | | New resource consent will be required within 10 years for a new water treatment plant to meet water demand. |
| | Water discharge | **01/10/2026** | | | Consent renewal is funded through the " CE10138 - Treatment Plant & Reservoir Renewals" Programme. |
| | | **01/12/2026** | | | Need to review consent in context of recent upgrades to Waiora Treatment Plant.<br><br>Consent renewal is funded through the " CE10138 - Treatment Plant & Reservoir Renewals" Programme. |

[52] Funding for expiring consents is provided for in the Long-Term Plan under the programme titled "Replacement of Water Treatment Plant Resource Consents". It is noted that recent upgrades to the Waiora WTP may impact the nature of the consents from their current status.

[53] Two of these surface water take consents have complimentary use of water consents (AUTH123744.01.01 and AUTH125290.01.01). These have not been included as part of this WSDP as the relevant activities for the Waiora WTP are covered by the water take consents.

| Scheme | Consent Type | Consent Expiry Date[52] | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|
| | | 12/01/2046 | Not yet assessed | Relatively new consent; yet to be assessed. | |

**Expired Consents:** There are currently no expired Significant Consents associated with the drinking supply of Hamilton City.

**Future Compliance**

It is assumed that Government RMA reforms will not materially impact resource consent compliance or the ability to obtain new and renewed consents.

Additional water supply volume, and associated consenting requirements, will be required to meet forecast growth demand. A new Resource Consent would be required as demand will need to be met with a new water treatment plant. Based on the current demand management approach, demand for water supply is forecast to outstrip supply before consent expiry.

Other factors which could impact future consenting requirements include:

- Te Ture Whaimana o te Awa o Waikato.
- Availability of water allocation.
- Land use intensification and population growth.
- Demonstrating demand management commitment.

## Wastewater

**Supply Scheme resource consent compliance**

There are five current consents associated with Hamilton's only wastewater scheme ( Pukete WWTP), comprising four discharge permits, and one surface water take. The following table summarises the compliance status for each resource consent.

**Table 24 Hamilton Wastewater Schemes and Resource Consents – Compliance Status**

| Scheme | Consent Type | Consent Expiry Date | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|
| Pukete | Water discharge | 02/02/2039 | Low Risk Non-Compliance | Remedial action undertaken but not captured within audit – no outstanding compliance actions. | |
| | Water discharge | **18/09/2027** | Full Compliance | Recently new and more stringent standards could impact ability to renew consent. | Funding includes provision for consent renewal processes, and investment in the Pukete Wastewater Treatment Plant anticipates investment required to respond to growth and align with Te Ture Whaimana o Te Awa o Waikato.<br><br>Resource Consent Renewal is funded through the "CE10115 - WW Treatment Plant Asset Renewals" programme. |
| | Air discharge | | | Increased land use intensification could impact ability to renew consent. | |
| | Land discharge | 31/08/2039 | | | |
| | Surface water take | 25/06/2058 | | | |
| **Expired Consents:** There are currently no expired Significant Consents associated with the drinking supply of Hamilton City. | | | | | |

| Scheme | Consent Type | Consent Expiry Date | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|
| **Future Compliance:**<br><br>It is assumed that Government RMA reforms will not materially impact resource consent compliance or the ability to obtain new and renewed consents.<br><br>Factors which could impact future consenting requirements include:<br><br>- Te Ture Whaimana o te Awa o Waikato<br><br>- New and more stringent wastewater discharge standards and management requirements, such as Taumata Arowai's proposed Wastewater Standards.<br><br>- Land use intensification and population growth. | | | | | |
| **Active Applications**: There is currently one active application in the form of a pre-application for discharge of treated wastewater. Furthermore, there are three consent renewal applications underway, which will be formally applied for six months prior to expiry. | | | | | |

## Stormwater

### Stormwater Catchments Consent Compliance

There are 13 stormwater sub-catchments in the Hamilton City area, all[54] of which are consented through one comprehensive stormwater discharge consent. The following table summarises the compliance status for the comprehensive resource consent.

**Table 25 Hamilton Stormwater Schemes and Resource Consent – Compliance Status**

| Scheme | Consent Type | Consent Expiry Date | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|
| Hamilton City | Divert and discharge stormwater | 30/06/2036 | Low Risk Non-Compliance | Minor breaches to consent, focus on continuous improvement to resolve. | Additional investment to achieve compliance is not anticipated. |
| **Expired Consents:** There are currently no expired Significant Consents associated with the stormwater catchments of Hamilton City. | | | | | |
| **Active Applications:** There are currently no active applications for Significant Consents associated with the stormwater of Hamilton City. | | | | | |

[54] Existing developed areas are covered by this consent and there is provision for new areas to be added where there is an approved Integrated Catchment Management Plan (ICMP) or through technical approval.

| Scheme | Consent Type | Consent Expiry Date | Compliance Status | Notes | Investment Planned / Required |
|---|---|---|---|---|---|

**Future Compliance:**

It is assumed that Government RMA reforms will not materially impact resource consent compliance or the ability to obtain new and renewed consents.

For the Comprehensive Stormwater Discharge Consent there is both a higher level of regulators subjectivity over compliance and consent provisions which allow for the incorporation of new growth areas into the consent where an Integrated Catchment Management Plan (ICMP) has been developed and approved. Through the ICMP process the regulator may identify additional compliance requirements which were not otherwise anticipated.

Factors which could impact future consenting requirements include:

- Te Ture Whaimana o te Awa o Waikato.
- Since 2020, several pieces of legislation have been enacted and/or amended that impact the way stormwater is managed:
    - The National Policy Statement for Freshwater Management 2020 (NPS-FM)
    - Water Services Act 2021
    - Waikato Regional Policy Statement
    - Climate Change Response Act 2002
    - Resource Management Act 1991
- New and more stringent requirements (both quality and quality)
- Land use intensification and population growth

# B.6 Capital Expenditure Required to Deliver Water Services and Ensure That Water Services Comply with Regulatory Requirements

## B6.1 - Notable Projects

The combined Waikato District and Hamilton City areas face substantial growth pressures and key constraints identified above, including limited wastewater treatment capacity, water supply limitations and the urgent need for infrastructure upgrades to service new developments.

Responding to these growth pressures is interwoven with addressing aging infrastructure, responding to key compliance challenges and improving the resilience of the network.

A holistic investment plan for each servicing area addresses Waikato District and Hamilton City respective key investments for the current 10-year planning cycle including:

**Level of Service**

Key investments to maintain existing and proposed Los Include:

- Continued operational investment in operations and maintenance programmes to respond to network issues and improve network resilience.
- Investment in wastewater capacity to ensure consent compliance is achieved.
- Continued investment in demand management.

**Responding to Growth**

Key Investments to respond to growth demands include:

- Continued investment in strategic planning to optimise infrastructure investment.
- Strategic infrastructure investment for growth nodes.
- Strategic upgrades to existing infrastructure to address growth impacts.

**Looking after what we have**

Key Investments include:

- Renewal programmes to address poor condition assets, noting that LoS and Growth investments can also contribute towards improved asset condition and vice versa.
- Continued operational investment to enhancing condition assessment information
- Continued operational investment to enhance asset management maturity and information.
- Continued investment in optimising asset lifecycle management optimisation through robust asset management practices.

**Compliance**

Key investments to achieve compliance include:

- Renewal of expiring Resource Consents and pursuit of comprehensive consents to streamline stormwater compliance.
- Strategic treatment plant and Reticulation upgrades to achieve compliance.
- Enhanced operational and maintenance programmes to achieve compliance.

- Ensuring new Infrastructure, such as treatment plants, have appropriate resource consents to operate.

**Network Resilience**

Key Investments to improve resilience include:

- Investment in flood management and watercourse resilience.
- Investment in a new water treatment plant to provide increase resilience to water supply.

As noted, some projects are in early planning stages and not yet funded through each council's baseline planning documents. The CCO will review all opportunities to optimise service delivery and growth potential through its Water Services Strategy.

Specific projects for each council are detailed in **Appendix 1 Significant Capital Projects.**

## B6.2 - Projected Expenditure

The total projected capital expenditure for Waikato District and Hamilton City is set out in the following tables below. A full breakdown of the planned investment can be found in the Significant Capital Projects Section of this plan.

**Table 26 Waikato District project capital expenditure to FY34**

| Projected investment in water services | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Water Supply | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 6,430 | 11,164 | 19,405 | 19,688 | 18,475 | 38,185 | 58,350 | 81,363 | 49,383 | 27,010 |
| Capital expenditure - to improve levels of services | 8,551 | 8,195 | 12,539 | 3,643 | 940 | 2,420 | 4,109 | 3,016 | 1,448 | 3,192 |
| Capital expenditure - to replace existing assets | 6,591 | 9,837 | 13,026 | 8,338 | 5,953 | 4,787 | 5,340 | 4,250 | 4,923 | 4,654 |
| Total projected investment for drinking water | 21,571 | 29,196 | 44,970 | 31,669 | 25,368 | 45,391 | 67,799 | 88,629 | 55,754 | 34,856 |
| | | | | | | | | | | |
| Wastewater | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 14,066 | 21,247 | 17,579 | 8,691 | 5,726 | 17,230 | 13,446 | 24,357 | 30,194 | 29,727 |
| Capital expenditure - to improve levels of services | 20,677 | 25,113 | 21,054 | 8,706 | 7,429 | 9,937 | 1,569 | 1,610 | 1,650 | 1,689 |
| Capital expenditure - to replace existing assets | 10,393 | 18,610 | 18,786 | 11,839 | 11,151 | 11,457 | 6,945 | 7,335 | 7,969 | 10,618 |
| Total projected investment for wastewater | 45,136 | 64,970 | 57,420 | 29,236 | 24,306 | 38,623 | 21,960 | 33,301 | 39,813 | 42,035 |
| | | | | | | | | | | |
| Stormwater | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 7,404 | 2,186 | 1,508 | 1,593 | 1,744 | 2,035 | 1,695 | 1,680 | 1,735 | 2,008 |
| Capital expenditure - to improve levels of services | 4,561 | 5,818 | 4,305 | 5,938 | 6,722 | 6,500 | 6,554 | 6,567 | 6,781 | 7,368 |
| Capital expenditure - to replace existing assets | 2,065 | 1,917 | 2,551 | 4,837 | 1,325 | 1,864 | 1,997 | 1,785 | 1,656 | 1,406 |
| Total projected investment for stormwater | 14,030 | 9,920 | 8,364 | 12,368 | 9,791 | 10,399 | 10,247 | 10,032 | 10,172 | 10,781 |
| | | | | | | | | | | |
| Total projected investment in water services | 80,737 | 104,087 | 110,753 | 73,273 | 59,465 | 94,413 | 100,006 | 131,962 | 105,739 | 87,672 |

**Table 27 Hamilton City projected capital expenditure to FY34**

| Projected investment in water services ($000) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Water Supply | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 7,489 | 11,636 | 41,818 | 92,872 | 86,362 | 79,103 | 83,703 | 36,431 | 31,872 | 104,951 |
| Capital expenditure - to improve levels of services | 620 | 3,774 | 18,555 | 17,156 | 9,702 | 8,553 | 8,659 | 16,226 | 17,671 | 7,578 |
| Capital expenditure - to replace existing assets | 7,066 | 7,230 | 8,270 | 27,581 | 17,173 | 17,380 | 14,775 | 15,040 | 19,966 | 15,166 |
| Total projected investment for drinking water | 15,175 | 22,640 | 68,643 | 137,610 | 113,236 | 105,036 | 107,136 | 67,697 | 69,509 | 127,695 |

| Projected investment in water services ($000) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Wastewater | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 25,646 | 38,911 | 42,694 | 153,905 | 122,602 | 174,860 | 139,142 | 114,685 | 110,581 | 141,813 |
| Capital expenditure - to improve levels of services | 8,426 | 11,507 | 8,944 | 17,841 | 6,202 | 8,010 | 6,119 | 6,786 | 6,730 | 5,389 |
| Capital expenditure - to replace existing assets | 7,050 | 12,799 | 16,900 | 38,767 | 34,080 | 41,469 | 36,199 | 36,613 | 40,438 | 39,723 |
| Total projected investment for wastewater | 41,122 | 63,217 | 68,538 | 210,512 | 162,884 | 224,339 | 181,460 | 158,083 | 157,750 | 186,924 |
| Stormwater | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 10,335 | 6,204 | 14,159 | 28,133 | 25,320 | 50,352 | 44,760 | 18,917 | 27,547 | 38,530 |
| Capital expenditure - to improve levels of services | 1,467 | 4,541 | 10,354 | 12,570 | 12,642 | 6,526 | 7,110 | 6,861 | 6,903 | 7,762 |
| Capital expenditure - to replace existing assets | 401 | 885 | 7,755 | 15,317 | 9,848 | 10,197 | 9,721 | 10,417 | 10,722 | 10,673 |
| Total projected investment for stormwater | 12,204 | 11,631 | 32,268 | 56,020 | 47,810 | 67,075 | 61,591 | 36,195 | 45,172 | 56,965 |
| Total projected investment in water services | 68,501 | 97,488 | 169,449 | 404,142 | 323,930 | 396,451 | 350,188 | 261,975 | 272,431 | 371,584 |

## B6.3 - Historical Delivery Against Planned Investment

The below tables summarise capital delivery of three waters investments over the last 7 years. Delivery trends show that although significant investment has been made, the anticipated level of investment has generally not been fully delivered. There are numerous factors which impact the deliverability of programmes including:

- Resourcing constraints (both internal and external),
- Optimising the timing of delivery to align with growth demands,
- Complexity of design and planning permissions,
- Funding uncertainties.

Ensuring the CCO has adequate resourcing and enabling processes to deliver anticipated investment requirements will be a key consideration in organisational establishment as outlined in Section A.3 Implementation Plan.

**Table 28 Waikato District Council Programme Delivery**

| Delivery against planned investment ($000) | Renewals investment for water services | | | | Total investment in water services | | | |
|---|---|---|---|---|---|---|---|---|
| | FY24/25* | FY21/22 - FY23/24 | FY18/19 - FY20/21 | Total | FY24/25* | FY21/22 - FY23/24 | FY18/19 - FY20/21 | Total |
| Total planned investment | 27,306 | 40,755 | 15,515 | 83,576 | 77,677 | 138,311 | 93,750 | 309,738 |
| Total actual investment | 20,841 | 34,537 | 11,496 | 66,874 | 37,382 | 115,028 | 32,764 | 147,792 |
| **Delivery against planned investment (%)** | 76% | 85% | 74% | 80% | 48% | 83% | 35% | 48% |

**Table 29 Hamilton City Council Programme Delivery**

| Delivery against planned investment ($000) | Renewals investment for water services | | | | Total Investment in water services | | | |
|---|---|---|---|---|---|---|---|---|
| | FY24/25* | FY21/22 - FY23/24 | FY18/19 - FY20/21 | Total | FY24/25* | FY21/22 - FY23/24 | FY18/19 - FY20/21 | Total |
| Total planned investment | 21,157 | 57,120 | 50,850 | 129,127 | 122,231 | 281,960 | 293,379 | 697,570 |
| Total actual investment | 17,359 | 52,909 | 51,101 | 121,369 | 54,028 | 290,774 | 206,059 | 550,861 |
| Delivery against planned investment (%) | 76% | 93% | 100% | 93% | 44% | 103% | 70% | 79% |

Hamilton City Council manages the delivery of capital works through a capital delivery portfolio approach. Programmes within the portfolio are managed over a three-year programme, of which the 24/25 is the first financial year. Projects are anticipated to be completed within the three-year programme cycle.

Note: *24/25 figures are year-end forecast. Planned investment (based on LTP's), differs from the Projected investment in B6.2 which includes deferrals.

# Part C: Revenue and Financing Arrangements

## C.1 Revenue and Charging Arrangements

### C1.1 - Charging and billing arrangements

**Current Charging Mechanisms**

| HCC | WDC |
|---|---|
| Residential | |
| Rated through a combination of:<br>- A fixed Uniform Annual General Charge (UAGC), and<br>- General Rates based on capital value.<br>- Fees and charges (Connection and disconnection fees) | **Water**<br>• Rated based on a combination of:<br>- A fixed amount per separately used or inhabited part of a rating unit,<br>- An availability charge (not connected but within 100 metres of the public water supply - to which it is capable of effectively being connected) per rating unit,<br>- An amount per cubic meter of water consumed, and<br>- A residual amount collected through the general rate based on capital value.<br>• Fees and charges (Connection and disconnection fees, final water readings, and fees for water drawn from tanker filling stations)<br><br>**Wastewater**<br>• Rates based on:<br>- An availability charge (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected) per rating unit, |

| | |
|---|---|
| | - Fixed amount per separately used/ inhabited part of a rating unit for the first two pans,<br>- An additional fixed amount per pan for third and any subsequent pans is then charged, and<br>- A residual amount collected through the general rate based on capital value.<br>• Fees and charges (Connection and disconnection fees)<br>**Stormwater**<br>Rates based on:<br>- A fixed amount per rating unit or<br>- A residual amount collected through the general rate base don capital value. |
| Non-Residential | |
| **Water**<br>Rated based on[55]:<br>- Volumetric readings where metered<br>- Minimum charges where usage is below 60m³ per quarter.<br>- Fixed fee as part of their general rate where not metered.<br>**Wastewater and Stormwater**<br>- General Rates, or<br>- Volumetric and load-based charges for Trade Waste. [56] | Same as Residential, plus:<br>**Wastewater**<br>- Any non-domestic users that discharge into the wastewater reticulation system need to obtain a trade waste consent from the Council and may be charged a fair share of the costs. Fees are charged based on a combination of application fees, inspection fees, annual fixed charges, and quantity charges for conditional discharges charges. |

[55] Monthly and Quarterly billing (depending on use type)

[56] Tradewaste customers discharging over 5m³ daily are charged in accordance with the published schedule of fees and charges Some have their own trade waste meter while others are billed based on water supply meters, with adjustments for non-trade waste wastewater or water lost in the production process.

**Proposed Charging Mechanisms and Revenue Separation – Prior to transition (Pre-1 July 2026)**

| HCC | WDC |
|---|---|
| **Charging** | |
| Targeted Rates introduced for water, wastewater, and stormwater services.<br>- Initially, targeted rates will be based on capital value to align as close as possible with the current general rates per property.<br>- Financials and operational systems will be aligned to track water-specific revenue separately.<br>All other charges as per the current charging mechanisms. | As per current charging mechanisms, no changes proposed. |
| **Revenue Separation** | |
| Each council will maintain separate balance sheets and rates, ensuring that revenues and expenditures related to the three waters are clearly attributed to water, wastewater, and stormwater activities. | |

**Proposed Charging Mechanisms and Revenue Separation - Transitional - Following transition (From 1 July 2026 – 30 June 2031)**

| Councils | CCO |
|---|---|
| **Charges** | |
| - Councils will continue to set and collect Rates for the provision of stormwater services, which will continue to be the responsibility of each council (separately).<br>- New charges may be implemented to balance stormwater revenues.<br>- Councils will manage the billing process and charge customers for water and wastewater services on behalf of the CCO. | - Water Services Strategy and CCO Development Contributions Policy will be established outlining revenue pathway and charging transition.<br>- CCO will set water and wastewater charges.<br>- CCO will establish its substantive billing capability.<br>- The proportion of water and wastewater charges based on capital value will reduce in each year of the transition as required by the legislation[57].<br>- The piloting of volumetric charging models and adjustments based on demand patterns and customer impact analysis will occur during this phase.<br>- Price harmonisation pathway will commence[58]. |
| **Revenue Separation** | |
| Councils will maintain revenue separation for stormwater. | Revenue separation for water and wastewater activities through its own balance sheet and financial reporting structures. |

[57] The timing of CCO direct billing will depend on the completion of the Hamilton universal water metering programme and the move to a new billing system. Volumetric charging models will be implemented as the meter roll out is completed.

[58] It is likely that trade waste and bulk supply charges (which already have volumetric charges in both council areas), and Development Contributions will be harmonised before residential water and wastewater charges are harmonised.

**Proposed Charging Mechanisms – Final Phase (By 30 June 2031)**

| Councils | CCO |
|---|---|
| - Councils continue to Rate customers for stormwater services.<br>- Billing on behalf of the CCO ceases. | - Full transition to direct customer billing by the CCO is expected.<br>- Implementation of a harmonised pricing model featuring either a unified tariff structure or necessary adjustments. |

## C1.2 - Water services revenue requirements and sources

**Revenue requirements**

| | |
|---|---|
| Water and Wastewater | The CCO is projected to derive sufficient water supply and wastewater revenue to cover operating expenses (including depreciation and the cost of servicing debt), from 2027/2028 onwards. |
| Stormwater - Hamilton City | Hamilton City is forecast to generate sufficient stormwater revenues to cover operating expenses (including depreciation and interest), but not until 2029/30.<br><br>The actions required to achieve financial sustainability by 30 June 2028 are outlined in Section D.1 Confirmation of Financially Sustainable Delivery of Water Services. |
| Stormwater - Waikato District | Waikato District is forecast to generate sufficient stormwater revenues to cover operating expenses (including depreciation and interest), but not until 2032/33.<br><br>The actions required to achieve financial sustainability by 30 June 2028 are outlined in Section D.1 Confirmation of Financially Sustainable Delivery of Water Services. |

**Sources of revenue**

For stormwater activities, the sources of revenue available to Councils, as outlined below, will continue to apply after transition[59] .

As water and wastewater will transition to a CCO, Councils rating powers will no longer be available, with previously Rated revenue sources converting to Charges.

| Sources of Revenue | Description | Councils | CCO |
|---|---|---|---|
| General Rates | Rated based on capital value. | ✓ | × |
| Targeted Rates | Fixed rate per unit - apply uniformly to all households, covering basic service costs.<br><br>Volumetric rates - fluctuate based on water usage, promoting efficient consumption and aligning charges with actual use. | ✓ | × |
| Fines and Infringements | Revenues such as fines, infringement fees, and other miscellaneous receipts. These funds provide additional financial support for water services. | ✓ | ✓ |

[59] Additional revenue sources may be identified through the process of reviewing stormwater revenue sufficiency.

| | | | |
|---|---|---|---|
| Fees and Charges | New Connections application fees for all three-waters.<br><br>Wastewater also has fees and charges associated with income from trade waste customers and septage income which is the tanker waste at treatment plants.<br><br>Commercial and Industrial water supply fees and charges relates to income from Bulk Filling Stations (usage and Application fees)<br><br>High Water User Agreement applications. | ✓ | ✓ |
| Subsidies and Grants for Capital Expenditure | These are funds provided by government bodies or organisations to support water infrastructure projects including funding tools such as the Infrastructure Acceleration Fund. | ✓ | ✓ |
| Development and financial contribution | These are financial contributions required from developers to recover the costs of growth-related capital expenditures from participants in the development process, rather than from general rates or any indirect funding source. | ✓ | ✓ |

✗ The CCO does not have powers to strike Rates. water and wastewater will transition from rates to charges.

## C1.3 - The affordability of projected water services charges for communities

Affordability of three waters services is an overarching principle embodied in the Water Service Delivery model. Councils have heard that the community are concern over the future cost of services and affordability has been at the forefront of councils' decision making.

Council LTP processes have highlighted we can expect three waters services will cost us more in the future. The cost to provide three waters services is increasing, with factors such as interest to service debt, and inflation having significant impacts. These increases are also influenced by central government reforms, the need to maintain debt within borrowing limits, and the growing city's infrastructure demands.

Affordability analysis indicates that the current cost of three water services is 1% of the median household income, and is projected to increase to 2.6% over 10 years. Although increasing, the affordably measure remains consistently below the international affordability benchmark for water utilities of 4.5%.

Detailed Affordability Analysis is outlined in Section D2.2.

# C.2 Funding and Financing Arrangements

## C2.1 - Water Services Financing Requirements and Sources

**Projected borrowing requirements over the 10-year period**

The table below summarises the projected borrowing requirements for combined water, wastewater and stormwater activities. The opening net debt position at the beginning of July 2025 is projected to be $456m, growing to $2.0b by the end of 2033/34. More commentary is provided in Part D.4.

**Table 30 Projected Borrowing Requirements over 10 years**

| | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total borrowings ($m) | 526 | 665 | 824 | 1,136 | 1,334 | 1,622 | 1,845 | 1,942 | 1,972 | 2,089 |
| Less: cash and financial assets ($m) | (70) | (79) | (83) | (86) | (88) | (96) | (100) | (100) | (98) | (103) |
| Net debt ($m) | 456 | 586 | 742 | 1,051 | 1,246 | 1,526 | 1,744 | 1,843 | 1,874 | 1,987 |

**Minimum cash and working capital requirements for the sustainable delivery of water services**

Under the assumptions applied in preparing the projected financial statements, the minimum cash balance is approximately $70m. This represents the aggregate cash balance for water, wastewater and stormwater services. Cash and financial assets are forecast to increase over the period, peaking at $103m by 2033/34.

It is expected that the CCO and each council will maintain separate credit lines as necessary to meet liquidity covenants in addition the borrowing to revenue covenant.

Further analysis on borrowings and cash balances, split between the CCO (comprising water and wastewater) and each council (for stormwater) is included in Part D.4.

**Borrowing limits for water services and all council business**

Hamilton City Council has a debt-to-revenue limit of 280% currently, while Waikato District Council's limit is currently set to 175%.

Under the LWDW framework and in line with guidance provided by the LGFA, each council would have the ability to increase the debt to revenue limit up to 350%. Neither council has decided to increase its debt to revenue and is not relying on increased debt to fund its remaining services.

The CCO will have additional borrowing capacity to fund required water infrastructure, with the ratio of Funds from Operations to Net Debt being maintained above an 8% minimum borrowing threshold..

**Whether projected borrowings are within borrowing limits**

| | |
|---|---|
| Water and Wastewater | Projected borrowings are within borrowing limits of the CCO from year 1 of operation in 2026/27.<br><br>The projected ratio of Funds from Operations to Net Debt for the CCO is expected to reach a minimum of10% in 2029/30, above the 8% minimum borrowing threshold. |
| Stormwater - Hamilton City | Projected borrowings, when isolated to stormwater debt and revenues only, show that the assumed internal borrowing limit of 500% (for stormwater) will not be breached in any year. Additionally, at an overall Hamilton City level (i.e. stormwater plus the rest of |

| | |
|---|---|
| | council activities), total borrowings are within the 280% limit, peaking at 236% in 2027/28.<br><br>Refer to Part D.4.5 for more comments on Hamilton City's stormwater borrowing levels and how this will be managed. |
| Stormwater - Waikato District | Waikato District's projected borrowings, when isolated to stormwater debt and revenues only, show that the assumed internal borrowing limit of 500% for stormwater will be breached.<br><br>This occurs throughout the forecast period. That said, at an overall Waikato District level (i.e. stormwater plus the rest of council activities), total borrowings are within the 175% limit, peaking at 103% in 2029/30.<br><br>Refer to Part D.4.5 for more comments on Waikato District's stormwater borrowing levels and how this will be managed. |

**Financial strategy for financing water services investment and operating expenditure**

The financial strategy under this WSDP is for water services investment and operating expenditure to be funded by operating revenue and debt. More specifically:

- Operating revenue will fund operating expenditure including depreciation and the cost of servicing debt. The funding of depreciation (non-cash) reflects a proxy for funding capital expenditure renewals and or historic debt used to fund capital expenditure. Therefore, the resulting underlaying operating revenue cash surplus will be used to fund capital expenditure renewals and/or historical debt repayments (funded depreciation).
- CAPEX will also be part-funded by capital revenues, primarily in the form of Development Contributions.
- Debt will be used to fund any shortfall in capital expenditure after allowance for funded depreciation and capital revenues above.

| | |
|---|---|
| Water and Wastewater | The CCO is projected to generate an operating surplus for the first time in 2027/28, with surpluses forecast to be generated consistently thereafter.<br><br>Operating revenues will therefore fund operating expenditure, including depreciation and interest, from 2027/28 onwards. In the initial periods leading up to 2027/28, operating deficits will be funded by debt, with the CCO's borrowings forecast to remain within borrowing limits.<br><br>It should also be noted that cumulative operating surpluses between 2027/28 and 2033/34 ($254.1m) sufficiently outweigh the operating deficits accumulated up to 2027/28 ($66.1m).<br><br>This indicates that the initial operating deficits represent a temporary funding shortfall. |
| Stormwater - Hamilton City | Stormwater operating expenditure, including depreciation and interest costs, will be fully funded by stormwater operating revenues from 2029/30 onwards. |

| | |
|---|---|
| | The actions required to achieve financial sustainability by 30 June 2028 are outlined in Section D.1 Confirmation of Financially Sustainable Delivery of Water Services.<br><br>Until then, operating deficits will be funded by a combination of internal operating reserves and debt; some of which will necessarily relate to non-stormwater debt available to council. Investment in stormwater infrastructure will be funded by debt available to council, in keeping within council's internal DTR borrowing limit of 280%. |
| Stormwater - Waikato District | The current level of projected operating revenue from stormwater charges is not sufficient to finance operating expenditure.<br><br>Under the assumptions in this WSDP, Waikato District's stormwater activity is expected to generate operating deficits in all but two periods to 2033/34 (those two being 2032/33 and 2033/34).<br><br>The actions required to achieve financial sustainability by 30 June 2028 are outlined in Section D.1 Confirmation of Financially Sustainable Delivery of Water Services.<br><br>Waikato District's stormwater operating deficits will be part-funded by debt; some of which will necessarily relate to non-stormwater debt available to council. Investment in stormwater infrastructure will be funded by debt available to council, in keeping within council's internal DTR borrowing limit of 175%. |

**Expected tenor of new borrowings and how interest rate and refinance risk will be managed**

The tenor of new borrowings will be based on commercial funding agreements reached between the CCO and councils (as the borrower) and the LGFA or other funders (as the lender).

In principle, it is assumed that the tenor of new borrowings will match the economic useful life of the underlying infrastructure or investment that the debt is being raised to fund. In this way the CCO and councils can achieve better generational equity for customers, as the burden of paying for infrastructure will be spread across the period over which benefits will be derived from the use of those assets.

It is assumed that Hamilton City's and Waikato District's credit rating will remain unchanged, and on this basis, councils will continue to access debt on terms (and at interest rates) that reflect this rating, within the context of prevailing economic conditions. Debt levels will be managed to maintain credit rating.

Hamilton City's current credit rating is AA-/Negative/A-1+, while Waikato District's Long-Term Local-Currency Issuer Default Credit Rating (IDR) is AA+.

It has been assumed that cost of financing will match each respective council cost of financing. i.e. The proportion of debt relating to HCC will incur the same interest rate as HCC and the proportion of debt relating to the WDC will incur the same interest rate as WDC.

These assumptions are predicated on individual council baseline planning documents and will, in time, be superseded by the Water Services Strategy (CCO) and subsequent LTP's (Stormwater).

It is expected that the CCO's Governance and Management structure will develop a treasury policy that is fit-for-purpose and adequately considers interest rate and refinance risk, which may include:

- a strategy of balancing the debt portfolio between fixed and floating rate-based loans,
- entering into interest rate swap agreements, or

- other commonly applied hedging strategies.

The WSDP has been prepared under the MVP principle and for this reason, no explicit assumptions have been made around credit ratings, or any changes in interest rate or refinance risk strategies in relation to council's existing strategies.

**Debt repayment strategy**

The CCO (or each council, insofar as the debt relates to funding stormwater) will raise debt under terms that will match the life of the underlying asset(s). In other words, debt will be repaid over the life of the asset(s).

Outside of this, no specific assumptions have been made to extinguish debt early, or use excess cash (in the form of cumulative surpluses or reserves) to pay down debt.

## C2.2 Internal borrowing arrangements

**Internal borrowing arrangements between water services and other council business:**

From Day 1 (1 July 2026) of the CCO Commencing operations the internal borrowing arrangements between water services are other council business will be:

| Councils | CCO |
|---|---|
| Water and Wastewater | |
| N/A | Upon establishment the CCO will enter an arrangement with each council to borrow funds from each council, equivalent to the water and wastewater related debt existing within each council at that date.<br><br>Effectively this arrangement will be structured as back-to-back loans, whereby the repayment terms will mirror those in place between the councils and their respective lenders.<br><br>The debt will be divided into tranches. As and when a tranche is repaid in line with the agreed terms, the CCO will then raise debt directly from lenders. |
| Stormwater | |
| Given the substantial funding requirement, each council will have internal borrowing arrangements to ensure that investment in stormwater infrastructure is able to continue.<br><br>Internal borrowing will be ringfenced and shown separately on the stormwater balance sheet within each council. | N/A |

## C.2.3 Determination of debt attributed to water services

| HCC | WDC |
|---|---|
| As of 30 June 2024, the debt value related to all three waters within Hamilton City, was determined based on actual debt balances (including LGFA borrowings, commercial papers, bonds, and HIF debt).<br><br>Rather than borrowing for individual projects, Hamilton City borrows at the council level, necessitating a year-end allocation of the debt.<br><br>Capital spending has historically been tracked for each major council activity, and this was updated for the 2023/24 financial year. LGFA borrowings, commercial papers, and bonds were then proportionally allocated to these major activities, based on their share of capital spending. HIF debt specifically pertains to waters and transportation activities and was allocated according to the capital spending incurred in each of these areas.<br><br>In accordance with the CCO record of agreement it is anticipated that prior to transfer of assets Hamilton City will recalculate debt values related to three waters based on a methodology (internal loan) consistent with Waikato District. Draft analysis indicates that this will have no material effect on the financial analysis within this water services delivery plan.<br><br>Debt balances include the estimated $7.35m of establishment costs and operational costs of $3.95 million which has been funded by Hamilton City Council on behalf of both councils. These costs are to be recovered from the CCO on 1 July 2026. | Existing management information systems and financial reporting are set up to report on three waters activities separately. This in part is a consequence of the Watercare outsourced arrangement.<br><br>Water-related debt balance was based on the 'cash' backed reserves, i.e. the targeted rate, Developer Contribution, and capital renewal reserves, plus any water-related internal loans. The internal loans capture instances where funding was not directly sourced from a reserve.<br><br>This total was then used that to calculate the opening water-related debt balance reflected in the projections as at 1 July 2026. |

## C.2.4 Insurance arrangements

**Confirmation of insurance policies**

The CCO will hold the necessary insurance policies. Currently, assets are insured via a collective group, which includes HCC and WDC. Future insurance policies will be arranged to provide cover.

**Annual insurance risk assessments**

Insurer-initiated risk assessments for Hamilton's WWTP and WTP currently undertaken on a three-to-five-year basis, the last being conducted in 2022. No insurer-initiated risk assessments have been undertaken for below-ground assets.

**Risk evaluation and assessment**

A high-level probable maximum loss modelling exercise was conducted for below-ground assets in 2020-2021 by the Waikato collective.

Hamilton undertook a loss modelling exercise encompassing all insured above-ground assets. Within this loss modelling water assets, including WWTP, WTP, reservoirs, and pump stations were modelled as a subset. This was based on 2024 insurance replacement values.

**Level of insurance cover**

Group and individual Council limits are presently insured as part of the Waikato collective group. Insured values are based on the latest valuations provided by asset managers, either specifically for insurance purposes, or from general valuation exercises, with additional margins added to form an insurance replacement value.

**Insurance management policy summary**

Insurance reviews and asset identification standards will be reviewed regularly. Values will be updated per the most recent valuations and assets added or removed as applicable.

Above-ground structures, such as treatment plants, reservoirs, and pump stations, will be insured for all necessary perils at a suitable replacement value subject to an overall group policy limit.

Additional cost of working ($40M) may also be purchased, triggered by physical damage claims to those above-ground structures.

Below-ground assets may be insured for 40% of their replacement value for natural disaster perils only. The remaining 60% of costs may be provided by central government under the Civil Defence Emergency Management cost sharing policy.

Formal documentation will be developed for key insurable risks, risk appetite, tolerance, and mitigations, and links to disaster response policies

A revised approach for managing delegations and reporting on insurance matters will be developed by the CCO to replace the current biannual insurance reporting processes conducted by each Council.

The CCO will need to ensure business interruption cover is in place for underground infrastructure losses related to natural catastrophe, as revenue is not secured in the same way as rates. The CCO may need to consider additional products to effectively transfer risk such as parametric insurance and/or use of a virtual captive.

# Part D: Financial sustainability assessment

## D.1 Confirmation of Financially Sustainable Delivery of Water Services

This section provides a view of each of the projected revenues, costs, investment and financing for the CCO (comprising a combination of water and wastewater services), Hamilton (comprising stormwater services only), and Waikato District (also only comprising stormwater services). This method of presentation aligns with the way water services are envisaged to be delivered under the Water Services Delivery model.

All financial information is predicated on individual Council baseline planning documents and will, in time, be superseded by the Water Services Strategy and subsequent LTP's (Stormwater).

### D1.1 - Confirmation of financially sustainable water services by 30 June 2028

| **Revenue Sufficiency:** sufficient revenue to cover the costs (including servicing debt) of water services delivery; | | |
|---|---|---|
| Water and Wastewater (CCO) | Stormwater - Hamilton City | Stormwater - Waikato District |
| The CCO is projected to derive sufficient water supply and wastewater revenue to cover operating expenses (including depreciation and the cost of servicing debt), from 2027/2028 onwards, meeting the revenue sufficiency test. | Hamilton is forecast to generate sufficient stormwater revenues to cover operating expenses (including depreciation and interest), but not until 2029/30.<br>The actions that will be undertaken to achieve revenue sufficiency are set out in D1.2 | Waikato District is forecast to generate sufficient stormwater revenues to cover operating expenses (including depreciation and interest), but not until 2032/33.<br>The actions that will be undertaken to achieve revenue sufficiency are set out in D1.2 |

| **Investment sufficiency:** projected investment is sufficient to meet levels of service, regulatory requirements and provide for growth; | | |
|---|---|---|
| Water and Wastewater (CCO) | Stormwater - Hamilton City | Stormwater - Waikato District |
| As detailed in D.3, across water, wastewater, and stormwater, the level of investment is assessed as meeting the investment sufficiency test, on the basis that:<br>• The requisite systems, processes and capability are in place to properly identify and quantify the level of investment required; and<br>• The combination of projected revenues and access to financing (while complying with borrowing limits) demonstrates the level of investment is adequately funded. | | |

| **Financing sufficiency**: funding and financing arrangements are sufficient to meet investment requirements; | | |
|---|---|---|
| Water and Wastewater (CCO) | Stormwater - Hamilton City | Stormwater - Waikato District |
| The CCO is assessed as meeting the financing sufficiency test in all years as projected borrowings are within borrowing limits of the CCO.<br><br>The projected Funds from Operations to Net Debt ratio for the CCO is expected to reach a minimum of 10%% in 2029/30, versus a minimum borrowing threshold of 8% | The Hamilton Stormwater Activity is assessed as meeting the financing sufficiency test in all years.<br><br>Projected borrowings, when isolated to stormwater debt and revenues only, show that the internal borrowing limit of 500% (for stormwater) will not be breached in any year.<br><br>Additionally, at an overall Hamilton level (i.e. stormwater plus the rest of council activities), total borrowings are within the total Council limit of 280%, peaking at 236% in 2027/28. | Waikato District's projected borrowings, when isolated to stormwater debt and revenues only, show that the internal borrowing limit for stormwater of 500% will be breached from 2025/26 onwards.<br><br>That said, WDC Stormwater is assessed as meeting the financing sufficiency test, as at an overall Waikato District level (i.e. stormwater plus the rest of council activities), total borrowings are within the total Council 175% limit, peaking at 103% in 2029/30. |

## D1.2 - Actions required to achieve financially sustainable delivery of water services

| | |
|---|---|
| Stormwater - Hamilton City | To ensure that Hamilton's stormwater activity achieves a positive Operating Surplus Ratio and meets revenue sufficiency requirements by 30 June 2028, Hamilton City Council has resolved to review and realigned its allocation of revenue between stormwater and other Council activities to more appropriately reflect the costs of delivering each activity by 30 June 2028.[60]<br><br>This rebalancing is expected to result in a greater proportion of Council revenue allocated to stormwater activities. This is also expected to have a favourable impact on the projected debt-to-revenue percentage for stormwater, as discussed in D.4. |
| Stormwater - Waikato District | To ensure that Waikato District's stormwater activity achieves a positive Operating Surplus Ratio and meets revenue sufficiency requirements by 30 June 2028, Waikato District has resolved to undertake a review of stormwater services and associated charges and address changes through the 2026/27 Annual Plan[61].<br><br>Changes could include increasing the catchment areas, increasing the rates levied for stormwater services, or a combination of both. This is expected to have a favourable impact on the projected debt-to-revenue percentage for stormwater, as discussed in D.4. |

[60] Hamilton City Council: Ordinary Council | Hamilton City Council – 26 June 2025

[61] WDC - 2025-2034 Long Term Plan Deliberations Report on Waters Services Delivery Model – 27 May 2025

## D1.3 - Risks and constraints to achieving financially sustainable delivery of water services

Specific to the above noted actions, the following risks and constraints are noted. For a more general list of risks and significant assumptions, refer to Appendix 2.

| | |
|---|---|
| Stormwater - Hamilton City | • Realigning revenues across activities to better align funding to cost of delivery of each activity, ensuring sufficient funds for financial sustainability in stormwater, may identify under funding in other council activities affecting their operational capabilities and/or sustainability.<br>• Stakeholders, including residents and businesses, may react adversely to perceived reductions in funding for services they rely on. Effective communication is crucial to articulate the rationale for realignment of revenues to better align funding to cost or delivery of each activity, and the benefits of enhanced stormwater management and long-term sustainability.<br>• The amount of reallocation has not been properly quantified yet, and there is a risk that other assumptions made under this WSDP might change between now and the 2026/27 annual planning process, which could impact the quantum of the reallocation required to address the issues noted. |
| Stormwater - Waikato District | • Adjustments to stormwater service rates may adversely affect affordability for ratepayers.<br>• Increasing catchment areas and stormwater rate adjustments could face public opposition, affecting approval processes. Any changes would require robust stakeholder engagement strategies to justify the changes.<br>• The adjustment required to stormwater service rates has not been properly quantified yet, and there is a risk that other assumptions made under this WSDP might change between now and the 2026/27 annual planning process, which could impact the quantum of the adjustment required to address the issues noted. |

# D.2 Financial Sustainability Assessment - Revenue Sufficiency

## D2.1 - Projected water services revenues cover the projected costs of delivering water services

**Sufficiency of projected revenues to cover costs**

The following charts summarise the projected revenue, expenses (with depreciation and interest shown separately), and operating surplus over the 10-year period to 2033/34. Water supply and wastewater is shown on a combined basis for the CCO, while stormwater is shown separately for Hamilton and Waikato District.

Commentary in relation to revenue sufficiency is included later in this section, corresponding to the more detailed supporting analyses that has been presented.

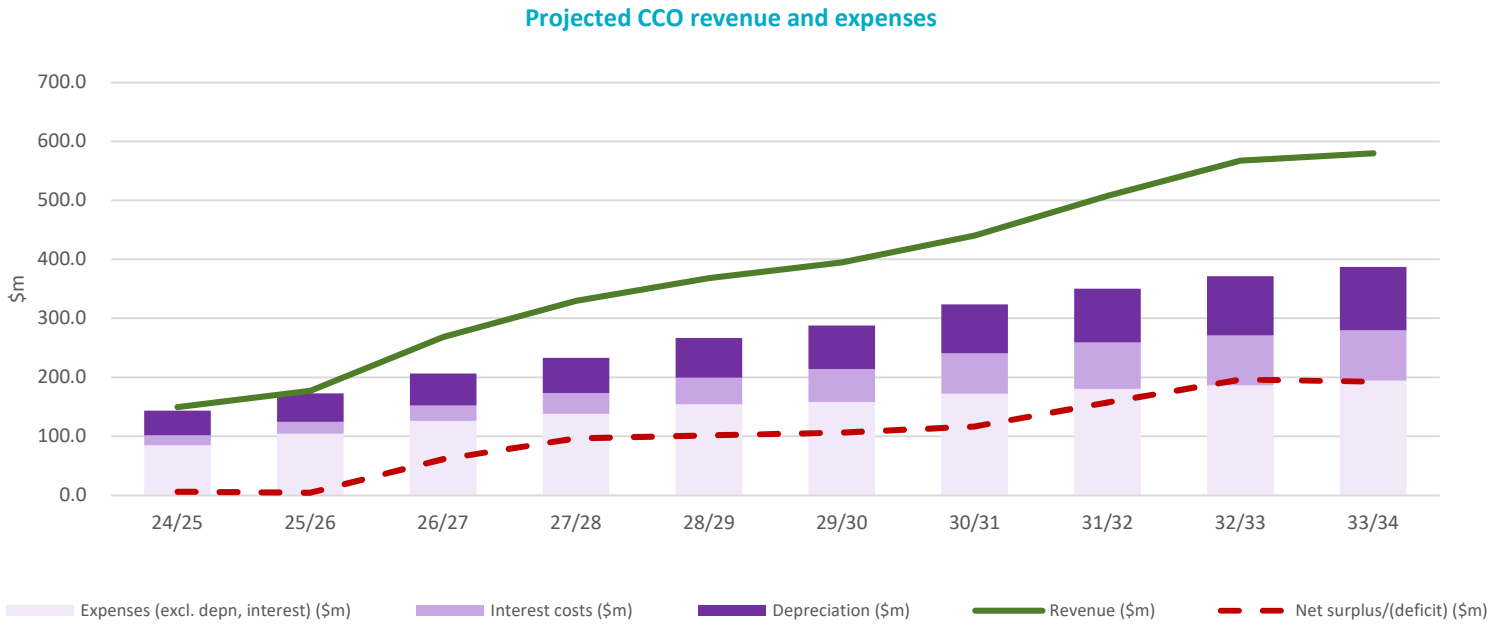
| | |
|---|---|
| Water Supply and Wastewater (CCO) |  |



**Figure 13 Projected Water Supply and Wastewater Revenue and Expenses**

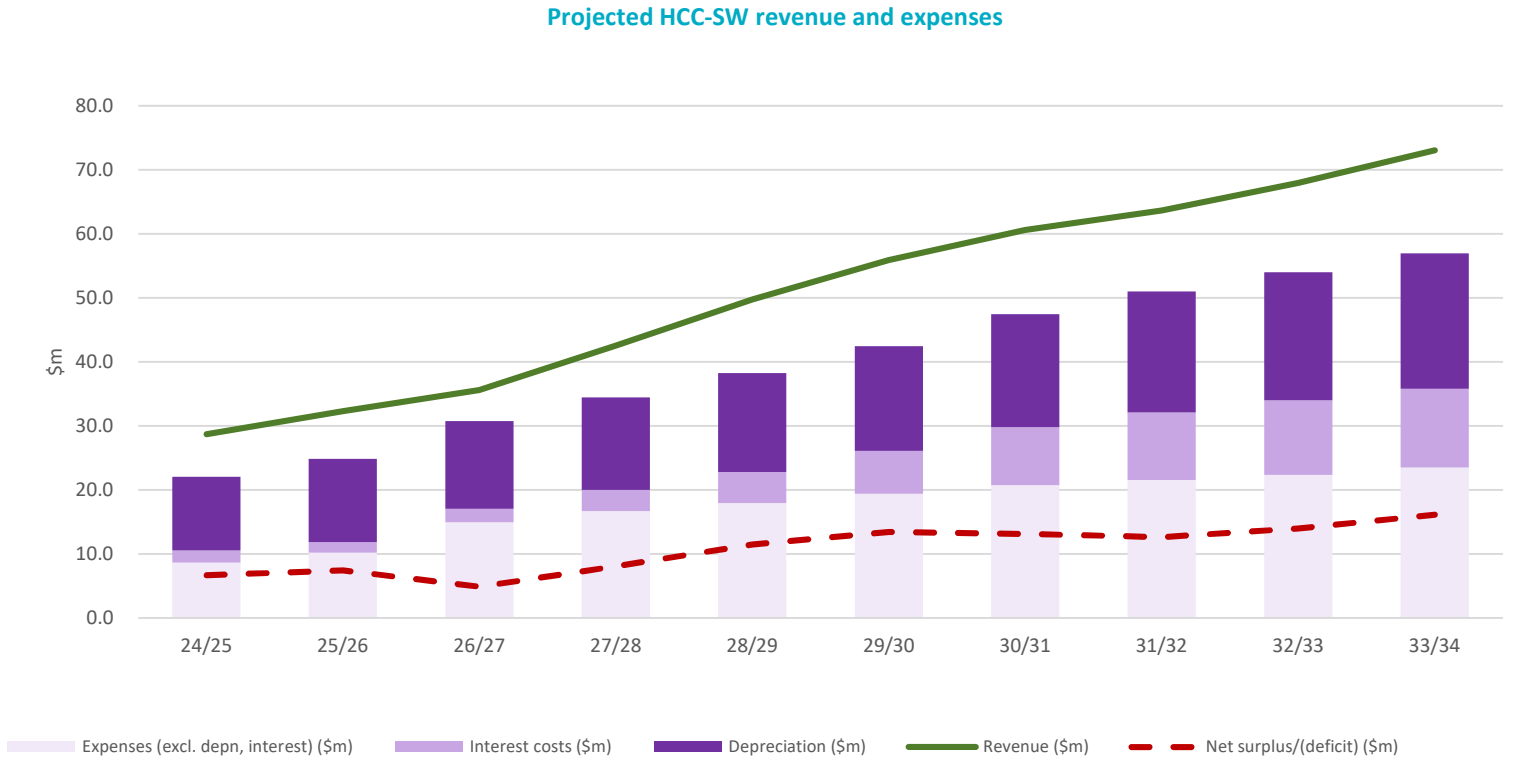
| | |
|---|---|
| Stormwater (Hamilton City) |  |

**Figure 14 Projected Stormwater Revenue and Expenses (Hamilton)**

Stormwater (Waikato District)

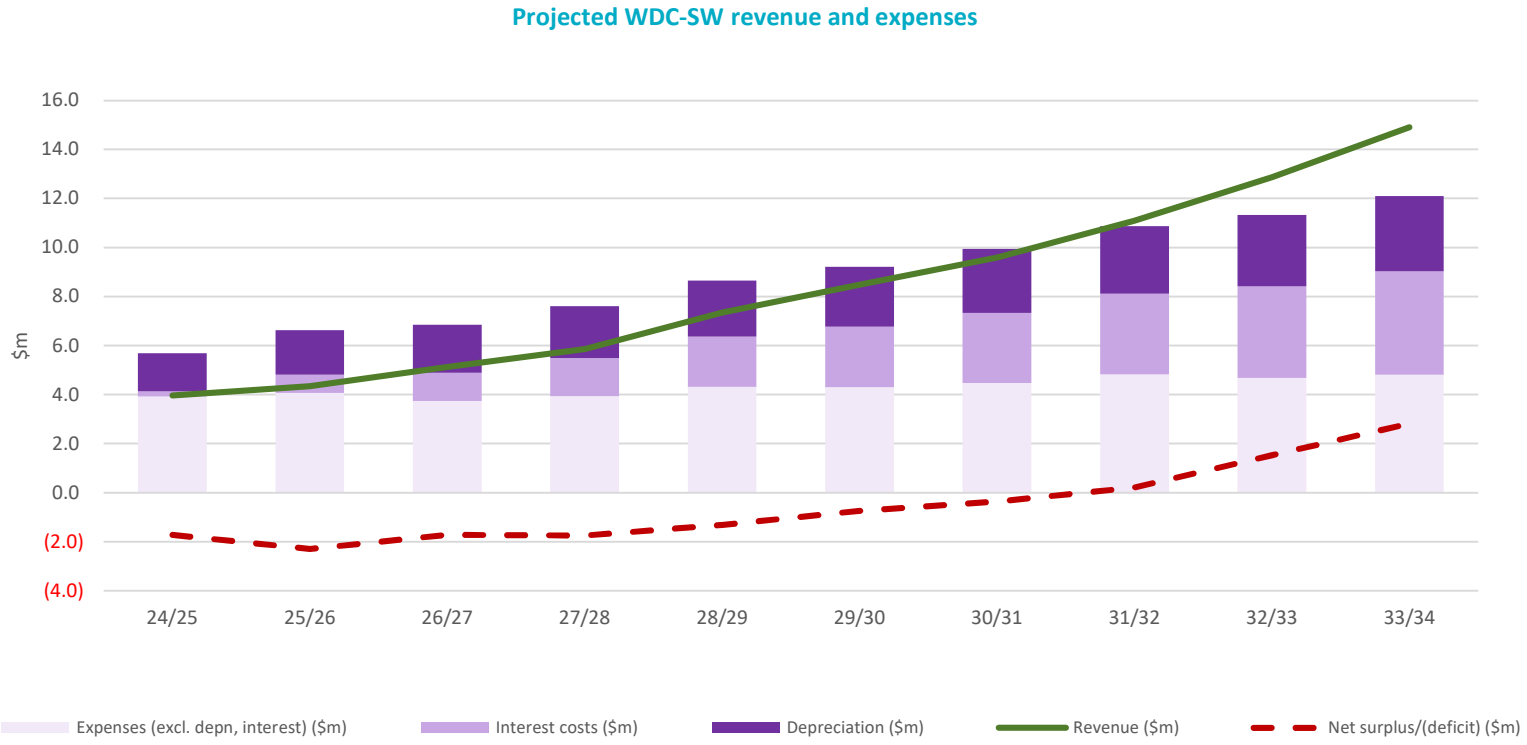



**Figure 15 Projected Stormwater Revenue and Expenses (Waikato District)**

## D2.2 - Average projected charges for water services over FY2024/25 to FY2033/34

As mentioned in Section C1.3, affordability of three waters services is of upmost importance to councils. The below analysis is for the purpose of assessing affordability at a generalised level. The actual impact on individual customers will depend on future methods of charging, which will vary based on factors such as capital value of properties, usage and future funding strategies.

The following table outlines the projected average charge per connection (for residential properties only) over the ten years to 2033/34, for each of the three waters. For comparative purposes, inflation adjusted amounts to represent the average charge in today's dollars have also been presented.

**Table 31 Projected average charge per projected connection / rating units (including GST)**

| **Projected average charge per connection / rating unit (including GST)** | **FY24/25** | **FY25/26** | **FY26/27** | **FY27/28** | **FY28/29** | **FY29/30** | **FY30/31** | **FY31/32** | **FY32/33** | **FY33/34** |
|---|---|---|---|---|---|---|---|---|---|---|
| Drinking water ($) | 491 | 587 | 736 | 852 | 1,037 | 1,177 | 1,298 | 1,413 | 1,522 | 1,659 |
| Wastewater ($) | 593 | 683 | 850 | 1,058 | 1,226 | 1,401 | 1,589 | 1,748 | 1,882 | 2,082 |
| Stormwater ($) | 201 | 267 | 299 | 345 | 393 | 451 | 494 | 528 | 561 | 607 |
| **Average charge per connection / rating unit** (inflated) | **1,285** | **1,537** | **1,885** | **2,255** | **2,657** | **3,029** | **3,380** | **3,689** | **3,965** | **4,347** |
| **Average charge per connection / rating unit** (uninflated) | **1,218** | **1,381** | **1,644** | **1,910** | **2,195** | **2,442** | **2,658** | **2,830** | **2,968** | **3,175** |
| Increase in average charge | 17.7% | 19.6% | 22.6% | 19.6% | 17.8% | 14.0% | 11.6% | 9.1% | 7.5% | 9.7% |
| Median Household Income | 127,480 | 134,466 | 138,473 | 142,598 | 146,134 | 149,756 | 153,468 | 157,272 | 161,168 | 165,189 |
| **Water services charges as % of median household income** | **1.0%** | **1.1%** | **1.4%** | **1.6%** | **1.8%** | **2.0%** | **2.2%** | **2.3%** | **2.5%** | **2.6%** |

**Basis of presentation**

The figures are based on residential users only. Water consumption of non-residential users is significantly higher therefore has the potential to skew the results. This is particularly the case in wet industries such as meat processing plants, breweries, food manufacturing and dairy farming operations.

The average water charge per connection for each of the three waters was calculated as a weighted average charge, based on the number of residential connections across Hamilton and Waikato District users. For Waikato District, average charges have been calculated based on the current charging mechanisms in place, while for Hamilton (in the absence of any current volumetric or fixed charges), an average was determined based on the number of connections. The figures also include the assumed impacts of inflation (i.e. figures are nominal rather than real). This is summarised in the table below.

| HCC | WDC |
|---|---|
| **Drinking Water, Wastewater, and Stormwater**<br>- The projected GST inclusive annual revenue from those water services (as they pertain to residential customers only), divided by the projected total number of water connections (also restricted to residential connections only), assuming the same number of total connections across drinking water, wastewater and stormwater. | **Drinking Water**<br>- The GST inclusive projected 'average' charge, defined as a connection attracting an availability charge and a volumetric charge based on an annual usage of 223m$^3$.<br><br>**Wastewater**<br>- The GST inclusive projected 'average' charge, defined as a standard 'straight connection'.<br><br>**Stormwater**<br>- The projected GST inclusive annual revenue from stormwater services (as they pertain to residential customers only), divided by the projected total number properties attracting a stormwater charge. |

Given the number of connections in Hamilton is materially greater than in Waikato District (65,972 residential drinking water connections in Hamilton City in 2024/2025, versus 16,507 in Waikato District), a weighted average median household income was calculated, using the number of connections to determine the relative weightings. Median household incomes for Hamilton and Waikato District have been sourced from Infometrics 'Regional Economic Profile' [62]. Median household income has been assumed to increase at a rate equal to the personnel cost inflation assumption in each Council's respective LTPs.

**Analysis**

As mentioned below, it has been considered that 4.5% of median household income represents a reasonable affordability benchmark. As shown in Table 31, the average water services charge per connection is below the 4.5% benchmark in every period of the forecast.

We note that in the initial years the average charge as a percentage of median household income is well below the benchmark. This could be an indication that water services have historically been under-funded or otherwise subsidised by other revenue sources. The above analysis is indicative only, and will not represent the actual cost to individual users across the region. We also highlight that the benchmark is not definitive in its application and should be interpreted as providing some indication of affordability only.

[62] Hamilton City: https://rep.infometrics.co.nz/hamilton-city/income-and-housing/household-income; WDC: https://rep.infometrics.co.nz/waikato-region/income-and-housing/household-income?compare=new-zealand

Based on the analysis performed, the projected average charges are considered to be reasonable and an acceptable outcome from an affordability perspective.

As set out in C.1 Revenue and Charging Arrangements, ultimately the development of the Water Services Strategy and CCO Development Contributions Policy will outline and determine the revenue pathway and charging for water and wastewater. Councils will continue to set and collect Rates for the provision of stormwater services, which will continue to be the responsibility of each council (separately).

**Basis for assessing affordability benchmark**

To assess if the average percentage of household income spent meets affordability standards, a benchmark of affordability needed to be established.

Research into industry affordability benchmarks has been undertaken, and the outcome determine that a benchmark of 4.5% of household income is a reasonable threshold to apply for assessing affordability within this plan.

This conclusion was made based on the following:

The Environmental Protection Agency's (EPA) Water Affordability Needs Assessment report, issued in December 2024. In this report it was considered that 3.0% to 4.5% of median household income was a reasonable range for assessing affordability for drinking water and wastewater bills. [63] This assessment does not include the cost of Stormwater.

The 4.5% threshold is widely used in literature.[64] The use of a percentage of income metric is also comparable to affordability metrics for other essential services, such as spending on electricity.[65]

There is no definitive measure of affordability, with variants of the percentage threshold (ranging from as low as 2% to as high as 10%) noted in other reports.

Given that the 3.0% - 4.5% range mentioned in the EPA report was for water and wastewater only, whereas other literature includes stormwater, it was considered appropriate to adopt 4.5% rather than 3.0%. We also note that due to the inclusion of stormwater in the analysis presented below, 4.5% can be considered to be conservative.

There does not appear to be any authoritative benchmark to measure affordability. Nonetheless, the sources mentioned above provide useful reference points, and confirm that the projected water charges are broadly in the range of what would be considered affordable.

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[63] To estimate a range of the number of households throughout the United States experiencing high water burden.

[64] (Cardoso & Wichman, 2022a; Berahzer et al., 2023; Heminger et al., 2023; Mack & Wrase, 2017)

[65] (Brown et al., 2020a; Brown et al., 2020b).

## D2.3 - Projected operating surpluses/(deficits) for water services

The following table outlines the Three Waters Services Operating Surplus Ratio [66]over ten years.

### Water Supply and Wastewater (CCO)

**Table 32 Water and Wastewater Operating Surplus Ratio**

| Operating surplus ratio (whether revenues cover costs) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating surplus/(deficit) excluding capital revenues – combined drinking water and wastewater services ($000) | (23,119) | (30,981) | (11,990) | 3,018 | 10,986 | 29,773 | 34,249 | 43,728 | 52,689 | 79,672 |
| Operating revenue – combined drinking water and wastewater services ($000) | 126,262 | 150,052 | 231,119 | 281,673 | 315,532 | 341,747 | 388,815 | 456,010 | 513,675 | 527,469 |
| **Operating surplus ratio** | **(18.3%)** | **(20.6%)** | **(5.2%)** | **1.1%** | **3.5%** | **8.7%** | **8.8%** | **9.6%** | **10.3%** | **15.1%** |

Under the current forecasting assumptions, the CCO is forecast to achieve a positive operating surplus ratio from 2027/28 onwards, with a total cumulative surplus of $188m over the 10-year period. This demonstrates that sufficient revenue is raised to cover operating expenses, inclusive of depreciation, and finance costs. Deficits from 2024/25 to 2026/27 are a result of a costs increasing at a faster rate than revenue is able to be recovered from users. A contributing factor to this is the CCO establishment costs (which don't have any dedicated revenue stream and effectively will be debt-funded in the CCO). Establishment and additional operational costs are one-off in nature and estimated at $7.35m and $3.95m respectively in 2025/26. Beyond that, ongoing operating costs that will arise from the CCO's structure have been appropriately considered in the projections.

We note further that the figures presented in Table 32 above reflect assumed savings from the transition of Waikato's water services, from its current (incumbent) provider, Watercare, to the CCO. These are real cash savings which are quantifiable and considered to have a high likelihood of being realised. The cost savings assumed under this WSDP are consistent with the assumptions that were applied in the LWDW Business Case.

[66] The Operating Surplus Ratio is the Operating surplus excluding capital revenues, divided by operating revenues. This ratio is an indicator of whether operating revenue is sufficient to cover operating expenses. Where this ratio percentage is negative, this represents the percentage increase required for revenues to cover costs.

The CCO's cost base has also been 'fully loaded' with the expected operating costs that will be required to support its effective operation. These costs have been informed by existing cost structures within councils (and Watercare, as the case may be). During the transition phase it is assumed that Hamilton City will provide administrative and customer service functions to the CCO, under the terms of a shared services arrangement. The cost of these shared services is included in the CCO figures presented above.

The CCO's operating revenue as disclosed in Table 32 above includes the amount that will be received from each council, in return for providing stormwater services. This revenue is designed to cover the cost of providing those services. Note, this revenue is excluded from debt headroom calculations.

Depreciation Recovery and Application of Surpluses / (Deficits)

While the operating surplus ratio from 2027/28 onwards indicates that the CCO will have sufficient revenue to recover depreciation (and therefore sufficient to fund the replacement of assets over their useful life), any policies guiding the recovery of depreciation when setting revenue will ultimately be developed by the CCO.

Councils envisage that surpluses generated in the CCO will be applied towards some combination of debt repayment, funding any expected future operating deficits, funding capital expenditures (Capex), or returning it to customers in the form of lower charge increases in future years. The CCO will develop financial policies to guide what cash surpluses will be directed towards.

## Stormwater (Hamilton City Council)

**Table 33 Stormwater Operating Surplus Ratio - Hamilton City Council**

| Operating surplus ratio (whether revenues cover costs) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating surplus/(deficit) excluding capital revenues – HCC stormwater services ($000) | (3,318) | (203) | (3,737) | (2,594) | (1,222) | 1,192 | 898 | 557 | 165 | 1,411 |
| Operating revenue – HCC stormwater services ($000) | 21,699 | 24,797 | 26,942 | 32,440 | 39,233 | 45,841 | 50,517 | 51,566 | 54,147 | 58,352 |
| **Operating surplus ratio** | **(15.3%)** | **(0.8%)** | **(13.9%)** | **(8.0%)** | **(3.1%)** | **2.6%** | **1.8%** | **1.1%** | **0.3%** | **2.4%** |

Under the current forecasting assumptions, HCC stormwater is forecast to achieve a positive operating surplus from 2029/30 onwards, with a total cumulative deficit of $6.9m over the 10-year period presented.

The actions required to ensure that Hamilton's Stormwater Activity achieves a positive Operating Surplus Ratio and meets the revenue sufficiency requirements by 30 June 2028 are outlined in Section D.1 Confirmation of Financially Sustainable Delivery of Water Services. This action is expected to result in a realignment of revenue allocation to better match the cost of delivery of activities compared to the revenue allocation reflected in the Long-Term Plan 2024-2034, which is anticipated to increase the Council revenue allocated to stormwater activities compared to the Long Term Plan 2024-2034 . This is also expected to have a favourable impact on the projected debt-to-revenue percentage for stormwater, as discussed in D.4.

Depreciation Recovery and Application of Surpluses / (Deficits)

As part of its overall financial strategy, Hamilton uses a self-determined 'Balancing the Books' measure to determine whether (as a total Council) everyday costs (including depreciation) are being paid from everyday revenues. This measure differs from the Balanced Budget Benchmark as set out in Local Government (Financial Reporting and Prudence) Regulations 2014. Items included in the Balanced Budget Benchmark that are not included in Hamilton's Balancing the Books are:

- Capital revenue (except for NZTA renewals subsidy)
- Gains and losses on Plant, Property and Equipment
- Gains and losses on Investment Property

Council chooses to exclude these items as they are not considered everyday revenues or costs. Hamilton's current Financial Strategy as set out in the 2024-34 LTP enables a balanced or surplus budget from year 2026/27 onwards.

Under Hamilton's current Financial Strategy, any operating surpluses are used to repay debt and continue to invest in the city's future by maintaining existing assets and building new infrastructure. With Hamilton planning to levy targeted rates for stormwater from 2025/26 onwards, any stormwater surpluses (or deficits) will be ringfenced to the activity and tracked through reserves.

## Stormwater (Waikato District Council)

**Table 34 Stormwater Operating Surplus Ratio – Waikato District Council**

| Operating surplus ratio (whether revenues cover costs) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating surplus/(deficit) excluding capital revenues – WDC stormwater services ($000) | (2,063) | (2,417) | (1,958) | (1,905) | (2,026) | (1,492) | (950) | (395) | 887 | 2,158 |
| Operating revenue – WDC stormwater services ($000) | 3,618 | 4,213 | 4,895 | 5,694 | 6,627 | 7,718 | 8,993 | 10,481 | 12,219 | 14,248 |
| **Operating surplus ratio** | **(57.0%)** | **(57.4%)** | **(40.0%)** | **(33.5%)** | **(30.6%)** | **(19.3%)** | **(10.6%)** | **(3.8%)** | **7.3%** | **15.1%** |

Under the current forecasting assumptions, Waikato District's stormwater is forecast to achieve a positive Operating Surplus Ratio only from 2032/33 onwards, with a total cumulative deficit of $10.2m over the 10-year period presented.

The actions required to ensure that Waikato District's stormwater activity achieves a positive Operating Surplus Ratio and meets revenue sufficiency requirements by 30 June 2028, are outlined in Section D.1 Confirmation of Financially Sustainable Delivery of Water Services. This action is expected to have a favourable impact on the projected debt-to-revenue percentage for stormwater as discussed in D.4.

Depreciation Recovery and Application of Surpluses / (Deficits)

As part of its Financial Strategy, Waikato District uses a Balanced Budget Benchmark. For this benchmark, Council's overall planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). Waikato District's target is for its revenue to be equal to, or greater than, its operating expenses

Under Waikato District's current Financial Strategy, any operating surpluses are made available for asset purchases and debt repayment. In line with current Waikato District practice, any stormwater surpluses (or deficits) will be ringfenced to the activity and tracked through targeted rate reserves.

## D2.4 - Projected operating cash surpluses for water services

The following table outlines the Three Waters Services Operating Cash Ratio [67]over ten years.

### Water Supply and Wastewater (CCO)

**Table 35 Water and Wastewater Operating Cash Ratio**

| Operating cash ratio (whether revenues cover costs) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating surplus/(deficit) + depreciation + interest costs - capital revenues ($000) | 35,046 | 36,507 | 67,635 | 96,618 | 122,271 | 158,729 | 184,738 | 212,476 | 236,187 | 271,338 |
| Operating revenue – combined drinking water and wastewater services ($000) | 126,262 | 150,052 | 231,119 | 281,673 | 315,532 | 341,747 | 388,815 | 456,010 | 513,675 | 527,469 |
| **Operating cash ratio** | **27.8%** | **24.3%** | **29.3%** | **34.3%** | **38.8%** | **46.4%** | **47.5%** | **46.6%** | **46.0%** | **51.4%** |

[67] The Operating Cash Ratio is the Operating surplus plus depreciation plus interest costs minus capital revenues, divided by operating revenue. This ratio is an indicator of whether cash surpluses are generated from operations to pay interest, fund investment, and repay debt.

Under the current forecasting assumptions the CCO, will achieve a positive operating cash ratio in all periods, increasing from 27.8% in 2024/25 to 51.4% in 2033/34. This indicates that over time, the CCO can generate larger surpluses (relative to revenue) meaning more funds would be available each year to pay interest, fund investment in capital expenditure and repay debt.

As covered previously, it is envisaged that cash surpluses will be applied towards some combination of debt repayment, funding any expected future operating deficits, funding capital expenditure (Capex), or returning it to customers in the form of lower charge increases in future years. The CCO will develop financial policies to guide the application of cash surpluses.

### Stormwater (Hamilton City Council)

**Table 36 Stormwater Operating Cash Ratio – Hamilton City Council**

| Operating cash ratio (whether revenues cover costs) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating surplus/(deficit) + depreciation + interest costs - capital revenues ($000) | 10,053 | 14,421 | 12,028 | 15,172 | 19,096 | 24,256 | 27,573 | 30,019 | 31,786 | 34,858 |
| Operating revenue – HCC Stormwater services ($000) | 21,699 | 24,798 | 26,943 | 32,440 | 39,234 | 45,842 | 50,518 | 51,567 | 54,148 | 58,353 |
| **Operating cash ratio** | **46.3%** | **58.2%** | **44.6%** | **46.8%** | **48.7%** | **52.9%** | **54.6%** | **58.2%** | **58.7%** | **59.7%** |

Under the current forecasting assumptions Hamilton's stormwater activity will achieve a positive operating cash ratio in all periods, increasing from 46.3% in 2024/25 to 59.7% in 2033/34. This indicates that over time, Hamilton's stormwater activity would generate larger surpluses (relative to revenue) meaning more funds would be available each year to pay interest, fund investment and repay debt.

As covered previously, under Hamilton's current Financial Strategy, any operating surpluses are used to repay debt and continue to invest in the city's future by maintaining existing assets and building new infrastructure.

### Stormwater (Waikato District Council)

**Table 37 Stormwater Operating Cash Ratio – Waikato District Council**

| Operating cash ratio (whether revenues cover costs) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating surplus/(deficit) + depreciation + interest costs - capital revenues ($000) | (303) | 143 | 1,153 | 1,753 | 2,312 | 3,422 | 4,519 | 5,657 | 7,544 | 9,438 |
| Operating revenue – WDC stormwater services ($000) | 3,618 | 4,213 | 4,895 | 5,694 | 6,627 | 7,718 | 8,993 | 10,481 | 12,219 | 14,248 |
| **Operating cash ratio** | **(8.4%)** | **3.4%** | **23.6%** | **30.8%** | **34.9%** | **44.3%** | **50.2%** | **54.0%** | **61.7%** | **66.2%** |

Under the current forecasting assumptions Waikato District's stormwater activity will achieve a positive operating cash ratio from 2025/26 onwards, increasing from negative 8.4% in 2024/25, to 66.2% in 2033/34. This indicates that over time, Waikato District's stormwater activity would generate larger surpluses (relative to revenue) meaning more funds would be available each year to pay interest, fund investment and repay debt.

As covered previously, under Waikato District's current Financial Strategy, any operating surpluses are made available for asset purchases and debt repayment.

## D.3 Financial Sustainability Assessment - Investment Sufficiency

### D3.1 - Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth

The proposed level of investment meets growth, regulatory requirement and the level of service through identifying and allocating funds towards three types of capex, as described below. Robust and comprehensive planning processes have been in place (and continue to be applied) to develop the investment programme.

- **Growth**: Capital expenditure to meet the additional demand has been projected to ensure that, as the city grows, all areas within the city have access to essential water services and the investment will align with the anticipated development.
- **Level of service**: Capex to improve levels of service has been projected in the form of developing new infrastructure and upgrading existing systems. This ensures compliance with regulatory requirements, such as resource consents and drinking water standards, particularly in areas where current service levels fall short.
- **Renewal**: Capex to replace existing assets has been projected to ensure a reliable service can continue. Proactive renewal investment reduces operational and maintenance costs that would otherwise be incurred if an asset was to fail. As set out in Part B of this plan, the replacement of water assets has been budgeted for in alignment with asset replacement methodologies which, in addition to asset age and condition, factor in other aspects such as levels of service, criticality, budget, cost savings opportunities and growth.

Refer to Part B of the WSDP which includes detailed analysis and commentary regarding the projected water services investment. Also refer to Appendix 1 which provides a summary of the significant capital projects included in the WSDP plan.

It is noted that the categorisation of any capital project into one of the above three categories is determined by the primary investment driver of each project. The implication of this is that any 'Growth' or 'Level of Service' project is likely to comprise at least an element of 'Renewal'.

**Level of investment is fully funded by projected revenues and access to financing**

The extent to which projected revenues and access to financing are sufficient to fund the level of investment required, is covered in D.2 Financial Sustainability Assessment - Revenue Sufficiency and D.4 Financial Sustainability Assessment - Financing Sufficiency of this section.

**Assessment of level of investment meeting the 'investment sufficiency test'**

The level of investment is assessed as meeting the investment sufficiency test, on the basis that:

- The requisite systems, processes and capability is in place to properly identify and quantify the level of investment required; and
- The combination of projected revenues and access to financing (while complying with borrowing limits) demonstrates the level of investment is adequately funded.

Water Supply and Wastewater (CCO)


**Figure 16 Projected Water Supply and Wastewater Investment Requirements**

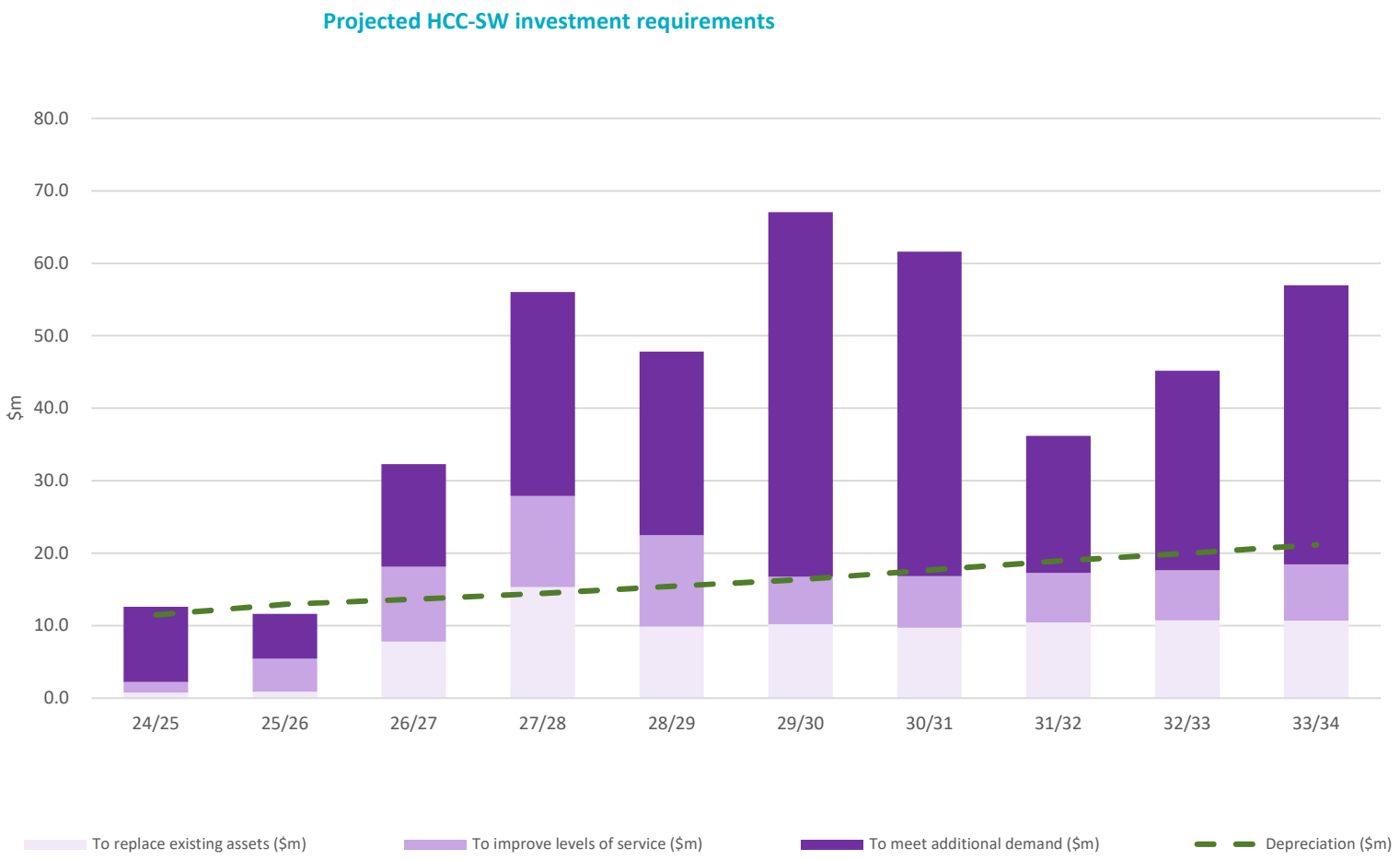
| | |
|---|---|
| Stormwater (Hamilton City Council) |  |



**Figure 17 Projected Stormwater Investment Requirements (Hamilton City Council)**

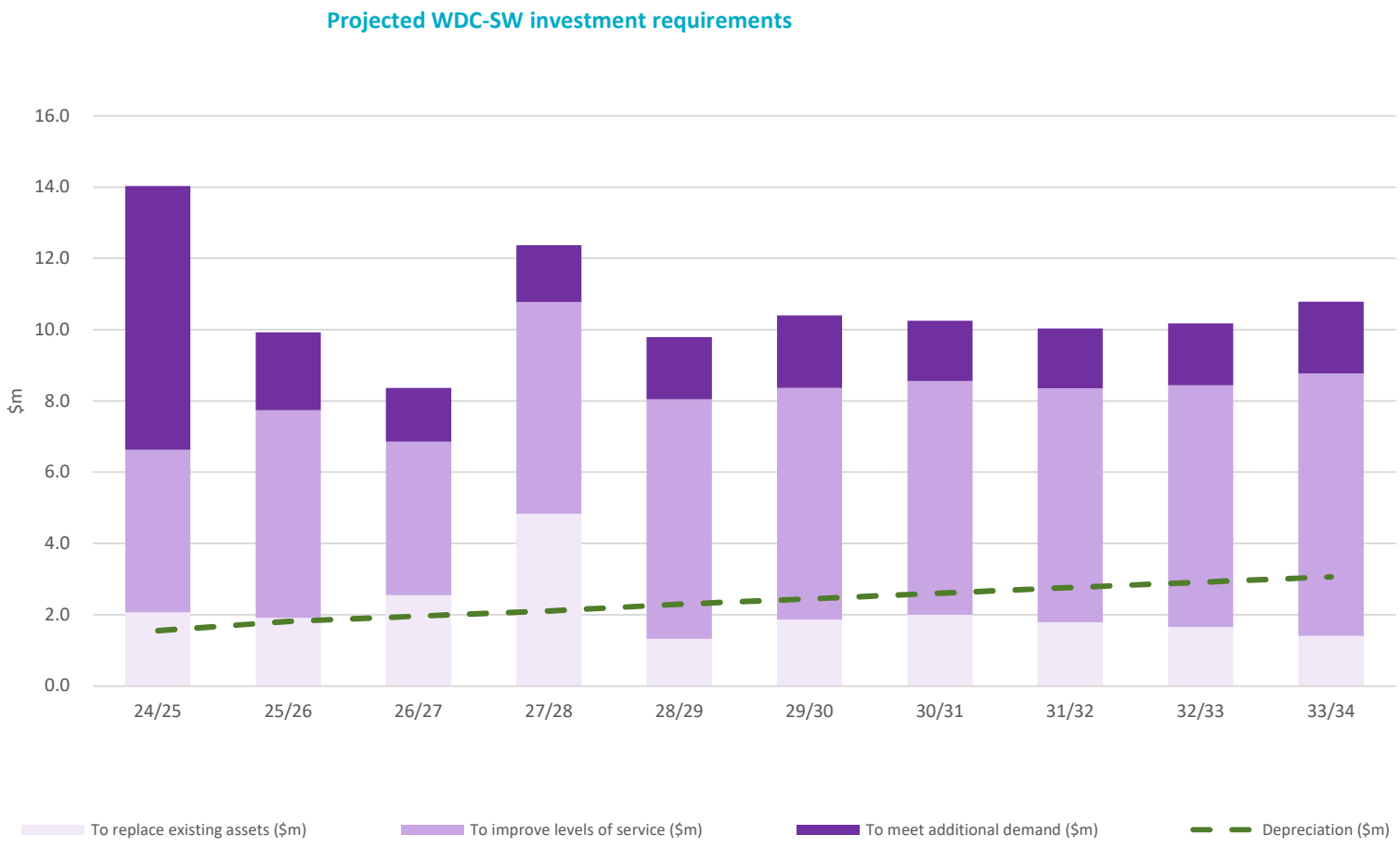
| | |
|---|---|
| Stormwater (Waikato District Council) |  |



**Figure 18 Projected Stormwater Investment Requirements (Waikato District Council)**

## D3.2 - Renewals requirements for water services

To demonstrate sufficient investment in asset sustainability, the following tables outline the Three Waters Services Asset Sustainability Ratio [68]over ten years.

As set out in Part B. Network Performance , the replacement of water assets across the CCO and individual Council stormwater activities has been budgeted for in alignment with asset replacement methodologies which, in addition to asset age and condition, factor in other aspects such as levels of service, criticality, budget, cost savings opportunities and growth.

### Water Supply and Wastewater (CCO)

**Table 38 Water and Wastewater Asset Sustainability Ratio**

| Asset sustainability ratio | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Capital expenditure on renewals – drinking water and wastewater services assets ($000) | 31,099 | 48,477 | 56,982 | 86,525 | 67,672 | 74,442 | 62,768 | 62,775 | 72,781 | 69,551 |
| Depreciation – drinking water and wastewater services assets ($000) | 41,756 | 48,449 | 54,378 | 59,619 | 67,159 | 74,249 | 83,130 | 91,572 | 100,218 | 107,787 |
| **Asset sustainability ratio** | **(25.5%)** | **0.1%** | **4.8%** | **45.1%** | **0.8%** | **0.3%** | **(24.5%)** | **(31.4%)** | **(27.4%)** | **(35.4%)** |

### Stormwater (Hamilton City Council)

**Table 39 Stormwater Asset Sustainability Ratio – Hamilton City Council**

| Asset sustainability ratio | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Capital expenditure on renewals – HCC stormwater services assets($000) | 401 | 885 | 7,755 | 15,317 | 9,848 | 10,197 | 9,721 | 10,417 | 10,722 | 10,673 |
| Depreciation – HCC stormwater services assets ($000) | 11,488 | 12,959 | 13,668 | 14,452 | 15,456 | 16,388 | 17,659 | 18,937 | 19,980 | 21,165 |
| **Asset sustainability ratio** | **(96.5%)** | **(93.2%)** | **(43.3%)** | **6.0%** | **(36.3%)** | **(37.8%)** | **(44.9%)** | **(45.0%)** | **(46.3%)** | **(49.6%)** |

[68] The Asset Sustainability Ratio is Capital expenditure on renewals divided by depreciation, minus 1. This ratio assesses whether projected renewals investment is more or less than projected depreciation and is an indicator as to whether the renewals programme is replacing network assets in line with the rate of asset deterioration. Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation.

## Stormwater (Waikato District Council)

**Table 40 Stormwater Asset Sustainability Ratio – Waikato District Council**

| Asset sustainability ratio | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Capital expenditure on renewals – WDC stormwater services assets ($000) | 2,065 | 1,917 | 2,551 | 4,837 | 1,325 | 1,864 | 1,997 | 1,785 | 1,656 | 1,406 |
| Depreciation – WDC stormwater services assets ($000) | 1,552 | 1,815 | 1,967 | 2,106 | 2,294 | 2,447 | 2,606 | 2,761 | 2,913 | 3,066 |
| **Asset sustainability ratio** | **33.1%** | **5.6%** | **29.7%** | **129.7%** | **(42.3%)** | **(23.8%)** | **(23.4%)** | **(35.3%)** | **(43.2%)** | **(54.2%)** |

The above Asset Sustainability Ratios indicate some positive and some negative ratios, with an overall negative ratio when considered on a cumulative basis of the projection period. The negative cumulative ratio indicates that the CCO (total of $633m renewals vs. $728m of depreciation), Hamilton City (total of $86m renewals vs. $162m of depreciation), and Waikato District (total of $21m renewals vs. $24m of depreciation) will not be replacing network assets in line with the rate of asset deterioration, within the 10-year window presented.

The reality, however, is the age and renewal profile of the asset portfolio is not linear (i.e. does not match depreciation phasing). Significant renewal investment will be required outside of the 10-year window presented. As referenced in Part B.4, a significant proportion of drinking water assets (Hamilton City: 85%, Waikato District: 91%), wastewater assets (Hamilton City: 89%, Waikato District: 77%), and stormwater assets (Hamilton City: 88%, Waikato District: 96%), are modelled to reach the end of their useful lives beyond the 10-year window presented.

As noted earlier, the categorisation of any capital project into Growth, Level of Service, or Renewal, is determined by the primary investment driver of each project. The implication is that any project categorised as 'Growth' or 'Level of Service', is likely to comprise at least an element of 'Renewal', which will be understating the true level of Renewal investment, and therefore contributing to the apparent gap between projected depreciation and Renewal investment.

Notwithstanding the timing of the renewal investment and categorisation, as highlighted in Part D.2.3, the CCO (from 2027/28 onwards), Hamilton City (from 2029/30 onwards), and Waikato District (from 2032/33 onwards), will be collecting sufficient revenue to fund depreciation, and therefore will progressively have sufficient financing capacity to fund this future renewal requirement, particularly beyond 2033/34.

## D3.3 - Total water services investment required over 10 years

To demonstrate sufficient investment in asset improvement, the following tables outline the Three Waters Services Asset Investment Ratio [69] over 10 years.

As set out in Part B.3, this WSDP responds to significant anticipated growth over the next decade through investment in wastewater treatment capacity, water supply limitations, and pressure on existing networks to ensure current service levels are maintained. As the combined Waikato District and Hamilton City area grows, targeting infrastructure needs in key growth nodes along SH1 between Auckland and Hamilton (including Pookeno, Tuakau, and Te Kauwhata), as well as Hamilton's development areas in Peacocke, Rotokauri, Ruakura, and planned city centre intensification.

Investment plans are predicated on each council's baseline planning documents with the addition of key investments required to meet financial sustainability and to manage future legislative funding constraints and the enhanced capital plan set out in the CCO business case.

### Water Supply and Wastewater (CCO)

**Table 41 Water and Wastewater Asset Investment Ratio**

| Asset investment ratio | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total capital expenditure – drinking water and wastewater assets ($000) | 123,004 | 180,023 | 239,570 | 409,027 | 323,807 | 410,029 | 374,766 | 342,833 | 319,003 | 388,435 |
| Depreciation – drinking water and wastewater assets ($000) | 41,756 | 48,449 | 54,378 | 59,618 | 67,159 | 74,249 | 83,130 | 91,572 | 100,218 | 107,787 |
| **Asset investment ratio** | **194.6%** | **273.6%** | **340.6%** | **586.1%** | **382.1%** | **452.2%** | **350.8%** | **274.4%** | **218.3%** | **260.4%** |

### Stormwater (Hamilton City Council)

**Table 42 Stormwater Asset Investment Ratio – Hamilton City Council**

| Asset investment ratio | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total capital expenditure – HCC Stormwater assets ($000) | 12,204 | 11,631 | 32,299 | 56,020 | 47,810 | 67,075 | 61,591 | 36,195 | 45,172 | 56,965 |
| Depreciation – HCC Stormwater assets ($000) | 11,488 | 12,959 | 13,668 | 14,452 | 15,456 | 16,388 | 17,659 | 18,937 | 19,980 | 21,165 |
| **Asset investment ratio** | **6.2%** | **(10.2%)** | **136.3%** | **287.6%** | **209.3%** | **309.3%** | **248.8%** | **91.1%** | **126.1%** | **169.1%** |

[69] The Asset Investment ratio is the Total capital expenditure divided by depreciation, minus 1. This ratio compares total investment to projected depreciation. Where the ratio is positive, this means that there is more projected investment than projected depreciation. Where this ratio is negative, this means that projected investment is less than projected depreciation.

### Stormwater (Waikato District Council)

**Table 43 Stormwater Asset Investment Ratio – Waikato District Council**

| Asset investment ratio | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total capital expenditure – WDC Stormwater assets ($000) | 14,030 | 9,920 | 8,364 | 12,368 | 9,791 | 10,399 | 10,247 | 10,032 | 10,172 | 10,781 |
| Depreciation – WDC Stormwater assets ($000) | 1,552 | 1,815 | 1,967 | 2,106 | 2,294 | 2,447 | 2,606 | 2,761 | 2,913 | 3,066 |
| **Asset investment ratio** | **804.0%** | **446.7%** | **325.1%** | **487.3%** | **326.8%** | **325.0%** | **293.1%** | **263.4%** | **249.1%** | **251.6%** |

The following observations are noted with respect to the asset investment ratios shown above:

- The CCO's projected level of total water and wastewater investment consistently exceeds depreciation, with the minimum ratio being 195% (occurring in the first period), and then increasing to a peak at 586% in 2027/28, before reducing to 260% by 2033/34). This indicates that the level of investment adequately considers capex for growth and improving levels of service.
- Hamilton City's projected level of stormwater investment exceeds depreciation in all but one of the periods over the next 10 years. The negative ratio observed in 2025/26 follows a relatively lower level of spend the year prior. This trend is driven by the timing of individual projects.
- Waikato District's projected level of stormwater investment consistently exceeds depreciation, suggesting a healthy asset investment ratio. The ratio is particularly high in 2024/25, primarily due to a the relatively large spend on Pookeno stormwater reticulation extensions ($4.6m).

## D3.4 - Average remaining useful life of network assets

To demonstrate asset consumption, the following tables outlines the Three Waters Services Asset Consumption Ratio [70]over 10 years.

### Water Supply and Wastewater (CCO)

**Table 44 Water and Wastewater Asset Consumption Ratio**

| Asset consumption ratio | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Book value of drinking water and wastewater assets ($000) | 2,015,200 | 2,209,361 | 2,466,658 | 2,903,163 | 3,260,935 | 3,714,162 | 4,137,762 | 4,536,510 | 4,916,390 | 5,375,472 |
| Replacement value of drinking water and wastewater assets ($000) | 2,705,378 | 2,942,476 | 3,248,458 | 3,738,705 | 4,157,590 | 4,678,890 | 5,179,355 | 5,663,303 | 6,137,076 | 6,697,397 |
| **Asset consumption ratio** | **74.5%** | **75.1%** | **75.9%** | **77.7%** | **78.4%** | **79.4%** | **79.9%** | **80.1%** | **80.1%** | **80.3%** |

[70] The Asset Consumption Ratio is the Book value of infrastructure assets divided by replacement value of infrastructure assets. This ratio compares the book value of water infrastructure assets to total replacement value of water infrastructure assets. The ratio percentage represents the average remaining useful life of network assets. If this ratio materially reduces over time, then this means that the burden on future customers to replace network assets is increasing.

## Stormwater (Hamilton City Council)

**Table 45 Stormwater Asset Consumption Ratio – Hamilton City Council**

| Asset consumption ratio | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Book value of HCC Stormwater assets ($000) | 833,478 | 862,078 | 912,880 | 989,666 | 1,060,362 | 1,153,117 | 1,243,138 | 1,309,752 | 1,387,850 | 1,481,113 |
| Replacement value of HCC Stormwater ($000) | 1,132,383 | 1,168,756 | 1,227,868 | 1,313,578 | 1,394,040 | 1,497,335 | 1,599,020 | 1,678,407 | 1,770,274 | 1,878,210 |
| **Asset consumption ratio** | **73.6%** | **73.8%** | **74.3%** | **75.3%** | **76.1%** | **77.0%** | **77.7%** | **78.0%** | **78.4%** | **78.9%** |

## Stormwater (Waikato District Council)

**Table 46 Stormwater Asset Consumption Ratio – Waikato District Council**

| Asset consumption ratio | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Book value of WDC Stormwater assets ($000) | 140,640 | 152,401 | 163,064 | 177,565 | 189,323 | 201,628 | 213,502 | 225,256 | 237,020 | 249,237 |
| Replacement value of WDC Stormwater assets ($000) | 163,639 | 177,215 | 189,845 | 206,452 | 220,504 | 235,256 | 249,737 | 264,252 | 278,928 | 294,212 |
| **Asset consumption ratio** | **85.9%** | **86.0%** | **85.9%** | **86.0%** | **85.9%** | **85.7%** | **85.5%** | **85.2%** | **85.0%** | **84.7%** |

The above calculated asset consumption ratios for drinking water and wastewater (CCO: 75%-80%) and stormwater (HCC: 74%-79%; WDC 85%-86%) remains broadly stable across the 10-year period modelled.

This indicates that the average remaining useful life of network assets remains stable over the 10-year period. meaning that the financial burden to replace network assets is stable, and spread relatively consistently across the customers impacted by the first 10 years, and by extension (although with limited line-of-sight given the 10-year time window), customers impacted beyond the 10 years addressed under this plan.

# D.4 Financial Sustainability Assessment - Financing Sufficiency

## D4.1 - Confirmation that sufficient funding and financing can be secured to deliver water services

The following charts summarise the expected funding and financing activities over the 10-year period to 2033/34. Water supply and wastewater is shown on a combined basis for the CCO, while stormwater is shown by presenting a 'Whole of Council' (WoC) view for each of Hamilton and Waikato District. This is relevant considering stormwater assets and debt being retained by each council, and different borrowing limits applicable (relative to the CCO, but also between each council).

For completeness, charts have also been presented to show stormwater borrowing levels on their own, for each respective council.

In the charts below, the council-determined borrowing limit is depicted by the red dotted line in each of the WoC charts, while the orange dotted line depicts the assumed borrowing thresholds.

Hamilton's council-determined borrowing limit is currently 280%, and Waikato District's is 175%. A minimum borrowing threshold of 8% Funds from Operation (FFO) to net Debt has been applied to the CCO.

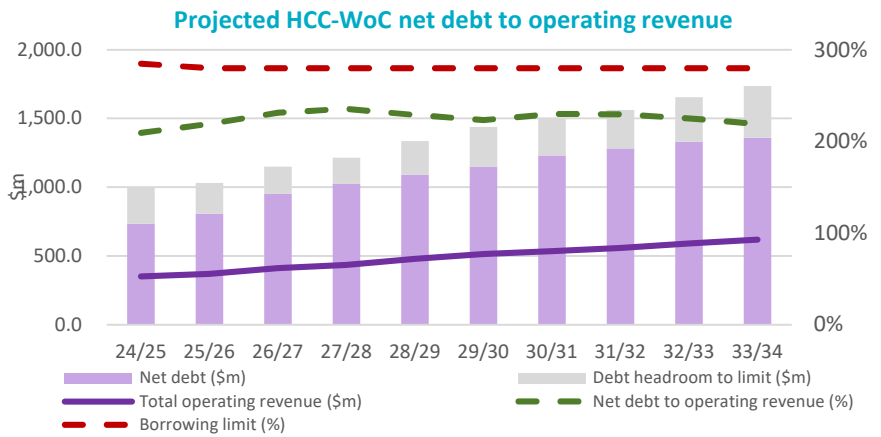
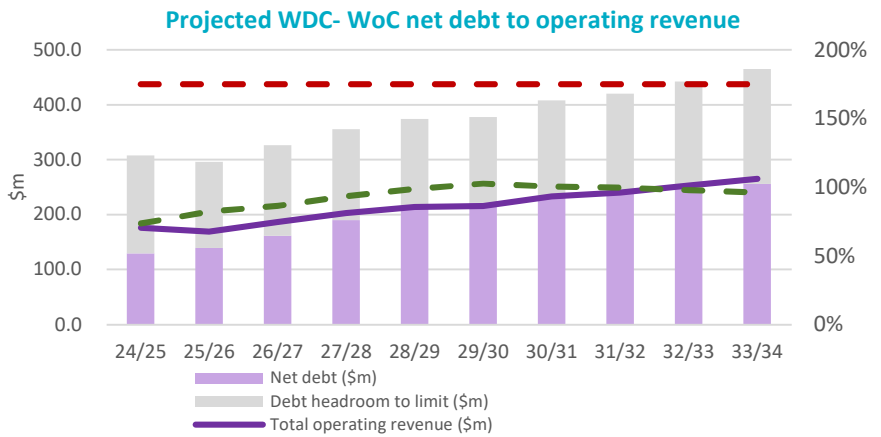
For Stormwater, which remains in Council ownership, borrowings have been assessed for the purpose of this plan against an internal self-imposed debt to Revenue Ratio limit of 500%. In practical terms, the Whole of Council assessment of Debt to Revenue below is more relevant in terms of borrowing capacity, however individual Stormwater analysis has been included to support ringfencing provisions and transparency over stormwater as a component of Council.

The analysis shows that:

- Projected total council (i.e. WoC) borrowings are within council-determined borrowing limits, and for the CCO, projected total borrowings are within the minimum borrowing threshold of8% funds from operation (FFO) to net Debt expected to be imposed by the LGFA.
- In Hamilton, projected stormwater borrowings are within the assumed self-imposed internal limits for stormwater borrowing of 500% DtR.
- In Waikato, projected stormwater borrowings breach the assumed self-imposed internal limits for stormwater borrowing of 500%DtR. Further commentary is provided on the proposed mitigating actions to address this.
- The required levels of borrowings can be sourced. This is based on the assumption that i) water and wastewater a minimum borrowing threshold of 8% FFO to net debt will be available from the LGFA under no less favourable terms than each council can currently source funding, ii) each council will have the ability to borrow internally, subject to overall WoC borrowing limits not being breached; and iii) the CCO will be able to source funding from the LGFA where a minimum borrowing threshold of 8% FFO to net debt is maintained , as further outlined in Appendix 2 Risks and Assumptions.

Based on the above, and subject to the proposed mitigating actions described later in this section with respect to Waikato's borrowing levels, the WSDP is considered to meet the financing sufficiency test.

## D4.2 - Projected council borrowings against borrowing limits

| Hamilton City – Whole of Council | Waikato District – Whole of Council |
|---|---|
|  |  |
| **Figure 19 Projected Net Debt to Operating Revenue - Hamilton City Council (excluding Water and Wastewater)** | **Figure 20 Projected Net Debt to Operating Revenue – Waikato District Council (excluding Water and Wastewater)** |





Note the above tables are representative of the Whole of Council debt, including Stormwater. These graphs do not include Water and Wastewater as these will transfer to the CCO.

## D4.3 - Projected water services borrowings against borrowing limits

Water Supply and Wastewater (CCO)

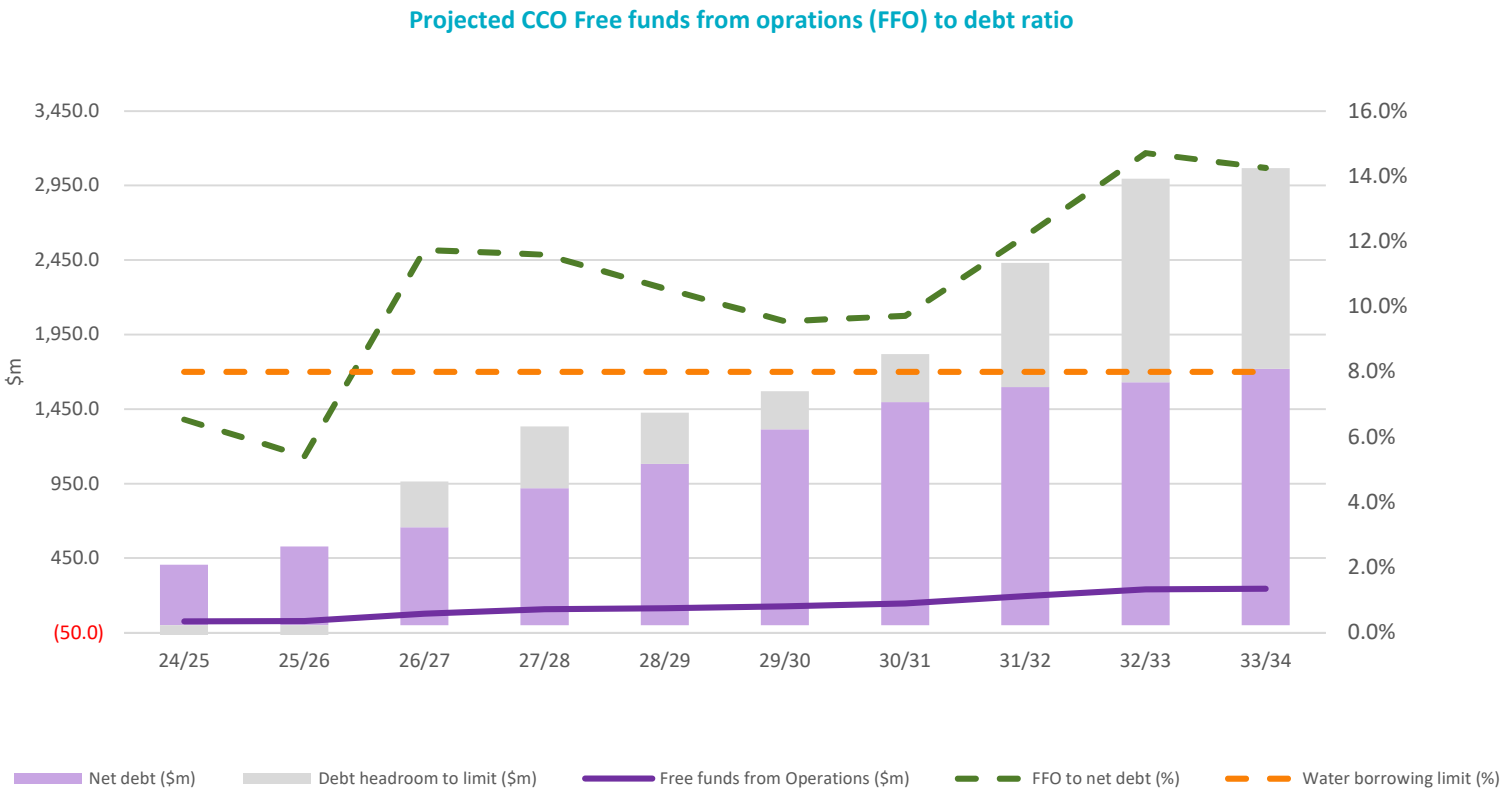



**Figure 21 Projected Funds from Operations to Net Debt - Water and Wastewater – CCO**

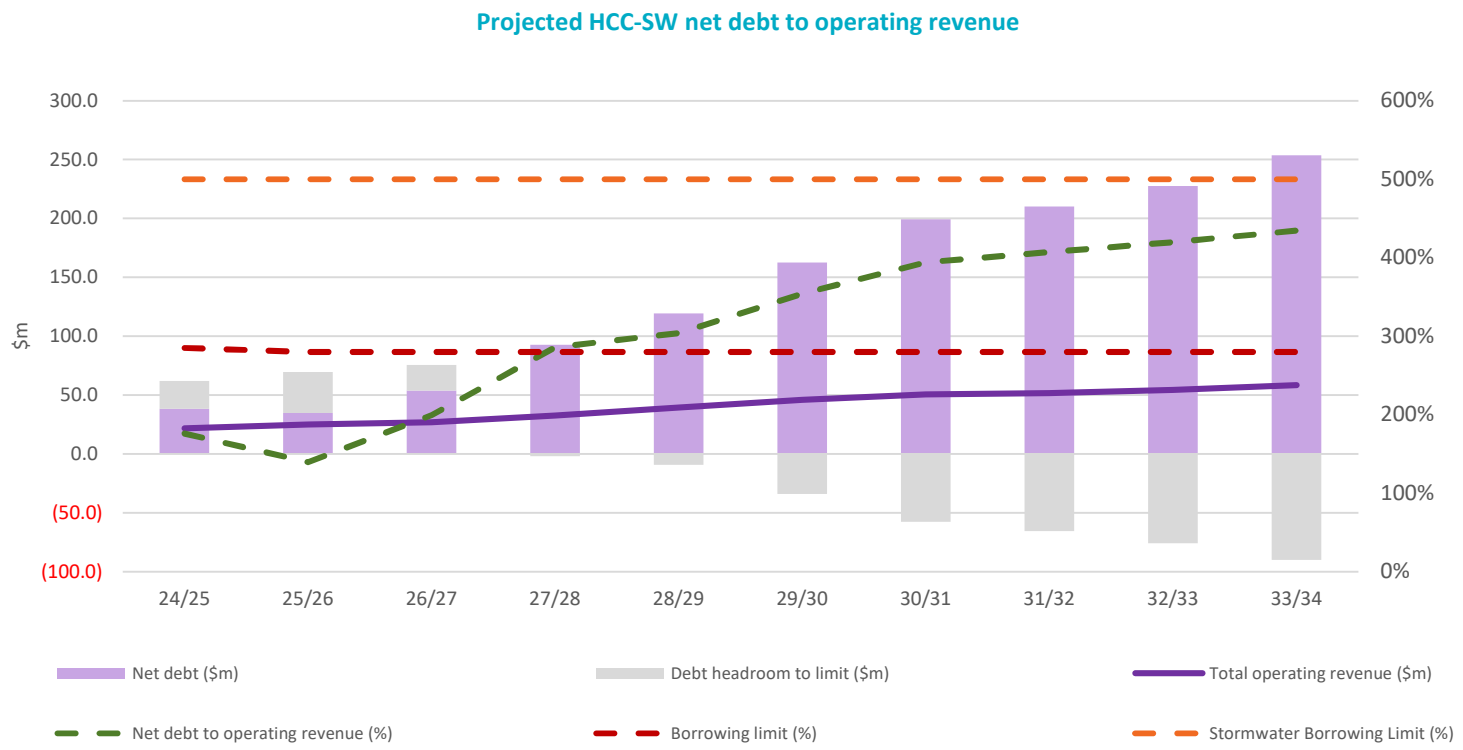
| | |
|---|---|
| Stormwater (Hamilton City Council) |  |

**Figure 22 Projected Net Debt to Operating Revenue - Stormwater – Hamilton City Council**

Stormwater (Waikato District Council)

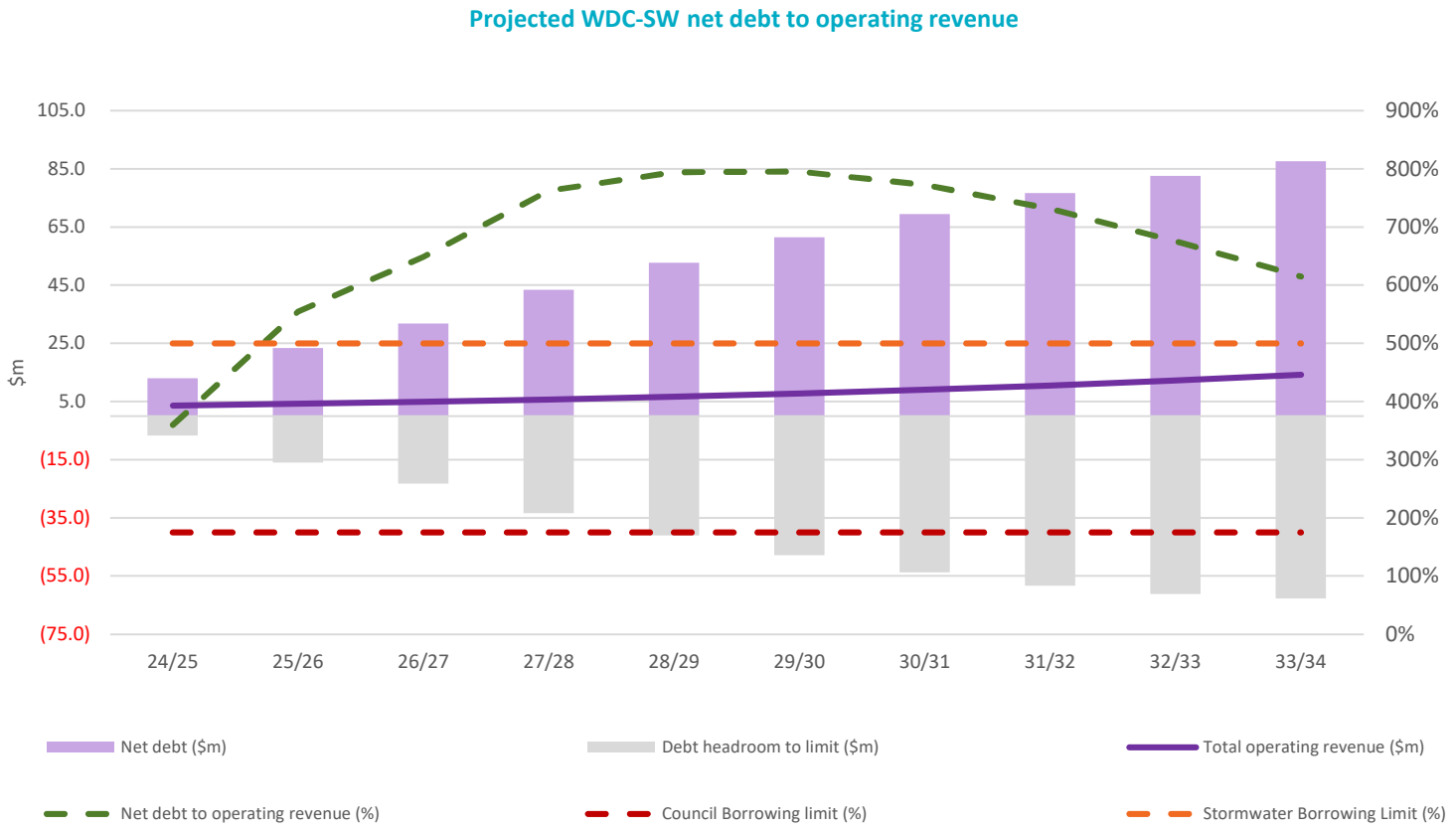



**Figure 23 Projected Net Debt to Operating Revenue - Stormwater - Waikato District Council**

## D4.4 - Projected borrowings for water services

The tables below outline for Water and Wastewater the Free Funds from operations to net debt ratio and for Stormwater the Net Debt to Operating Revenue [71]over ten years. Refer to D.4.5 for relevant commentary.

**Table 47 Water and Wastewater Free Funds from Operations to Net Debt**

| Free funds from Operations (FFO) to net debt | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net debt attributed to drinking water and wastewater (gross debt less cash) ($000) | 404,813 | 528,291 | 657,028 | 919,586 | 1,081,494 | 1,314,490 | 1,496,359 | 1,598,429 | 1,629,115 | 1,720,916 |
| FFO – drinking water and wastewater ($000) | 26,467 | 28,596 | 77,139 | 106,666 | 114,129 | 125,630 | 145,474 | 194,432 | 239,671 | 245,369 |
| **FFO to net debt %** | **7%** | **5%** | **12%** | **12%** | **11%** | **10%** | **10%** | **12%** | **15%** | **14%** |

**Table 48 Stormwater Net Debt to Operating Revenue – Hamilton City Council**

| Net debt to operating revenue | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net debt attributed to HCC Stormwater ($000) | 37,935 | 33,748 | 52,300 | 91,610 | 117,738 | 160,990 | 198,407 | 209,013 | 226,198 | 252,539 |
| Operating revenue HCC Stormwater ($000) | 21,699 | 24,797 | 26,942 | 32,440 | 39,233 | 45,841 | 50,517 | 51,566 | 54,147 | 58,352 |
| **Net debt to operating revenue %** | **175%** | **136%** | **194%** | **282%** | **300%** | **351%** | **393%** | **405%** | **418%** | **433%** |
| | | | | | | | | | | |
| **Total Council Net debt to operating revenue % (including SW)** | **209%** | **220%** | **232%** | **236%** | **229%** | **224%** | **230%** | **230%** | **225%** | **219%** |

[71] Net Debt to Operating Revenue is gross borrowings minus cash and equivalents, divided by operating revenue. Operating revenue is used as a proxy for the Local Government Funding Agency's (LGFA) definition of revenue, for simplicity. LGFA defines revenue for this purpose as "Cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets)".

**Table 49 Stormwater Net Debt to Operating Revenue – Waikato District Council**

| Net debt to operating revenue | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net debt attributed to WDC Stormwater ($000) | 13,021 | 23,374 | 31,773 | 43,424 | 52,655 | 61,398 | 69,488 | 76,683 | 82,590 | 87,613 |
| Operating revenue WDC Stormwater ($000) | 3,618 | 4,213 | 4,895 | 5,694 | 6,627 | 7,718 | 8,993 | 10,481 | 12,219 | 14,248 |
| **Net debt to operating revenue %** | **360%** | **555%** | **649%** | **763%** | **794%** | **795%** | **773%** | **732%** | **676%** | **615%** |
| | | | | | | | | | | |
| **Total Council Net debt to operating revenue % (including SW)** | **74%** | **83%** | **87%** | **94%** | **99%** | **103%** | **101%** | **100%** | **98%** | **96%** |

## D4.5 - Borrowing headroom/(shortfall) for water services

The following tables outline water services Borrowing Headroom/(Shortfall) [72]over ten years.

### Water Supply and Wastewater (CCO)

**Table 50 Water and Wastewater Borrowing Headroom/(Shortfall)**

| Borrowing headroom/(shortfall) against limit | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Free funds from operations ($000) | 26,467 | 28,596 | 77,139 | 106,666 | 114,129 | 125,630 | 145,474 | 194,432 | 239,671 | 245,369 |
| FFO to net debt (%) | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% |
| **Maximum allowable net debt at borrowing limit** | **330,839** | **357,453** | **964,243** | **1,333,322** | **1,426,612** | **1,570,375** | **1,818,419** | **2,430,400** | **2,995,884** | **3,067,118** |
| Projected net debt attributed to Drinking Water and Wastewater ($000) | 404,813 | 528,291 | 657,028 | 919,586 | 1,081,494 | 1,314,490 | 1,496,359 | 1,598,429 | 1,629,115 | 1,720,916 |
| **Borrowing headroom/(shortfall) against limit** | **-73,974** | **-170,838** | **307,216** | **413,736** | **345,119** | **255,885** | **322,060** | **831,971** | **1,366,769** | **1,346,202** |

### Stormwater (Hamilton City Council)

[72] Borrowing Headroom/(Shortfall) is the Maximum allowable net debt at borrowing limit (operating revenue multiplied by 'net debt to operating revenue limit for water services') minus projected net debt attributed to water services. This measure determines whether projected borrowings are within borrowing limits, as well as the ability to borrow for unforeseen events. A positive number equates to the additional amount of borrowings that could be taken on without exceeding borrowing limits. A negative number means borrowings exceed the borrowing limit.

**Table 51 Stormwater Borrowing Headroom/(Shortfall) – Hamilton City Council**

| Borrowing headroom/(shortfall) against limit | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating revenue ($000) | 21,699 | 24,797 | 26,942 | 32,440 | 39,233 | 45,841 | 50,517 | 51,566 | 54,147 | 58,352 |
| Debt to revenue limit for HCC Stormwater (%) | 500% | 500% | 500% | 500% | 500% | 500% | 500% | 500% | 500% | 500% |
| **Maximum allowable net debt at borrowing limit** | **108,495** | **123,986** | **134,712** | **162,198** | **196,164** | **229,205** | **252,586** | **257,829** | **270,733** | **291,759** |
| Projected net debt attributed to HCC Stormwater ($000) | 37,935 | 33,748 | 52,300 | 91,610 | 117,738 | 160,990 | 198,407 | 209,013 | 226,198 | 252,539 |
| **Borrowing headroom/(shortfall) against limit** | **70,561** | **90,238** | **82,412** | **70,589** | **78,426** | **68,215** | **54,180** | **48,816** | **44,535** | **39,220** |
| | | | | | | | | | | |
| **Total Council Borrowing headroom/(shortfall) against limit (including SW)** | **265,118** | **222,037** | **196,935** | **190,392** | **242,240** | **288,535** | **266,310** | **278,733** | **322,223** | **376,545** |

## Stormwater (Waikato District Council)

**Table 52 Stormwater Borrowing Headroom/(Shortfall) – Waikato District Council**

| Borrowing headroom/(shortfall) against limit | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating revenue ($000) | 3,618 | 4,213 | 4,895 | 5,694 | 6,627 | 7,718 | 8,993 | 10,481 | 12,219 | 14,248 |
| Debt to revenue limit for WDC Stormwater (%) | 500% | 500% | 500% | 500% | 500% | 500% | 500% | 500% | 500% | 500% |
| **Maximum allowable net debt at borrowing limit** | **18,090** | **21,063** | **24,477** | **28,472** | **33,137** | **38,592** | **44,964** | **52,403** | **61,095** | **71,242** |
| Projected net debt attributed to WDC Stormwater ($000) | 13,021 | 23,374 | 31,773 | 43,424 | 52,655 | 61,398 | 69,488 | 76,683 | 82,590 | 87,613 |
| **Borrowing headroom/(shortfall) against limit** | **5,069** | **(2,310)** | **(7,295)** | **(14,953)** | **(19,517)** | **(22,807)** | **(24,524)** | **(24,280)** | **(21,496)** | **(16,371)** |
| | | | | | | | | | | |
| **Total Council Borrowing headroom/(shortfall) against limit (including SW)** | **177,739** | **155,865** | **164,989** | **165,324** | **162,848** | **156,173** | **173,429** | **180,859** | **194,773** | **209,030** |

**Debt Profile**

Under the current forecasting assumptions, net debt will increase across the CCO ($405m in 2024/25 to $1,721m in 2033/34), Hamilton stormwater activity ($38m in 2024/25 to $253m in 2033/34), and Waikato District stormwater activity ($13m in 2024/25 to $88m in 2033/34).

These increases are in line with the response to significant anticipated growth over the next decade through investment in wastewater treatment capacity, water supply limitations, and pressure on existing networks to ensure current service levels are maintained (as outlined in B.3).

**Debt to Revenue / Debt Headroom**

| | |
|---|---|
| Water Supply and Wastewater (CCO) | The forecasts demonstrate the CCO will have borrowing capacity to fund required water infrastructure, with the ratio of Funds from Operations to Net Debt being consistently maintained above a minimum borrowing threshold of 8%.<br><br>Under the current assumptions the CCO Funds from Operations to Net Debt ratio is maintained above the minimum borrowing threshold of 8% in any year, reaching a minimum of 10% in 2029/30, before increasing to 15% in 2032/33 as revenue increases to service the larger asset base. Minimum debt headroom from day 1 of operation (26/27)is $256m in 2029/30, and debt headroom by the end of the forecast period is $1.3b. |
| Stormwater (Hamilton City Council) | Hamilton's current Financial Strategy sets out a debt-to-revenue limit of 280%. As part of its Financial Strategy, Hamilton manages its debt profile on a consolidated basis and solely for the purpose of this plan has assumed an internal debt-to-revenue limit for stormwater of 500%, providing the overall debt-to-revenue limit of 280% for council is not breached.<br><br>Under the current forecasting assumptions, on a stand-alone basis, Hamilton's stormwater activity would not breach the 500% assumed internal limit in any year, and on a WoC level, Hamilton's total borrowings would remain within the overall council limit of 280% in each year. Minimum debt headroom for total Council is $191m in 2027/28, and forecast to grow to $377m by 2033/34.<br><br>Action to reallocate revenues to ensure financial sustainability by 30 June 2028 are outline in D.1 Confirmation of Financially Sustainable Delivery of Water Services. Assuming this reallocation results in additional revenue allocated to the stormwater activity, this would have the effect of lowering the stormwater debt-to-revenue through:<br><br>a) Reducing the overall net debt as a result of higher operating cash surpluses (or smaller deficits); and<br>b) Increasing the borrowing capacity of the activity as a result of a higher revenue base. |

| | |
|---|---|
| | The analysis suggests that should Hamilton stormwater revenue increase by the $2.6m (as per D1) required to meet revenue sufficiency requirements by 30 June 2028, this would create additional debt headroom of $13m for the activity. |
| Stormwater (Waikato District Council) | Waikato District's current Financial Strategy sets out a debt-to-revenue limit of 175%. As part of its Financial Strategy, Waikato District manages its debt profile on a consolidated basis and solely for the purpose of this plan has assumed an internal debt-to-revenue limit for stormwater of 500% , providing the overall debt-to revenue limit of 175% for council is not breached.<br><br>Under the current forecasting assumptions, on a stand-alone basis, Waikato District's stormwater activity would breach the 500% assumed internal limit from 2025/26 onwards. However, at a Whole of Council level, Waikato District's total borrowings would remain within the overall council-determined limit of 175% in each year. Minimum debt headroom for total Council is $156m in 2025/26, and forecast to grow to $209m by 2033/34.<br><br>Action to review stormwater revenues to ensure financial sustainability by 30 June 2028 are outline in D.1 Confirmation of Financially Sustainable Delivery of Water Services. The assumed increased level of stormwater revenue would have the effect of lowering the WDC stormwater debt-to-revenue through:<br><br>a) Reducing the overall net debt because of higher operating cash surpluses (or smaller deficits); and<br>b) Increasing the borrowing capacity of the activity because of a higher revenue base.<br><br>The analysis suggests that should Waikato District stormwater revenue increase by the $1.9m (as per D1) required to meet revenue sufficiency requirements by 30 June 2028, this would create additional debt headroom of $10m for the activity. |

## D4.6 - Free funds from operations

The following tables outline the Free Funds from Operations[73] for three water services over 10 years.

### Water Supply and Wastewater (CCO)

**Table 53 Water and Wastewater Free Funds from Operations**

| Free funds from operations | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projected net debt attributed to drinking water and wastewater ($000) | 404,813 | 528,291 | 657,028 | 919,586 | 1,081,494 | 1,314,490 | 1,496,359 | 1,598,429 | 1,629,115 | 1,720,916 |
| Projected free funds from operations – drinking water and wastewater ($000) | 26,467 | 28,596 | 77,139 | 106,666 | 114,129 | 125,630 | 145,474 | 194,432 | 239,671 | 245,369 |
| **Free funds from operations to net debt ratio** | **6.5%** | **5.4%** | **11.7%** | **11.6%** | **10.6%** | **9.6%** | **9.7%** | **12.2%** | **14.7%** | **14.3%** |

The increasing free funds from operations to net debt ratio for the CCO from 7.1% in 2024/25 to 14.5% in 2033/34 indicates an increasing proportion of debt that is supported by free cash flow each year, providing for stronger leverage position over time.

### Stormwater (Hamilton City Council)

**Table 54 Stormwater Free Funds from Operations – Hamilton City Council**

| Free funds from operations | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projected net debt attributed to HCC Stormwater ($000) | 37,935 | 33,748 | 52,300 | 91,610 | 117,738 | 160,990 | 198,407 | 209,013 | 226,198 | 252,539 |
| Projected free funds from operations – HCC Stormwater ($000) | 11,611 | 13,465 | 10,446 | 13,060 | 17,090 | 20,502 | 21,537 | 20,302 | 20,980 | 23,452 |
| **Free funds from operations to net debt ratio** | **30.6%** | **39.9%** | **20.0%** | **14.3%** | **14.5%** | **12.7%** | **10.9%** | **9.7%** | **9.3%** | **9.3%** |

Hamilton stormwater shows decreasing free funds from operations to net debt ratio over 2024/25 through to 2030/31, before stabilising at 9%-10% for the final three years presented. The initial decrease is a direct consequence of the significant debt funded capital expenditure (as outlined in Part B) in advance of the ability for Hamilton to collect revenue on this increased asset base. As revenue increases in line with the asset base, the ratio stabilises.

[73] Free funds from operations for water services is operating revenue minus operating expenses plus depreciation and other non-cash expenses, less interest revenue, divided by net debt (gross borrowings minus cash and equivalents). This ratio measures the percentage of debt balance that is generated in free cash flow each year and is key leverage indicator for financiers.

### Stormwater (Waikato District Council)

**Table 55 Stormwater Free Funds from Operations – Waikato District Council**

| Free funds from operations | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projected net debt attributed to WDC Stormwater ($000) | 13,021 | 23,374 | 31,773 | 43,424 | 52,655 | 61,398 | 69,488 | 76,683 | 82,590 | 87,613 |
| Projected free funds from operations – WDC Stormwater ($000) | (351) | (423) | 10 | 201 | 268 | 955 | 1,657 | 2,366 | 3,800 | 5,224 |
| **Free funds from operations to net debt ratio** | **(2.7%)** | **(1.8%)** | **0.0%** | **0.5%** | **0.5%** | **1.6%** | **2.4%** | **3.1%** | **4.6%** | **6.0%** |

The increasing free funds from operations to net debt ratio for WDC stormwater from negative 2.7% in 2024/25 to 6.0% in 2033/34 indicates an increasing proportion of debt that is supported by free cash flow each year, enhancing Waikato District's leverage position over time.

# Part E: Projected Financial Statements for Water Services

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

**Basis of presentation**

These financials are a combination of each council's baseline planning documents. These are not representative of the financials from an entity perspective, who may through the legislated strategic planning processes produce its own financial statements. While the tables below refer to rates (general and targeted) throughout the period, the CCO will impose charges once it has established its own financial strategies, replacing these rates.

All values are expressed in ($000)'s

## E.1 Projected Funding Impact Statement

The following tables outline the projected financial impact statements for each of the three waters. Stormwater is outlined separately for each Council as stormwater asset ownership is retained by councils.

### Water Supply

**Table 56 Water Supply Funding Impact Statement**

| Projected funding impact statement – drinking water | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Sources of operating funding** | | | | | | | | | | |
| General rates | 1 | 114 | 131 | 150 | 167 | 184 | 206 | 229 | 245 | 262 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Targeted rates | 44,474 | 53,549 | 66,239 | 77,048 | 94,296 | 108,489 | 121,259 | 133,687 | 144,831 | 159,390 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other | 184 | 38 | 183 | 167 | 248 | 304 | 374 | 444 | 449 | 459 |
| Fees and charges | 1,416 | 1,467 | 1,499 | 1,533 | 1,578 | 1,620 | 1,658 | 1,698 | 1,729 | 1,542 |
| **Total sources of operating funding** | **46,074** | **55,167** | **68,051** | **78,898** | **96,288** | **110,596** | **123,498** | **136,058** | **147,254** | **161,653** |
| **Applications of operating funding** | | | | | | | | | | |
| Payments to staff and suppliers | 30,275 | 39,798 | 43,383 | 44,772 | 53,351 | 55,566 | 58,365 | 60,728 | 62,265 | 64,596 |
| Finance costs | 5,865 | 6,087 | 7,885 | 11,104 | 15,073 | 19,256 | 24,505 | 28,673 | 31,308 | 32,824 |
| Internal charges and overheads applied | 1,766 | 1,939 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other operating funding applications | 859 | 996 | 1,165 | 1,362 | 1,588 | 1,750 | 1,925 | 1,981 | 2,036 | 2,089 |
| **Total applications of operating funding** | **38,765** | **48,820** | **52,433** | **57,238** | **70,012** | **76,572** | **84,795** | **91,382** | **95,609** | **99,508** |
| **Surplus/(deficit) of operating funding** | **7,310** | **6,346** | **15,618** | **21,660** | **26,277** | **34,024** | **38,703** | **44,677** | **51,644** | **62,145** |
| | | | | | | | | | | |
| **Source of capital funding** | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 5,883 | 8,507 | 36,646 | 36,322 | 24,995 | 8,930 | 24,428 | 60,310 | 43,651 | 27,860 |
| Development and financial contributions | 5,924 | 8,303 | 11,429 | 16,977 | 15,559 | 15,879 | 16,049 | 16,324 | 17,218 | 16,568 |
| Increase/(decrease) in debt | 19,037 | 30,719 | 50,951 | 96,500 | 73,380 | 93,703 | 97,973 | 35,697 | 12,915 | 57,245 |
| Gross proceeds from sales of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 216 | 222 | 222 | 222 | 222 | 222 | 222 | 222 | 222 | 222 |
| **Total sources of capital funding** | **31,059** | **47,750** | **99,248** | **150,021** | **114,157** | **118,734** | **138,672** | **112,553** | **74,006** | **101,895** |
| **Applications of capital funding** | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 13,919 | 22,800 | 61,223 | 112,560 | 104,837 | 117,288 | 142,053 | 117,794 | 81,255 | 131,961 |
| Capital expenditure - to improve levels of services | 9,170 | 11,969 | 31,094 | 20,800 | 10,641 | 10,973 | 12,768 | 19,242 | 19,120 | 10,769 |
| Capital expenditure - to replace existing assets | 13,657 | 17,067 | 21,295 | 35,919 | 23,126 | 22,167 | 20,115 | 19,290 | 24,889 | 19,820 |
| Increase/(decrease) in reserves | 1,625 | 1,546 | (0) | (0) | (0) | 0 | 0 | 0 | (0) | 0 |
| Increase/(decrease) in investments | 4 | 715 | 1,254 | 2,403 | 1,829 | 2,331 | 2,439 | 903 | 387 | 1,488 |
| **Total applications of capital funding** | **38,369** | **54,097** | **114,867** | **171,682** | **140,433** | **152,758** | **177,374** | **157,230** | **125,650** | **164,039** |
| | | | | | | | | | | |
| **Surplus/(deficit) of capital funding** | **(7,310)** | **(6,346)** | **(15,618)** | **(21,660)** | **(26,277)** | **(34,024)** | **(38,703)** | **(44,677)** | **(51,644)** | **(62,145)** |
| | | | | | | | | | | |

| Funding balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|---|---|

## Wastewater

**Table 57 Wastewater Funding Impact Statement**

| Projected funding impact statement - wastewater | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Sources of operating funding** | | | | | | | | | | |
| General rates | 0 | 226 | 260 | 299 | 333 | 366 | 411 | 456 | 489 | 522 |
| Targeted rates | 57,197 | 68,475 | 88,361 | 114,275 | 135,508 | 157,894 | 182,599 | 203,501 | 220,617 | 247,292 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other | 1,487 | 1,519 | 1,891 | 1,938 | 2,154 | 2,273 | 2,468 | 2,607 | 2,710 | 2,759 |
| Fees and charges | 15,261 | 15,444 | 16,347 | 18,783 | 19,852 | 21,957 | 22,855 | 23,980 | 24,760 | 25,406 |
| **Total sources of operating funding** | **73,946** | **85,665** | **106,860** | **135,296** | **157,847** | **182,491** | **208,334** | **230,544** | **248,576** | **275,979** |
| **Applications of operating funding** | | | | | | | | | | |
| Payments to staff and suppliers | 49,897 | 59,244 | 62,577 | 71,290 | 77,749 | 77,839 | 87,618 | 92,275 | 96,156 | 100,436 |
| Finance costs | 9,239 | 11,593 | 15,943 | 21,228 | 27,240 | 33,353 | 40,317 | 44,920 | 48,145 | 48,071 |
| Internal charges and overheads applied | 2,007 | 2,195 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other operating funding applications | 374 | 374 | 374 | 374 | 374 | 374 | 374 | 374 | 374 | 374 |
| **Total applications of operating funding** | **61,516** | **73,406** | **78,894** | **92,892** | **105,364** | **111,565** | **128,309** | **137,569** | **144,675** | **148,880** |
| **Surplus/(deficit) of operating funding** | **12,429** | **12,259** | **27,966** | **42,404** | **52,483** | **70,925** | **80,025** | **92,975** | **103,901** | **127,099** |
| | | | | | | | | | | |
| **Source of capital funding** | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 524 | 870 | 1,041 | 15,052 | 19,471 | 24,860 | 19,242 | 28,739 | 72,328 | 46,741 |
| Development and financial contributions | 12,072 | 13,147 | 19,763 | 24,995 | 30,889 | 30,803 | 29,199 | 28,660 | 29,961 | 28,909 |
| Increase/(decrease) in debt | 63,859 | 106,467 | 79,159 | 161,337 | 86,523 | 139,882 | 76,931 | 42,199 | (8,435) | 27,218 |
| Gross proceeds from sales of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total sources of capital funding** | **76,454** | **120,484** | **99,963** | **201,384** | **136,882** | **195,545** | **125,372** | **99,597** | **93,853** | **102,868** |
| **Applications of capital funding** | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 39,713 | 60,158 | 60,273 | 162,596 | 128,328 | 192,090 | 152,588 | 139,041 | 140,775 | 171,540 |
| Capital expenditure - to improve levels of services | 29,103 | 36,620 | 29,998 | 26,547 | 13,631 | 17,947 | 7,687 | 8,395 | 8,380 | 7,078 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Capital expenditure - to replace existing assets | 17,443 | 31,410 | 35,686 | 50,606 | 45,231 | 52,925 | 43,145 | 43,948 | 48,407 | 50,341 |
| Increase/(decrease) in reserves | 1,078 | 1,980 | 0 | 0 | 0 | 0 | 0 | (0) | 0 | (0) |
| Increase/(decrease) in investments | 1,547 | 2,576 | 1,971 | 4,039 | 2,176 | 3,508 | 1,976 | 1,188 | 191 | 1,007 |
| **Total applications of capital funding** | **88,884** | **132,744** | **127,929** | **243,788** | **189,366** | **266,470** | **205,397** | **192,572** | **197,754** | **229,967** |
| | | | | | | | | | | |
| **Surplus/(deficit) of capital funding** | **(12,429)** | **(12,259)** | **(27,966)** | **(42,404)** | **(52,483)** | **(70,925)** | **(80,025)** | **(92,975)** | **(103,901)** | **(127,099)** |
| | | | | | | | | | | |
| **Funding balance** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

## Stormwater (Hamilton City Council)

**Table 58 Stormwater Funding Impact Statement - Hamilton City Council**

| Projected funding impact statement -HCC Stormwater | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Sources of operating funding** | | | | | | | | | | |
| General rates | 0 | 117 | 134 | 154 | 171 | 188 | 212 | 234 | 252 | 269 |
| Targeted rates | 18,068 | 23,855 | 26,121 | 30,936 | 36,033 | 42,577 | 47,158 | 50,310 | 52,852 | 57,007 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other | 428 | 427 | 507 | 536 | 596 | 637 | 703 | 760 | 777 | 803 |
| Fees and charges | 190 | 196 | 202 | 208 | 214 | 219 | 224 | 229 | 235 | 239 |
| **Total sources of operating funding** | **18,685** | **24,594** | **26,963** | **31,833** | **37,014** | **43,621** | **48,297** | **51,534** | **54,114** | **58,318** |
| **Applications of operating funding** | | | | | | | | | | |
| Payments to staff and suppliers | 8,632 | 10,174 | 14,936 | 16,663 | 17,919 | 19,367 | 20,726 | 21,517 | 22,330 | 22,945 |
| Finance costs | 1,883 | 1,664 | 2,096 | 3,313 | 4,861 | 6,675 | 9,014 | 10,523 | 11,640 | 12,280 |
| Internal charges and overheads applied | | | | | | | | | | |
| Other operating funding applications | | | | | | | | | | |
| **Total applications of operating funding** | **10,515** | **11,838** | **17,031** | **19,975** | **22,780** | **26,041** | **29,740** | **32,039** | **33,969** | **35,225** |
| **Surplus/(deficit) of operating funding** | **8,170** | **12,756** | **9,931** | **11,858** | **14,234** | **17,580** | **18,557** | **19,494** | **20,145** | **23,093** |
| | | | | | | | | | | |
| **Source of capital funding** | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 3,014 | 203 | (20) | 606 | 2,219 | 2,220 | 2,221 | 32 | 33 | 34 |
| Development and financial contributions | 2,001 | 2,278 | 3,294 | 4,564 | 4,805 | 4,186 | 4,063 | 5,892 | 7,585 | 8,226 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Increase/(decrease) in debt | (1,006) | (3,698) | 19,552 | 39,991 | 27,233 | 44,195 | 37,692 | 11,053 | 17,855 | 26,799 |
| Gross proceeds from sales of assets | | | | | | | | | | |
| Other dedicated capital funding | | | | | | | | | | |
| **Total sources of capital funding** | **4,009** | **(1,217)** | **22,825** | **45,162** | **34,257** | **50,601** | **43,976** | **16,977** | **25,474** | **35,058** |
| **Applications of capital funding** | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 10,335 | 6,204 | 14,159 | 28,133 | 25,320 | 50,352 | 44,760 | 18,917 | 27,547 | 38,530 |
| Capital expenditure - to improve levels of services | 1,467 | 4,541 | 10,354 | 12,570 | 12,642 | 6,526 | 7,110 | 6,861 | 6,903 | 7,762 |
| Capital expenditure - to replace existing assets | 401 | 885 | 7,755 | 15,317 | 9,848 | 10,197 | 9,721 | 10,417 | 10,722 | 10,673 |
| Increase/(decrease) in reserves | 0 | 0 | 0 | (0) | 0 | (0) | 0 | 0 | (0) | 0 |
| Increase/(decrease) in investments | (25) | (92) | 489 | 1,000 | 681 | 1,105 | 942 | 276 | 446 | 1,187 |
| **Total applications of capital funding** | **12,179** | **11,539** | **32,756** | **57,019** | **48,491** | **68,180** | **62,533** | **36,471** | **45,618** | **58,152** |
| | | | | | | | | | | |
| **Surplus/(deficit) of capital funding** | **(8,170)** | **(12,756)** | **(9,931)** | **(11,858)** | **(14,234)** | **(17,580)** | **(18,557)** | **(19,494)** | **(20,145)** | **(23,093)** |
| | | | | | | | | | | |
| **Funding balance** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

## Stormwater (Waikato District Council)

**Table 59 Stormwater Funding Impact Statement - Waikato District Council**

| Projected funding impact statement – WDC Stormwater | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Sources of operating funding** | | | | | | | | | | |
| General rates | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| Targeted rates | 3,425 | 4,020 | 4,703 | 5,502 | 6,435 | 7,526 | 8,800 | 10,288 | 12,026 | 14,056 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total sources of operating funding** | **3,625** | **4,220** | **4,903** | **5,702** | **6,635** | **7,726** | **9,000** | **10,488** | **12,226** | **14,256** |
| **Applications of operating funding** | | | | | | | | | | |
| Payments to staff and suppliers | 3,760 | 3,890 | 3,742 | 3,940 | 4,314 | 4,295 | 4,473 | 4,823 | 4,674 | 4,809 |
| Finance costs | 208 | 745 | 1,143 | 1,552 | 2,044 | 2,468 | 2,862 | 3,291 | 3,744 | 4,214 |
| Internal charges and overheads applied | 160 | 179 | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Other operating funding applications | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| **Total applications of operating funding** | **4,137** | **4,822** | **4,893** | **5,501** | **6,367** | **6,771** | **7,343** | **8,122** | **8,426** | **9,032** |
| **Surplus/(deficit) of operating funding** | **(511)** | **(602)** | **10** | **201** | **268** | **955** | **1,657** | **2,366** | **3,800** | **5,224** |
| | | | | | | | | | | |
| **Source of capital funding** | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 346 | 125 | 234 | 160 | 718 | 759 | 592 | 610 | 647 | 667 |
| Increase/(decrease) in debt | 14,556 | 11,018 | 8,324 | 12,307 | 9,025 | 8,902 | 8,198 | 7,233 | 5,868 | 5,013 |
| Gross proceeds from sales of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total sources of capital funding** | **14,902** | **11,143** | **8,558** | **12,467** | **9,743** | **9,661** | **8,790** | **7,843** | **6,515** | **5,679** |
| **Applications of capital funding** | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 7,404 | 2,186 | 1,508 | 1,593 | 1,744 | 2,035 | 1,695 | 1,680 | 1,735 | 2,008 |
| Capital expenditure - to improve levels of services | 4,561 | 5,818 | 4,305 | 5,938 | 6,722 | 6,500 | 6,554 | 6,567 | 6,781 | 7,368 |
| Capital expenditure - to replace existing assets | 2,065 | 1,917 | 2,551 | 4,837 | 1,325 | 1,864 | 1,997 | 1,785 | 1,656 | 1,406 |
| Increase/(decrease) in reserves | 6 | 361 | (0) | (0) | 0 | (0) | 0 | 0 | (0) | (0) |
| Increase/(decrease) in investments | 355 | 260 | 203 | 300 | 220 | 217 | 200 | 176 | 143 | 122 |
| **Total applications of capital funding** | **14,391** | **10,541** | **8,567** | **12,668** | **10,011** | **10,616** | **10,447** | **10,208** | **10,315** | **10,903** |
| | | | | | | | | | | |
| **Surplus/(deficit) of capital funding** | **511** | **602** | **(10)** | **(201)** | **(268)** | **(955)** | **(1,657)** | **(2,366)** | **(3,800)** | **(5,224)** |
| | | | | | | | | | | |
| **Funding balance** | **0** | **(0)** | **0** | **0** | **0** | **(0)** | **0** | **0** | **0** | **0** |

## Three Waters

**Table 60 Three Waters Funding Impact Statement**

| Projected funding impact statement - water services | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Sources of operating funding** | | | | | | | | | | |
| General rates | 201 | 657 | 725 | 803 | 871 | 938 | 1,029 | 1,119 | 1,186 | 1,253 |
| Targeted rates | 123,164 | 149,899 | 185,424 | 227,761 | 272,271 | 316,486 | 359,816 | 397,787 | 430,326 | 477,746 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Local authorities fuel tax, fines, infringement fees and other | 2,098 | 1,984 | 2,580 | 2,641 | 2,997 | 3,213 | 3,545 | 3,810 | 3,935 | 4,020 |
| Fees and charges | 16,867 | 17,106 | 18,048 | 20,524 | 21,644 | 23,796 | 24,738 | 25,908 | 26,723 | 27,187 |
| **Total sources of operating funding** | **142,330** | **169,646** | **206,777** | **251,729** | **297,784** | **344,434** | **389,128** | **428,624** | **462,170** | **510,206** |
| **Applications of operating funding** | | | | | | | | | | |
| Payments to staff and suppliers | 92,563 | 113,106 | 124,637 | 136,665 | 153,334 | 157,066 | 171,181 | 179,342 | 185,425 | 192,785 |
| Finance costs | 17,195 | 20,089 | 27,067 | 37,197 | 49,218 | 61,751 | 76,698 | 87,408 | 94,836 | 97,389 |
| Internal charges and overheads applied | 3,933 | 4,313 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other operating funding applications | 1,241 | 1,379 | 1,547 | 1,744 | 1,970 | 2,133 | 2,307 | 2,363 | 2,419 | 2,471 |
| **Total applications of operating funding** | **114,933** | **138,887** | **153,252** | **175,605** | **204,522** | **220,950** | **250,187** | **269,113** | **282,680** | **292,646** |
| **Surplus/(deficit) of operating funding** | **27,397** | **30,759** | **53,525** | **76,123** | **93,262** | **123,484** | **138,942** | **159,511** | **179,490** | **217,560** |
| | | | | | | | | | | |
| **Source of capital funding** | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 9,421 | 9,580 | 37,667 | 51,981 | 46,685 | 36,010 | 45,890 | 89,080 | 116,012 | 74,634 |
| Development and financial contributions | 20,343 | 23,853 | 34,720 | 46,696 | 51,971 | 51,627 | 49,902 | 51,485 | 55,411 | 54,370 |
| Increase/(decrease) in debt | 96,445 | 144,505 | 157,985 | 310,136 | 196,161 | 286,682 | 220,795 | 96,182 | 28,203 | 111,262 |
| Gross proceeds from sales of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 216 | 222 | 222 | 222 | 222 | 222 | 222 | 222 | 222 | 222 |
| **Total sources of capital funding** | **126,425** | **178,161** | **230,594** | **409,034** | **295,039** | **374,541** | **316,810** | **236,969** | **199,847** | **240,488** |
| **Applications of capital funding** | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 71,371 | 91,348 | 137,164 | 304,882 | 260,229 | 361,765 | 341,096 | 277,433 | 251,312 | 344,039 |
| Capital expenditure - to improve levels of services | 44,301 | 58,948 | 75,751 | 65,855 | 43,637 | 41,946 | 34,119 | 41,064 | 41,184 | 32,977 |
| Capital expenditure - to replace existing assets | 33,566 | 51,279 | 67,287 | 106,678 | 79,529 | 87,153 | 74,978 | 75,440 | 85,674 | 82,240 |
| Increase/(decrease) in reserves | 2,704 | 3,887 | 0 | 0 | 0 | 0 | 0 | (0) | 0 | (4,890) |
| Increase/(decrease) in investments | 1,881 | 3,459 | 3,917 | 7,743 | 4,906 | 7,161 | 5,557 | 2,544 | 1,168 | 3,682 |
| **Total applications of capital funding** | 153,822 | 208,920 | 284,119 | 485,158 | 388,301 | 498,025 | 455,751 | 396,481 | 379,338 | 458,048 |
| | | | | | | | | | | |
| **Surplus/(deficit) of capital funding** | **(27,397)** | **(30,759)** | **(53,525)** | **(76,123)** | **(93,262)** | **(123,484)** | **(138,942)** | **(159,511)** | **(179,490)** | **(217,560)** |
| | | | | | | | | | | |
| **Funding balance** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

## E.2 Projected Statement of Comprehensive Revenue and Expense

The following tables outline the Revenue and Expense statements for each of the three waters. Stormwater is outlined separately for each Council as Stormwater asset ownership is retained by councils.

### Water Supply

**Table 61 Water Revenue and Expense Statement**

| Projected statement of profit and loss – Drinking water | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | |
| Operating revenue | 52,167 | 63,890 | 104,914 | 115,436 | 121,500 | 119,743 | 148,142 | 196,584 | 191,121 | 189,729 |
| Other revenue | 7,794 | 10,237 | 13,427 | 19,039 | 17,681 | 18,060 | 18,284 | 18,623 | 19,534 | 18,990 |
| **Total revenue** | **59,961** | **74,127** | **118,341** | **134,476** | **139,181** | **137,803** | **166,426** | **215,207** | **210,655** | 208,719 |
| | | | | | | | | | | |
| **Expenses** | | | | | | | | | | |
| Operating expenses | 31,128 | 40,789 | 44,542 | 46,128 | 54,934 | 57,311 | 60,284 | 62,703 | 64,296 | 66,679 |
| Finance costs | 5,999 | 6,227 | 8,032 | 11,256 | 15,231 | 19,421 | 24,676 | 28,849 | 31,484 | 32,914 |
| Overheads and support costs | 1,766 | 1,939 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation & amortisation | 16,765 | 18,982 | 20,877 | 22,975 | 26,143 | 29,675 | 33,699 | 38,149 | 42,449 | 45,484 |
| **Total expenses** | **55,658** | **67,938** | **73,450** | **80,359** | **96,307** | **106,406** | **118,659** | **129,701** | **138,229** | **145,077** |
| | | | | | | | | | | |
| **Net surplus/(deficit)** | **4,302** | **6,190** | **44,891** | **54,117** | **42,873** | **31,397** | **47,768** | **85,506** | **72,426** | **63,642** |
| Revaluation of infrastructure assets | 67,558 | 23,394 | 27,531 | 33,652 | 38,722 | 43,836 | 49,358 | 54,789 | 60,482 | 67,790 |
| **Total comprehensive income** | **71,861** | **29,584** | **72,422** | **87,769** | **81,596** | **75,233** | **97,125** | **140,295** | **132,908** | **131,431** |
| | | | | | | | | | | |
| **Cash surplus/(deficit) from operations (ex non-cash items)** | **21,067** | **25,172** | **65,768** | **77,092** | **69,016** | **61,072** | **81,466** | **123,655** | **114,875** | **109,126** |

### Wastewater

**Table 62 Wastewater Revenue and Expense Statement**

| Projected statement of profit and loss - Wastewater | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating revenue | 74,095 | 86,162 | 107,527 | 149,974 | 176,944 | 206,977 | 227,202 | 258,909 | 320,530 | 322,346 |
| Other revenue | 15,543 | 16,725 | 23,459 | 28,809 | 34,813 | 34,837 | 33,334 | 32,912 | 34,245 | 33,388 |
| Total revenue | 89,639 | 102,887 | 130,986 | 178,782 | 211,757 | 241,814 | 260,536 | 291,821 | 354,775 | 355,734 |
| | | | | | | | | | | |
| **Expenses** | | | | | | | | | | |
| Operating expenses | 49,908 | 59,244 | 62,577 | 71,290 | 77,749 | 77,839 | 87,618 | 92,275 | 96,156 | 100,436 |
| Finance costs | 10,409 | 12,811 | 17,215 | 22,551 | 28,619 | 34,789 | 41,799 | 46,452 | 49,677 | 48,857 |
| Overheads and support costs | 2,007 | 2,195 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation & amortisation | 24,992 | 29,467 | 33,501 | 36,644 | 41,016 | 44,614 | 49,539 | 53,601 | 58,045 | 62,655 |
| **Total expenses** | **87,315** | **103,717** | **113,293** | **130,485** | **147,385** | **157,242** | **178,956** | **192,327** | **203,878** | **211,948** |
| | | | | | | | | | | |
| **Net surplus/(deficit)** | **2,323** | **(831)** | **17,693** | **48,298** | **64,372** | **84,572** | **81,580** | **99,494** | **150,897** | **143,787** |
| | | | | | | | | | | |
| Revaluation of infrastructure assets | 117,724 | 33,681 | 38,880 | 47,568 | 54,369 | 64,075 | 72,752 | 81,448 | 90,466 | 101,020 |
| **Total comprehensive income** | **120,047** | **32,850** | **56,573** | **95,866** | **118,742** | **148,647** | **154,332** | **180,941** | **241,363** | **244,807** |
| | | | | | | | | | | |
| **Cash surplus/(deficit) from operations (ex non-cash items)** | **27,315** | **28,636** | **51,194** | **84,942** | **105,388** | **129,186** | **131,119** | **153,095** | **208,942** | **206,442** |

## Stormwater (Hamilton City Council)

**Table 63 Stormwater Revenue and Expense Statement - Hamilton City Council**

| Projected statement of profit and loss – HCC Stormwater | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | |
| Operating revenue | 21,699 | 24,797 | 26,942 | 32,440 | 39,233 | 45,841 | 50,517 | 51,566 | 54,147 | 58,352 |
| Other revenue | 7,016 | 7,464 | 8,651 | 10,093 | 10,494 | 10,034 | 10,057 | 12,056 | 13,795 | 14,719 |
| **Total revenue** | **28,716** | **32,261** | **35,593** | **42,533** | **49,727** | **55,875** | **60,575** | **63,622** | **67,942** | **73,070** |
| | | | | | | | | | | |
| **Expenses** | | | | | | | | | | |
| Operating expenses | 8,632 | 10,174 | 14,936 | 16,663 | 17,919 | 19,367 | 20,726 | 21,517 | 22,330 | 23,462 |
| Finance costs | 1,883 | 1,664 | 2,096 | 3,313 | 4,861 | 6,675 | 9,014 | 10,523 | 11,640 | 12,280 |
| Overheads and support costs | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Depreciation & amortisation | 11,488 | 12,959 | 13,668 | 14,452 | 15,456 | 16,388 | 17,659 | 18,937 | 19,980 | 21,165 |
| **Total expenses** | **22,003** | **24,797** | **30,700** | **34,427** | **38,236** | **42,429** | **47,398** | **50,976** | **53,949** | **56,908** |
| | | | | | | | | | | |
| **Net surplus/(deficit)** | **6,712** | **7,464** | **4,894** | **8,105** | **11,491** | **13,446** | **13,176** | **12,646** | **13,993** | **16,163** |
| | | | | | | | | | | |
| Revaluation of infrastructure assets | 73,569 | 24,728 | 26,797 | 29,673 | 32,635 | 36,200 | 40,075 | 43,172 | 46,674 | 50,948 |
| **Total comprehensive income** | **80,281** | **32,192** | **31,691** | **37,778** | **44,127** | **49,647** | **53,251** | **55,818** | **60,667** | **67,111** |
| | | | | | | | | | | |
| **Cash surplus/(deficit) from operations (ex non-cash items)** | **18,201** | **20,423** | **18,562** | **22,557** | **26,947** | **29,834** | **30,835** | **31,583** | **33,973** | **37,328** |

## Stormwater (Waikato District Council)

**Table 64 Stormwater Revenue and Expense Statement - Waikato District Council**

| Projected statement of profit and loss – WDC Stormwater | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | |
| Operating revenue | 3,618 | 4,213 | 4,895 | 5,694 | 6,627 | 7,718 | 8,993 | 10,481 | 12,219 | 14,248 |
| Other revenue | 346 | 125 | 234 | 160 | 718 | 759 | 592 | 610 | 647 | 667 |
| **Total revenue** | **3,964** | **4,338** | **5,130** | **5,854** | **7,345** | **8,477** | **9,585** | **11,090** | **12,866** | **14,915** |
| | | | | | | | | | | |
| **Expenses** | | | | | | | | | | |
| Operating expenses | 3,761 | 3,890 | 3,743 | 3,941 | 4,315 | 4,296 | 4,474 | 4,824 | 4,675 | 4,810 |
| Finance costs | 208 | 745 | 1,143 | 1,552 | 2,044 | 2,468 | 2,862 | 3,291 | 3,744 | 4,214 |
| Overheads and support costs | 160 | 179 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation & amortisation | 1,552 | 1,815 | 1,967 | 2,106 | 2,294 | 2,447 | 2,606 | 2,761 | 2,913 | 3,066 |
| **Total expenses** | **5,681** | **6,629** | **6,853** | **7,599** | **8,654** | **9,210** | **9,942** | **10,876** | **11,332** | **12,091** |
| | | | | | | | | | | |
| **Net surplus/(deficit)** | **(1,717)** | **(2,292)** | **(1,724)** | **(1,745)** | **(1,308)** | **(733)** | **(358)** | **215** | **1,534** | **2,824** |
| | | | | | | | | | | |
| Revaluation of infrastructure assets | 4,929 | 3,656 | 4,266 | 4,239 | 4,261 | 4,354 | 4,234 | 4,483 | 4,505 | 4,503 |
| **Total comprehensive income** | **3,212** | **1,364** | **2,542** | **2,494** | **2,953** | **3,621** | **3,876** | **4,698** | **6,038** | **7,327** |
| | | | | | | | | | | |

| Cash surplus/(deficit) from operations (ex non-cash items) | (165) | (477) | 244 | 361 | 986 | 1,714 | 2,249 | 2,975 | 4,447 | 5,891 |
|---|---|---|---|---|---|---|---|---|---|---|

### Three Waters

**Table 65 Three Waters Revenue and Expense Statement**

| Projected statement of profit and loss - water services | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | |
| Operating revenue | 151,579 | 179,062 | 244,279 | 303,544 | 344,304 | 380,279 | 434,854 | 517,539 | 578,017 | 584,675 |
| Other revenue | 30,700 | 34,551 | 45,771 | 58,101 | 63,707 | 63,691 | 62,268 | 64,201 | 68,221 | 67,763 |
| **Total revenue** | **182,279** | **213,612** | **290,050** | **361,645** | **408,011** | **443,970** | **497,122** | **581,741** | **646,238** | **652,438** |
| | | | | | | | | | | |
| **Expenses** | | | | | | | | | | |
| Operating expenses | 93,428 | 114,098 | 125,798 | 138,022 | 154,918 | 158,812 | 173,102 | 181,318 | 187,456 | 195,387 |
| Finance costs | 18,500 | 21,448 | 28,485 | 38,672 | 50,755 | 63,352 | 78,351 | 89,115 | 96,544 | 98,265 |
| Overheads and support costs | 3,933 | 4,313 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation & amortisation | 54,797 | 63,223 | 70,014 | 76,176 | 84,909 | 93,123 | 103,503 | 113,448 | 123,388 | 132,371 |
| **Total expenses** | **170,658** | **203,082** | **224,297** | **252,870** | **290,582** | **315,288** | **354,955** | **383,881** | **407,388** | **426,023** |
| | | | | | | | | | | |
| **Net surplus/(deficit)** | **11,621** | **10,531** | **65,753** | **108,776** | **117,429** | **128,682** | **142,166** | **197,860** | **238,850** | **226,416** |
| | | | | | | | | | | |
| Revaluation of infrastructure assets | 263,780 | 85,459 | 97,475 | 115,132 | 129,988 | 148,465 | 166,418 | 183,892 | 202,126 | 224,261 |
| **Total comprehensive income** | **275,401** | **95,989** | **163,229** | **223,907** | **247,417** | **277,147** | **308,584** | **381,751** | **440,976** | **450,676** |
| | | | | | | | | | | |
| **Cash surplus/(deficit) from operations (ex non-cash items)** | **66,417** | **73,754** | **135,767** | **184,952** | **202,338** | **221,805** | **245,669** | **311,308** | **362,238** | **358,786** |

## E.3 Projected Statement of Cashflows

The following tables outline the Projected cashflow statements for each of the three waters. Stormwater is outlined separately for each Council as Stormwater asset ownership is retained by councils.

### Water Supply

### Table 66 Water Projected Cashflow Statement

| Projected statement of cashflows – Drinking water | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cashflows from operating activities** | | | | | | | | | | |
| Cash surplus/(deficit) from operations | 19,024 | 23,039 | 63,456 | 74,389 | 67,150 | 58,020 | 77,566 | 117,529 | 113,536 | 108,540 |
| [Other items] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net cashflows from operating activities** | **19,024** | **23,039** | **63,456** | **74,389** | **67,150** | **58,020** | **77,566** | **117,529** | **113,536** | **108,540** |
| | | | | | | | | | | |
| **Cashflows from investing activities** | | | | | | | | | | |
| Increase/decrease in other financial assets | (435) | (715) | (1,254) | (2,403) | (1,829) | (2,331) | (2,439) | (903) | (387) | (1,488) |
| Capital expenditure | (36,157) | (51,073) | (112,035) | (170,608) | (139,234) | (148,425) | (172,695) | (154,243) | (128,551) | (164,641) |
| **Net cashflows from investing activities** | **(36,592)** | **(51,789)** | **(113,289)** | **(173,012)** | **(141,063)** | **(150,756)** | **(175,134)** | **(155,147)** | **(128,938)** | **(166,129)** |
| | | | | | | | | | | |
| **Cashflows from financing activities** | | | | | | | | | | |
| New borrowings | 19,037 | 30,719 | 50,951 | 96,500 | 73,380 | 93,703 | 97,973 | 35,697 | 12,915 | 57,245 |
| Repayment of borrowings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net cashflows from financing activities** | **19,037** | **30,719** | **50,951** | **96,500** | **73,380** | **93,703** | **97,973** | **35,697** | **12,915** | **57,245** |
| | | | | | | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | **1,469** | **1,969** | **1,117** | **(2,122)** | **(533)** | **967** | **406** | **(1,921)** | **(2,488)** | **(345)** |
| | | | | | | | | | | |
| Cash and cash equivalents at beginning of year | 12,224 | 13,693 | 15,662 | 16,779 | 14,657 | 14,124 | 15,091 | 15,497 | 13,576 | 11,088 |
| **Cash and cash equivalents at end of year** | **13,693** | **15,662** | **16,779** | **14,657** | **14,124** | **15,091** | **15,497** | **13,576** | **11,088** | **10,743** |

## Wastewater

### Table 67 Wastewater Projected Cashflow Statement

| Projected statement of cashflows - Wastewater | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cashflows from operating activities** | | | | | | | | | | |
| Cash surplus/(deficit) from operations | 24,541 | 26,512 | 47,974 | 82,218 | 101,853 | 125,361 | 128,054 | 148,416 | 205,257 | 204,328 |
| [Other items] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net cashflows from operating activities** | **24,541** | **26,512** | **47,974** | **82,218** | **101,853** | **125,361** | **128,054** | **148,416** | **205,257** | **204,328** |
| | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cashflows from investing activities** | | | | | | | | | | |
| Increase/decrease in other financial assets | (1,547) | (2,576) | (1,971) | (4,039) | (2,176) | (3,508) | (1,976) | (1,188) | (191) | (1,007) |
| Capital expenditure | (86,040) | (126,204) | (126,713) | (242,567) | (187,683) | (261,530) | (205,087) | (190,250) | (196,911) | (228,737) |
| **Net cashflows from investing activities** | **(87,587)** | **(128,780)** | **(128,684)** | **(246,606)** | **(189,858)** | **(265,038)** | **(207,063)** | **(191,438)** | **(197,103)** | **(229,744)** |
| | | | | | | | | | | |
| **Cashflows from financing activities** | | | | | | | | | | |
| New borrowings | 63,859 | 106,467 | 79,159 | 161,337 | 86,523 | 139,882 | 76,931 | 42,199 | (8,435) | 27,218 |
| Repayment of borrowings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net cashflows from financing activities** | **63,859** | **106,467** | **79,159** | **161,337** | **86,523** | **139,882** | **76,931** | **42,199** | **(8,435)** | **27,218** |
| | | | | | | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | **812** | **4,199** | **(1,551)** | **(3,051)** | **(1,483)** | **205** | **(2,078)** | **(823)** | **(281)** | **1,802** |
| | | | | | | | | | | |
| Cash and cash equivalents at beginning of year | 16,315 | 17,127 | 21,326 | 19,775 | 16,724 | 15,241 | 15,447 | 13,369 | 12,545 | 12,264 |
| **Cash and cash equivalents at end of year** | **17,127** | **21,326** | **19,775** | **16,724** | **15,241** | **15,447** | **13,369** | **12,545** | **12,264** | **14,066** |

## Stormwater (Hamilton City Council)

**Table 68 Stormwater Projected Cash Flow Statement - Hamilton City Council**

| **Projected statement of cashflows – HCC Stormwater** | **FY24/25** | **FY25/26** | **FY26/27** | **FY27/28** | **FY28/29** | **FY29/30** | **FY30/31** | **FY31/32** | **FY32/33** | **FY33/34** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cashflows from operating activities** | | | | | | | | | | |
| Cash surplus/(deficit) from operations | 13,185 | 15,237 | 13,205 | 17,028 | 21,258 | 23,985 | 24,841 | 25,418 | 27,763 | 31,353 |
| [Other items] | | | | | | | | | | |
| **Net cashflows from operating activities** | **13,185** | **15,237** | **13,205** | **17,028** | **21,258** | **23,985** | **24,841** | **25,418** | **27,763** | **31,353** |
| | | | | | | | | | | |
| **Cashflows from investing activities** | | | | | | | | | | |
| Increase/decrease in other financial assets | 25 | 92 | (489) | (1,000) | (681) | (1,105) | (942) | (276) | (446) | (1,187) |
| Capital expenditure | (12,204) | (11,631) | (32,268) | (56,020) | (47,810) | (67,075) | (61,591) | (36,195) | (45,172) | (56,965) |
| **Net cashflows from investing activities** | **(12,179)** | **(11,539)** | **(32,756)** | **(57,019)** | **(48,491)** | **(68,180)** | **(62,533)** | **(36,471)** | **(45,618)** | **(58,151)** |
| | | | | | | | | | | |
| **Cashflows from financing activities** | | | | | | | | | | |
| New borrowings | (1,006) | (3,698) | 19,552 | 39,991 | 27,233 | 44,195 | 37,692 | 11,053 | 17,855 | 26,799 |
| Repayment of borrowings | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net cashflows from financing activities** | **(1,006)** | **(3,698)** | **19,552** | **39,991** | **27,233** | **44,195** | **37,692** | **11,053** | **17,855** | **26,799** |
| | | | | | | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | **0** | **0** | **0** | **0** | **0** | **(0)** | **0** | **(0)** | **0** | **0** |
| | | | | | | | | | | |
| Cash and cash equivalents at beginning of year | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 |
| **Cash and cash equivalents at end of year** | **4,501** | **4,501** | **4,501** | **4,501** | **4,501** | **4,501** | **4,501** | **4,501** | **4,501** | **4,501** |

## Stormwater (Waikato District Council)

**Table 69 Stormwater Projected Cash Flow Statement – Waikato District Council**

| **Projected statement of cashflows – WDC Stormwater** | **FY24/25** | **FY25/26** | **FY26/27** | **FY27/28** | **FY28/29** | **FY29/30** | **FY30/31** | **FY31/32** | **FY32/33** | **FY33/34** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cashflows from operating activities** | | | | | | | | | | |
| Cash surplus/(deficit) from operations | (75) | (477) | 121 | 316 | 818 | 1,594 | 2,173 | 2,858 | 4,251 | 5,697 |
| [Other items] | | | | | | | | | | |
| **Net cashflows from operating activities** | **(75)** | **(477)** | **121** | **316** | **818** | **1,594** | **2,173** | **2,858** | **4,251** | **5,697** |
| | | | | | | | | | | |
| **Cashflows from investing activities** | | | | | | | | | | |
| Increase/decrease in other financial assets | (355) | (260) | (203) | (300) | (220) | (217) | (200) | (176) | (143) | (122) |
| Capital expenditure | (12,847) | (10,331) | (8,520) | (11,968) | (10,049) | (10,338) | (10,262) | (10,053) | (10,158) | (10,720) |
| **Net cashflows from investing activities** | **(13,201)** | **(10,591)** | **(8,723)** | **(12,268)** | **(10,269)** | **(10,555)** | **(10,462)** | **(10,230)** | **(10,301)** | **(10,842)** |
| | | | | | | | | | | |
| **Cashflows from financing activities** | | | | | | | | | | |
| New borrowings | 14,556 | 11,018 | 8,324 | 12,307 | 9,025 | 8,902 | 8,198 | 7,233 | 5,868 | 5,013 |
| Repayment of borrowings | | | | | | | | | | |
| **Net cashflows from financing activities** | **14,556** | **11,018** | **8,324** | **12,307** | **9,025** | **8,902** | **8,198** | **7,233** | **5,868** | **5,013** |
| | | | | | | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | **1,280** | **(51)** | **(278)** | **355** | **(425)** | **(58)** | **(91)** | **(139)** | **(182)** | **(132)** |
| | | | | | | | | | | |
| Cash and cash equivalents at beginning of year | 227 | 1,508 | 1,457 | 1,179 | 1,534 | 1,109 | 1,050 | 959 | 820 | 638 |
| **Cash and cash equivalents at end of year** | **1,508** | **1,457** | **1,179** | **1,534** | **1,109** | **1,050** | **959** | **820** | **638** | **505** |

### Three Waters

**Table 70 Three Waters Projected Cash Flow Statement**

| Projected statement of cashflows - water services | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cashflows from operating activities** | | | | | | | | | | |
| Cash surplus/(deficit) from operations | 56,676 | 64,311 | 124,755 | 173,952 | 191,079 | 208,962 | 232,633 | 294,220 | 350,806 | 349,918 |
| [Other items] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net cashflows from operating activities** | 56,676 | 64,311 | 124,755 | 173,952 | 191,079 | 208,962 | 232,633 | 294,220 | 350,806 | 349,918 |
| | | | | | | | | | | |
| **Cashflows from investing activities** | | | | | | | | | | |
| Increase/decrease in other financial assets | (2,312) | (3,459) | (3,917) | (7,743) | (4,906) | (7,161) | (5,557) | (2,544) | (1,168) | (3,805) |
| Capital expenditure | (147,247) | (199,240) | (279,535) | (481,163) | (384,775) | (487,369) | (449,635) | (390,741) | (380,792) | (461,063) |
| **Net cashflows from investing activities** | **(149,560)** | **(202,698)** | **(283,452)** | **(488,906)** | **(389,681)** | **(494,530)** | **(455,192)** | **(393,285)** | **(381,960)** | **(464,867)** |
| | | | | | | | | | | |
| **Cashflows from financing activities** | | | | | | | | | | |
| New borrowings | 96,445 | 144,505 | 157,985 | 310,136 | 196,161 | 286,682 | 220,795 | 96,182 | 28,203 | 116,274 |
| Repayment of borrowings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net cashflows from financing activities** | **96,445** | **144,505** | **157,985** | **310,136** | **196,161** | **286,682** | **220,795** | **96,182** | **28,203** | **116,274** |
| | | | | | | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | **3,561** | **6,118** | **(712)** | **(4,818)** | **(2,441)** | **1,115** | **(1,764)** | **(2,884)** | **(2,951)** | **1,325** |
| | | | | | | | | | | |
| Cash and cash equivalents at beginning of year | 33,267 | 36,829 | 42,947 | 42,234 | 37,416 | 34,975 | 36,090 | 34,326 | 31,442 | 28,491 |
| **Cash and cash equivalents at end of year** | **36,829** | **42,947** | **42,234** | **37,416** | **34,975** | **36,090** | **34,326** | **31,442** | **28,491** | **29,816** |

## E.4 Projected Statement of Financial Position

The following tables outline the projected financial position statements for each of the three waters. Stormwater is outlined separately for each Council as Stormwater asset ownership is retained by councils.

### Water Supply

### Table 71 Water Projected Financial Position Statement

| Projected statement of financial position | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | |
| Cash and cash equivalents | 13,693 | 15,662 | 16,779 | 14,657 | 14,124 | 15,091 | 15,497 | 13,576 | 11,088 | 10,743 |
| Other current assets | 13,477 | 13,946 | 14,617 | 15,525 | 15,592 | 16,725 | 18,736 | 22,862 | 21,992 | 20,245 |
| Infrastructure assets | 836,919 | 895,101 | 1,017,365 | 1,199,383 | 1,352,688 | 1,519,457 | 1,712,288 | 1,887,553 | 2,033,164 | 2,220,442 |
| Other non-current assets | 4,073 | 4,599 | 5,736 | 8,079 | 9,869 | 12,126 | 14,476 | 15,348 | 15,783 | 17,330 |
| **Total assets** | **868,162** | **929,308** | **1,054,497** | **1,237,645** | **1,392,274** | **1,563,400** | **1,760,996** | **1,939,339** | **2,082,027** | **2,268,761** |
| | | | | | | | | | | |
| **Liabilities** | | | | | | | | | | |
| Borrowings – current portion | 8,626 | 11,248 | 16,056 | 18,532 | 20,130 | 23,159 | 26,805 | 28,087 | 26,142 | 23,727 |
| Other current liabilities | 9,018 | 9,855 | 11,525 | 10,251 | 9,746 | 11,771 | 14,099 | 16,273 | 12,963 | 10,930 |
| Borrowings – non-current portion | 157,008 | 180,720 | 227,009 | 321,185 | 393,126 | 483,965 | 578,463 | 613,053 | 628,089 | 687,839 |
| Other non-current liabilities | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 |
| **Total liabilities** | **174,755** | **201,926** | **254,693** | **350,071** | **423,105** | **518,998** | **619,469** | **657,517** | **667,297** | **722,599** |
| | | | | | | | | | | |
| **Net assets** | **693,407** | **727,383** | **799,805** | **887,573** | **969,169** | **1,044,402** | **1,141,527** | **1,281,822** | **1,414,730** | **1,546,162** |
| | | | | | | | | | | |
| **Equity** | | | | | | | | | | |
| Revaluation reserves | 377,581 | 400,975 | 428,506 | 462,158 | 500,880 | 544,716 | 594,073 | 648,863 | 709,345 | 777,134 |
| Other reserves | 315,827 | 326,408 | 371,299 | 425,415 | 468,289 | 499,686 | 547,454 | 632,959 | 705,386 | 769,027 |
| **Total equity** | **693,407** | **727,383** | **799,805** | **887,573** | **969,169** | **1,044,402** | **1,141,527** | **1,281,822** | **1,414,730** | **1,546,162** |

## Wastewater

### Table 72 Wastewater Projected Financial Position Statement

| Projected statement of financial position | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | |
| Cash and cash equivalents | 17,127 | 21,326 | 19,775 | 16,724 | 15,241 | 15,447 | 13,369 | 12,545 | 12,264 | 14,066 |
| Other current assets | 20,230 | 20,255 | 21,297 | 21,836 | 23,028 | 24,471 | 24,938 | 26,999 | 27,911 | 26,415 |
| Infrastructure assets | 1,178,281 | 1,314,260 | 1,449,293 | 1,703,780 | 1,908,247 | 2,194,705 | 2,425,474 | 2,648,958 | 2,883,226 | 3,155,030 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Other non-current assets | 8,758 | 10,666 | 12,483 | 16,464 | 18,616 | 22,090 | 24,110 | 25,368 | 25,640 | 26,671 |
| **Total assets** | **1,224,396** | **1,366,507** | **1,502,848** | **1,758,804** | **1,965,133** | **2,256,714** | **2,487,890** | **2,713,870** | **2,949,041** | **3,222,182** |
| | | | | | | | | | | |
| **Liabilities** | | | | | | | | | | |
| Borrowings – current portion | 10,526 | 18,271 | 24,574 | 26,975 | 27,957 | 29,333 | 27,565 | 24,691 | 21,377 | 20,419 |
| Other current liabilities | 15,776 | 17,903 | 17,240 | 14,669 | 14,355 | 15,970 | 14,402 | 15,710 | 16,421 | 16,751 |
| Borrowings – non-current portion | 288,303 | 386,477 | 460,604 | 620,864 | 707,783 | 847,726 | 927,907 | 974,511 | 970,923 | 999,885 |
| Other non-current liabilities | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 |
| **Total liabilities** | **314,769** | **422,815** | **502,582** | **662,672** | **750,259** | **893,193** | **970,038** | **1,015,076** | **1,008,884** | **1,037,218** |
| | | | | | | | | | | |
| **Net assets** | **909,627** | **943,693** | **1,000,266** | **1,096,132** | **1,214,873** | **1,363,521** | **1,517,852** | **1,698,794** | **1,940,157** | **2,184,964** |
| | | | | | | | | | | |
| **Equity** | | | | | | | | | | |
| Revaluation reserves | 594,410 | 630,939 | 677,815 | 732,417 | 796,493 | 869,484 | 950,618 | 1,041,077 | 1,142,035 | 1,152,910 |
| Other reserves | 315,217 | 312,754 | 322,451 | 363,715 | 418,381 | 494,036 | 567,235 | 657,717 | 798,121 | 1,032,054 |
| **Total equity** | **909,627** | **943,693** | **1,000,266** | **1,096,132** | **1,214,873** | **1,363,521** | **1,517,852** | **1,698,794** | **1,940,157** | **2,184,964** |

## Stormwater (Hamilton City Council)

**Table 73 Stormwater Projected Financial Position Statement – Hamilton City Council**

| Projected statement of financial position | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | |
| Cash and cash equivalents | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 | 4,501 |
| Other current assets | 4,719 | 4,719 | 4,719 | 4,719 | 4,719 | 4,719 | 4,719 | 4,719 | 4,719 | 4,719 |
| Infrastructure assets | 833,068 | 861,655 | 912,409 | 989,178 | 1,059,857 | 1,152,594 | 1,242,595 | 1,309,189 | 1,387,265 | 1,480,504 |
| Other non-current assets | 1,267 | 1,175 | 1,663 | 2,663 | 3,344 | 4,449 | 5,391 | 5,667 | 6,114 | 6,784 |
| **Total assets** | **843,556** | **872,050** | **923,292** | **1,001,062** | **1,072,421** | **1,166,263** | **1,257,206** | **1,324,076** | **1,402,599** | **1,496,508** |
| | | | | | | | | | | |
| **Liabilities** | | | | | | | | | | |
| Borrowings – current portion | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 2,835 | 2,835 | 2,835 | 2,835 | 2,835 | 2,835 | 2,835 | 2,835 | 2,835 | 2,835 |
| Borrowings – non-current portion | 46,597 | 42,899 | 62,450 | 102,441 | 129,674 | 173,869 | 211,562 | 222,614 | 240,469 | 267,268 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Other non-current liabilities | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 |
| **Total liabilities** | **49,476** | **45,778** | **65,330** | **105,321** | **132,554** | **176,749** | **214,441** | **225,494** | **243,349** | **270,148** |
| | | | | | | | | | | |
| **Net assets** | **794,079** | **826,272** | **857,962** | **895,741** | **939,868** | **989,514** | **1,042,765** | **1,098,583** | **1,159,250** | **1,226,360** |
| | | | | | | | | | | |
| **Equity** | | | | | | | | | | |
| Revaluation reserves | 618,668 | 643,396 | 670,194 | 699,867 | 732,502 | 768,702 | 808,777 | 851,949 | 898,623 | 949,570 |
| Other reserves | 175,412 | 182,875 | 187,769 | 195,874 | 207,366 | 220,812 | 233,988 | 246,634 | 260,627 | 276,790 |
| **Total equity** | **794,079** | **826,272** | **857,962** | **895,741** | **939,868** | **989,514** | **1,042,765** | **1,098,583** | **1,159,250** | **1,226,360** |

## Stormwater (Waikato District Council)

**Table 74 Stormwater Projected Financial Position Statement – Waikato District Council**

| Projected statement of financial position | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | |
| Cash and cash equivalents | 1,508 | 1,457 | 1,179 | 1,534 | 1,109 | 1,050 | 959 | 820 | 638 | 505 |
| Other current assets | 466 | 527 | 643 | 748 | 981 | 1,127 | 1,247 | 1,422 | 1,622 | 1,845 |
| Infrastructure assets | 140,640 | 152,401 | 163,064 | 177,565 | 189,323 | 201,628 | 213,502 | 225,256 | 237,020 | 249,237 |
| Other non-current assets | 231 | 540 | 717 | 978 | 1,169 | 1,358 | 1,532 | 1,686 | 1,810 | 1,917 |
| **Total assets** | **142,844** | **154,925** | **165,603** | **180,824** | **192,582** | **205,163** | **217,240** | **229,184** | **241,089** | **253,504** |
| | | | | | | | | | | |
| **Liabilities** | | | | | | | | | | |
| Borrowings – current portion | 1,923 | 3,309 | 4,391 | 5,991 | 7,164 | 8,321 | 9,387 | 10,327 | 11,090 | 11,742 |
| Other current liabilities | 1,795 | 1,399 | 1,211 | 1,631 | 1,411 | 1,469 | 1,472 | 1,486 | 1,485 | 1,559 |
| Borrowings – non-current portion | 12,871 | 22,143 | 29,384 | 40,092 | 47,944 | 55,689 | 62,821 | 69,114 | 74,219 | 78,580 |
| Other non-current liabilities | | | | | | | | | | |
| **Total liabilities** | **16,589** | **26,851** | **34,986** | **47,713** | **56,518** | **65,479** | **73,680** | **80,926** | **86,793** | **91,880** |
| | | | | | | | | | | |
| **Net assets** | **126,255** | **128,074** | **130,617** | **133,111** | **136,063** | **139,684** | **143,560** | **148,258** | **154,296** | **161,623** |
| | | | | | | | | | | |
| **Equity** | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Revaluation reserves | 45,648 | 49,303 | 53,569 | 57,808 | 62,069 | 66,422 | 70,656 | 75,139 | 79,644 | 84,146 |
| Other reserves | 80,607 | 78,771 | 77,048 | 75,303 | 73,995 | 73,262 | 72,904 | 73,119 | 74,652 | 77,477 |
| **Total equity** | **126,255** | **128,074** | **130,617** | **133,111** | **136,063** | **139,684** | **143,560** | **148,258** | **154,296** | **161,623** |

## Three Waters

**Table 75 Three Waters Projected Financial Position Statement**

| Projected statement of financial position | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | |
| Cash and cash equivalents | 36,829 | 42,947 | 42,234 | 37,416 | 34,975 | 36,090 | 34,326 | 31,442 | 28,491 | 29,816 |
| Other current assets | 38,893 | 39,448 | 41,277 | 42,828 | 44,321 | 47,042 | 49,639 | 56,003 | 56,244 | 53,224 |
| Infrastructure assets | 2,988,908 | 3,223,416 | 3,542,131 | 4,069,906 | 4,510,115 | 5,068,384 | 5,593,859 | 6,070,955 | 6,540,674 | 7,105,213 |
| Other non-current assets | 14,329 | 16,980 | 20,599 | 28,184 | 32,999 | 40,024 | 45,509 | 48,069 | 49,347 | 52,701 |
| **Total assets** | **3,078,958** | **3,322,790** | **3,646,241** | **4,178,334** | **4,622,410** | **5,191,540** | **5,723,333** | **6,206,469** | **6,674,756** | **7,240,954** |
| | | | | | | | | | | |
| **Liabilities** | | | | | | | | | | |
| Borrowings – current portion | 21,075 | 32,827 | 45,021 | 51,498 | 55,251 | 60,813 | 63,757 | 63,106 | 58,609 | 55,887 |
| Other current liabilities | 29,424 | 31,991 | 32,810 | 29,385 | 28,346 | 32,046 | 32,807 | 36,303 | 33,703 | 32,075 |
| Borrowings – non-current portion | 504,779 | 632,239 | 779,448 | 1,084,582 | 1,278,527 | 1,561,248 | 1,780,752 | 1,879,292 | 1,913,699 | 2,033,572 |
| Other non-current liabilities | 312 | 312 | 312 | 312 | 312 | 312 | 312 | 312 | 312 | 312 |
| **Total liabilities** | 555,589 | 697,369 | 857,591 | 1,165,777 | 1,362,436 | 1,654,419 | 1,877,629 | 1,979,013 | 2,006,324 | 2,121,846 |
| | | | | | | | | | | |
| **Net assets** | **2,523,369** | **2,625,421** | **2,788,650** | **3,012,557** | **3,259,974** | **3,537,121** | **3,845,705** | **4,227,456** | **4,668,433** | **5,119,109** |
| | | | | | | | | | | |
| **Equity** | | | | | | | | | | |
| Revaluation reserves | 1,636,306 | 1,724,613 | 1,830,084 | 1,952,249 | 2,091,944 | 2,249,325 | 2,424,124 | 2,617,027 | 2,829,646 | 2,963,761 |
| Other reserves | 887,062 | 900,808 | 958,566 | 1,060,308 | 1,168,030 | 1,287,795 | 1,421,581 | 1,610,429 | 1,838,786 | 2,155,348 |
| **Total equity** | **2,523,369** | **2,625,421** | **2,788,650** | **3,012,557** | **3,259,974** | **3,537,121** | **3,845,705** | **4,227,456** | **4,668,433** | **5,119,109** |

# Additional Information

# Appendix 1 Significant Capital Projects

**Significant capital projects**

The following tables outline the Capital investments required to meet the sufficient investment requirements of this plan.

## Water Supply

### Waikato District Council

**Table 76 Water Significant Capital Projects - Waikato District Council**

| Significant capital projects - drinking water ($000) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projects to meet additional demand | | | | | | | | | | |
| Fast Track - WA and Ruakura East WA projects | 0 | 0 | 0 | 0 | 0 | 6244 | 22176 | 57480 | 42960 | 18853 |
| WA DIW (District Wide water supply reticulation extensions) | 150 | 154 | 159 | 165 | 170 | 175 | 180 | 184 | 189 | 0 |
| WA DIW Climate change | 0 | 0 | 2,126 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA DIW Network LoS and growth upgrades | 250 | 256 | 266 | 275 | 283 | 291 | 299 | 307 | 315 | 322 |
| WA DIW Water pump station LoS and growth extension | 50 | 51 | 53 | 55 | 57 | 58 | 60 | 61 | 63 | 64 |
| WA DIW Water supply reservoir LoS and growth upgrades | 100 | 103 | 106 | 110 | 113 | 116 | 120 | 123 | 126 | 129 |
| WA HUN (Huntly water supply treatment plant upgrades) | 480 | 3,840 | 3,580 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA HUN Upgrades for Ohinewai, pump stations and mains | 0 | 0 | 0 | 2,196 | 2,038 | 0 | 0 | 0 | 0 | 0 |
| WA NGA (Ngaruawahia water supply treatment plant upgrades) | 910 | 2,730 | 0 | 0 | 0 | 10,332 | 31,863 | 21,794 | 0 | 0 |
| WA OHI Reservoir | 0 | 0 | 531 | 1,537 | 0 | 0 | 0 | 0 | 378 | 1,290 |
| WA POK (Pookeno Helenslee Booster PS) | 870 | 0 | 0 | 764 | 985 | 0 | 0 | 0 | 0 | 0 |
| WA POK (Pookeno Network Improvement incl NMIT Crossing) | 0 | 0 | 0 | 0 | 0 | 0 | 359 | 0 | 0 | 0 |
| WA POK (Pookeno water supply reticulation extensions) | 0 | 0 | 0 | 1,098 | 679 | 0 | 0 | 0 | 0 | 0 |
| WA POK Extensions (long-term) | 0 | 0 | 0 | 0 | 0 | 582 | 3,113 | 1,229 | 0 | 0 |
| WA POK Reservoir extensions | 0 | 0 | 531 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| WA RAG (Raglan water supply reticulation upgrades) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,259 | 1,290 |
| WA RAG Bulk main extension | 0 | 0 | 797 | 1,922 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA RAG Network reconfiguration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,259 | 1,290 |
| WA RAG Reservoirs | 400 | 3,078 | 5,740 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA RAG Water supply treatment plant extension | 0 | 0 | 181 | 1,400 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TKA (Te Kauwhata water supply reservoir extensions) | 2,220 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TKA (Te Kauwhata water supply reticulation extensions) | 750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,834 | 3,772 |
| WA TKA (Te Kauwhata water supply reticulation upgrades) | 0 | 64 | 930 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TKA Water supply treatment plant extensions | 250 | 513 | 0 | 0 | 14,151 | 20,385 | 0 | 0 | 0 | 0 |
| WA TUA (Tuakau Network Upgrades) | 0 | 375 | 259 | 0 | 0 | 0 | 180 | 184 | 0 | 0 |
| WA TUA Reservoir upgrades | 0 | 0 | 4,144 | 10,167 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total investment to meet additional demand** | **6,430** | **11,164** | **19,405** | **19,688** | **18,475** | **38,185** | **58,350** | **81,363** | **49,383** | **27,010** |
| | | | | | | | | | | |
| Projects to improve levels of services | | | | | | | | | | |
| WA DIW SCADA renewal and upgrade | 1,531 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA DIW Booster pump station extensions | 0 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA DIW Leak detection and water loss reduction programme | 150 | 154 | 159 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA DIW Network LoS and growth upgrades | 250 | 256 | 266 | 275 | 283 | 291 | 299 | 307 | 315 | 322 |
| WA DIW Water pump station LoS and growth extension | 50 | 51 | 53 | 55 | 57 | 58 | 60 | 61 | 63 | 64 |
| WA DIW Water supply reservoir LoS and growth upgrades | 100 | 103 | 106 | 110 | 113 | 116 | 120 | 123 | 126 | 129 |
| WA EUR (Southern DistriEureka network zone boundaries modif) | 0 | 0 | 1,658 | 2,568 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA GDN (Southern DistrictGordonton Rerservoir & PS) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 645 |
| WA GDN (Southern DistrictsPuketaha Rd Watermain) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 774 |
| WA HUN (Huntly water supply reticulation extensions) | 2,000 | 2,052 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| WA HUN (Huntly water supply reticulation upgrades) | 0 | 1,026 | 531 | 275 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA HUN (Huntly water supply treatment plant upgrades) | 20 | 160 | 149 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA MRE (Meremere (Mid Waikato) New Meremere Watermain) | 1,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA MTG (Matangi water supply reservoir extensions) | 0 | 2,880 | 4,310 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA MTG (Southern Districts Matangi Watermain) | 0 | 0 | 0 | 0 | 340 | 932 | 0 | 0 | 0 | 0 |
| WA NGA (Ngaruawahia water supply treatment plant upgrades) | 90 | 270 | 0 | 0 | 0 | 1,022 | 3,151 | 2,155 | 0 | 0 |
| WA POK (Pookeno Helenslee Booster PS) | 130 | 0 | 0 | 114 | 147 | 0 | 0 | 0 | 0 | 0 |
| WA POK (Pookeno Network Improvement incl NMIT Crossing) | 0 | 0 | 0 | 0 | 0 | 0 | 120 | 0 | 0 | 0 |
| WA RAG (Raglan water supply reticulation extensions) | 0 | 0 | 1,594 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA RAG Water supply treatment plant extension | 0 | 0 | 32 | 247 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TAU Water supply reticulation upgrades | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TKA (Te Kauwhata water supply reservoir extensions) | 780 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TKA (Te Kauwhata water supply reticulation extensions) | 250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 945 | 1,257 |
| WA TKA (Te Kauwhata water supply reticulation upgrades) | 0 | 192 | 2,790 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TUA (TuakauDominion Booster PS) | 0 | 0 | 53 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TUA (TuakauTuakau Network Upgrades) | 0 | 750 | 518 | 0 | 0 | 0 | 359 | 369 | 0 | 0 |
| WA TWH (Southern DistrictsTauwhare Pa Watermain) | 0 | 0 | 319 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total investment to improve levels of services** | **8,551** | **8,195** | **12,539** | **3,643** | **940** | **2,420** | **4,109** | **3,016** | **1,448** | **3,192** |
| | | | | | | | | | | |
| Projects to replace existing assets | | | | | | | | | | |
| WA DIW SCADA renewal and upgrade | 1,531 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA DIW (District Wide water supply connection renewals) | 200 | 205 | 213 | 220 | 226 | 233 | 239 | 246 | 252 | 258 |
| WA DIW (District Wide water supply pump station renewals) | 60 | 62 | 64 | 66 | 68 | 70 | 72 | 74 | 76 | 77 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| WA DIW (District Wide water supply reservoir renewals) | 200 | 205 | 213 | 220 | 226 | 233 | 239 | 246 | 252 | 258 |
| WA DIW (District Wide water supply reticulation renewals) | 2,000 | 4,000 | 4,144 | 4,281 | 4,413 | 2,271 | 2,334 | 2,395 | 2,455 | 2,514 |
| WA DIW (District Wide water supply treatment plant renewals) | 800 | 821 | 850 | 878 | 906 | 932 | 958 | 983 | 1,007 | 1,032 |
| WA DIW Mid-Waikato Servicing Strategy recommendation | 0 | 0 | 744 | 0 | 0 | 349 | 0 | 0 | 0 | 387 |
| WA DIW Sampling equipment | 100 | 103 | 106 | 110 | 113 | 116 | 120 | 123 | 126 | 129 |
| WA EUR (Southern DistriEureka network zone boundaries modif) | 0 | 0 | 414 | 642 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA MTG (Matangi water supply reservoir extensions) | 0 | 720 | 1,077 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA NGA (Ngaruawahia water supply reticulation upgrades) | 1,500 | 1,539 | 0 | 0 | 0 | 582 | 1,197 | 0 | 0 | 0 |
| WA ONW Water treatment plant planning and management | 0 | 308 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA RAG Bulk main extension | 0 | 0 | 797 | 1,922 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA RAG Water treatment plant planning and management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 756 | 0 |
| WA TEA Water treatment plant planning and management | 200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TKA (Te Kauwhata water supply treatment plant upgrades) | 0 | 1,500 | 4,144 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WA TUA (TuakauTuakau Network Upgrades) | 0 | 375 | 259 | 0 | 0 | 0 | 180 | 184 | 0 | 0 |
| **Total investment to replace existing assets** | **6,591** | **9,837** | **13,026** | **8,338** | **5,953** | **4,787** | **5,340** | **4,250** | **4,923** | **4,654** |
| | | | | | | | | | | |
| **Total investment in drinking water assets** | **21,571** | **29,196** | **44,970** | **31,669** | **25,368** | **45391** | **67799** | **88629** | **55754** | **34856** |

## Hamilton City Council

**Table 77 Water Significant Capital Projects – Hamilton City Council**

| Significant capital projects - drinking water ($000) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projects to meet additional demand | | | | | | | | | | |
| CE15144 - Upgrade water treatment plant | 2,000 | 795 | 5,397 | 20,235 | 6,074 | 612 | 6,275 | 7,711 | 2,627 | 30,841 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| CE15132 - Water network upgrades to allow new development | 145 | 769 | 2,534 | 4,945 | 9,826 | 10,713 | 12,549 | 12,851 | 13,133 | 13,409 |
| CE19049 - Wtr Demand Mgmt-Fairfield ReservoirZn | 0 | 543 | 1,072 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE19046 - Peacocke watermains stage 2 | 157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE15141 - Wtr Dmnd Mngt - Hillcrest Reservoir Zone | 150 | 1,098 | 4,728 | 30,652 | 21,438 | 0 | 0 | 0 | 0 | 0 |
| CE21033 - Ruakiwi Pumpstation Upgrade | 2,599 | 6,355 | 22,055 | 26,162 | 15,790 | 435 | 0 | 0 | 0 | 0 |
| CE23002 - IAF Water Supply | 573 | 330 | 811 | 457 | 2,189 | 2,189 | 2,189 | 0 | 0 | 0 |
| CE19047 - Water Demnd Mgmt - Maeroa Reservoir Zone | 0 | 398 | 84 | 0 | 0 | 0 | 0 | 0 | 0 | 2,682 |
| CE19048-WaterDemandMgmt-HamSouth ReservoirZneCE15135 - Peacocke Water Distribution Mains Stg1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,278 |
| CE15130 - Peacocke watermains stage 1 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE15134 - Water demand management - Pukete reservoir zone | 271 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE21033 - Ruakiwi Pumpstation UpgradeCE15132 - Water ntwrk upgrdes to allow new develop | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,567 | 40,227 |
| CE19045 - Ruakura Reservoir & Assoc Bulk Mains | 0 | 0 | 0 | 3,472 | 10,004 | 44,075 | 45,176 | 0 | 0 | 0 |
| CE15148 - Ruakura Upgrade and New Watermains | 0 | 0 | 408 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE15126 - Rototuna Upgrade or New Watermains | 0 | 0 | 0 | 0 | 0 | 0 | 917 | 2,255 | 717 | 0 |
| CE21036 - RotokauriUpgrade&New Watermains Stg2 | 0 | 0 | 0 | 0 | 0 | 0 | 395 | 4,278 | 2,984 | 2,021 |
| CE15128 - Rotokauri Upgrd&New Watermains Stg1 | 0 | 0 | 2,447 | 143 | 1,015 | 306 | 1,678 | 724 | 2,661 | 862 |
| CE19046 - Peacocke Watermains Stage 2 | 152 | 25 | 77 | 0 | 0 | 228 | 806 | 1,472 | 1,532 | 444 |
| CE15135 - Peacocke water distribution mains stage 1 | 99 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE15146 - Water Customer Connections | 1,284 | 54 | 56 | 58 | 60 | 61 | 63 | 64 | 66 | 67 |
| CE21035 - Strategic Water Demand Management | 0 | 597 | 1,178 | 4,746 | 19,056 | 19,589 | 12,549 | 6,094 | 0 | 0 |
| CE15127 - Water Pipe Upgrades | 1 | 597 | 786 | 1,828 | 871 | 895 | 918 | 940 | 960 | 981 |
| CE15159 - Water Master Plan | 50 | 75 | 185 | 174 | 39 | 0 | 188 | 42 | 0 | 201 |
| **Total investment to meet additional demand** | **7,489** | **11,636** | **41,818** | **92,872** | **86,362** | **79,103** | **83,703** | **36,431** | **31,246** | **96,012** |
| | | | | | | | | | | |
| Projects to improve levels of services | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| CE24030 - IAF Water Supply | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,964 | 10,381 | 0 |
| CE15133 - Water Network Improvements | 618 | 2492 | 15,493 | 11,660 | 7,549 | 6,118 | 6,774 | 6,754 | 7,528 | 15,987 |
| CE15139 - Water Trtmt PlntCompliance-MinorUpgds | 2 | 1,282 | 3,061 | 5,496 | 2,153 | 2,435 | 1,885 | 508 | 388 | 530 |
| **Total investment to improve levels of services** | **620** | **3,774** | **18,555** | **17,156** | **9,702** | **8,553** | **8,659** | **16,226** | **18,297** | **16,517** |
| | | | | | | | | | | |
| Projects to replace existing assets | | | | | | | | | | |
| CE10124 - Watermain Valves & Hydrants Renewals | 505 | 878 | 790 | 2649 | 1531 | 1611 | 1327 | 1186 | 1177 | 989 |
| CE10138 - Treatment Plant & Reservoir Renewals | 1582 | 1084 | 2233 | 7477 | 5106 | 4613 | 4254 | 4381 | 9029 | 4545 |
| CE10123 - Watermain Renewals | 4874 | 5069 | 4921 | 17013 | 10193 | 10338 | 8981 | 9254 | 9424 | 9404 |
| CE15158 - Water Model | 105 | 200 | 326 | 442 | 343 | 817 | 213 | 218 | 336 | 228 |
| **Total investment to replace existing assets** | **7066** | **7230** | **8270** | **27581** | **17173** | **17380** | **14775** | **15040** | **19966** | **15166** |
| | | | | | | | | | | |
| **Total investment in drinking water assets** | **15,175** | **22,640** | **68,643** | **137,610** | **113,236** | **105,036** | **107,136** | **67,697** | **69,509** | **127,695** |

## Wastewater

### Waikato District Council

**Table 78 Wastewater Significant Capital Projects - Waikato District Council**

| Significant capital projects - wastewater ($000) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projects to meet additional demand | | | | | | | | | | |
| Fast Track-WA & Ruakura East Wastewater | 0 | 0 | 0 | 0 | 0 | 6,620 | 11,267 | 24,357 | 25,295 | 316 |
| WW DIW Northern Hamilton-Waikato metropolitan conveyance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 541 | 29,411 |
| WW HOR (Horotiu wastewater pump station extensions) | 180 | 3,591 | 1,913 | 604 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW HOR (Horotiu wastewater reticulation extensions) | 0 | 0 | 319 | 0 | 0 | 349 | 0 | 0 | 0 | 0 |
| WW HUN (Huntly wastewater treatment plant upgrades) | 3,039 | 4627 | 3315 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW MTG Interceptor pump station and rising main | 2,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| WW NGA (Ngaruawahia wastewater treatment plant upgrades) | 0 | 5850 | 4662 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW NGA Network extensions | 0 | 0 | 0 | 2,140 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW NGA Pump station and rising main upgrade Waingaro Road | 540 | 1,785 | 1,276 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW NGA Pump station extensions | 0 | 0 | 0 | 0 | 0 | 315 | 2,178 | 0 | 0 | 0 |
| WW POK Pump station and rising main Pookeno West | 0 | 0 | 0 | 1,070 | 0 | 0 | 0 | 0 | 4,357 | 0 |
| WW RAG (Raglan wastewater treatment plant upgrades) | 6,487 | 58 | 150 | 1,657 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW RAG Pump station and rising main upgrade | 0 | 308 | 3,827 | 1,449 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW RAN Pump station upgrade Murphy Street | 0 | 0 | 159 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW Te Kauwhata wastewater treatment plant upgrades | 840 | 3,604 | 1,958 | 0 | 5,561 | 8,583 | 0 | 0 | 0 | 0 |
| WW TKA Pump station extensions | 0 | 193 | 0 | 13 | 166 | 0 | 0 | 0 | 0 | 0 |
| WW TKA Treatment plant upgrades | 0 | 0 | 0 | 0 | 0 | 1,362 | 0 | 0 | 0 | 0 |
| WW TUA (Tuakau wastewater reticulation extensions) | 480 | 1,231 | 0 | 1,757 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total investment to meet additional demand** | **14,066** | **21247** | **17579** | **8,691** | **5,726** | **17230** | **13446** | **24,357** | **30,194** | **29,727** |
| | | | | | | | | | | |
| Projects to improve levels of services | | | | | | | | | | |
| WW DIW (District Wide treatment plant upgrades) | 360 | 369 | 383 | 395 | 408 | 419 | 431 | 442 | 453 | 464 |
| WW DIW (Wastewater pump station LOS impr - emrgncy storage) | 600 | 616 | 797 | 824 | 849 | 874 | 898 | 921 | 945 | 967 |
| WW DIW Biosolids Strategy | 0 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW DIW Climate change upgrades | 0 | 0 | 2,126 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW DW Pump station LoS improvement - odour control | 170 | 174 | 213 | 220 | 226 | 233 | 239 | 246 | 252 | 258 |
| WW HOR (Horotiu wastewater reticulation extensions) | 0 | 0 | 319 | 0 | 0 | 349 | 0 | 0 | 0 | 0 |
| WW HUN (Huntly wastewater treatment plant upgrades) | 4,749 | 7230 | 5180 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW HUN Pump station replacement and upgrade Lignite Street | 0 | 0 | 204 | 1,660 | 815 | 0 | 0 | 0 | 0 | 0 |
| WW NGA (Ngaruawahia wastewater treatment plant upgrades) | 0 | 9750 | 7770 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| WW NGA Pump station and rising main upgrade Waingaro Road | 900 | 2,975 | 2,126 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW RAG (Raglan wastewater treatment plant upgrades) | 13,198 | 118 | 306 | 3,371 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW RAG Network upgrades | 0 | 0 | 0 | 2,196 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW Te Kauwhata wastewater treatment plant upgrades | 700 | 3,003 | 1,632 | 0 | 4,634 | 7,153 | 0 | 0 | 0 | 0 |
| WW TKA Pump station extensions | 0 | 578 | 0 | 40 | 497 | 0 | 0 | 0 | 0 | 0 |
| WW TKA Treatment plant upgrades | 0 | 0 | 0 | 0 | 0 | 908 | 0 | 0 | 0 | 0 |
| **Total investment to improve levels of services** | **20,677** | **25113** | **21054** | **8,706** | **7,429** | **9937** | **1569** | **1,610** | **1,650** | **1,689** |
| | | | | | | | | | | |
| Projects to replace existing assets | | | | | | | | | | |
| WW DIW (District Wide wastewater pump station renewals) | 344 | 353 | 531 | 549 | 566 | 582 | 599 | 614 | 630 | 645 |
| WW DIW (District Wide wastewater reticulation renewals) | 3,000 | 3,078 | 4,252 | 4,392 | 4,528 | 4,660 | 4,790 | 4,915 | 5,037 | 5,158 |
| WW DIW (District Wide wastewater treatment plant renewals) | 480 | 492 | 638 | 659 | 679 | 699 | 718 | 737 | 756 | 774 |
| WW DIW (District Wide wastewater treat. plant plan & manage) | 240 | 246 | 319 | 329 | 340 | 349 | 359 | 369 | 378 | 387 |
| WW DIW Legal contingency post lodgement | 0 | 0 | 1063 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW DIW Northern Hamilton-Waikato metropolitan conveyance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 60 | 3,268 |
| WW HUN (Huntly wastewater reticulation renewals) | 0 | 3,591 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW HUN (Huntly wastewater treatment plant upgrades) | 1,709 | 2603 | 1865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW HUN (Huntly wastewater treatment plant plan & management) | 0 | 0 | 531 | 549 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW HUN Pump station replacement and upgrade Lignite Street | 0 | 0 | 136 | 1,107 | 543 | 0 | 0 | 0 | 0 | 0 |
| WW HUN Reticulation renewals | 400 | 410 | 1,063 | 1,098 | 1,132 | 466 | 479 | 491 | 504 | 0 |
| WW NGA (Ngaruawahia wastewater treatment plant upgrades) | 0 | 3900 | 3108 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW NGA Pump station and rising main upgrade Waingaro Road | 360 | 1,190 | 850 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW NGA Treatment plant planning and management | 0 | 0 | 372 | 384 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| WW RAG (Raglan wastewater treatment plant upgrades) | 2,684 | 24 | 62 | 686 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW RAG Pump station and rising main upgrade | 0 | 205 | 2,551 | 966 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW RAG Treatment plant planning and management | 400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW Te Kauwhata wastewater treatment plant upgrades | 460 | 1,973 | 1,072 | 0 | 3,045 | 4,700 | 0 | 0 | 0 | 0 |
| WW TEO (Te Ohaki low pressure WW pump scheme) | 170 | 185 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW TKA Treatment plant planning and management | 25 | 51 | 372 | 384 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW TUA (Tuakau wastewater reticulation extensions) | 120 | 308 | 0 | 439 | 0 | 0 | 0 | 0 | 0 | 0 |
| WW TWH (Tauwhare Pa Low Pressure WW Pump Scheme) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 209 | 227 | 0 |
| WW TWH Paa treatment plant planning and management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 378 | 387 |
| WW WHL (Whale Bay Pressure Pump Renewal) | 0 | 0 | 0 | 296 | 317 | 0 | 0 | 0 | 0 | 0 |
| **Total investment to replace existing assets** | **10,393** | **18610** | **18786** | **11,839** | **11,151** | **11457** | **6945** | **7,335** | **7,969** | **10,618** |
| | | | | | | | | | | |
| **Total investment in wastewater assets** | **45,136** | **64970** | **57420** | **29,236** | **24,306** | **38623** | **21960** | **33,301** | **39,813** | **42,035** |

## Hamilton City Council

**Table 79 Wastewater Significant Capital Projects – Hamilton City Council**

| Significant capital projects - wastewater ($000) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projects to meet additional demand | | | | | | | | | | |
| CE15144 - Upgrade water treatment plant | 587 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE15132 - Water ntwrk upgrdes to allow new develop | 0 | 0 | 0 | 1473 | 596 | 857 | 0 | 0 | 0 | 0 |
| CE19042 - Peacocke Wastewater South Network | 3935 | 66 | 4082 | 2365 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE15121 - Wastewater customer connections to network | 1776 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE19043 - Incr capacity WW West Network | 6276 | 4519 | 10816 | 4631 | 8003 | 38203 | 46573 | 10536 | 0 | 0 |
| CE19044 - Increase capacity WW East Network | 1074 | 4352 | 4303 | 48206 | 33313 | 36479 | 5119 | 48 | 0 | 0 |
| CE19042 - Peacocke wastewater south network | 3009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| CE19040 - Peacocke wastewater infrastructure stage 2 | 2631 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE23004 - IAF Wastewater | 619 | 659 | 584 | 457 | 2189 | 2189 | 2189 | 0 | 0 | 0 |
| CE15104 - Wastewater Pipe Upgrades | 1 | 497 | 1270 | 1966 | 1012 | 7162 | 6714 | 5333 | 15500 | 14230 |
| CE21000 - Placeholder CE Code 21-31 | 0 | 0 | 0 | 826 | 6074 | 0 | 0 | 0 | 0 | 0 |
| CE21073 - Subregional WW Treatment Plant | 701 | 994 | 6967 | 14468 | 17150 | 9794 | 0 | 0 | 32504 | 33187 |
| CE15117 - Upgrade WW Treatment Plant | 2551 | 24985 | 9171 | 72539 | 53447 | 64170 | 65760 | 79595 | 53195 | 86273 |
| CE19073 - Te Rapa Upgrade & New Watermains | 0 | 0 | 262 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE19040 - Peacocke WW Infrastructure Stg2 | 2112 | 1604 | 2508 | 847 | 153 | 1178 | 2132 | 8371 | 1631 | 1846 |
| CE15105 - Rototuna WW Infrastructure | 0 | 0 | 0 | 0 | 250 | 341 | 2808 | 0 | 0 | 0 |
| CE15107 - Rotokauri WW Infrastructure | 0 | 0 | 531 | 5830 | 108 | 855 | 3061 | 5280 | 1212 | 34 |
| CE15109 - Peacocke WW Infrastructure Stage 1 | 0 | 0 | 585 | 0 | 0 | 1635 | 198 | 822 | 40 | 0 |
| CE15121 - WW Customer Connections to Network | 116 | 119 | 123 | 127 | 131 | 134 | 138 | 141 | 144 | 147 |
| CE15111 - Increase capacity of wastewater network | 157 | 984 | 766 | 0 | 0 | 11324 | 4267 | 4369 | 5779 | 5900 |
| CE15161 - Wastewater Master Plan | 44 | 75 | 728 | 169 | 174 | 538 | 184 | 188 | 577 | 196 |
| CE15106 - WW Network Upgrds to Allow Devlpmnt | 57 | 56 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total investment to meet additional demand** | **25646** | **38911** | **42694** | **153905** | **122602** | **174860** | **139142** | **114685** | **110581** | **141813** |
| | | | | | | | | | | |
| Projects to improve levels of services | | | | | | | | | | |
| CE21058 - Transportation safety improvements[74] | 245 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE15103 - Wastewater Network Improvements | 334 | 1387 | 7914 | 13289 | 3111 | 3198 | 2024 | 2101 | 2147 | 2192 |
| CE15104 - Wastewater Pipe Upgrades | 5289 | 9379 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE15120 - Wastewater Treatment Plant Compliance | 2558 | 740 | 1030 | 4552 | 3091 | 4812 | 4095 | 4685 | 4583 | 3196 |
| **Total investment to improve levels of services** | **8426** | **11507** | **8944** | **17841** | **6202** | **8010** | **6119** | **6786** | **6730** | **5389** |
| | | | | | | | | | | |
| Projects to replace existing assets | | | | | | | | | | |

[74] Improvements to wastewater infrastructure aligned with Transport safety improvements “bikes on pipes” programme.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| CE15160 - Wastewater Model | 327 | 211 | 149 | 411 | 1533 | 817 | 213 | 218 | 399 | 322 |
| CE10101 - Wastewater Asset Renewals | 2377 | 7986 | 6110 | 18735 | 20350 | 26374 | 25110 | 25759 | 28210 | 28209 |
| CE10100 - Wastewater PS Asset Renewals | 1172 | 779 | 967 | 2887 | 2880 | 2773 | 3280 | 2991 | 3087 | 3216 |
| CE10115 - WW Treatment Plant Asset Renewals | 3173 | 3823 | 9675 | 16733 | 9317 | 11505 | 7596 | 7644 | 8742 | 7976 |
| **Total investment to replace existing assets** | **7,050** | **12,799** | **16,900** | **38,767** | **34,080** | **41,469** | **36,199** | **36,613** | **40,438** | **39,723** |
| | | | | | | | | | | |
| **Total investment in wastewater assets** | **41122** | **63217** | **68538** | **210512** | **162884** | **224339** | **181460** | **158083** | **157750** | **41122** |

## Stormwater

### Waikato District Council

**Table 80 Stormwater Significant Capital Projects - Waikato District Council**

| Significant capital projects - stormwater ($000) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projects to meet additional demand | | | | | | | | | | |
| SW DIW (District Wide storm water extension) | 300 | 308 | 319 | 329 | 340 | 349 | 359 | 369 | 378 | 387 |
| SW DIW (District Wide Treatment Plant Proprietary Devices) | 100 | 119 | 102 | 20 | 9 | 48 | 81 | 55 | 69 | 58 |
| SW DIW Catchment management plans | 300 | 287 | 0 | 0 | 0 | 373 | 0 | 0 | 0 | 0 |
| SW NGA Catchment management plan projects | 1,025 | 943 | 977 | 1,076 | 1,177 | 1,115 | 1,119 | 1,130 | 1,158 | 1,282 |
| SW POK (Pookeno stormwater reticulation extensions) | 4,606 | 423 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SW POK (Pookeno stormwater reticulation extensions) | 900 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SW RAG Catchment management plans projects | 138 | 106 | 110 | 141 | 168 | 135 | 130 | 127 | 130 | 165 |
| SW TKA Catchment management plans projects | 35 | 0 | 0 | 27 | 51 | 15 | 6 | 0 | 0 | 115 |
| **Total investment to meet additional demand** | **7,404** | **2,186** | **1,508** | **1,593** | **1,744** | **2,035** | **1,695** | **1,680** | **1,735** | **2,008** |
| | | | | | | | | | | |
| Projects to improve levels of services | | | | | | | | | | |
| SW DIW (District Wide Treatment Plant Proprietary Devices) | 400 | 476 | 408 | 79 | 36 | 194 | 326 | 219 | 275 | 230 |
| SW DIW (District wide Various WQ, waterway and capacity upg) | 1,500 | 1,539 | 1,594 | 1,647 | 1,698 | 1,747 | 1,796 | 1,843 | 1,889 | 1,934 |
| SW DIW Catchment management plans | 150 | 144 | 0 | 0 | 0 | 186 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| SW DIW Climate change infrastructure upgrades | 500 | 513 | 531 | 2,196 | 2,264 | 2,330 | 2,395 | 2,457 | 2,519 | 2,579 |
| SW DIW Flood mitigation works | 1,000 | 1,026 | 1,063 | 1,098 | 1,132 | 1,165 | 1,197 | 1,229 | 1,259 | 1,290 |
| SW DIW Ponds performance testing and asset monitoring | 150 | 103 | 53 | 55 | 57 | 58 | 60 | 61 | 63 | 64 |
| SW DIW Water quality improvement works | 0 | 1,385 | 0 | 0 | 487 | 0 | 0 | 0 | 0 | 0 |
| SW NGA Catchment management plan projects | 342 | 314 | 326 | 359 | 392 | 372 | 373 | 377 | 386 | 427 |
| SW RAG Catchment management plans projects | 415 | 318 | 329 | 422 | 503 | 405 | 389 | 381 | 390 | 496 |
| SW TKA Catchment management plans projects | 105 | 0 | 0 | 82 | 153 | 44 | 18 | 0 | 0 | 346 |
| **Total investment to improve levels of services** | **4,561** | **5,818** | **4,305** | **5,938** | **6,722** | **6,500** | **6,554** | **6,567** | **6,781** | **7,368** |
| | | | | | | | | | | |
| Projects to replace existing assets | | | | | | | | | | |
| SW DIW (District Wide Storm Water Network Renewals) | 110 | 0 | 0 | 329 | 0 | 0 | 0 | 369 | 0 | 0 |
| SW DIW Asset monitoring | 120 | 62 | 64 | 66 | 68 | 70 | 72 | 74 | 76 | 77 |
| SW DIW Catchment management plans | 300 | 287 | 0 | 0 | 0 | 373 | 0 | 0 | 0 | 0 |
| SW DIW Climate ecological surveys | 0 | 0 | 638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SW DIW Community education programmes | 50 | 26 | 27 | 27 | 28 | 58 | 30 | 31 | 31 | 32 |
| SW DIW Community engagement and Taumata Arowai requirements | 150 | 154 | 159 | 165 | 170 | 175 | 180 | 184 | 189 | 193 |
| SW DIW Consent - aesthetic improvements | 0 | 0 | 0 | 0 | 57 | 58 | 60 | 31 | 31 | 0 |
| SW DIW Consent renewal strategy | 0 | 0 | 0 | 972 | 0 | 0 | 0 | 0 | 0 | 0 |
| SW DIW Consent renewals | 0 | 205 | 765 | 2,196 | 0 | 0 | 0 | 0 | 0 | 0 |
| SW DIW Fish passage inspection and upgrades | 300 | 49 | 51 | 53 | 54 | 85 | 57 | 59 | 60 | 62 |
| SW DIW Initiatives | 0 | 103 | 0 | 55 | 0 | 0 | 120 | 0 | 63 | 0 |
| SW DIW Monitoring plan | 0 | 103 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SW DIW Network asset renewal | 700 | 718 | 744 | 769 | 792 | 815 | 838 | 860 | 882 | 903 |
| SW DIW Rain garden refurbishment | 50 | 113 | 43 | 143 | 91 | 163 | 299 | 61 | 252 | 64 |
| SW DIW Riparian planting | 285 | 97 | 61 | 63 | 65 | 66 | 341 | 117 | 72 | 74 |
| **Total investment to replace existing assets** | **2,065** | **1,917** | **2,551** | **4,837** | **1,325** | **1,864** | **1,997** | **1,785** | **1,656** | **1,406** |
| | | | | | | | | | | |
| **Total investment in stormwater assets** | **14,030** | **9,920** | **8,364** | **12,368** | **9,791** | **10,399** | **10,247** | **10,032** | **10,172** | **10,781** |

**Table 81 Stormwater Significant Capital Projects - Hamilton City Council**

| Significant capital projects - stormwater ($000) | FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projects to meet additional demand | | | | | | | | | | |
| CE15059 - Rototuna Stormwater Infrastructure | 51 | 842 | 3445 | 3829 | 0 | 3397 | 322 | 1910 | 1445 | 0 |
| CE15060 - Rotokauri SW Infrastructure S1 | 1870 | 1992 | 2260 | 4576 | 17273 | 20310 | 23278 | 1455 | 1905 | 1795 |
| CE15162 - Integrated Catchment Management Plan | 737 | 2080 | 2189 | 16366 | 3467 | 21825 | 16519 | 13236 | 19480 | 13901 |
| CE23003 - IAF Stormwater | 632 | 458 | 0 | 577 | 2189 | 2189 | 2189 | 0 | 0 | 0 |
| CE21066 - Ruakura stormwater infrastructure | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE15063 - Peacocke SW Infrastructure Stage 2 | 2917 | 260 | 3001 | 1473 | 1350 | 1562 | 1356 | 1194 | 3571 | 8255 |
| CE15068 - Stormwater Customer Connections | 825 | 27 | 28 | 29 | 30 | 31 | 31 | 32 | 33 | 34 |
| CE21032 - Stormwater Infrastructure Upgrades | 53 | 545 | 2526 | 1282 | 1010 | 1038 | 1064 | 1090 | 1114 | 1137 |
| CE15062 - Peacocke Stormwater Infrastructure Stg 1 | 3213 | 0 | 453 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CE21063 - Te Rapa North SW Infrastructure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13408 |
| CE15060 - Rotokauri Stormwater Infrastructure Stage 1 | 26 | 0 | 258 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total investment to meet additional demand** | **10,335** | **6,204** | **14,159** | **28,133** | **25,320** | **50,352** | **44,760** | **18,917** | **27,547** | **38,530** |
| | | | | | | | | | | |
| Projects to improve levels of services | | | | | | | | | | |
| CE19026 - Erosion Control Works | 1214 | 3008 | 5517 | 5226 | 4281 | 2761 | 3036 | 2849 | 2803 | 3576 |
| CE21031 - Flood Management | 60 | 1491 | 4158 | 6166 | 7746 | 3407 | 3492 | 3576 | 3654 | 3731 |
| CE15067 - Comprehensive SW Consent Imp | 93 | 42 | 279 | 670 | 305 | 314 | 331 | 179 | 183 | 187 |
| CE21062 - Stormwater Asset Upgrades | 0 | 0 | 399 | 509 | 310 | 45 | 251 | 257 | 263 | 268 |
| CE21031 - Flood Management | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total investment to improve levels of services** | **1,467** | **4,541** | **10,354** | **12,570** | **12,642** | **6,526** | **7,110** | **6,861** | **6,903** | **7,762** |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Projects to replace existing assets | | | | | | | | | | |
| CE10058 - Stormwater Asset Renewals | 401 | 885 | 7,755 | 15,317 | 9,848 | 10,197 | 9,721 | 10,417 | 10,722 | 10,673 |
| **Total investment to replace existing assets** | **401** | **885** | **7,755** | **15,317** | **9,848** | **10,197** | **9,721** | **10,417** | **10,722** | **10,673** |
| | | | | | | | | | | |
| **Total investment in stormwater assets** | **12204** | **11631** | **32268** | **56,020** | **47,810** | **67,075** | **61,591** | **36,195** | **45,172** | **56,965** |

# Appendix 2 Risks and Assumptions

A summary of key risks and assumptions that are material to this WSDP are outlined below and should be read in conjunction with the significant forecasting assumptions communicated in the Hamilton City and Waikato District LTPs[75] and additional detail included in the LWDW Business case.

## Significant Risks and Assumptions

| Parameters | Risks and Assumptions |
|---|---|
| Future Service Delivery Model | It is assumed that:<br>- The CCO will own and manage water supply infrastructure and wastewater assets.<br>- Stormwater services will remain council-owned, with service delivery contracted to the CCO.<br>- Current relevant Contracts, Consents and Service Level Agreements (SLAs) with neighbouring councils will be novated to the CCO and honoured limiting service disruption to residents.<br>- The CCO will undertake strategic planning to refine investment plans and operational strategies to align with customer, council and regulatory requirements as well as realise the anticipated benefits identified in this plan.<br>- Although broader collaboration is desired, it is assumed for the purposes of this plan that no other councils' have decided to participate in the proposed CCO.<br>The following assumptions in LTP's are inconsistent with the future service delivery model assumptions in this plan:<br>- Three waters reform assumptions in the Hamilton City Council 24/34 Long Term Plan.<br>**Risks**<br>- At this time of approving this Water Services Delivery Plan, the Local Government (Water Services) Bill is subject to parliamentary processes. There is a risk that the Bill when enacted varies Council legislative obligations with regards to Water Service Delivery options. |

[75] Hamilton City Councils 2024-34 Long Term Plan and Waikato District Councils 25-34 Long Term Plan

| | |
|---|---|
| Transition management | It is assumed that:<br>- The proposed timeframes for transition are realistic and achievable within the allocated funding.<br>- Establishment will adopt an MVP approach throughout, and that this will be sufficient to support streamlined, cost-effective transition and minimise disruption for customers and staff while essential structures and processes are stood up.<br>- Establishment costs will be debt funded and become part of the debt the CCO's initial debt requirements (and opening debt balance).<br>- Current skillsets are retained during transition and that organisational capacity is sufficient to manage the combined services of the CCO.<br>- That Shared Service arrangements with Councils will be sufficient to support the operation of the CCO through transition.<br>- All relevant assets are identifiable and will be transferred to the ownership and control of the CCO on 1 July 2026.<br>**Risks**<br>- There is a low risk that transition timeframes may be delayed or costs may exceed budget due to unforeseen complexity, resource constraints and/or shortage of sufficiently qualified board members – with potential impact on service continuity and financial performance.<br>- There is a moderate risk that unforeseen technical, legal, or operational complications could arise during transition, requiring additional resources, extending timelines, or requiring unplanned system changes to ensure operational continuity. This risk would escalate in the event of an additional council seeking to join the CCO.<br>- There is an additional moderate risk that organisational disruption, combined with open opportunities at a national level, trigger staff movement causing capability and capacity gaps at a pivotal point.<br>- There is a risk of disruption to services, levels of service, and/or capital delivery due to the significant staff changes, staff time allocation, and staff impacts required to implement the CCO. |
| Financial sustainability | It is broadly assumed that LTP's accurately reflect investment, revenue and funding required to continue to deliver three waters services, except for the following:<br><u>Investment</u><br>It is assumed that: |

| | |
|---|---|
| | - Additional funding will be required to support the establishment of a CCO. It is assumed that the estimated $7.35m of establishment costs and operational costs of $3.95 million budgeted in 26/27 will be sufficient to enable the MPV CCO to operate on Day 1.<br>- Additional debt head room provides the opportunity to revise the timing of funded investments and fund previously identified unfunded investments requirements.<br>- Universal water metering will be required to enable legislative compliance with charging requirements by 1 July 2031. It is assumed for the purpose of this plan that the introduction of water meters will not materially change the volume of water assumed to be produced or the proportional volumetric charges.<br>- The monetary value of asset transfer has been calculated using a forecast asset position. The asset value for 24/25 financial year, has been based on asset values at 23/24 financial year and includes an inflationary adjustment in line with the fair value assessment. The asset value for 25/26 financial year and onwards, includes an inflationary adjustment in line with the GHD cost escalation report. . There is a high level of uncertainty with this assumption as the impact of subsequent asset revaluation, which will be required to support transition transactions, could differ materially due to the significant inflationary pressures on the capital programme in a high inflation economy that has yet to settle, and any potential inconsistency of valuation assumptions and methodologies applied by the Councils. Should any shift in assumptions, including inflation, result in a higher than assumed assets value after revaluation, insufficient rates may be collected for debt repayment and for future renewals.<br>- With the exception of the one-off establishment and operational costs identified in year 25/26, the organisational cost of operating the CCO and Shared Service arrangements with the councils through the transitional period are assumed to be equivalent to current overhead costs within respective council's operating budgets.<br>- WDC costs paid to Watercare include an overhead component to cover back-office functions. On the assumption that overhead functions can be delivered within the shared services framework and other CCO operating costs the margin has been removed in the CCO from 2028/29 financial year.<br>- On the basis that the Councils will contract the CCO to provide stormwater services including strategy, planning, consenting, project design, delivery, maintenance, engineering, and related services. In the CCO view, an additional fee and charge has been included and additional operating expenses to carry out the stormwater services. The provision of stormwater services by the CCO is assumed to be cost neutral. |

- Fast Track programmes which have been incorporated into the WSDP are assumed to be 70% funded by developers consistent with the assumptions applied in the LWDW business case.
- The CCO will have access to insurance coverage at equivalent rates and conditions to the councils.
- The CCO will consider how the anticipated benefits identified in this plan can be achieved through ongoing strategic planning processes. Conservatively, arbitrary efficiency savings associated with the new delivery model have not been assumed in this plan.
- The CCO will maintain financial sustainability beyond 30 June 2028.
- Changing requirements due to new emerging legislation and regulation will be responded to through future strategic planning processes. These requirements include, for example, any response to the Local Government (Water Services) Bill and emerging economic regulation.
- Hamilton City Council - Separate inflation rates have been used for the operational and capital budgets due to the different cost drivers that impact these types of cost. Business and Economic Research Ltd (BERL) were contracted on behalf of the local government sector to provide information for the 2024/34 period. These forecasts are related to the types of costs that the local government sector is likely to incur.

  Inflation rates are reviewed annually at each Annual Plan and Long-Term Plan. Treasury inputs for wage/salary growth projections was used along with consideration for the Council's continued commitment to align Council's minimum wage to the Living wage, and the inflationary effects of committed associated remuneration benefits. Council has increased the capital inflation rate by the historical trend variance, as calculated by analysing forecast capital BERL rates (as assumed in prior Long-Term Plans) and actual inflation rates.

  Operating expenditure (excluding personnel) and revenue inflation in financial modelling is:

| FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 3.2% | 3.2% | 3.0% | 2.7% | 2.6% | 2.4% | 2.3% | 2.2% | 2.1% |

  Capital expenditure and revenue (capital subsidies, capital contributions) inflation used in financial modelling is:

| FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 3.4% | 3.3% | 3.2% | 2.9% | 2.8% | 2.5% | 2.4% | 2.2% | 2.1% |

Personnel inflation used in financial modelling is:

| FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|
| 0% | 5.5% | 3.0% | 3.0% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |

- Waikato District Council - Council has used the 2024 Price Level Adjustors provided by Business and Economic Research Limited (BERL) as the primary tool to forecast future costs and adjust financial projections. These adjusters have been applied across all relevant areas of expenditure, including water infrastructure, labour, and operational costs, to ensure financial planning reflects anticipated changes in economic conditions such as inflation and wage growth.

For Water Pipelines:

| FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|
| 3.6% | 3.3% | 3.1% | 2.9% | 2.8% | 2.6% | 2.5% | 2.4% |

For Property Capital:

| FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|
| 3.1% | 2.9% | 2.6% | 2.5% | 2.4% | 2.3% | 2.2% | 2.1% |

For PPI Local Govt inputs:

| FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|
| 2.5% | 2.4% | 2.1% | 2.0% | 1.9% | 1.9% | 1.9% | 1.8% |

For Waters:

| FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|
| 3.6% | 3.5% | 3.3% | 3.2% | 3.0% | 2.9% | 2.8% | 2.6% |

<u>Funding / Debt</u>

It is assumed that:

- The CCO will be able to access funding through the LGFA where the ratio of Funds from Operations to Net Debt is maintained over 8%, and that the funding terms will not change materially from the financing assumptions underpinning the financial projections.
- Councils, should they choose, will be able to access increased funding through the LGFA up to a 350% debt to revenue ratio, and that the funding terms will not change materially from the financing assumptions underpinning the financial projections.
- For the purposes of this plan the internal debt to revenue ratio limit for stormwater for, both councils is assumed to be 500%.
- The tenor of new borrowings will match the economic useful life of the underlying infrastructure or investment that the debt is being raised to fund. In this way the CCO and councils can achieve better generational equity for customers, as the burden of paying for infrastructure will be spread across the period over which benefits will be derived from the use of those assets.
- It is assumed that Hamilton City's and Waikato District's credit rating will remain unchanged and on this basis, councils will continue to access debt on terms (and at interest rates) that reflect this rating, within the context of prevailing economic conditions. Debt levels will be managed to maintain credit rating.
- Hamilton City Council - Interest on expenditure PwC provides these projections based on Council's projected debt portfolio, as part of their ongoing treasury advisory function.

| FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|
| 4.00% | 3.72% | 3.98% | 4.02% | 4.19% | 4.40 % | 4.68 % | 4.85 % | 5.03% | 4.84% |

The interest assumptions have a medium level of uncertainty. The risk is interest rates could be higher or lower than predicted which will impact on revenue, expenditure and debt. The impacts have been explained in our sensitivity analysis.

- Waikato District Council – PwC provides the borrowing costs projections based on Council's forecasted debt portfolio as part of their continuous treasury advisory services.

| FY24/25 | FY25/26 | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | FY31/32 | FY32/33 | FY33/34 |
|---|---|---|---|---|---|---|---|---|---|
| 4.25% | 4.22% | 4.21% | 4.26% | 4.33% | 4.42 % | 4.46 % | 4.59 % | 5.79% | 5.05% |

- It is expected that the CCO's Governance and Management structure will develop a treasury policy that is fit-for-purpose and adequately considers interest rate and refinance risk, which may include:
    - a strategy of balancing the debt portfolio between fixed and floating rate-based loans,

| | |
|---|---|
| | ○ entering into interest rate swap agreements, or<br>○ other commonly applied hedging strategies.<br>- It is expected that the CCO's Governance and Management structure will develop policies guiding the recovery of depreciation when setting revenue.<br>- Decisions by the new entity will 'improve' rather than degrade the entity's financial position and/or service delivery quality and performance.<br>Assumptions underpinning LTPs and incorporated within the WSDP financials include, but are not limited to, assumptions on:<br>- Population growth, rating unit and household projections,<br>- Asset value, Asset condition and information, useful lives of significant assets, vested assets, Revaluation of non-current assets,<br>- Acquisition of significant assets, growth infrastructure investments, capital forecast expenditure,<br>- Flood hazards, emergency management, climate change,<br>- Cost of borrowing, credit rating and Stability of the Local Government Funding Agency (LGFA) guarantee.<br>**Risks**<br>- There is a high risk that factors impacting material assumptions change potentially impacting either or both councils' or the CCO's financial performance, investment requirements and debt capacity.<br>- The risk is any additional changes in standards or legislation could increase expenditure, debt and impact on levels of service.<br>- The basis of cost estimation may be different between Hamilton City Council and Waikato District Council, putting pressure on funding availability |

| | |
|---|---|
| Levels of Service | It is broadly assumed that the LOS in respective LTPs accurately reflect legislative requirements and community expectations, with the addition of and emphasis on the following:<br><br>It is assumed that:<br><br>- LTP funded water services infrastructure and operational methodologies will continue to enable current and future Levels of Service to be met.<br><br>- Current agreed LoS metrics from each council will be retained for the 10-year period, unless re-set by the CCO through subsequent strategic planning rounds and associated community consultation.<br><br>- The quantum of three waters connections and future requirements inferred from various datapoints is an accurate reflection of current distribution and future needs.<br><br>- As asset management practices and information matures, the resulting changes in investment programmes will be addressed in future strategic planning processes.<br><br>**Risks**<br><br>- There is a risk that community expectations and changing regulatory requirements create pressure to change Levels of Service. Level of Service changes will impact expenditure forecast.<br><br>- There is a moderate risk that incomplete or inaccurate asset information may lead to unexpected failures, earlier renewal requirements, and unplanned expenditure—potentially impacting levels of service, planned works delivery, and financial sustainability. |
| Responding to Growth | It is assumed that growth will occur consistent with the assumptions in respective LTPs, with the following exceptions:<br><br>- That previously unfunded emerging area and Fast Track area – for example Ruakura East, WA, R2, SL1, southern diversions and Southern WWTP will occur within the next 10 years.<br><br>Growth assumptions in respective LTPs include, but not limited to:<br><br>- That growth will occur at the rate predicted in the Nidea High 2021 growth scenario, and spatially consistent with Waikato 2070 Growth and Economic Development Strategy and Hamilton Urban Growth Strategy 2023, and in the joint 30-year sub-regional Future Proof growth strategy agreed between Hamilton City Council and Waipa, Waikato and Matamata-Piako District Councils. |

| | |
|---|---|
| | - Funding for three waters infrastructure for all growth cells will be in partnership with private developers, co-funding as required, with both LTPs including funding for new development in line with growth projections to be allocated as developments are confirmed.<br>- Funding for any new Strategic Infrastructure not identified in prioritised locations in the above strategies will be provided by third party investors.<br>- Except for the areas noted above, that growth in any 'emerging areas or fast track areas will occur outside of the 10-year period and is not currently funded.<br>- Planning permissions will be obtained within the required timeframes to enable delivery of projects within planned timeframes.<br>- That the market will have sufficient capacity to deliver the infrastructure required to respond to growth.<br>- That infrastructure required to fully meet land use intensification will be outside the 10-year planning timeframe of this document.<br>- The fast-track approval Act will enable expedited development for new areas beyond what is currently scheduled.<br>**Risks**<br>- There is a high-level risk that growth projections and patterns may differ from projections in terms of timing, location, or intensity, potentially leading to misaligned infrastructure investment, capacity constraints in high-growth areas, or underutilised assets in slower-growth areas.<br>- There is a high risk of a longer growth area life and associated debt repayment period for investments already made as new or unplanned development areas are zoned for development.<br>- There is a likelihood that existing water allocation and wastewater discharge consent limits are insufficient for a future' development full' scenario.<br>- There is a significant risk of deterioration in Levels of Service or compliance/environmental/regulatory breaches should development occur ahead of required infrastructure investment.<br>- There is a significant risk that pressure to release additional land supply, beyond what is required to meet the current 10-year forecast population demand. This will result in poorly timed and unaffordable infrastructure over the life of assets. |

| | |
|---|---|
| Compliance | Compliance assumptions are consistent with the assumptions in respective LTPs, with emphasis on the following:<br><br>It is assumed that:<br><br>- The Resource Management Act 1991) (RMA) will continue to be a core legislation under which Council's and the CCO operate, and therefore continues to guide consent requirements, timelines and expectations. It is assumed that RMA reform will not materially impact resource content compliance or the ability to obtain new and renewed consents.<br>- Current funded controls for both councils will continue to be appropriate to manage drinking water safety risks and meet requirements of the Water Services Act 2021.<br>- Consent conditions of existing Resource Consents will continue for the remaining life of the asset and/or consent.<br>- Infrastructure Investments will be consistent with Taumata Arowai proposed Wastewater Standards and Technical Design Standards.<br><br>Compliance assumptions in respective LTPs include, but are not limited to, assumptions on:<br><br>- Water Safety Planning,<br>- Drinking Water Standards,<br>- Freshwater Quality Standards, and<br>- Resource consents, and<br>- Legislative changes.<br><br>**Risks**<br><br>- There is a risk that new or changing regulatory requirements may be more stringent than anticipated, potentially requiring additional investment in operational processes, monitoring systems, or infrastructure upgrades beyond what is currently budgeted. |

# Appendix 3 Consent Tables

**Waikato District Council**

## Drinking Supply

| Ref No. | Description / Type | Expiry date | Compliance level under existing regulations* | Comments |
|---|---|---|---|---|
| AUTH136806.01.01 | Surface water take: Huntly and Ngaruawahia | 12/01/2046 | Full Compliance | N/A |
| AUTH136297.01.01 | Surface water take: Port Waikato Maraetai Stream | 30/04/2051 | Low risk non-compliance | For audit period 2022-2023, an admin error led to the low-risk rating. There was missing data which was corrected and sent through to WRC. All actions currently closed off. |
| AUTH118341.01.01 | Surface water take: Raglan (Te Hutewai Rd) Spring | 15/01/2034 | Low risk non-compliance | There was missing information for audit period 2019-2020 which resulted in the low risk. All missed information was sent to WRC and all actions closed off.<br>The consent is due to expire within the next 10 years and there is funding in baseline planning documents for consenting and WTP expansion. |
| AUTH136297.03.01 | Water discharge: Port Waikato - Discharge Backwash to Maraetai stream | 30/04/2051 | Moderate risk non-compliance | This consent is currently not exercised, backwash is tankered offsite to prevent non-compliance. **See Note 1.** |
| AUTH113133 | Water discharge: Te Kauwhata Water Treatment Site | 30/11/2030 | Low risk non-compliance | Minor breaches were found in the 2020-2021 audit, the actions have since been addressed.<br>The consent is due to expire within the next 10 years and there is funding in baseline planning documents. **See Note 2.** |
| AUTh146239.01.01 | Water discharge: Ngaruawahia Water Treatment Plant Discharge | 11/03/2044 | N/A | The consent is relatively new (issued in mid-2024) and therefore yet to be assessed. |

Table notes:

1. For audit period 2022-2023, WRC assumed Waikato District were discharging non-compliant backwash to the stream giving the moderate non-compliance. However, Waikato District are having it stored, and sucker trucked off site, this has since been communicated to WRC. Therefore, there is no non-compliance. A review is planned to investigate the possibility of changing the consent or remediate the backwash.
2. There are plans to expand the Te Kauwhata WTP on this site over successive stages. This will impact the consent renewal process, as there will be an increase in the amount of backwash and consequently, the capacity of the lagoons and the quantity of the discharge.

## Wastewater

| Ref No. | Description / Type | Expiry date | Compliance level under existing regulations* | Comments |
|---|---|---|---|---|
| AUTH119647.01.02 | Water Discharge Permit: Huntly Wastewater Treatment Plant | 31/03/2029 | Low risk non-compliance | Minor breaches were found in the 2023-2024 audit, this is an improvement from the previous year with a focus on continuous improvement. |
| AUTH119648.01.01 | Air Discharge Consent: Huntly Wastewater Treatment Plant | 31/03/2029 | Not assessed | The consent is due to expire within the next 10 years and there is funding in baseline planning documents. |
| AUTH119650.01.01 | Water Discharge Permit: Huntly Wastewater Treatment Plant | 31/03/2029 | Not assessed | The consent is due to expire within the next 10 years and there is funding in baseline planning documents. |
| AUTH119651.01.01 | Water Discharge Permit: Huntly Wastewater Treatment Plant | 31/03/2029 | Not assessed | The consent is due to expire within the next 10 years and there is funding in baseline planning documents. |
| AUTH132607.01.01 | Land Discharge Consent: Maramarua Wastewater Treatment Plant | 15/12/2039 | Low risk non-compliance | Minor breaches were found in the 2023-2024 audit, this is an improvement from the previous year with a focus on continuous improvement. |
| AUTH142286.01.01 | Water Discharge Permit: Meremere Wastewater Tradewaste Consent | 9/12/2055 | Low risk non-compliance | The low-risk rating was from an audit in 2022-2023. This assessment was affected by Cyclone Gabriel. Waikato District has submitted a response to WRC on this assessment. |
| AUTH119642.01.02 | Water Discharge Permit: Ngaruawahia Wastewater Treatment Plant | 31/03/2029 | Significant non-compliance | There are currently significant non-compliances, and an abatement notice served on Waikato District. **(See Note 1).** The consent is due to expire within the next 10 years and there is funding in the baseline planning documents. |
| AUTH119643.01.01 | Air Discharge Consent: Ngaruawahia Wastewater Treatment Plant | 31/03/2029 | Full compliance | The consent is due to expire within the next 10 years and there is funding in the baseline planning documents. |
| AUTH119644.01.01 | Land Discharge Consent: Ngaruawahia Wastewater Treatment Plant | 31/03/2029 | Not assessed | The consent is due to expire within the next 10 years and there is funding in the baseline planning documents. |
| AUTH119646.01.01 | Water Discharge Permit: Ngaruawahia Wastewater Treatment Plant | 31/03/2029 | Full compliance | The consent is due to expire within the next 10 years and there is funding in the baseline planning documents. |
| AUTH121024.01.01 | Land Discharge Consent: Tauwhare Wastewater Treatment Plant | 31/10/2035 | Low risk non-compliance | Minor breaches were found in the 2023-2024 audit, this is an improvement from the previous year with a focus on continuous improvement |
| AUTH117991.01.01 | Water Discharge Permit: Rata Street - Te Kauwhata Wastewater Treatment Plant | 4/07/2028 | Significant non-compliance | There was a Formal Warning (Punitive/Consent). **(See Note 2).** The consent is due to expire within the next 10 years and there is funding in the baseline planning documents. |
| AUTH117992.01.01 | Air Discharge Consent: Rata Street - Te Kauwhata Wastewater Treatment Plant | 4/07/2028 | Full compliance | N/A |

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| AUTH139284.01.01 | Land Discharge Consent: Te Kowhai Wastewater Treatment Plant | 31/10/2033 | Moderate non-compliance | Moderate non-compliance relates to exceedances in Carbonaceous Biochemical Oxygen Demand (5-day) and Total Suspended Solids. **(See Note 3).** The consent is due to expire within the next 10 years and there is funding in the baseline planning documents. |

*Table notes:*

1. *Watercare commenced design on a WWTP Upgrade. Initial discussions and site visit with Iwi have been undertaken, two discharge options identified. The tender and construction are to follow.*
2. *Significant non-compliance relates to exceedances in Total Kjeldahl Nitrogen (TKN), Total Nitrogen (TN), Total Suspended Solids (TSS), Total Nitrogen Load (TN Load), Total Phosphorus Load (TP Load), and Carbonaceous Biochemical Oxygen Demand (5-day) (cBOD5). There were also issues with Escherichia coli (E. coli) and TP. Since the audit, the new Te Kauwhata WWTP has been constructed and was commissioned in 2023-2024. This addressed the non-compliance and currently awaiting renewed audit from WRC.*
3. *Operations have been working on process optimisation to better the quality of the discharge and observed good results.*

## Stormwater

| Ref No. | Description / Type | Expiry date | Compliance level under existing regulations* | Comments |
|---|---|---|---|---|
| AUTH105655.01.01 | **Glen Massey** Divert & discharge urban stormwater & associated contaminants at multiple locations to Firewood Creek, Waipa River & land, & use discharge structures, within the Glen Massey urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |
| AUTH105658.01.01 | **Gordonton** Divert & discharge urban stormwater & associated contaminants at multiple locations to the Komakorau Stream & land, & use discharge structures, within the Gordonton urban area | 22/09/2028 | Low risk non-compliance | **See Note 2.** |
| AUTH105652.01.01 | **Hopuhopu** Divert & discharge urban stormwater & associated contaminants at multiple locations to the Waikato River & land, & use discharge structures, within the Hopuhopu urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |

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| AUTH105653.01.01 | **Horotiu**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to an unnamed tributary of the Waikato River & land, & use discharge structures, within the vicinity of Horotiu urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |
| AUTH105644.01.01 | **Huntly**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to the Waikato River, Lake Hakanoa, Lake Waahi & land, & use discharge structures, within the vicinity of Huntly urban area | 22/09/2028 | Low risk non-compliance | The low risk includes improved maintenance requirements for stormwater water quality devices such as rain gardens and swales. This will be addressed through updated maintenance scheduling.<br><br>Flooding issues identified are currently being addressed and remedial solutions designed. |
| AUTH105659.01.01 | **Matangi**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to rural drains & land, & use discharge structures, within the vicinity of Matangi urban area | 22/09/2028 | Low risk non-compliance | **See Note 2.** |
| AUTH105648.01.01 | **Meremere**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to the Whangamarino wetland, Whangamarino River, Waikato River & land, & use discharge structures, within the vicinity of Meremere urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |
| AUTH105645.01.01 | **Ngaaruawaahia**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to the Waikato River, Waipa River & land, & use discharge | 22/09/2028 | Low risk non-compliance | **See Note 1.** |

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| | structures, within the vicinity of Ngaaruawaahia urban area | | | |
| AUTH105650.01.01 | **Ohinewai**<br><br>Divert & discharge urban stormwater & associated contaminants to an unnamed tributary of the Waikato River & land, & use discharge structures, within the vicinity of Ohinewai urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |
| AUTH108592.01.01 | **Pookeno**<br><br>Divert and discharge urban stormwater runoff and associated contaminants at multiple locations to land, the Tanitewhiora Stream, Helenslee Stream, and use discharge structures in the general vicinity of Pookeno Urban Area | 14/11/2028 | Low risk non-compliance | **See Note 2.** |
| AUTH133727.01.01 | **Port Waikato**<br><br>To authorise the continued diversion and discharge of stormwater runoff and associated contaminants L the Waikato River, and use discharge structures, within the Port Waikato area | 30/09/2049 | Low risk non-compliance | **See Note 2.** |
| AUTH105654.01.01 | **Pukemiro**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to the Waiehuehu Stream, Waingaro River & land, & use discharge structures, within the vicinity of Pukemiro urban area | 22/09/2028 | Low risk non-compliance | **See Note 2.** |
| AUTH105646.01.01 | **Raglan**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to Raglan | 22/09/2028 | Low risk non-compliance | **See Note 2.** |

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| | Harbour/estuary & land, & use discharge structures, within the vicinity of Raglan urban area | | | |
| AUTH105649.01.01 | **Rangiriri**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to the Rangiriri Stream, Lake Waikare & land, & use discharge structures, within the vicinity of Rangiriri urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |
| AUTH105651.01.01 | **Taupiri**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to a canal, an unnamed tributary of the Waikato River & land, & use discharge structures, within the vicinity of Taupiri urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |
| AUTH105647.01.01 | **Te Kauwhata**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to the Reao Stream, Pungarehu Stream, Lake Waikare & land, & use discharge structures, within the vicinity of Te Kauwhata urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |
| AUTH105656.01.01 | **Te Kowhai**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to unnamed tributaries of the Waipa River & land, & use discharge structures, within the vicinity of Te Kowhai urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |
| AUTH105051.01.01 | **Tuakau**<br><br>Divert and discharge urban stormwater runoff and associated contaminants at multiple locations to | 14/11/2028 | Low risk non-compliance | Water quality issues identified through the sampling programme. The sources of these issues are being identified through faecal source tracking work. Informal cross |

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| | land, the Whakapipi Stream, Tutaenui Stream and Kairoa Stream, and use discharge structures in the general vicinity of Tuakau Urban Area | | | connections have been identified through this process and are being addressed currently. |
| AUTH105657.01.01 | **Whatawhata**<br><br>Divert & discharge urban stormwater & associated contaminants at multiple locations to the Waipa River & land, & use discharge structures, within the Whatawhata urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |
| AUTH105655.01.01 | **Glen Massey**<br>Divert & discharge urban stormwater & associated contaminants at multiple locations to Firewood Creek, Waipa River & land, & use discharge structures, within the Glen Massey urban area | 22/09/2028 | Low risk non-compliance | **See Note 1.** |

*Table notes:*

1. Only minor non-compliances with low risk of environmental harm.
2. The low risk included improved maintenance requirements for stormwater water quality devices such as rain gardens and swales. This will be addressed through updated maintenance scheduling.

## Hamilton City Council

# Drinking Supply

| Ref No. | Description / Type | Expiry date | Compliance level under existing regulations* | Comments |
|---|---|---|---|---|
| AUTH113941.01.03 | Surface water take from Waikato River for Waiora WTP. | 2/03/2044 | Fully compliant | The expiration is not within the 10-year window. However, refer to **Note 1** for future considerations. |
| AUTH123743.01.01 (**Note 2**) | Surface water take from Waikato River for Waiora WTP. | 31/01/2027 | Fully compliant | The consent expiry falls within the 10-year period.<br>Renewal of the consent activities is included in the funding programme under "Replacement of Water Treatment Plant Resource Consents". It is likely to be incorporated into the master water take and use consent via S127 variation. |

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| AUTH125287.01.01 (**Note 2**) | Surface water take from Waikato River for Waiora WTP. | 1/02/2028 | Fully compliant | Same as for AUTH123743.01.01 above. |
| AUTH105261.01.02 | Discharge up to 3,930 cubic metres per day of filter back wash and filter to waste process waters to the Waikato River from a water treatment plant operation | 1/10/2026 | Fully compliant | The consent expiry falls within the 10-year period.<br>Renewal of the consent activities is included in the funding programme under "Replacement of Water Treatment Plant Resource Consents". |
| AUTH107903.01.02 | Use discharge structure and discharge up to 208 litres per second of stormwater (20% AEP design storm), from the Water Treatment Station | 1/12/2026 | Fully compliant | The consent expiry falls within the 10-year period.<br>Recent upgrades to the Wairoa Treatment Plan may impact the nature of the consent.<br>Renewal of the consent activities is included in the funding programme under "Replacement of Water Treatment Plant Resource Consents". |
| AUTH118490.01.01 | Discharge backwash water and sedimentation tank sludge clear water to the Waikato River | 12/01/2046 | Not assessed (N/A) | |

*Table notes:*

1. *To meet forecast growth demand, additional water supply volume and associated consenting requirements will be necessary. A new Resource Consent will be required for a new water treatment plant. Given the current demand management approach, water supply demand is expected to exceed supply before the consent expires.*
2. *AUTH123743.01.01 and AUTH125287.01.01 (surface water take consents) both have complimentary use of water consents (AUTH123744.01.01 and AUTH125290.01.01). These have not been included as part of this WSDP as the relevant activities for the Waiora WTP are covered by the water take consents.*

## Wastewater

| Ref No. | Description / Type | Expiry date | Compliance level under existing regulations* | Comments |
|---|---|---|---|---|
| AUTH111029.01.02 | Discharge permit: Retain biosolids on land at the WWTP. | 31/08/2039 | Full Compliance | The consent is not due to expire within the 10-year window. |
| AUTH114674.01.02 | Discharge permit: To change three conditions of Resource Consent AUTH114674.01.01 that authorises the discharge of treated wastewater to the Waikato River from WWTP. | 18/09/2027 | Full Compliance (see **Note 1**) | The consent expiry falls within the 10-year period.<br>Renewal of the consent activities is included in the funding programme under "Replacement of Wastewater treatment Plant Resource Consents". See **Note 2.** |
| AUTH114676.01.01 | Discharge permit: Discharge contaminants to air from activities associated with the operation of the WWTP | 18/09/2027 | Full Compliance | The consent expiry falls within the 10-year period.<br>Renewal of the consent activities is included in the funding programme under "Replacement of Wastewater Treatment Plant Resource Consents". See **Note 3.** |

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|---|---|---|---|---|
| AUTH134278.01.01 | Discharge permit: Discharge stormwater from WWTP to an unnamed tributary of the Waikato River. | 2/02/2039 | Low risk non-compliance (see **Note 4**) | The consent is not due to expire within the 10-year window. |
| AUTH145391.01.01 | Surface water take consent: For WWTP operation purposes | 25/06/2058 | Full Compliance | The consent is not due to expire within the 10-year window. |

Table notes:

1. Previously there has been an abatement notice for on-site spill. However, this was over 3 years ago and all steps for remediation has been complete, and the consent is fully compliant.
2. The new and more stringent discharge standards and management requirements under Te Ture Whaimana o te Awa o Waikato could impact the consent renewal and subsequent consent conditions.
3. There is increased urban development in the area which may impact the consent renewal and subsequent consent conditions.
4. Remedial action was undertaken by Hamilton City as instructed by Waikato Regional Council (WRC, regulator) following an assessment of non-compliance. The subsequent compliance testing following remediation fell outside the rating period; therefore, consent is likely to be upgraded to compliant in the next round. There are no outstanding compliance actions by the regulator.

## Stormwater

| Ref No. | Description / Type | Expiry date | Compliance level under existing regulations* | Anticipated compliance against existing regulations in future |
|---|---|---|---|---|
| AUTH105279.01.01 | Discharge permit: Divert & discharge urban stormwater runoff & associated contaminants at multiple locations to land & all surface waters, & use discharge structures, in the general vicinity of Hamilton urban area. | 30/06/2036 | Low risk non-compliance (see **Note 1**) | Not within the 10-year window. However, refer to **Note 2** for future considerations. |

Table notes:

1. Low non-compliance is not uncommon for stormwater discharge consents. HCC is working with the regulator on a regular basis to manage compliance status and risk, with a focus on continuous improvement.
2. Since 2020, several pieces of legislation have been enacted and/or amended that have an effect on the way stormwater is managed. These include:
   - The National Policy Statement for
   - Freshwater Management 2020 (NPS-FM)
   - Water Services Act 2021
   - Waikato Regional Policy Statement
   - Climate Change Response Act 2002
   - Resource Management Act 1991

   These legislations have new and more stringent requirements (both quality and quantity) associated with them which may impact the risk, consent conditions and renewals process. Furthermore, land use intensification could result in changes as well.