Water Services Delivery Plan

Selwyn District Council

18 June 2025

Note: The WSDP financial statements may be subject to changes resulting from:

- Closing balance of 2024/25 FY impact on opening balances of 2025/26FY and debt levels – confirmed following close of FY and subject to audit of Annual Report 2024/25
- Inclusion of agreed Transitional Services costs (modelling includes earlier assumptions) – subject to finalisation of the Transitional Services Agreement between SDC and WSCCO
- Asset base and value for transfer (subject to timing of intended transfer and currency of asset information – require additional post 30 June 2025 valuation to inform asset transfer.

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Introduction

Assurance and adoption of the WSDP

In addition to internal assurance processes, the following independent reviews have been completed:

- Independent legal review against the requirements in the Act.
- Independent analysis of financial sustainability and external peer review of the financial aspects of this WSDP.
- DIA feedback on an initial financial sustainability assessment and compliance with the legislative requirements set out in section 13 of the Local Government (Water Services Preliminary Arrangements) Act 2024.

Council resolution to adopt the WSDP

The Water Services Delivery Plan was adopted by Selwyn District Council at the meeting of 18 June 2025.

A copy of the resolution is attached as Appendix G: Council resolution – Adoption of Water Services Delivery Plan.

Certification of the Chief Executive of Selwyn District Council

I certify that this Water Services Delivery Plan:

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

Signed: 

Sharon Mason

Tumu Whakarae | Chief Executive, Selwyn District Council

Date: 18 June 2025

Navigating the WSDP

This table provides a checklist of requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024 (Preliminary Arrangements Act), linking to the relevant sections of the WSDP.

Section 13 Contents of water services delivery plan	WSDP Location	
1) A territorial authority's water services delivery plan must contain the following information in relation to the water services delivered in the authority's district:		
(a) a description of the current state of the water services network:	Part C	Part C: Network performance
(b) a description of the current levels of service relating to water services provided:		Levels of Service
(c) a description of—		
(i) the areas in the district that receive water services (including a description of any areas in the district that do not receive water services); and	Part C; Appendix A	Serviced areas; Appendix A: Water services areas
(ii) the water services infrastructure associated with providing for population growth and development capacity:		Investment to meet levels of service, regulatory standards and growth needs; Appendix B: Indicative growth areas
(d) whether and to what extent water services—		
(i) comply with current regulatory requirements:	Part C	Regulatory compliance
(ii) will comply with any anticipated future regulatory requirements:		Changes to Regulatory Requirements
(e) if any water services do not comply with current regulatory requirements or will not comply with any anticipated future regulatory requirements,—		
(i) a description of the non-compliance; and	Part C	Resource Management Compliance
(ii) a description of how the anticipated or proposed model or arrangements provided under paragraph (k) will assist to ensure water services will comply:		Compliance
(f) details of the capital and operational expenditure required—		
(i) to deliver the water services; and	Part F; Additional Information	Part F: Projected financial statements for water services; Significant capital projects
(ii) to ensure that water services comply with regulatory requirements:	Part C	Investment to meet levels of service, regulatory standards and growth needs
(g) financial projections for delivering water services over the period covered by the plan, including—		

Section 13 Contents of water services delivery plan	WSDP Location	
(i) the operating costs and revenue required to deliver water services; and	Part F; Additional Information	Part F: Projected financial statements for water services; Significant capital projects
(ii) projected capital expenditure on water services infrastructure; and		
(iii) projected borrowing to deliver water services:		
(h) an assessment of the current condition, lifespan, and value of the water services networks:	Part C	Asset condition
(i) a description of the asset management approach being used, including capital, maintenance, and operational programmes for delivering water services:	Part C	Asset management approach
(j) a description of any issues, constraints, and risks that impact on delivering water services:	Additional Information	Key issues, constraints, risks and assumptions
(k) the anticipated or proposed model or arrangements for delivering water services (including whether the territorial authority is likely to enter into a joint arrangement under section 10 or will continue to deliver water services in its district alone):	Part B	Proposed delivery model
(l) an explanation of how the revenue from, and delivery of, water services will be separated from the territorial authority's other functions and activities:	Part B; Part D	Proposed delivery model; Implementation plan; Revenue separation
(m) a summary of any consultation undertaken as part of developing the information required to be included in the plan under paragraph (k):	Part B	Consultation and engagement
(n) an explanation of what the territorial authority proposes to do to ensure that the delivery of water services will be financially sustainable by 30 June 2028:	Part E	**Error! Not a valid result for table.**
(o) an implementation plan—		
(i) for delivering the proposed model or arrangements described under paragraph (k); and	Part B	Implementation plan
(ii) if a territorial authority is proposing to deliver water services itself and not as part of a joint arrangement for delivering water services, that sets out the action that the territorial authority will take to ensure its delivery of water services will be financially sustainable by 30 June 2028:	Part E	**Error! Not a valid result for table.**
any other information prescribed in rules made by the Secretary under section 16.	Not applicable	
2) For the purposes of subsection (1)(o), an implementation plan must include the following:		
(a) a process for delivering the proposed model or arrangements:	Part B	Implementation plan
(b) a commitment to give effect to the proposed model or arrangements once the plan is accepted:		

Section 13 Contents of water services delivery plan	WSDP Location	
(c) the name of each territorial authority that commits to delivering the proposed model or arrangements:		
(d) the time frames and milestones for delivering the proposed model or arrangements.		
3) A water services delivery plan must also comply with any requirements prescribed in rules made by the Secretary under section 16.	Not applicable	

Section 15 Period covered by water services delivery plan	WSDP Location	
1) A water services delivery plan –		
(a) must cover a period of not less than 10 consecutive financial years, starting with the 2024-25 financial year; and	Part E	Part F: Projected financial statements for water services
(b) may include information that covers an additional 20 consecutive years, if the information identifies investment requirements— (i) for water services infrastructure; or (ii) to support future housing growth and urban development.		
2) A water services delivery plan must provide the required information—		
(a) in detail in relation to each of the first 3 financial years covered by the plan; and	Part E	Part F: Projected financial statements for water services
(b) in outline in relation to each of the subsequent financial years covered by the plan		

Part A: Waikirikiri Selwyn

The Selwyn District is located within Waitaha / the Canterbury region on the east coast of Te Waipounamu / the South Island. Selwyn District is strategically situated in central Canterbury, positioned to the south of Christchurch. The Selwyn District stretches from the mountains, Kā Tiriti o Te Moana (the Southern Alps) in the west, to the Tamatea Pōkai Whenua / Port Hills, and the sea (Pacific Ocean) and Te Waihora to the east. The District is bounded by two large, braided rivers, the Waimakariri River to the north and Rakaia River to the south. The land area of the Selwyn District is roughly 6,400km^2, and is comprised of coastal beach, alluvial plains (Canterbury Plains), and river terraces, rolling hill country, steep high country, and alpine areas, including Arthur's Pass National Park. Te Waihora, Canterbury's largest lake (5th largest in New Zealand) holds local, regional and national cultural and ecological significance.

Over the years, Waikirikiri Selwyn has undergone a noteworthy transformation, evolving from a small and tranquil locale into a dynamic and rapidly growing district. As one of the fastest-growing territorial authorities in New Zealand, Selwyn District has seen a substantial increase in population and urban development. This growth underscores the importance of robust infrastructure planning, particularly in the areas of drinking water, wastewater, and stormwater management.

The district's large eastern towns have become focal points for attracting new residents, contributing to the district's overall growth. Simultaneously, our smaller towns continue to play a pivotal role by supporting essential rural communities and sustaining their local economies, all while preserving their inherent charm and character and the open rural landscape of western Selwyn which transitions to the Alps.

Selwyn has achieved its stellar growth, by being flexible and agile, willing to form strong partnerships with developers and key stakeholders, to deliver quality infrastructure and provide effective and efficient delivery systems to meet the demands of our growing community and deliver on key Government objectives in providing ongoing and sustainable housing provision.

As the district has developed and grown, additional pressure has been placed on the waterways and water resources within our district. Urban development, built infrastructure and intensive farming have impacted on the extent and quality of natural water systems. Increasing populations and industry place greater demand on water systems. In Selwyn, the average connected property uses 0.95 cubic meters of water per day, with a total district daily average consumption of 27,165m^3, and an average of 1,189m^3 per scheme.

Māori involvement in decision making[1]

As part of its strategic objective, the Council recognises its obligation to the provisions of the Local Government Act 2002 to establish, maintain and provide opportunity for Māori to participate in decision making and to fostering the development of Māori capacity to contribute to decision making.

The territorial area governed by Selwyn District Council sits within the takiwā (territory) of Ngāi Te Ruahikihiki and Ngāi Tūāhuriri. The two hapū (subtribes) jointly hold mana whenua status in the takiwā.

Two legal entities act on behalf of the hapū, Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga, respectively. In late 2022, Council signed a formal relationship agreement with Te Taumutu Rūnanga. Relationship discussions have commenced with Te Ngāi Tūāhuriri Rūnanga.

[1] From LTP page 16

Engagement and relationships runakā are supported by Council's Te Rautaki Rikaka Rua Bicultural Strategy and the four pou of:

- He Takata Our People: Our people are culturally competent and positive role models for our Treaty based future.
- Kā Mahi Our Work: Our systems, processes and institutional culture actively empowers and embeds bicultural practices.
- Kā Honoka Our Relationships - Deep relationships with mana whenua drive our Treaty-based partnership.
- He Huarahi Hou A New Way - We walk confidently into the future looking backwards – we reflect, learn, adapt, innovate.

Strategic setting

Selwyn District Council's Long Term Plan (LTP), Five Waters Asset Management Plan (AMP) and Infrastructure Strategy (IS) all of which were adopted by Council in July 2025 as part of the LTP, form the basis of the required information disclosed in this WSDP.

Long Term Plan 2024-2034

The LTP is Council's key strategic planning tool. It presents a statement of intentions for the delivery of Council services over a ten year period, including major projects, expected income and costs, and the intended approach to rating and financing requirements. The LTP is reviewed and adopted every three years, at which time Council seeks input from residents, ratepayers and other stakeholders within the district through public consultation. The current LTP was adopted by Selwyn District Council on 3 July 2024.

The LTP is supported by core documents including:

- Asset Management Plans (including the Five Waters Asset Management Plan)
- Infrastructure Strategy 2024-2054
- Financial Strategy 2024-2034
- Funding and Financial Policies

Future Selwyn

Future Selwyn provides an intergenerational strategic and spatial direction for the Waikirikiri Selwyn District for the next 50 to 100 years. This strategy will guide the areas of development into the future, taking an intergenerational approach to wellbeing, sustainability, resilience, growth, change and development in Waikirikiri Selwyn.

A Great Place to Call Home			
Inclusive Communities	Thriving Communities	Resilient Communities	Recognised Communities
A Healthy and Restored Environment			
A Rich and Diverse Land	Thriving Ecosystems and Biodiversity	Healthy Water	Living within Environmental Limits
A Regenerative Economy			
Prosperous People		A Productive, Low-Carbon and Diverse Economy	
A Sustainable and Connected Urban Form			
Liveable Low Carbon Towns	Sustainable and Accessible Transport	Quality Infrastructure	

Waiora One Water Strategy

The Waiora One Water Strategy expresses a collective desire that, rūnaka and the Council have an agreed strategic framework and roadmap for those involved in water management to uphold the mana and mauri of all water (irrespective of the future management structures for water). The Strategy sets an ever-present recognition of 'one water', a term which reflects the holistic 'no boundaries' nature of the water cycle, and a growing and deeper recognition from the community of cultural values. The vision, guiding principles and goals clearly articulate the importance of upholding the mana and mauri of all water, working collaboratively in partnership.

The Waiora One Water Strategy is intended to guide anyone with an interest in water to consider the Strategy in the context of their relationship. It guides Council, other water infrastructure providers, developers and interested community members. The implementation of the Waiora One Water Strategy requires integrated planning across land, water and infrastructure. All decisions relating to water management, or impacting on water, should be guided by the vision, principles and goals of this Strategy.

Use of the Waiora One Water Strategy is supported by, but does not replace, mana whenua positions on water as expressed through key documents including Te Whakatau Kaupapa: Ngāi Tahu Resource Management Strategy, Mahaanui Kurataiao Iwi Management Plan, and Te Taumutu Rūnanga Natural Resources Plan 2003.

Operational strategies, plans and policies

Council has a range of plans and policies which guide the operations of water services. These include the Procurement Strategy and Policy, Asset Management Policy, Revenue and Financing Policy, Development Contributions Policy and Engineering Code of Practice. Operational strategies, plans and policies relating to water services will be novated to represent the transfer of drinking water and wastewater services to the WSCCO and retention of stormwater services through in-house Council delivery.

Mana whenua plans and guidance

Te Rūnanga o Ngāi Tahu He Rautaki Mō Te Huringa o Te Āhuarangi Climate Change Strategy

This strategy provides direction for Ngāi Tahu interests, assets and activities reflecting the broad impact of climate change. The purpose of this strategy is to create Ngāi Tahu responses to the risks and opportunities presented by climate change, referencing the tribal structure, so that iwi, hapū and whānau aspirations can be met in the face of climate change. Aligned to *Ngāi Tahu 2025*, a vision and strategic direction is established, followed by short/medium term actions to be achieved by 2025 and longer-term actions by 2050.

Mahaanui Kurataiao Iwi Management Plan and Te Taumutu Rūnanga Natural Resources Plan 2003

Iwi Management Plans (IMPs) are afforded explicit statutory recognition under the Resource Management Act 1991 (RMA). Council has statutory obligations under the Local Government Act 2002 and RMA to appropriately recognise, protect and provide for Tāngata Whenua values and interests. These IMPs assist Council to do this. The Mahaanui IMP provides a statement of Ngāi Tahu objectives, issues and policies for natural resource and environmental management in the takiwā of the rūnanga. The Te Taumutu Rūnanga Natural Resources Plan 2003 sets out Ngāi Te Ruahikihiki ki Taumutu values and policies with regard to natural resource management in the Taumutu takiwā.

Regional planning

Canterbury Regional Policy Statement

The Canterbury Regional Policy Statement provides an overview of the resource management issues within Canterbury, and the objectives, policies and methods to achieve integrated management of natural and physical resources, including directions for provisions in district and regional plans.

Canterbury Regional Land and Water Plan

The Land and Water Plan is a Regional Council planning framework for Canterbury, providing clear direction on land and water management and helping deliver community aspirations for water quality in both urban and rural areas. The plan identifies the resource management objectives for managing land and water resources to achieve the purpose of the RMA. It identifies the policies and rules needed to achieve the objectives, and provides direction in terms of the processing of resource consent applications. This guides operations of water services through regional planning requirements and resource consents.

Canterbury Water Management Strategy

The Canterbury Water Management Strategy is based on a shared vision for managing freshwater, and sets environmental, social, cultural, and economic targets for the coming 5, 10 and 15 years. The strategy marks a significant change in the management of water issues within Canterbury. It provides a shared vision - developed through extensive public consultation - to protect fresh water for generations to come. The strategy has been implemented since 2010 following several years of collaborative work by the Mayoral Forum, the Steering Group, Environment Canterbury and the regions 10 territorial authorities, including Selwyn District Council.

Greater Christchurch Partnership

The *Greater Christchurch Partnership* (GCP) is a voluntary coalition of local government, mana whenua and government agencies working collaboratively to address strategic challenges and opportunities for Greater Christchurch. Its key work has been to develop a spatial plan for the sub-region. This plan aims to manage urban development that protects water, enhances open spaces, improves transport links, creates more liveable centres and manages sustainable population growth through targeted intensification in centres and along public transport corridors. The GCSP provides the primary strategic direction for the Greater Christchurch area, including the location of future housing, development of social and retail activity centres, areas for new employment and integration with infrastructure networks. The GCSP area includes the Springs and Selwyn Central Wards of the District.

The GCP developed a Spatial Plan, which Council adopted in March 2024. This outlines the broad direction of growth for the sub-region and how we will address the shortfall which may eventuate beyond 2050 (shortfalls of 3,250 houses, and 20 hectares of commercial land) as identified in the Selwyn Residential Capacity and Demand Model 2023 and the Greater Christchurch Spatial Plan. The Spatial Plan directs increased intensification in the right areas to support public transport and economic growth. There are a series of actions underway now to improve the feasibility of intensification through regulatory and non-regulatory methods, with infrastructure playing a core role.

National strategic direction

Rautaki Hanganga o Aotearoa | National Infrastructure Strategy

This Strategy sets a pathway to transform New Zealand's infrastructure to 2050. The Strategy highlights New Zealand's infrastructure challenges, and sets five strategic objectives for infrastructure management:

- "Enabling a net-zero carbon emissions Aotearoa through rapid development of clean energy and reducing the carbon emissions from infrastructure.
- Supporting towns and regions to flourish through better physical and digital connectivity and freight and supply chains.
- Building attractive and inclusive cities that respond to population growth, unaffordable housing and traffic congestion through better long-term planning, pricing and good public transport.
- Strengthening resilience to shocks and stresses by taking a coordinated and planned approach to risks based on good-quality information.
- Moving to a circular economy by setting a national direction for waste, managing pressure on landfills and waste-recovery infrastructure and developing a framework for the operation of waste-to-energy infrastructure."

National Policy Statement on Urban Development

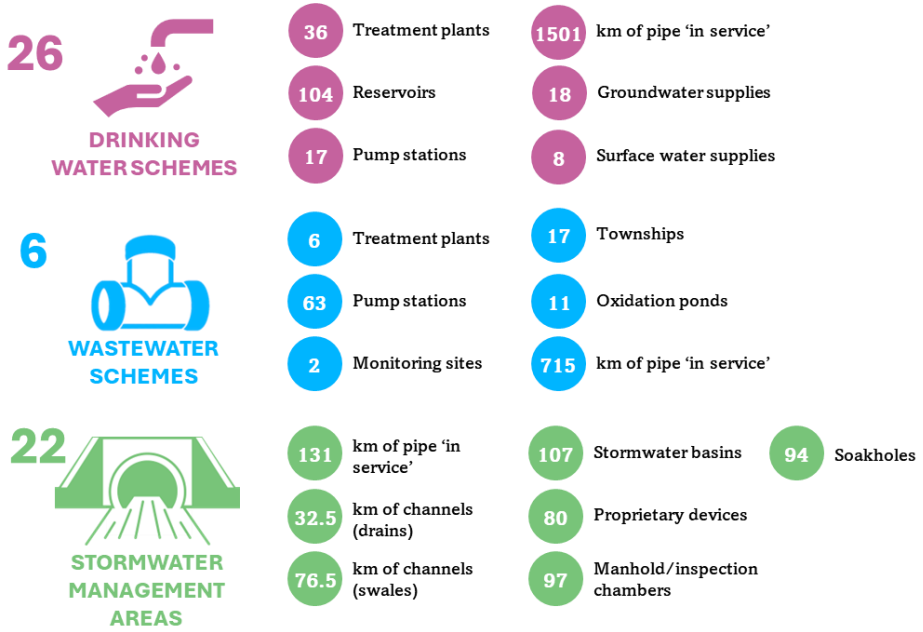
The National Policy Statement for Urban Development 2020 (NPS-UD) sets out the objectives and policies for planning for well-functioning urban environments under the RMA. It provides national policy direction that seeks to ensure sufficiency of housing provision, integrated planning decisions by local authorities and requires responsive planning action to be taken to ensure there is sufficient housing and business capacity in certain circumstances (particularly within Tier 1 local authority areas, which includes Selwyn District).

Water services

To date, Council has delivered integrated management of community water supplies (drinking water), wastewater (including trade waster), stormwater, water races, and land drainage, collectively referred to as Five Waters.

The availability of clean, safe drinking water and the safe disposal of wastewater are fundamental to the health and welfare of our community. Appropriate treatment of waters, including waste and stormwater, contribute to the protection of our environment, surface waterways and communities. Reduction of flood risk, through appropriate stormwater management supports the resilience of our communities.

In the 2024/2025 period, Council provides reticulated water supplies to 82% of residential properties, from 26 schemes. Wastewater services are provided to approximately 70% of the district population (17 schemes), and stormwater services are managed for 22 communities.



The Local Water Done Well programme takes a new approach to water services focussing on drinking water, wastewater and stormwater services, as described in Part B of this Plan. The Preliminary Arrangements Act and Council's decision does not consider water races or land drainage, which will continue under Council management.

Selwyn District has some of the newest and best quality infrastructure in New Zealand, with Council having focussed on maintaining equitable access charges across the District as well as providing the most affordable drinking water, while investing in quality systems.

Selwyn District's assets are split between older, established townships and newer growth areas, with changes also occurring in the rural areas through intensification, increasing irrigation and rural, lifestyle and commercial development. High levels of growth over the last twenty years have resulted in large amounts of new infrastructure being vested in Council from urban subdivision and other private developments. This increases the requirements for maintenance and renewals.

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Part B: Proposed delivery model

Proposed delivery model

Council explored all available delivery models outlined by the Department of Internal Affairs, including potential partnerships with other councils, both nearby and further afield. However, each came with challenges such as differing priorities, logistical complexities, and significant additional costs. Council engaged with several other South Island councils to explore opportunities to partner. Initially five councils (including Selwyn) explored working together through assessing the differing levels of investment by councils to date, the varying water prices for consumers. The growth, investment requirements and level of service requirements exceeded the borrowing levels proposed by the reform.

Following detailed assessment and considerations of partnership opportunities, Council decided to consult on two potential delivery models for drinking water and wastewater: 1) a wholly owned, single entity Water Services Council Controlled Organisation (WSCCO), and 2) enhanced in-house delivery of the water services. The Council proposed that stormwater services remain in-house under either model.

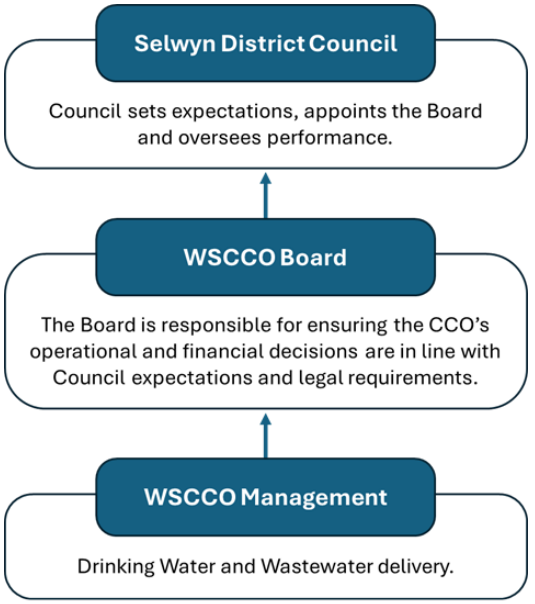
WSCCO for delivery of Drinking Water and Wastewater

Drinking Water Wastewater

Council directed in November 2024 that should a WSCCO be set up, the target date for establishment of the WSCCO would be 1 July 2025. This was based, in part, on achieving first mover advantage, providing assurance for staff who have been through several years of uncertainty under previous water reforms and seeking alignment with the commencement of a financial year and budget setting. The WSCCO was intended for the delivery of drinking water and wastewater services (including trade waste).

We have taken deliberate and measurable steps to ensure that the future WSCCO has the governance, capability, and systems in place to deliver its mandated work programme to a high standard.

A fit-for-purpose governance framework has been developed in alignment with the intent of the Local Water Done Well reform. This includes the appointment of independent directors selected for their capability and experience in infrastructure delivery, financial oversight, and regulatory compliance. These appointments are underpinned by clear performance expectations and robust accountability mechanisms. The activities of the Board will be guided by a Statement of Expectations and performance metrics aligned to customer outcomes, regulatory requirements, and long-term financial sustainability.



In terms of capacity and capability, a staged operating model and resourcing plan has been developed and costed to ensure the WSCCO is equipped with the necessary technical, commercial, and operational expertise at each phase of its establishment and growth. Transitional support from the parent council will be phased out as the organisation matures and becomes fully self-sufficient.

We are embedding asset and financial management systems aligned with industry standards and national best practice. A dedicated Programme Management Office (PMO) will oversee service delivery implementation, with a strong focus on assurance, risk management, and transparent reporting.

Financial ringfencing will be achieved through the establishment of a WSCCO, separating drinking water and wastewater revenue from Council activities. Additionally, development contributions will be held for the purpose of funding the related growth projects, as determined by the Council's Development Contributions Policy.

While the WSCCO will be established as a single entity for Selwyn District, under this WSDP, future partnership opportunities have remained a core consideration. Council remains open to future partnership opportunities, which could deliver greater efficiencies, standardisation, knowledge sharing, and ultimately lower costs for consumers. As such, the design of the WSCCO water delivery model is intended to remain flexible and adaptable to future partnerships and regional collaboration to support future strategic planning and to optimise water delivery costs over time.

For planning and practical purposes, the new organisation has the interim name Selwyn Water Limited (SWL) but this is not expected to be its permanent name.

Establishment

SWL was incorporated as a Council Controlled Organisation (CCO) on 22 May 2025, under the Companies Act 1993. It is intended that this CCO will transition to a Water Services Council Controlled Organisation (WSCCO) following the enactment of the Local Government (Water Services) Bill (Bill 3). For ease, references in this WSDP to the CCO before or after transition will be collectively WSCCO.

Transition

Council resolved to take a transitional approach to establishing the WSCCO, with initial establishment from 1 July 2025 shifting to full operational status by 20 December 2025. This would enable a phased transition of operational components of water delivery to the WSCCO from 1 July, with the full transfer of responsibility and assets to be completed following the enactment of Bill 3. The advantages of a phased transition include allowance for:

- Services to be transitioned and processes established progressively to ensure continuity of level of service and customer experience;
- Financing to be established - Council is subject to LGFA timelines establishing access for a WSCCO;
- Transfer of assets and obligations after the enactment of Bill 3 to ensure all advantages can be realised, and that the transfer will comply with the new legislation;
- A longer timeframe to prepare the Long-Term Plan Amendment (which must be completed prior full asset transfer);
- The setting of rates for 2025/26 by Council providing greater certainty for the community in 2025/26 and enabling time for the WSCCO to establish and communicate any billing changes;
- Retain flexibility and adaptability to respond to unforeseen changes in the regulatory, financial, or operational landscape during transition;

- Potential to shape implementation, as the first WSCCO under the Local Water Done Well programme, SDC's processes for establishment (transfers etc) could influence later WSCCO implementations;
- Maintain continuity of customer-centered Levels of Service by implementing a comprehensive transition plan to address any disruptions, ensuring that customer expectations for water quality, reliability, and responsiveness are consistently met throughout the transition process; and
- Minimise disruption to staff, maintain open communication and ensure water expertise and experience is retained to enable continuity of delivery.

An Operational Delivery Agreement and Transitional Services Agreement will guide the operation and provision of services during the transition period, supported by staged staff transfers and progressive onboarding of core systems and capabilities. Oversight and management will be maintained by the WSCCO Board and Executive.

Asset Transfer

Following the enactment of Bill 3, and completion of a LTP amendment, Council will execute a full transfer of Drinking Water and Wastewater assets (including infrastructure and physical assets, data, and resource consents) under an agreed Transfer Agreement. Financial modelling assumes this will occur at or about 1 December 2025.

Future State Planning Considerations

The Future State of the WSCCO will be designed during the establishment and transition period to achieve a long-term, sustainable organisation achieving service improvements, operational efficiencies and improved asset management maturity with ongoing review and development.

The WSCCO has the opportunity to transition from Council delivered service to a focus on utiliy provision, supporting improved asset management maturity. This will require a fundamental change in how the WSCCO behaves and thinks. The WSCCO will be directly accountable to customers, regulators, and Council. The accountability to Council will differ from current systems compared to the approach to CCOs under the LGA with an increased focus on setting expectations that relate to strategic vision setting and outcomes as opposed to daily operations and funding.

The strength in the operating model that is being developed for the WSCCO is in its ability to more easily onboard other Councils water services delivery operations. Using a hub and spoke approach, the model combines elements of both centralised and decentralised approaches. A central hub oversees key functions, while spokes (business units or departments) have autonomy to deliver quality water services to the districts or regions for which they are responsible for. This gives each Council comfort that their regions water services are being maintained, while each region benefits from a set of centralised functions for effectiveness and efficiency.

Centralised functions can be geographically dispersed. Some functions work more efficiently when co-located, others less so. Each function's location can be dependent on ensuring the right skills and talent is sourced that meets the organisations specific strategic drivers or to support community engagement and need. Localised water services teams will have the benefit of connecting and working with other teams, developing succession planning options for workforce development, or a centralised asset management system and expertise that ensures engineering and asset maintenance is optimised for each areas unique characteristics.

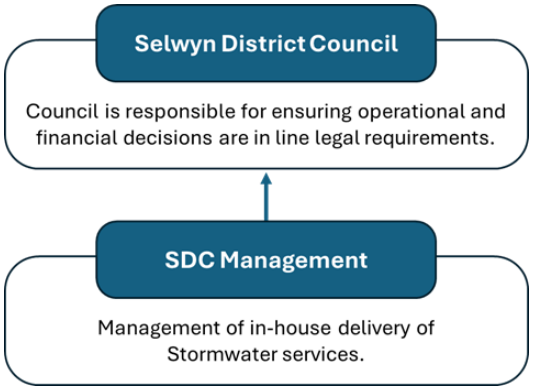
The operating model is not static. The initial model is designed to ensure customer care is handled by local expertise, while centralised functions enable the delivery arms to operate effectively. The operating model will be continuously reviewed and improved as the organisation matures, efficiencies are realised and new ways of working are established that improve water services delivery to the regions the WSCCO is responsible for. Regular assessments and feedback loops will help the WSCCO to adapt to changing circumstances and stay competitive.

We know that if other Council were to join this WSCCO they will have different ways of working. An onboarding process, relationship protocols and effective checks and balances will be critical to ensuring a tripartite partnership between the WSCCO, the Council and the regulators to provide best practice for connected, healthy, safe and well managed water services for the community.

In-house delivery of Stormwater

Stormwater

Although stormwater is included in the Act for consideration, Council decided to consult on the basis of continued delivery of stormwater in-house, rather than included this service within the potential WSCCO model. This decision reflects the complexities of stormwater with many assets delivering multiple outcomes for the community, such as water quality, recreation, ecology, and cultural values. Additionally, integrating stormwater management with other Council activities, like Transportation, Open Spaces, Land Drainage and Water Races, allows for a catchment-based approach to surface water management. This makes it difficult to separate out stormwater assets for delivery and maintenance. For these reasons, Council is retaining stormwater management in-house.



By maintaining an in-house business model for Stormwater, Council will continue to provide high quality services to our community, while managing the complex interconnections with other activities. Due to the scale of this water service there is sufficient capacity to increase investment in infrastructure and meet regulatory requirements within Council operations.

Reinforcing existing accounting rules/processes, Council will ensure that stormwater services revenue continues to be ringfenced and therefore separate from other council financials. This includes the collection of targeted rates, development contributions and other fees and charges, all of which are held separately from other Council activities.

Council will ensure the appropriate oversight of stormwater delivery priorities, investment programme and ensure adherence to current and future stormwater regulations.

Stormwater has been prepared within the WSDP but separated in all financial statements to demonstrate the split of water services between the WSCCO and SDC.

Statement that water services delivery is financially sustainable

SDC intends to complete transitional arrangements by way of establishing WSCCO governance, service level agreements with Council and the introduction of the new planning and accountability framework for water services within a phased transition from 1 July through to 20 December 2025.

SDC can confirm that the WSCCO will meet the financial sustainability requirements by FY 27/28, specifically:

- Projected Drinking Water and Wastewater revenue is sufficient to cover the costs of delivering the water services, including sufficient infrastructure investment and meeting increasing, known regulatory requirements.
- The proposed level of investment as outlined in the WSDP is sufficient to meet levels of services, regulatory requirements and provide for growth as projected in the underlying LTP. In addition, the proposed level of investment can be fully funded by projected revenues.
- The projected WSCCO borrowings are within borrowing limits and meet associated LGFA covenants.

Initial cashflow to the WSCCO will be supported through a transitional period working capital arrangement from SDC to the WSCCO in FY25/26 ahead of revenue being received (collected on behalf of the WSCCO).

Additionally, SDC can confirm that the provision of Stormwater via a continuation of in-house services also meets the financial sustainability requirements, specifically:

- Projected stormwater revenue is sufficient to cover the costs of delivering stormwater services, including sufficient infrastructure investment and meeting increasing, known regulatory requirements. The proposed level of investment as outlined in the SDC WSDP (and SDC LTP) is sufficient to meet levels of services, regulatory requirements and provide for growth as projected in the underlying LTP. In addition, the proposed level of investment can be fully funded by projected revenues. Council will continue the current practice of revenue separation within the stormwater activity.
- The projected total SDC borrowings are within total borrowing limits and LGFA associated covenants, noting at a single activity level, Stormwater borrowings will exceed SDC limits in later years.

On the above basis, and as confirmed in Section E: Financial Sustainability of this WSDP, SDC confirm that the provision of all three waters meet the financially sustainability requirements under the respective delivery models.

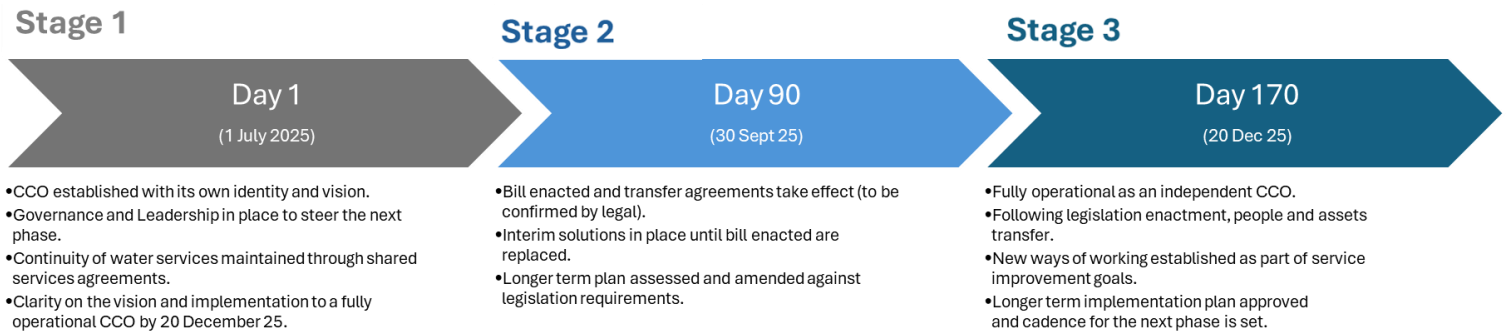
Implementation plan

The implementation of Council's delivery model has been grouped into three stages: establishment, transition and future state. These phases capture the intended implementation actions to effect Council's decision to establish a WSCCO for the delivery of Drinking Water and Wastewater (including trade waste) services. As Stormwater services will continue to be delivered via the existing in-house arrangements (subject to changes resulting from removing Drinking Water and Wastewater activities and assets), limited actions are required under the Implementation Plan, beyond those to effect asset transfer. It is noted that under the existing planning in the LTP, stormwater is already on track to meet financial sustainability by 30 June 2028. No specific implementation action is required to meet this.

As identified in the Operating Model section of this WSDP, SWL will require different ways of operating between phases. Establishment and Transition will focus on 'maintaining current water services delivery', while maturing asset management practice and implementing key systems changes. The future state will focus on service quality improvements, implementing financial sustainability and operational efficiencies. We will look to take a best practice approach to ensure that the WSCCO has the capability and capacity to optimise services for these phases, noting there may need to be adjustments to the operating model at each phase.

Implementation plan phasing

1	**Establishment**	**2 April – 30 June 2025** Development of operating model and deliverables to align with 1 July commencement	• Incorporation of SWL, board appointments and adoption of constitution, and service agreements • Initiate staff consultation and recruitment process • Launch engagement with mana whenua and key community stakeholders • Prepare governance materials and compliance documentation for DIA • Prepare operating model, and draft WSDP
2	**Transition**	**1 July – 20 December 2025** Legal transfer and implementation of delivery model, ensuring continuity of service delivery and customer experience	• Commence water services delivery under TSA • Establish non-mandatory KPIs and reporting • Develop investment strategy and proposed charging framework for 2026/27 FY • Complete staffing appointments • Finalise legal asset and liability transfer • Deploy SWL's finance, billing, compliance, and performance systems • Finalise and implement emissions reduction plan • Complete Long Term Plan amendment, and separation of development contributions policies



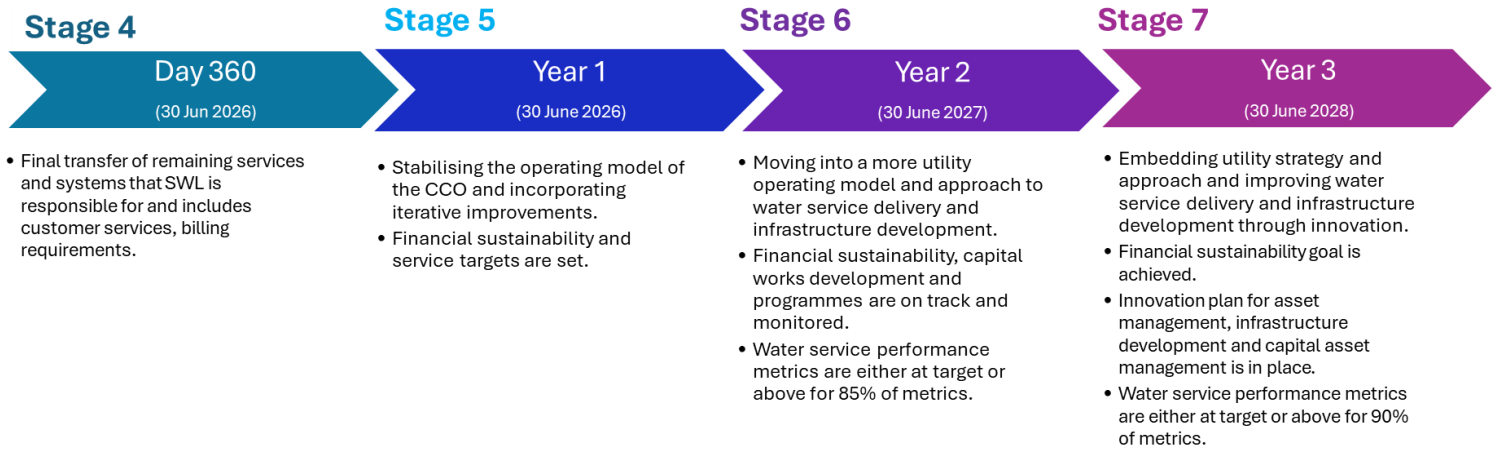
3

Future State

21 December 2025 – 30 June 2028

Establishment of long-term state, financial sustainability, service improvements and operational efficiency

- Develop Water Services Strategy and development contributions framework
- Annual reporting
- Undertake post-implementation review
- Benchmark performance using DIA, Taumata Arowai, and Water Sensitive Cities frameworks
- Submit draft Statement of Intent (if required)
- Integrate feedback into strategic roadmap for investment, equity, and performance



Implementation plan milestones

Milestone		Staff certainty and awareness	From a customer perspective	From a legal structure	From a supplier perspective
Day 1 (1 July 2025)	• SWL established with its own identity & vision. • Governance & leadership in place. • Continuity of drinking water & wastewater services maintained through shared services agreement. • Clarity on the vision & implementation to a fully operational SWL by 20 December 25. • A series of rolling 90-day plans to asset transfer.	• SDC staff transitioning to SWL aware of the proposed structure. • While staff won't transition on Day 1 they will have awareness of the transition timeline. • Plan for how the SWL will be operational & ready to accept those staff available & communicated. • Key messages to support staff engaging with the community readily available & regularly updated. • Planning for surface waters team structure	• A name & brand released so that the customer can see SWL visual identity. • A SWL web page is 'live' & aligns or links to SDC information for consistency. • SDC continues customer service requirements for customers & have the tools & messages to meet customer queries.	• Constitution, & CE direction in place. • Directors in place & policies required for establishment passed. • TSA in place to ensure SWL can operate & continue its programme plan. • Operational Delivery Agreement in place. SWL responsible with SDC providing services on its behalf. • SWL accounting for revenue. • Bank account managed by SWL available.	• Contracts identified for novation & separated by water services. • Contracts in place for all resource required to continue the full SWL implementation programme. • Contract management systems & process in place for effective monitoring of contract performance. • Suppliers are clear on who is responsible for what: SWL & SDC prior to asset transfer.
Day 170 (20 December 2025)	• Leadership in place for next maturity phase. • SWL & SDC operating relationship changes: SWL fully accountable. • Establish operating rhythm between SWL & SDC. • Continuity of services & improvement plans underway. • A series of rolling 90-day plans to June 2028 established & regularly reviewed.	• SDC staff transitioned to SWL. • New ways of working & expectations set. • Longer term SWL offices & facilities confirmed. • Surface waters team structure & resourcing in place.	• Planned improvements communicated on SWL website. • A regular 'live' update plan shows how the maturity of SWL is progressing & what it means for the customer & the district. • SDC still provides the customer service requirements closely working with SWL to meet customer queries.	• LTP amendment completed. • All assets transferred. • Enduring constitution & Statement of Expectations in place for SWL. • Reporting framework in place so community & SDC can see how drinking water & wastewater services are being looked after. • Enduring shared services agreement in place.	• Contracts in place with SWL managing them. • Contract management systems & process in place for effective performance monitoring. • The supplier is clear on who is responsible for what: SWL with SDC as part of the service agreement.

Milestone		Staff certainty and awareness	From a customer perspective	From a financial perspective	From a supplier perspective
Year 1 (30 June 2026)	• SWL Water Services Strategy developed. • Statement of Intent (if required). • Post-implementation review. • Benchmark performance using DIA, Taumata Arowai, & Water Sensitive Cities frameworks. • Integrate feedback into strategic roadmap for investment, equity, & performance.	• Operating rhythm established. • KPIs set for the next financial year. • Workforce & professional development plans in place.	• Customer has awareness of SWL & SDC services • Regular communication & engagement channels set. • Website fully functional with forms in place. • Customer contract / terms & conditions established & in place. • Community engagement plan in place.	• SWL set water charges for 2026/27. • Half yearly reporting delivered. • LGFA approved for financing (tbc). • SWL 90 day billing cycle. • SWL annual reporting process initiated. •	• Regular contract reviews are being undertaken. • Supplier relationships are established & compliance monitored with reporting available to shareholders.
Year 2 (30 June 2027)	• SDC Water Services Strategy developed (stormwater) • SWL Community & Economic benefit analysis for second year of operations completed. • Enhanced long-term infrastructure development planning. • Capital programme delivery improved targets against Year 1. • SWL actively working with SDC & potentially other districts/regions to improve efficiency.	• All SWL recruitment finalised & in place.	• Customer satisfaction improvement initiatives in place. • Customer satisfaction measured.	• Tariffs set. • SWL set water charges for 2027/28. • Annual budget (FY 2026/27) prepared & adopted.	
Year 3 (30 June 2028)	• Financial sustainability of all water services achieved by 30 June 2028	• KPIs set for the next financial year. • Workforce & professional development plans in place.	• Customer satisfaction improved.	• Financial sustainability obtained. • SWL set water charges for 2028/29. • Annual budget (FY 2028/29) prepared & adopted.	

Consultation and engagement

Mana whenua engagement

The decision to establish a WSCCO was a significant decision in relation to bodies of water and to the relationship of Māori and their culture and traditions with water. The Waiora One Water Strategy has agreed to uphold the mana and mauri of all water in its decision making and to work in partnership to sustainably manage water now and into the future.

Te Taumutu Rūnanga representative McKay actively participated in Council workshops to determine an appropriate response to the Government's Local Water Done Well legislation. Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga verbally indicated their support for the establishment of a WCCO and SDC remains committed to high levels of engagement on this kaupapa moving forward, with Te Taumutu Rūnanga representative McKay providing an overview of mana whenua position on behalf of Te Taumutu Rūnanga to the deliberations meeting (Refer Council – 2 April, Item 2), confirming a WSCCO for the delivery of drinking water and wastewater services as the preferred delivery model.

Your Water Done Well consultation

As required under the Preliminary Arrangements Act, Council undertook consultation under the engagement programme of **Your Water Done Well**. The consultation and engagement programme was designed to satisfy the requirements of section 82 of the Local Government Act 2002, and in manner that reflected the significance of the proposed decision.

The Local Water Done Well Subcommittee recommended that Council adopt the consultation document and endorse the proposed engagement process on 12 February 2025. At the subsequent Council meeting (19 February 2025), the consultation document was adopted and the proposed approach to public consultation was endorsed. Public consultation on the proposal was undertaken from 9am Thursday 20th February and 5pm Wednesday 12th March.

The consultation document, and supporting material identified Council's proposal to: "*transition Selwyn District Council drinking water and wastewater assets and services into a new publicly owned Water Services Council Controlled Organisation (WSCCO) with stormwater services to remain within the Council*".

The second option, included in the consultation was the continuation of an in-house water delivery model, noting that this would require increased investment to meet anticipated legislative and compliance requirements, but this model would have limited access to additional funding for vital infrastructure.

	Drinking Water	Wastewater	Stormwater	Water Race	Land Drainage
Existing arrangements	In-house, by Council	In-house, by Council	In-house, by Council	In-house, by Council	In-house, by Council
Our Proposal	Transfer to new WSCCO	Transfer to new WSCCO	No change, in-house by Council	No change, not subject to consultation	No change, not subject to consultation

Figure 1: Your Water Done Well Consultation Options

Consultation activity included widespread distribution of information through digital and traditional media and face to face drop-in sessions across the district. Opportunities for residents to make submissions were provided both online, through the Council's engagement website, and through printed information and submission forms available at Council facilities. Community feedback and questions were collated into Frequently Asked Questions throughout the consultation period and posted online. Videos were also created explaining the process, and the various components of the consultation.

A total of 423 submissions (including 6 late submissions) were received from across the district, via a combination of online and on paper submissions. Key responses and feedback are summarised below:

Question 1: Do you support the proposed transition of the Selwyn District Council drinking and wastewater assets and services into a new Water Services Council Controlled Organisation (WSCCO) with stormwater services to remain within Council?

	Drinking Water	Wastewater	Stormwater	Water Races	Land Drainage
Our proposal	Transfer to new WSCCO	Transfer to new WSCCO	No change, in-house by Council	No change, not subject to consultation	No change, not subject to consultation

11.5% (49)	Support WSCCO	87.3% (371)	Do not support WSCOO	1.2% (5)	No preference stated

Support for the proposed WSCCO:

- **Long-Term Benefits:** Some submissions highlight potential long-term benefits, such as improved infrastructure and service delivery.
- **Funding and Investment:** Supporters believe that a WSCCO could provide better access to funding and investment for necessary infrastructure projects.
- **Expert Management:** There is a belief that a specialised entity could bring in expert management and operational efficiencies.

Opposed to the proposed WSCCO:

- **Increased Costs and Bureaucracy:** Many submissions express concern about the potential for increased costs and rates associated with setting up a new entity. There is a desire from respondents not to add another layer of bureaucracy which is seen to lead to increased cost.
- **Debt Concerns:** Concerns about the increased borrowing capacity and the long-term debt implications for ratepayers are frequently mentioned.
- **Efficiency Doubts:** Doubts about the efficiency and effectiveness of a new entity compared to the current council-managed system are common.
- **Concern about loss of Local Control:** A significant number of submissions emphasise the importance of keeping water services under local council control to ensure accountability and responsiveness to the community.

Neutral/Mixed Responses to the Proposed WSCCO

- **Conditional Support:** Some submissions express conditional support, depending on further details and assurances about governance, cost management, and accountability.
- **Request for More Information:** Several submissions request more detailed information and a longer consultation period to make an informed decision.

Question 2: Do you prefer that the Selwyn District Council continues with a future in-house water delivery model?

	Drinking Water	Wastewater	Stormwater	Water Races	Land Drainage
Existing arrangements	In-house by Council	In-house by Council	In-house by Council	In-house by Council	In-house by Council

86.1% (365)	Support	13.5% (57)	Do not support	0.4% (2)	Unsure

Support for the proposed WSCCO:

- **Long-Term Benefits:** Some submissions highlight potential long-term benefits, such as improved infrastructure and service delivery.
- **Funding and Investment:** Supporters believe that a WSCCO could provide better access to funding and investment for necessary infrastructure projects.
- **Expert Management:** There is a belief that a specialised entity could bring in expert management and operational efficiencies.

Opposed to the proposed WSCCO: • **Increased Costs and Bureaucracy:** Many submissions express concern about the potential for increased costs and rates associated with setting up a new entity. There is a desire from respondent not to add another layer of bureaucracy which is seen to lead to increased cost. • **Debt Concerns:** Concerns about the increased borrowing capacity and the long-term debt implications for ratepayers are frequently mentioned. • **Efficiency Doubts:** Doubts about the efficiency and effectiveness of a new entity compared to the current council-managed system are common. • **Concern about loss of Local Control:** A significant number of submissions emphasise the importance of keeping water services under local council control to ensure accountability and responsiveness to the community.
Neutral/Mixed Responses to the Proposed WSCCO • **Conditional Support:** Some submissions express conditional support, depending on further details and assurances about governance, cost management, and accountability. • **Request for More Information:** Several submissions request more detailed information and a longer consultation period to make an informed decision.

A third, open question provided opportunity for additional comments to be made, which included:

- Concerns about Privatisation
- Financial burden and the long-term debt implications
- Concerns about reduced transparency and accountability
- Concerns that a WSCCO may not deliver better services compared to the current in-house model
- Consultation process and length.

Council decision

As outlined in the Council report for Deliberations (28 March 2025) and Council Decision (2 April 2025), Council's decision on the future operating model for Drinking Water and Wastewater considered a range of matters, including:

- Community consultation
- Mana whenua views
- Other known community views
- Ability to demonstrate the ability to deliver water services in compliance with the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024 and anticipated regulatory reform
- Financial implications, including debt and affordability
- Impact on levels of service
- Governance, control and accountability

In consideration of all matters, Council resolved on 2 April that Selwyn District water services delivery model is:

i. a WSCCO fully owned by Selwyn District Council for drinking water and wastewater delivery; and

ii. continued in-house delivery for stormwater services.

Part C: Network performance

Levels of Service

Levels of Service statements for Water Services have been linked to Selwyn District Council's Community Outcomes as a commitment to the community of Waikirikiri Selwyn. The Council's target level of service for the 2023/24 year is summarised in the following table. Targets set in the Long Term Plan 2024-2034 are detailed in Appendix C: Community outcomes and levels of service statements, including clarification or additions reflecting changes in guidance.

Table 1: Key Performance Measures Summary 2023/24

Measure	Target 2023/24	Result 2023/24
Drinking Water		
Compliance with resource consents for surface water takes for water supplies measured by the number of: 1. Abatement notices 2. Infringement notices 3. Enforcement orders; and 4. Convictions received from Environment Canterbury.	1. Nil 2. Nil 3. Nil 4. Nil	Achieved: (Nil for all)
The total number of complaints received about drinking water clarity, continuity of supply, odour, taste, pressure or flow and the response to any of these issues, expressed per 1000 rated properties.	Less than 20.	Achieved: 8.36
The proportion of residential properties serviced by water supplies within the district expressed as a percentage of total residential properties.	≥80%	Achieved: 81%
Where personnel attend a non-urgent call-out in response to a fault or unplanned interruption in the reticulation system. The median response times measures the: 1. Attendance time: from the time that personnel receive notification to the time that service personnel reach the site. 2. Resolution time: from the time that personnel receive notification to the time that service personnel confirm resolution of the fault or interruption.	1. Less than 24 hours 2. Less than 120 hours	Achieved (all) 1. 26 minutes 2. 1 hours 8 minutes
Where personnel attend an urgent call-out in response to a fault or unplanned interruption in the reticulation system. The median response times measures the: 1. Attendance time: from the time that personnel receive notification to the time that service personnel reach the site. 2. Resolution time: from the time that personnel receive notification to the time that service personnel confirm resolution of the fault or interruption.	1. Less than 4 hours 2. Less than 48 hours	Achieved (all) 1. 30 minutes 2. 1 hour 3 minutes
The percentage of real water loss from the water reticulation system in urban schemes. Determined through water balance calculations for each supply, using a nationally agreed methodology (BenchlossNZ)	19%	Not Achieved: 20.2%
The average consumption of drinking water per day per resident.	Less than 0.48 m^3 per person per day within urban schemes	Achieved: 0.335 m^3
The extent to which the drinking water supplies comply with the drinking water standards for bacteria compliance.	≥99.9% of monitoring samples comply, at both the treatment plant	Not Achieved: Treatment plant 98%;

	and within the reticulation, across the district	Reticulation 100%[2]
The extent to which the drinking water supplies comply with the drinking water standards for protozoal compliance.	≥85% of the treatment plant sites (include bores where secure) are compliant across the district	Achieved: 98%
Total cost to provide 200m3 of water to an 'on demand' serviced property	≤$484	Achieved: $468
Wastewater		
Compliance with resource consents for discharge from the wastewater system measured by the number of: 1. Abatement notices 2. Infringement notices 3. Enforcement orders; and 4. Convictions received from Environment Canterbury.	1. Nil 2. Nil 3. Nil 4. Nil	Achieved: (Nil for all)
The total number of complaints received about sewage odour, blockages, system faults and response to issues with its sewerage, expressed per 1000 rated properties.	Less than 8	Achieved: 1.51
Where personnel attend wastewater overflows resulting from a blockage or other fault in the wastewater system. The median response time measures the: 1. Attendance time: from the time that the personnel receives notification to the time that service personnel reach the site; 2. Resolution time: from the time that the personnel receives notification to the time that service personnel confirm resolution of the blockage or other fault.	1. Less than 1 hours 2. Less than 24 hours	Achieved (all) 1. 50 minutes 2. 17 hours 11 minutes
The proportion of residential properties serviced by wastewater services within the district expressed as a percentage of total residential properties.	≥60%	Achieved: 68%
The number of wet and dry weather wastewater overflows from the wastewater system, expressed per 1000 rated properties.	Less than 1.4 overflow.	Achieved: 0.14 Wet (0.05) Dry (0.09)
Total average rate per serviced property for wastewater.	≤$555	Not Achieved: $610
Stormwater		
Compliance with resource consents for discharge from the stormwater system measured by the number of: 1. Abatement notices 2. Infringement notices 3. Enforcement orders; and 4. Convictions received from Environment Canterbury.	1. Nil 2. Nil 3. Nil 4. Nil	Achieved: (Nil for all)
The number of complaints received about the performance of the stormwater system, expressed per 1000 rated properties.	Less than 20	Achieved: 7.88

[2] Records were not available on one day due to a data recording error to show non-compliance. However, on this day all treatment plants remained operational and meeting critical control point requirements and delivering safe water.

The median response time to attend a flooding event measured from the time that personnel receives notification to the time that service personnel reach the site.	Less than 1 hour for urgent flooding events.	Achieved: Nil
The number of flooding events that occur as a result of overflow from the stormwater system that enters a habitable floor.	Nil in less than 50 year storm events.	Achieved: Nil
For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system.	Nil per 1,000 connected properties in less than 50 year storm events	Achieved: Nil
Total average rate per serviced property for Stormwater.	≤$110	Not Achieved: $132

Emergency levels of service

Planning Emergency Levels of Service are service delivery goals for infrastructure providers during and after an emergency event. These goals could be delivered through the existing infrastructure (e.g., pipes, lines, cables), or through other means (trucked water or the provision of generators).

In 2016, OPUS undertook an exercise to map out levels of service for drinking water delivery as could be anticipated under a range of severity of impact through to emergency events where this lifeline service may be significantly affected. This assessment is based on a review of the network risk and resilience within the current systems, mapping this through to service delivery to communities. While there is work progressing in drinking water at a national level, no update is available at this time.

Emergency Levels of Service will be included in the WSCCO's Business Continuity Planning.

Growth

Selwyn District has been one of the fastest growing districts in New Zealand in recent years and it is projected that this growth will continue, at a high rate. This rapid growth will continue to drive investment in developing water services infrastructure. Assets are split between older, established townships and newer growth areas, with changes also occurring in the rural areas through intensification, increasing irrigation and rural, lifestyle and commercial development.

The district has experienced substantial growth over the past decade, with a remarkable 78.6% population increase in the last decade, adding 34,900 residents. This surge is reflected in the construction of 1,500 dwellings annually over the last six years. Notably, most of this growth stems from internal migration, particularly from Christchurch. Key development and rezoning has contributed to rapid growth within the district. While largely driven by private development activity, there are considerable interactions with existing infrastructure, including increasing demand and the need for new infrastructure. The NPS-UD has presented increased opportunities for private plan change development in recent years, driving increased urban development in the Prebbleton, Lincoln, Rolleston and West Melton. As these progress, significant new infrastructure will eventually be vested and wider upgrades to water service networks will be required to cater for this urbanisation and growth. In some cases, the approved developments cannot proceed until upgrades are completed. This places pressure on Council and the WSCCO to fund and programme upgrades in response to developers expectations.

Looking ahead, projections indicate a continuous upward trajectory for the district's population. The estimate is set to reach 109,664 by 2034, representing an addition of 43,696 residents in the next 12 years. By 2054, the population is expected to reach 153,360, with a substantial increase of 74,060 residents over the following 32 years.

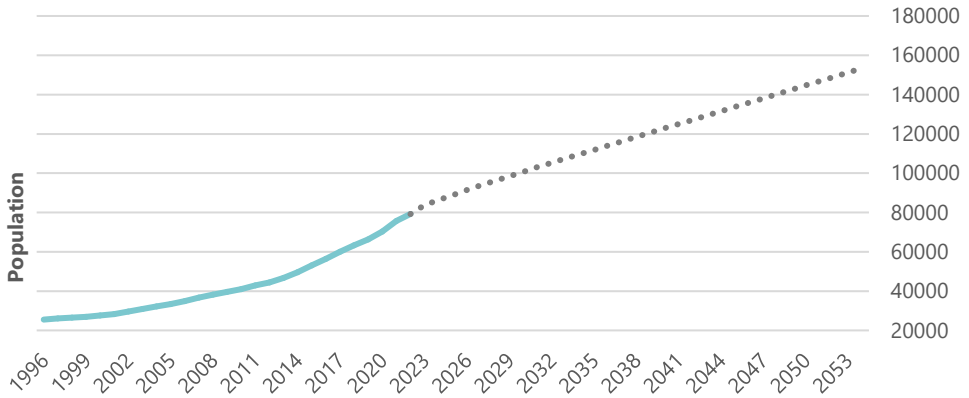


Figure 2: Selwyn District Population Estimates and Projections. Selwyn District Growth and Demand Report 2023/2024

Figure 3: Growth Projections 2024-2054, Selwyn District Growth and Demand Report 2023/2024

The population of the Selwyn District is not just growing, it is also changing. Changes to demographics and urbanisation can drive shifts in level of service expectation.

Strong growth is projected for all of the townships in the Greater Christchurch portion of the district. The updated projections which use the Stats NZ 2022 base year have Rolleston achieving the status of city around 2050. This means that Rolleston by 2050 would be comparable to present day small cities of Rotorua, Nelson, Invercargill, Whangārei, Whanganui and Hastings. Rolleston is projected to receive around 38% of the Selwyn District's total population between 2022-2034. Lincoln is project to grow a population of just over 20,000 by 2054 which is comparable to Rolleston in 2019. Lincoln is projected to receive around 15.8% of the Selwyn District's total population between 2022-2034. Prebbleton is projected to grow to a population of 8,525 which is comparable to present day Lincoln. Prebbleton is projected to receive around 4.7% of the Selwyn District's total population between 2022-2034. West Melton and Darfield are projected to each receive around 4.6% of the Selwyn District's total population between 2022-2034.

Key development and rezoning have contributed to rapid growth within the district. While largely driven by private development activity, there are considerable interactions with our existing infrastructure, including increasing demand, as well as the need for new infrastructure to be developer and/or Council led. The significant increase in housing demand within the district, has resulted in in significant urban expansion, particularly in the larger townships. The SCGM (Selwyn Capacity for Growth Model) estimates indicate that the average household size of the Selwyn District is 2.86. This average ranges throughout the district with Rolleston (3), Prebbleton (3.1), West Melton (3.1), Leeston (2.9) all being above the district average. Darfield (2.5) and Lincoln (2.6) both have an average household size below the district average. Other townships, particularly in rural areas are closer to a household size of 2.6. Townships centred on recreation, tourism or seasonal population such as Castle Hill have a much lower ratio of 1.6.

Population growth in the District has been disproportionately urban in nature, with 90% of growth occurring in townships. Urbanisation will increasingly alter the spatial distribution of the population from rural to urban. Population growth has been principally driven by net internal migration and has been comprised of a relatively youthful migrant age (parental and child age groups), which in turn, has led to greater natural increases. However, over the next thirty years, the projected demographic make-up of the population will change meaning that planning for sizeable growth will need to account for all age groups, and significant population ageing.

Selwyn has a flourishing business environment, with a high rate of business start-ups and a low business death rate. In the last 10 years, the number of businesses in the district has increased by almost 40% from 5,685 in 2012 to 7,929 in 2022. Since 2012, there has been a significant increase in demand for commercial land, leading to new commercial developments and expansions of existing centres. Industrial areas have greatly expanded due to Council's proactive approach to provide industrial land in a well-connected location which attracted businesses to relocate from Christchurch City following the Christchurch Earthquake Sequence. This industrial specialisation is a comparative advantage of the Selwyn District. Selwyn District's proximity to Christchurch as well as the railway links and major State Highway 1 improvements provides an attractive destination for commercial and industrial activity and strong demand for commercial land within the district is continuing. This in turn drives local demand for goods and services, and subsequently waste generation.

The rapid growth in Selwyn District is underpinned by strong employment opportunities. Originally these have been in the agricultural sector, Lincoln University and research centres, as well as commuting to Christchurch City. Through the Izone development and other initiatives have meant there are more opportunities within the district. New assets and increased capacity within systems is required as the district and communities continue to grow. In particular, the asset portfolio increases as private development occurs and infrastructure assets are vested, transferring the responsibility for the maintenance, operations and eventual renewal of an increasing asset portfolio.

Planning for growth

Infrastructure planning is required to address new development including service area extensions and increased demand within an existing service area, aligning with the Selwyn District Plan zoning and plan changes, in recognition of intended land use activities and necessary infrastructure provision, and responding to government directed development (e.g., multi-unit residential development (MRZ) and fast track consenting). Further long-term (30 year) growth will be directed by the GCP Spatial Plan and Selwyn District Council's Future Selwyn strategic direction for growth into the future.

The recent rate of growth has been driven, in large part, by the District Plan Review and Private Plan Changes. These have largely been fulfilling the broader growth pattern outlined in the Canterbury Regional Policy Statement. The review and plan changes have also overlapped with government directions, notably the NPS-UD, the Resource Management - Enabling Housing Supply and Other Matters Amendment Act 2021, and the National Policy Statement on Highly Productive Land 2022.

The NPS-UD has provided a pathway for unanticipated plan changes and intensification increasing opportunities for private plan change development in recent years, driving increased urban development in the Prebbleton, Lincoln, Rolleston and West Melton. As these progress, significant new infrastructure will eventually be vested to Council and/or the CCO, increasing the asset holding and financial and operational responsibilities for the maintenance, operations and eventual renewal.

These developments often necessitate wider upgrades to its adjoining water services networks to cater for this urbanisation and growth. In some cases, the approved developments cannot proceed until upgrades are completed by Council. This puts pressure on Council and the future WSCCO to fund and programme upgrades in response to developers expectations.

A primary requirement of the NPS-UD is to ensure councils understand business and housing sufficiency over 30 years and can respond accordingly. We are meeting this requirement through the GCP, with co-development of capacity assessments and a Future Development Strategy. This long-term (30 year) growth planning will be directed by the GCP Spatial Plan and updates to council's strategic direction will outline the opportunities for growth. Planning will continue to be refreshed on a minimum of three years, to ensure our approach can adapt to changing demands. Further long-term (30 year) growth will be directed by the GCP Spatial Plan and Selwyn District Council's Future Selwyn strategic direction for growth into the future.

Infrastructure planning to address new development including service area extensions and increased demand within an existing service area, aligns with District Plan zoning, in recognition of intended land use activities and necessary infrastructure provision. Where intensification occurs within pockets, this may challenge the efficiencies and capacity within some services. Council and the WSCCO will continue to monitor where this intensification occurs and ensure that infrastructure modelling and master plan work is continuously updated to monitor capacity constraints and implement capital work programmes to address any deficiencies identified. Dynamic Adaptive Pathway Planning will be used to enable Council and the WSCCO to review and implement necessary works in response to changing growth requirements, subject to financial capacity and appropriate revenue sources (e.g., debt capacity and development contributions sufficiency).

Forecasting and managing demand for water services

Forecasting demand for infrastructure assets is crucial because it enables us to anticipate future needs and prepare accordingly. By understanding how populations grow, the makeup of our communities and needs change and how our operating environment evolves, we can estimate how much our infrastructure will be used and what kinds of stresses it will face. We can also make some assumptions and plan for changes in our operating framework. This foresight allows us to plan strategically, allocate resources effectively, and prioritise investments in the most critical areas.

By forecasting demand, we can identify potential bottlenecks or areas of strain in advance, allowing us to take proactive measures to address them. Accurate forecasts enable us to make informed decisions about where to invest limited resources, ensuring that infrastructure systems can support the needs of communities both now and in the future. Ultimately, forecasting demand for infrastructure assets is essential for building resilient, adaptable and sustainable infrastructure that can serve the needs of our future communities.

Demand management strategies are integral to infrastructure management as they optimise resource use and align services with community needs, while maintaining operations within asset, environmental and regulatory limits. Demand management strategies provide alternatives to the creation of new assets in order to meet demand. They look at ways of modifying customer behaviour and demand in order that the utilisation of existing assets is maximised and the need for new assets is deferred or reduced. Demand management initiatives are important to help us to maintain the total demand at reasonable and sustainable levels, balancing the need for new or upgraded assets with the cost to our communities.

This Plan includes forecast demand in each of the three water services, noting assumptions, limitations and pressure points. Where appropriate, this section describes the demand management strategies available to the Council and CCO.

Demand for water services and infrastructure have been a significant driver for Selwyn’s activities, with investment in increased Drinking Water and Wastewater Treatment Plant capacity required to ensure expected demand can be met. Anticipated growth across the District will result in large increases in service connections for both residential and commercial users. Much of this development will include expanded water supply, and wastewater and stormwater drainage networks to cater for growth in the urban centres, townships, and rural schemes – which will be in addition to significant asset base growth experienced over the last 20 years.

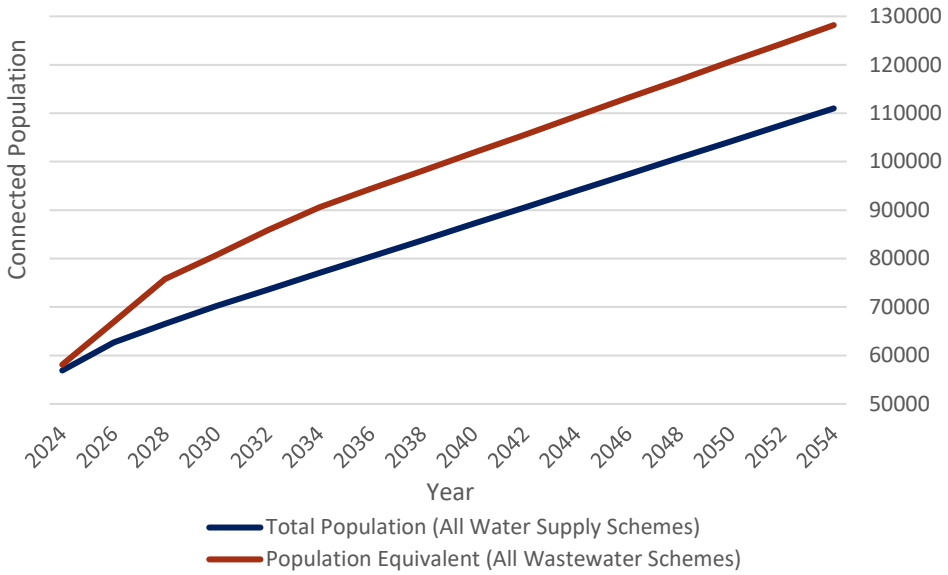


Figure 4: Growth projections by scheme/community - Water and Wastewater

Demand management strategies are integral to infrastructure management as they optimise resource use and align services with community needs, while maintaining operations within asset, environmental and regulatory limits. Demand management strategies provide alternatives to the creation of new assets in order to meet demand. They look at ways of modifying customer behaviour and demand in order that the utilisation of existing assets is maximised and the need for new assets is deferred or reduced. Demand management initiatives are important to help us to maintain the total demand at reasonable and sustainable levels, balancing the need for new or upgraded assets with the cost to our communities.

This Plan includes forecast demand in each of the three water services, noting assumptions, limitations and pressure points. Where appropriate, this section describes the demand management strategies available to the Council and WSCCO.

Drinking Water

Urban centre growth of water supply connections (excluding additional commercial growth demand) is modelled to increase by 130% - 145% for Rolleston and Lincoln to 2053/54. Township growth is modelled at growth rates between 60% - 170% over the same 30-year period.

We have opportunities to manage water loss from pipes and reservoirs, enabling more efficient use of treated water. Our *Water Conservation and Demand Management Plan* can be implemented to limit use and provide for growth, adapting to Climate change or supply issues of future water take constraints. This Water Conservation and Demand Management Plan includes mechanisms able to be used by the WSCCO to monitor, conserve and manage demand for water.

The Demand Management Plan identifies when water restrictions will be triggered, with levels relating to:

- Daily flow consent limits
- Pressure within the distribution network (where it is related to a lack of source capacity)
- Reservoir levels
- Depth of groundwater within monitoring bores
- Water levels at river gauging sites
- Water abstraction capacity compared to average daily demand.

Wastewater

Urban centre growth of population served by wastewater connections (excluding additional commercial growth demand) have identified capacity upgrade requirements for piped networks and pump stations in Rolleston, Lincoln, and Prebbleton in the LTP. This is being delivered in conjunction with phased upgrades of treatment processes and total capacity at The Pines facility over the next 30 years to cater for a Population Equivalent of 130,000 from all connected schemes in a sustainable manner.

Changes in legislation and regulation for wastewater treatment and disposal may have impacts on the scale and complexity of existing scheme facilities, potential upgrades, or the extension of wastewater services and infrastructure. Efficient disposal of treated wastewater, allowing for expected changes in the requirements and regulatory frameworks governing water quality and the environment, remains a key challenge over the next 30 years.

Stormwater

Urban growth and development will result in increased surface water run-off, needing to comply with anticipated future water quality requirements for stormwater discharge over the next 30 years. Current strategic planning is focussed on the following priorities:

- Anticipated changes in legislation and regulatory frameworks requiring improved water quality of stormwater discharges, including potential retrofitting of existing systems in some higher risk areas
- In partnership with developers Identifying land for stormwater retention and detention facilities to serve multiple developments
- Investigating options to reduce run-off through design
- Climate change adaptation considering the impacts of extreme rainfall events resulting in inundation of existing stormwater networks and infrastructure, increasing the risk of localised flooding within network catchments, and downstream.
- Consenting existing stormwater networks through a single network discharge consent for the district. This application is in progress and proposes alignment with projected 30 year growth boundary.

Changes in both land use and demand from continuing high growth can be managed in a way which will not result in significant impacts on communities from surface water flooding (for example, through Engineering COP standards).

Management of stormwater infrastructure include measures to invest in increased resilience from the effects of natural hazards through existing planned programmes and investment.

Serviced populations

Drinking Water

Projected population	Serviced population	Total - residential connections	Total non-residential connections	Non-serviced population
FY 24/25	70,107	25,497	1,282	15,159
FY 25/26	74,926	26,223	1,319	16,447
FY 26/27	77,000	26,950	1,355	16,903
FY 27/28	78,878	27,607	1,388	17,315
FY 28/29	80,756	28,264	1,421	17,727
FY 29/30	82,633	28,921	1,454	18,139
FY 30/31	84,510	29,578	1,487	18,551
FY 31/32	86,321	30,212	1,519	18,949
FY 32/33	88,133	30,845	1,551	19,346
FY 33/34	89,924	31,473	1,583	19,740
ADDITIONAL	**19,817**	**5,976**	**301**	**4,581**

Table 2: Current and projected serviced population – Water Supply

Urban centre growth of Drinking Water supply connections (excluding additional commercial growth demand) is modelled to increase by 130% - 145% for Rolleston and Lincoln to 2053/54. Township growth is modelled at growth rates between 60% - 170% over the same 30-year period. Planned responses includes the continued investigation of a “Centralised Treatment” water supply scheme to meet anticipated challenges in meeting Drinking Water Standards and maintaining security of supply in an environmentally sustainable manner.

Wastewater

Projected population	Serviced population	Total residential connections	Total non-residential connections	Non-serviced population
FY 24/25	59,709	21,123	757	25,557
FY 25/26	63,986	21,725	779	27,387
FY 26/27	65,758	22,327	800	28,146
FY 27/28	67,361	22,871	820	28,832
FY 28/29	68,964	23,415	839	29,519
FY 29/30	70,567	23,959	859	30,205
FY 30/31	72,170	24,504	878	30,891
FY 31/32	73,717	25,029	897	31,553
FY 32/33	75,264	25,554	916	32,215
FY 33/34	76,794	26,074	934	32,870
ADDITIONAL	**17,085**	**4,951**	**177**	**7,313**

Table 3: Current and projected serviced population – Wastewater

Urban centre growth of population served by wastewater connections (excluding additional commercial growth demand) have identified capacity upgrade requirements for piped networks and pump stations in Rolleston, Lincoln, and Prebbleton identified in 2024-2034 in the current LTP.

This is intended to be delivered in conjunction with phased upgrades of treatment processes and total capacity at The Pines facility over the next 30 years to cater for a Population Equivalent of 130,000 from all connected schemes in a sustainable manner.

Changes in legislation and regulation for wastewater treatment and disposal may have impacts on the scale and complexity of existing scheme facilities, potential upgrades, or the extension of wastewater services and infrastructure for Selwyn District Council's 2024-2054 Infrastructure Strategy. Efficient disposal of treated wastewater, allowing for expected changes in the requirements and regulatory frameworks governing water quality and the environment, remains a key challenge during this Infrastructure Strategy period.

Stormwater

Projected population	Serviced population	Total residential connections	Total non-residential connections	Non-serviced population
FY 24/25	64,341	21,681	613	20,925
FY 25/26	68,949	22,299	630	22,424
FY 26/27	70,859	22,916	648	23,045
FY 27/28	72,586	23,475	664	23,607
FY 28/29	74,314	24,034	680	24,169
FY 29/30	76,042	24,592	695	24,730
FY 30/31	77,769	25,151	711	25,292
FY 31/32	79,436	25,690	726	25,834
FY 32/33	81,103	26,229	742	26,376
FY 33/34	82,752	26,762	757	26,912
ADDITIONAL	**18,411**	**5,081**	**144**	**5,987**

Table 4: Current and projected serviced population – Stormwater

Urban growth and development will result in increased surface water run-off, needing to comply with anticipated future water quality requirements for stormwater discharge.

Strategic planning must be focussed on the following priorities:

- Anticipated changes in legislation and regulatory frameworks requiring improved water quality of stormwater discharges, including potential retrofitting of existing areas
- Identifying land for stormwater retention and detention facilities
- Investigating options to reduce run-off through design
- Climate change adaptation considering the impacts of extreme rainfall events resulting in inundation of existing stormwater networks and infrastructure, increasing the risks of localised flooding within network catchments, and downstream.

Changes in both land use and demand with continuing high growth can be managed in a way which will not result in significant impacts on communities from surface water flooding (for example, through Engineering Code of Practice standards).

Management of stormwater infrastructure must include measures to invest in increased resilience from the effects of natural hazards through existing planned programmes and investment.

Serviced areas

In the 2024/2025 period, Council provides reticulated water supplies to 82% of residential properties, from 26 schemes. Wastewater services are provided to approximately 70% of the district population (17 schemes), and stormwater services are managed for 22 communities.

Table 5: Water Services Serviced Areas Summary

Reticulated network serviced areas	Drinking Water	Wastewater	Stormwater
Residential areas	Ref to DW, WW & SW Maps (Appendix A)		
	26 schemes	15 schemes + 2 centralised schemes	22 schemes
	23,601 Residential connections	20,859 Residential connections	21,340 Residential properties served
Non-residential areas	Ref to DW, WW & SW Maps (Appendix A)		
	2,282 Non-Residential connections	913 Non-Residential connections	872 Non-Residential properties served
Mixed-Use rural drinking water schemes[3]	Ref to DW Map (Appendix A)[4]	n/a	n/a
Areas that do not receive water services	Ref to DW, WW & SW Maps (Appendix A)		
	2,381 Residential Properties 8,088 Non-Residential Properties	5,123 Residential Properties 9,457 Non-Residential Properties	4,642 Residential Properties 9,498 Non-Residential Properties
Proposed growth areas	Ref to Growth Areas and Water Supply Master Plan Maps (Appendix B)		

[3] where these schemes are not part of the council's water services network

[4] 3 – (Acheron, Dalethorpe and Te Pirita) Mixed-use Rural scheme (>50% used for agricultural/hort use); 1 – (Hartley's Rd) Other rural scheme (<50% used for agricultural / horticultural purposes)

Master Plans for the LTP were developed with the general assumption of growth density between 10 to 15hh/ha. Recently SDC has observed a trend of increasing applications for subdivisions exceeding the 15hh/ha. To accommodate this growth and ensuring infrastructure adequacy, scenario modelling and master plan review for water and wastewater has been initiated for projected densities ranging from 20 to 30 hh/ha. This proactive approach will be completed by the first half of 2026 and aims to future-proof infrastructure and align with urban development demands.

In addition to the rapid pace of Private Plan Changes, projecting growth within Selwyn and confirming the required investment requires monitoring of nationally enabled growth and development initiatives.

The approval process supported under the Fast-track Approvals Act has included two developments (to date). Subject to their approval, additional infrastructure or timing changes may be required. Timing will be monitored, with required changes to the capital programme being reviewed under a Dynamic Adaptive Pathway approach, or in future AMPs, Water Services Strategies and Annual Budgets.

Council incorporated mandatory MRZ standards in a district plan variation on August 20, 2022. MRZ enables increased urban intensification which may require additional infrastructure and capacity within water services to accommodate growth. MRZ has enabled this intensification to occur at a more rapid pace, than the standard RMA processes provide. This necessitates continual review of infrastructure provision, capacity and servicing through the Engineering Acceptance process.

Capacity Modelling

Growth modelling to inform planning ensures there is sufficient infrastructure and zoned land in the right location at the right time. To date, Council's infrastructure provision has been a just in time approach. The WSCCO will be incorporating Dynamic Adaptive Pathway planning and regular reviews of capacity modelling to ensure infrastructure provision aligns with approved growth and development.

Drinking Water

Drinking Water Master Plans

Council maintains hydraulic models for the following water supply schemes: Rolleston, Lincoln, Prebbleton, West Melton, Leeston & Doyleston, Darfield, Kirwee, Southbridge, Castle Hill, Malvern Hills Hartleys, and Hororata. The hydraulic models are used to estimate when new water sources and infrastructure upgrades will be required to service growth. The models typically forecast over a 30-year horizon. The water supply hydraulic models are updated approximately every 3 years, although interim updates may occur to test the impact of large subdivisions or infrastructure upgrades on specific water supply schemes. The water supply master plan models were last updated in July 2023. Individual scheme master planning information is included in the Drinking Water Supply section of the Five Waters Asset Management Plan.

Water Loss Modelling

A water balance is a 'top-down' approach for identifying where water supplied into a water supply distribution network is utilised, and is typically used to establish the level of water loss occurring in a water supply network. Water balance calculations have been carried out annually for the 26 water supply areas for a period of approximately 12 months between March and the end of June each year. The last report available was completed in September 2023 for calculations for the period of 2022/2023. A summary of the 26 schemes water loss performance indicators and non-revenue water is as follows:

- Very High Losses: Arthur's Pass and Jowers Road
- High Losses: Castle Hill, Darfield, Southbridge, Springfield, and Te Pirita
- Medium Losses: Leeston-Doyleston, Sheffield/Waddington, Springfield and Taumutu
- Low Losses: The remaining fifteen schemes have a moderate to low level of water loss.

A full table for Water Supply Schemes for 2023/2024 is included in Appendix D: Water modelling.

Wastewater

Wastewater Network Hydraulic Models

Council use a number of master planning tools to manage the capacity of the major wastewater schemes and to forecast when infrastructure upgrades will be required:

- Hydraulic models for the major wastewater reticulation systems (pipes and pump stations):
    - Eastern Selwyn Sewage Scheme (ESSS): includes Rolleston, Lincoln, Prebbleton and West Melton and the Pines wastewater treatment plant
    - Ellesmere Scheme: includes Southbridge, Leeston and Doyleston and the Leeston wastewater treatment plant
- Capacity assessments for the major wastewater treatment plants and associated land disposal areas.

It is noted that after completion of the Ellesmere to Pines pipeline, the ESSS and Ellesmere Scheme will be combined as a single scheme: Selwyn Sewerage Scheme (SSS) – expected July 2025.

The hydraulic models provide an assessment of the capacity of pump stations and pipelines to service growth. The models are also used to test different options for managing wastewater flows, including new infrastructure and/or different operating regimes for pump stations. The models are updated periodically with new population data (including projected growth) and infrastructure asset data from Council GIS. The models are calibrated periodically using observed data from Council SCADA sites. The last model update and validation was completed in May 2023.

Wastewater Master Plans

Wastewater Scheme

A master plan was completed for the centralised wastewater scheme (Selwyn Sewage Scheme) in June 2023, and considered:

- Population projections for Rolleston, Lincoln, Prebbleton, West Melton, Ellesmere, Darfield and Kirwee
- Wastewater generation parameters (including residential densities, persons per household, per capita flow rates, peaking factors and business/commercial/industrial flow rates)
- Assumed timeframes for different communities to connect to the centralised scheme: Leeston/Ellesmere in 2024, Tai Tapu in 2028, Darfield and Kirwee at 5% of the urban area's population per year from 2023

The master plan identified where and when new infrastructure will be required to facilitate the centralisation of wastewater services, including new pump stations, rising mains and storage. Cost estimates for the forecast infrastructure upgrades were used to inform the LTP 2024-2034.

Wastewater Treatment Plants

Two capacity models have been developed for the major wastewater treatment plants in the district: the Pines wastewater treatment plant and Leeston wastewater treatment plant. The master plans identify options and timing for upgrades to wastewater treatment processes and land disposal systems.

Stormwater

District and township flood modelling is under development. This will inform future planning for stormwater capacity. Council have recently applied for township global stormwater discharge consents which will also inform catchment management.

Compliance

Regulatory compliance

Further to the compliance noted against the Levels of Service statements, the following table records regulatory compliance with drinking water standards.

Parameters	Drinking supply schemes
Bacterial compliance (E.coli)	Yes
Protozoa compliance	Yes, all supplies have protozoa barrier in place
Chemical compliance	Yes, all schemes compliant chemical results
Boiling water notices in place	2025 (1), 2024 (1), 2023 (4)
Fluoridation	Not applicable
Average consumption of drinking water	335 l/person/day
Water restrictions in place (last 3 years)	No formal water restrictions
Short term conserve notices (last 3 years)	2025 (17), 2024 (17), 2023 (20)
Firefighting sufficient	Yes: 11; Partial: 9, Not required: 6. Descriptions by scheme – refer table in Appendix D: Water modelling

The firefighting sufficiency is described by scheme in the table below. Historically, areas with designated firefighting capacity were formally gazetted. However, when FENZ merged this classification has ceased. Currently, FENZ assumes that the presence of a hydrant equates to sufficient firefighting capacity, which is not always accurate.

Efforts have been undertaken to ensure that some form of firefighting provision is available, as some of the water schemes were not originally designed to accommodate firefighting needs. It is important to note that there is not intention of retrofitting all schemes to meet firefighting requirements. To address this issue the hydraulic models will be used to confirm the actual capacity available from each hydrant in the system. This data will subsequently be shared with FENZ for their reference and operational planning.

Changes to Regulatory Requirements

The environmental regulatory requirements that will apply to three waters assets are in a state of reform. There are currently no anticipated regulatory requirements which are not able to be met, however, uncertainty as to the detail of further change creates uncertainty as to the ability of water services to comply.

In addition to the Local Water Done Well Reform and water quality requirements, the Government has announced that the RMA. will be reformed placing a priority on the enjoyment of private property rights as the guiding principle. The extent of the impacts of this change to the regulatory environment that will apply to SDC and the WSCCO is currently unknown, particularly as it may relate to the future levels of development and growth, or additional industries which may impact on ability to meet demand.

There are no significant changes to the Canterbury Regional Council's Land and Water Plan (LWRP). Any future changes could drive significant investment requirements in the wastewater and stormwater networks.

There is no current direction for Selwyn District to introduce fluoride to Drinking Water supplies. No provision has been made within the LTP, Infrastructure Strategy or WSDP budgets on this basis. Other changes have also been signalled to the environmental regulatory environment which create uncertainty. These include:

- Changes to the National Policy Statement for Freshwater Management 2020
- Introduction of a new National Policy Statement for Infrastructure
- Changes to the NPS-UD

- Introduction of Wastewater Environmental Performance Standards by Taumata Arowai
- Possible further change to the Regional Policy Statement (consultation underway by the Canterbury Regional Council) that may have future impact on the LWRP.

It is noted that, Bill 3 intends to introduce a new regulation for water services delivery, providing a range of structural and financing tools, and by implementing a new economic regulation regime for water services providers. From 1 July 2025, the Commerce Commission will oversee and implement new economic regulation and consumer protection regime for water services and will have a range of regulatory tools, including mandatory information disclosure, to promote transparency and ensure investments are made where they are needed most. In addition, the Commerce Commission may be given powers in quality regulation, performance requirement regulation and price-quality regulation as additional tools, if needed for specific suppliers. The WSDP and development of the operating models for delivery water services, acknowledges the introduction of economic regulation and consumer protection.

Once policies and standards are confirmed (including risk classes for Wastewater Environmental Performance Standards), an assessment of the ability of existing infrastructure to meet these standards at consent renewal can be undertaken, informing future Asset Management Planning and Water Services Strategies.

Based on the information that we have received from the government regarding the anticipated regulatory changes, we are of the view that the proposed WSCCO drinking water and wastewater and SDC provision of stormwater will comply with the anticipated future regulatory changes.

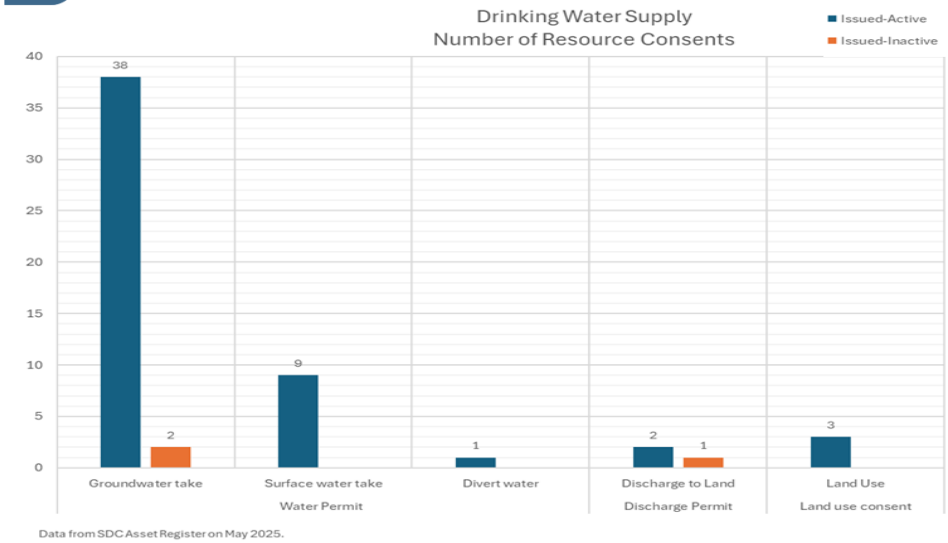
Resource consents

Resource consents are key 'assets' underpinning the delivery and operations of water services. Resource consents are required to undertake various activities within the operation and management of three waters assets and service delivery. Selwyn District Council is responsible for obtaining and implementing these consents under the RMA to undertake various activities to provide the three waters services. In addition, Selwyn District Council also inputs to resource management policy and plan development processes to ensure that provisions relating to three waters management are appropriate and enable the delivery of these services.

Council holds a number of resource consents for the operation of the water, wastewater and stormwater networks some of which will transfer to the WSCCO as part of the asset transfer following the enactment of Bill 3. These include significant consents for the abstraction of surface and groundwater, discharge of contaminants to land, air and water and land use consents. A database of all consents including expiry dates is held. Investment in a new consents management system (Infrastructure Data, Lutra) has recently been made which will assist in tracking and monitoring compliance.

Council do not hold any expired resource consents. There are no water, wastewater or stormwater activities currently operating under section 124 continuance. The following tables summarise the consents held by Council and timeframes for renewals.

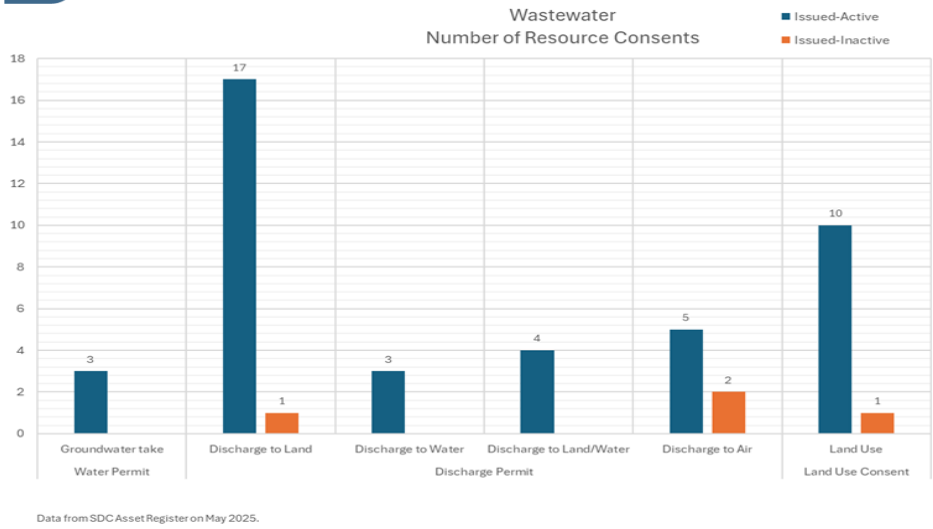
Drinking Water



Drinking Water Supply – No. of Issued Consents Expiry Timeline

Permit Type	Permit Details	Expiry <1 yr	Expiry in 1 - 3 yrs	Expiry in 3 - 5 yrs	Expiry in 5 - 10 yrs	Expiry >10 yrs
Water Permit	Groundwater Take	1	4	2	23	10
	Surface Water Take	0	1	0	7	1
	Divert Water	0	0	0	0	1
Discharge Permit	Discharge to Land	0	2	0	0	1
Land use consent	Land Use	0	2	0	0	1
Total		**1**	**9**	**2**	**30**	**14**

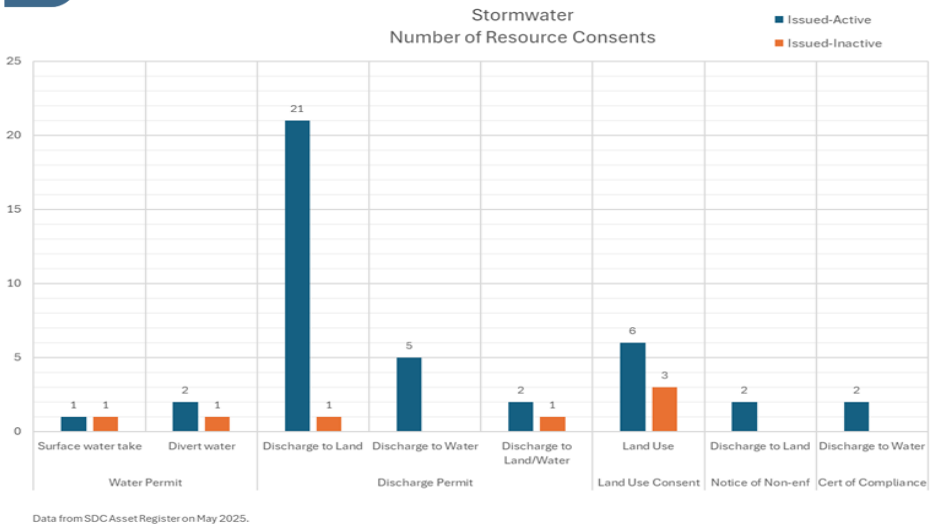
Wastewater



Wastewater – No. of Issued Consents Expiry Timeline

Permit Type	Permit Details	Expiry <1 yr	Expiry in 1 - 3 yrs	Expiry in 3 - 5 yrs	Expiry in 5 - 10 yrs	Expiry >10 yrs
Water Permit	Groundwater take	0	1	1	1	0
Discharge Permit	Discharge to Land	0	5	6	3	4
	Discharge to Water	0	1	1	1	0
	Discharge to Land/Water	0	1	1	1	1
	Discharge to Air	0	1	3	1	2
Land use consent	Land Use	1	6	0	2	2
Total		**1**	**1**	**15**	**12**	**9**

Stormwater



Stormwater – No. of Issued Consents Expiry Timeline

Permit Type	Permit Details	Expiry <1 yr	Expiry in 1 - 3 yrs	Expiry in 3 - 5 yrs	Expiry in 5 - 10 yrs	Expiry >10 yrs
Water Permit	Surface Water Take	0	1	0	0	1
	Divert Water	0	1	0	0	2
Discharge Permit	Discharge to Land	0	1	0	0	21
	Discharge to Water	0	0	0	0	5
	Discharge to Land/Water	0	1	0	0	2
Land use consent	Land Use	0	1	0	0	8
Total		**0**	**5**	**0**	**0**	**39**

Resource Consents Required

New resource consents and variations to existing consents are sought as required for new infrastructure and infrastructure upgrades. Council has also been obtaining additional consented ground water volumes as needed to meet growth demands. This is required due to the over allocation of groundwater in the Selwyn Waihora Zone. Third party organisations have been used to facilitate the identification of existing consents, often irrigation contents, with unused volume. Agreement is put in place for the transfer of this volume to existing council consent with compensation. Plan change areas are required to obtain consent to gramme Malta volume and transfer to council as part of their resource consenting process with Selwyn District Council. The following resource consents are in application at the time of writing:

Drinking Water

- Renewal of Ridgeland Way Groundwater take consent CRC192996 due to expire in 2026. Application in development to substitute irrigation allocation for community supply.
- Transfer 100,000m^3 of allocation from consent CRC251575 to the SDC Kirwee consent (CRC211833) on behalf of Ngai Tahu Properties.
- Transfer consent CRC169800 (Johnsons Road) to CRC172478 (Edendale). Application in progress.

Wastewater

- Variation Castle Hill Wastewater Disposal CRC220485, CRC220486, CRC991052 - application in development
- Renewal application for Arthurs Pass Wastewater disposal CRC073351– application in development. Expiry Oct 2027
- Renewal application for Lake Coleridge wastewater disposal CRC012169, CRC012168 and CRC012170.1- application in development. Expiry July 2027
- Upper Selwyn Huts CRC203804 and CRC203805 To be withdrawn once treatment plant decommissioned.

Stormwater

- Township stormwater discharge consents CRC167468 – hearings to be planned.

Resource Management Compliance

<table>
<tr><th>Parameters</th><th>Drinking supply schemes</th><th>Wastewater schemes</th><th>Stormwater Schemes/catchments</th></tr>
<tr><td rowspan="2">Significant consents</td><td>Water supply take: 47</td><td rowspan="2">Discharge to water / land / air: 32</td><td rowspan="2">Stormwater discharge: 30</td></tr>
<tr><td>Water discharge: 2</td></tr>
<tr><td></td><td colspan="3">No expired consents operating on s124</td></tr>
<tr><td>Expire in next 10 years</td><td>42</td><td>37</td><td>5</td></tr>
</table>

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
Active resource consent applications	2	3	1
Non-compliance:	22/23 (4), 23/24 (2), 24/25 (3)	23/24 (6), 24/25 (8)	22/23 (5), 23/24 (5), 24/25 (5)
• Significant risk non-compliance	0	0	0
• Moderate risk non-compliance	1 – Acheron	8	0
• Low risk non-compliance	2 – Springfield and Arthur's Pass	3	'Global' consents, work in progress
Compliance actions (last 12 months):			
• Warning	0	0	0
• Abatement notice	0	0	0
• Infringement notice	0	0	0
• Enforcement order	0	0	0
• Convictions	0	0	0

Non-compliances

In all cases, changes have either been made immediately to resolve the non-compliance or investment and a project/programme is underway to address the matter.

Drinking Water

- The Acheron and Arthur's Pass schemes exceeded their daily consent limit volume, control changes have been implemented in both locations, no permanent increase in take is planned.
- A flow meter failed in the Springfield scheme, this has now been renewed.

Wastewater

- Microbiological non-compliance occurred at Claremont WWTP due to issue with UV treatment process. This has been provisionally addressed with a revised maintenance schedule with a review of the treatment process in progress and funding available to implement any required modifications at the WWTP.
- An error in sampling schedules resulted sampling not being complete at the time intervals required by the consent. This has been addressed though the change to a single contractor responsible for sampling with a revised schedule and the introduction of compliance monitoring software.
- Unable to obtain representative samples of the wastewater discharge from Arthur's Pass WWTP due to the discharge being lower than expected.
- Missing documentation i.e. maintenance data, this is being addressed via the Network Management Contractor with updated field operators' instructions and Standard Operating Procedures (SOPs).

Whilst not resulting in a non-compliance through consent monitoring, high inflows during weather events as a results of increased I&I, have resulted in notification to Environmental Canterbury of Emergency Consent Condition use and limited network overflow.

Stormwater

- Provision of annual reporting and, sampling for Darfield, Kirwee , Rolleston and West Melton. Revised reporting and sampling has since been accepted, noting non-compliances in this regard are expected to be removed in the next consent monitoring review (~June 2025).
- Stormwater Management Plan (SMP) requirement. This is currently being addressed in line with the district-wide stormwater consent that will replace the current consent. SMPs will be a requirement of the new consent and so the updating of the current SMP has been delayed to ensure the new consent requirements are also being met when the global consent and its conditions are finalised.
- Integrated Sampling Monitoring Plan (ISMP) (Lincoln) is outdated. This is currently being addressed in line with the district-wide stormwater consent application. SMPs and their associated sampling programmes will be a requirement of the new consent. SDC have delayed the updating of the current SMP and ISMP to ensure the new consent requirements will be included in the Plans.
- Non-compliance in relation to one of the tests from a single sampling event being above the TSS limit (Lincoln). The exceedance was extensively investigated and a revised annual report provided to ECAN.

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

The following details planned investment to meet levels of service, known regulatory standards and projected growth (based on LTP estimates and master planning), within the 10 years of this WSDP. Thirty year summaries of planned responses to the challenges identified in Selwyn District Council's Infrastructure Strategy are included in Appendix E: Thirty year infrastructure planning.

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
Drinking water										
Capital expenditure - to meet additional demand	15,953	11,809	16,734	7,034	2,674	3,091	10,891	5,946	9,062	4,840
Capital expenditure - to improve levels of services	6,702	10,778	9,698	12,280	13,584	12,006	8,510	8,165	5,799	6,066
Capital expenditure - to replace existing assets	5,967	6,790	7,619	8,398	6,886	7,677	6,046	6,914	5,371	6,710
Total projected investment for drinking water	28,622	29,377	34,051	27,712	23,144	22,774	25,447	21,025	20,232	17,616
Wastewater										
Capital expenditure - to meet additional demand	34,976	21,373	20,704	27,876	25,844	15,499	28,899	24,430	23,300	14,228
Capital expenditure - to improve levels of services	16,987	6,371	10,569	6,399	7,572	9,490	6,953	13,132	12,178	11,080
Capital expenditure - to replace existing assets	3,578	4,658	6,007	6,976	5,443	6,123	2,844	2,363	3,301	3,038
Total projected investment for wastewater	55,541	32,402	37,280	41,251	38,859	31,112	38,696	39,925	38,779	28,346
Stormwater										
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve levels of services	2,092	1,928	3,536	1,299	1,168	2,707	843	1,545	1,884	3,666
Capital expenditure - to replace existing assets	539	209	255	1,967	128	658	30	0	363	0
Total projected investment for stormwater	2,631	2,137	3,791	3,266	1,296	3,365	873	1,545	2,247	3,666
Total projected investment in water services	86,794	63,916	75,122	72,229	63,299	57,251	65,016	62,495	61,258	49,628

Local Water Done Well requires that we must deliver water services in a financially sustainable way, while also ensuring we provide for growth and meeting regulatory standards. The section below highlights significant capital projects included in projected investment requirements, the key drivers for investment for each water activity and the significant projects. Further detail is included in the Significant capital projects section of this WSDP.

It is noted that remaining useful live estimates recorded in stormwater asset valuations are used to inform scheduling of renewals. No, or limited assets are identified as coming to the end of their useful lives in the latter years of the WSDP.

Drinking Water

Project numbers described in this section from FY2025-2034, with the above financial table including the full ten years of the WSDP.

As demonstrated above, Selwyn's drinking water supply schemes are, predominantly, compliant with the regulatory requirements, with the upgrades required that are underway or planned for. The capital works programme is focused on growth, resilience and renewals:

- Growth ($72.08M): To address growth and resilience drivers the council is investing in additional source, treatment, storage and network upgrades across the district between FY2025 – 2034 including Rolleston ($27.33M), Darfield ($9.35M), Kirwee ($0.51M), Lincoln ($7.13M), Prebbleton ($4.83M), Southbridge ($1.42M), West Melton ($4.67M) and Malvern ($1.95M).
- Resilience and compliance upgrades ($86.89M): To address level of service and compliance issues and provide additional resilience to the most vulnerable schemes, including source, treatment, storage and connection of schemes
- Renewals 2025-2034 ($62.41M): There is an estimated renewal programme of works as detailed in the Renewals Planning below.

Wastewater

Selwyn's wastewater schemes are also predominantly compliant with the regulatory requirements, however significant investment is required to provide for growth and support Council's urban development planning. The upgrades required are underway or planned for, however the planned programme of works may require to be accelerated to accommodate increasing demand. The capital works programme is focused on growth, resilience and renewals as detailed below:

- Growth ($202.15M): To address growth and resilience drivers the council is investing in additional source, treatment, storage and network upgrades across the district between FY2025 – 2034 including
- Resilience and compliance upgrades ($83.74M): To address level of service and compliance issues and provide additional resilience.

  Renewals 2025-2034 ($40.75M): A number of Selwyn's wastewater schemes are in areas of high groundwater and have historically been affected by high inflow and infiltration rates, due to high groundwater and illegal stormwater connections to the wastewater network. Inflow and infiltration increases the risk of wastewater overflows, affects treatment processes and can lead to non-compliance with resource consents and/or wastewater agreements. The current programme is considered to be underestimated. The required budget will depend on the results of further condition monitoring, with a programme of CCTV survey planned to assess the issue and develop a revised budget and programme of works.

Stormwater

Selwyn's stormwater schemes are also predominantly compliant with the regulatory requirements. The capital works programme is focused on growth, resilience and renewals as detailed below:

- Resilience and compliance upgrades ($18.01M): To address level of service and compliance issues and provide additional resilience to the most vulnerable schemes across the district between FY2025 – 2034.
- Renewals 2025-2034 ($3.61M): There is an estimated renewal programme of works as detailed in the Renewals Planning below.

Asset condition

This section provides a high-level assessment of the current condition and lifespan of the current water services network. A condition grading model was adopted by Council in 2014 for grading of pipe conditions utilising three different data sources:

- CCTV monitoring
- Condition formula incorporating pipe material useful lives, pipe use, pipe diameter and pipe age
- Condition grades assigned by the maintenance contractor.

Critical assets are “those which have a high consequence of failure, but not necessarily a high probability of failure". These assets are typically the most important to the organisation and its customers, irrespective of the likelihood of a failure of the asset. The asset criticality model was run in 2024, to inform the development of the LTP 2024-2034 and the Five Waters Asset Management Plan.

The criticality assessment factors in effect of disruptions, duration, numbers affected, and sensitivity, adjusting for a consequence based assessment which considered the implications of asset failure in terms of its economic, social, cultural and environmental consequences. Point assets, sites or facilities, such as pump stations, associated with the pipe assets were assigned the same criticality leaving or entering the site. These sites were reviewed and some scores were manually adjusted where appropriate. Criticality scoring is recorded in GIS and AMS. ‘High’ criticality assets are identified in the following table.

Parameters	Drinking Water	Wastewater	Stormwater
Weighted-Average age of Network Assets (years)	22.6	14.1	15
Above ground assets:			
Treatment plants	36	7	0
Percentage or number of above ground assets with a condition rating	77%	55%	N/A
Percentage of above – ground assets in poor or very poor condition	3.6%	4.5%	N/A
Below ground assets:			
Total km of reticulation	1,501km	715km	131km
Percentage of network with condition grading	96%	99.5%	85%
Percentage of network in poor or very poor condition	2%	3.5%	0.3%

Critical Assets:

Drinking Water	Wastewater	Stormwater
• Rolleston (WTP) Izone Dr • Rolleston (WTP) Helpet Park • Darfield (WTP) SH73 • Leeston (WTP) Leeston Dunsandel Rd	• Pines WWTP • Ellesmere WWTP • Darfield to Pines Pipeline • ESSS Allendale Ln – Lincoln to Rolleston Rising Main • ESSS Selwyn Rd to Pines Rising Main • Lincoln Allendale PS	• Lincoln Wetlands • Te Whariki Wetlands • Leeston Flood Diversion • Hororata Flood Diversion

The age and condition of the water services networks are summarised in the table below. More information can be found in volumes 2,3 and 4 of the Five Waters Asset Management Plan. Data is highly reliable and has been extracted from the SDC asset register on May 2025. Likewise, critical and condition models were updated in May 2025.

Asset values

The SDC waters infrastructure assets have been valued on a replacement cost basis, as at 30 June 2025. A summary of the total optimised replacement cost, the optimised depreciated replacement cost and annual depreciation for the three waters asset groups is presented below.

Asset Group	ORC ($)	ODRC ($)	AD ($)
Drinking Water	$582,867,090	$442,501,783	$9,451,955
Wastewater	$676,264,340	$552,518,822	$8,387,669
Stormwater	$159,269,314	$135,993,242	$1,715,110

Renewals planning

The renewals programme progressively replaces assets that have reached the end of their useful lives. The renewals budget are generated based on a range of information, including the asset condition model, asset failure records, the asset criticality model, and asset valuation data. Input is also from CORDE operators about the performance of specific assets, when planning the renewals programme.

For Drinking Water and Wastewater assets, Council use a software package called Infrastructure Decision Support - Wai (IDS-Wai) to generate the renewals programme. IDS-Wai is a risk-based forecasting model for pipe networks. The model uses Council pipe data (inventory, condition, performance and financial records) and generates a renewals programme over a 10-year horizon.

Figure 5: SDC 5Waters Renewals Programme

Asset management approach

Asset Management Policy

Council has established a level of assessment management for each key activity through our Asset Management Policy to ensure that AMPs developed are fit for purpose in the Waikirikiri Selwyn context. The current Asset Management Policy was adopted by Council in August 2023 to meet the requirements of the 2020 International Infrastructure Management Manual (IIMM), Section 2.1.5 and to ensure that Council's service delivery is optimised to deliver the purpose of local government (as defined in the Local Government Act 2002), agreed community outcomes and levels of service, manage related risks, and optimise expenditure over the entire lifecycle of the service delivery, using appropriate assets and non-asset solutions as require.

The Asset Management Policy requires that the management of assets be a systematic process to guide planning, acquisition, operation and maintenance, renewal and disposal of the required assets. Delivery of service is required to be sustainable in the long term, and deliver on Council's economic, environmental, social, and cultural objectives. Council's Asset Management Policy, aligned to the IIMM defines three levels of asset management practice, determining the level of sophistication against a range of parameters identified in the Policy:

1. **'Core' Asset Management**: Asset management which relies primarily on the use of an asset register, maintenance management systems, top-down condition assessment, simple risk assessment and defined levels of service, in order to establish a long-term cashflow projection.

2. **'Intermediate' Asset Management:** Asset management practice focused on building on the basic technical asset management planning of 'Core' practice by introducing improved maintenance management and more advanced asset management techniques (as appropriate). Further use is made of risk management, asset lifecycle management, and service standard optimisation techniques.

3. **'Advanced' Asset Management:** Asset management which employs predictive modelling, risk management and optimised decision-making techniques to establish asset lifecycle treatment options and related long term cashflow predictions.

Council have determined the appropriate level of asset management practice for Five Waters (including Drinking Water, Wastewater and Stormwater) as Intermediate, recognising additional requirements may be applied by the regulator.

Council have not undertaken a recent asset management maturity assessment for water services. The WSCCO intends to complete an assessment, to inform improvement planning and the review of the Assessment Management Policy.

Service delivery mechanisms

Current delivery of water services – asset management approach

The current structure of the key teams that deliver the Water Services activities for council is shown in the figure below. In addition, there a number of other teams that provide supporting services.

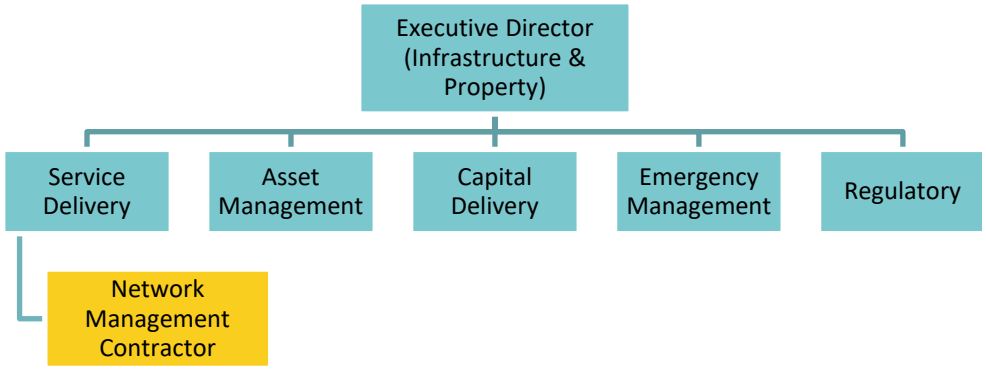
The Water Services Delivery Team is responsible for the operations and maintenance of Council's Five Waters activity (aligned with Land Drainage and Water Races):

- Drinking Water: 26 No. drinking water supply schemes including 36 No. drinking water treatment plants in addition to reticulated networks including pump stations, reservoirs, backflow prevention and water meters, ensuring compliance with legislative requirements.
- Wastewater: 6 No. wastewater schemes servicing 17 No. townships including 6 No. WWTP in addition to the reticulated networks and pumpstations, ensuring compliance with legislative requirements.

- Stormwater: 21 No. stormwater schemes servicing individual townships. These schemes are urban in nature, managing stormwater in terms of water quality and quantity, providing the collection, conveyance and disposal of stormwater.

Delivery is aligned with associated activities within Council, including Five Waters Asset Management Planning, Capital Delivery, Emergency Management, and Regulatory (building and resource consenting).

The network operated, managed and maintained by CORDE the Council Network Management Contractor. Maintenance the drinking water schemes is well understood and covered by planned maintenance schedules.



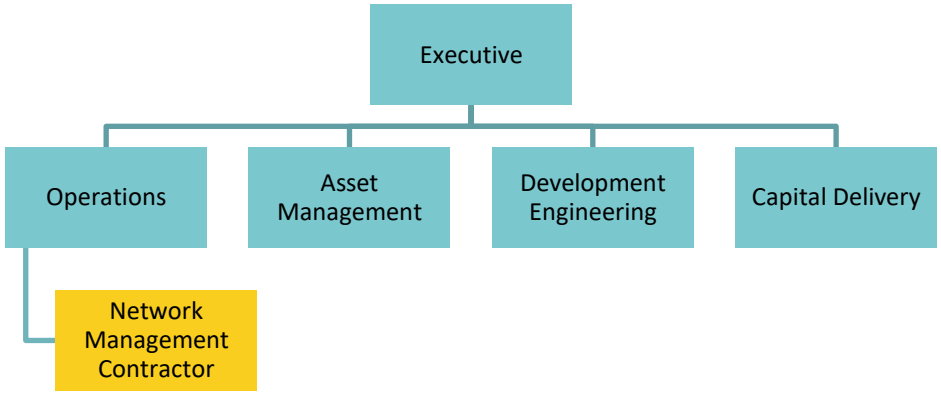
Proposed delivery of water services – asset management approach

Drinking Water Wastewater

Within the transition period, operations will continue to be delivered by Council, under a Transitional Services Agreement.

The structure of the WSCCO will be designed as part of the establishment phase, noting Service Level Agreements will be confirmed as part of this design. Indicative functions are shown in the following Draft Operating Model Function Design.

The focus of the WSCCO on the delivery of Drinking Water and Wastewater will enable increased focus on asset management practice, and alignment of operational delivery and associated functions.

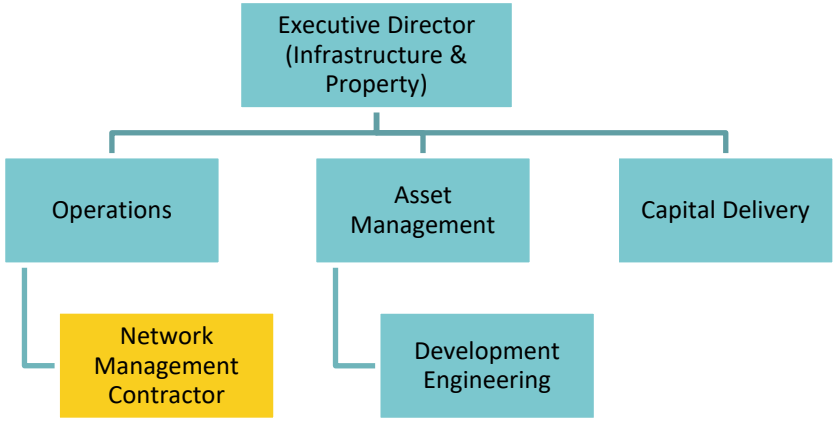


Existing contractual arrangements are expected to continue, subject to any required novation to separate water services between the two organisations. Maintenance of the wastewater schemes is well understood and covered by planned maintenance schedules, with additional funding planned as part of this WSDP.

Stormwater

Following the transfer of Drinking Water and Wastewater operations and associated functions, Council will review the current structure, ensuring sufficient capacity within the Surface Waters and wider teams for the delivery of Stormwater services, and any required support to meet additional requirements. Shared services are expected for aligned delivery e.g., control systems (SCADA).

Existing contractual arrangements are expected to continue, subject to any required novation to separate water services between the two organisations.



Asset Management systems

Council uses a number of systems to manage its assets, financial information and customer information including:

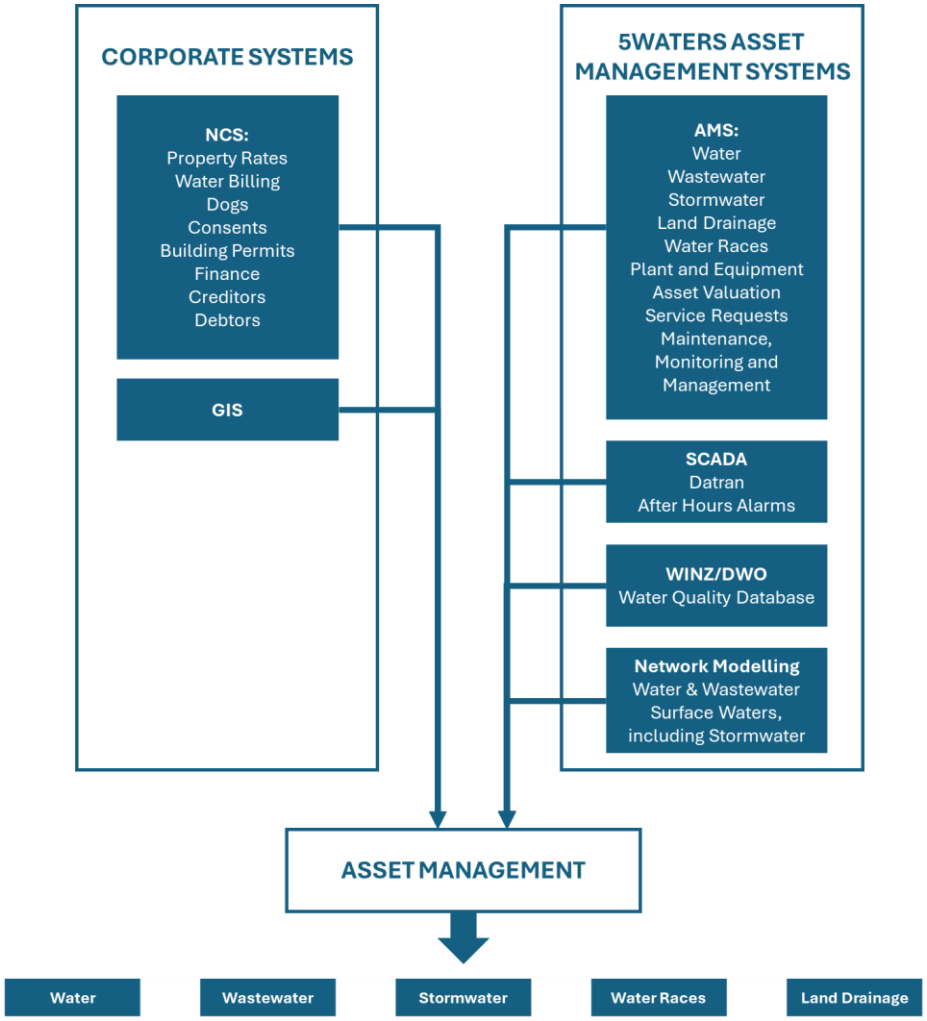


Figure 6: Selwyn District Council 5 Waters Asset Management Systems

These system components include:

- NCS: rates and other financial information
- GIS: mapping
- SCADA: live monitoring
- AMS: Database of all assets and tasks
- Hydraulic modelling of Drinking Water and Wastewater networks (maintained by consultants)
- Rain on Grid flood modelling including stormwater systems.
- Council will continue to use the same systems to support the delivery of Stormwater services, aligned with the remaining surface waters.
- As part of the establishment planning for the WSCCO, enhancements and changes are being considered for finance and asset management systems.

Historical delivery against planned investment

The ability to develop and coordinate infrastructure capital works programmes is pivotal in shaping the overall delivery of the infrastructure required. There are inherent challenges associated with managing a large and complex programme, including consideration of resource limitations and uncertainties in the delivery supply chain. Identifiable risks include shortages in specialised roles, capacity gaps, regulatory compliance, quality control, market constraints and disruptions such as weather events. Cost escalations are hard to predict and have a real impact on achievement. These challenges have been exacerbated by the aftermath of the COVID-19 pandemic, economic recession and current geopolitical trade negotiations affecting capital delivery efforts in recent years.

Historic delivery within the Water Services, by total value spent, compared to the respective LTP or AP budget is detailed in the following table. It is noted that available reporting by dollar value comparison does not fully demonstrate the level of delivery due to the potential variation in value of works, through over or underspend and cost fluctuations. Land purchase, consenting and procurement delays have also impacted on capital delivery timing.

Table 6: Three Waters Historic Total Capital Delivery (Budget vs Actual Expenditure) 2019/20 – 2024/25 Year to Date (April 2025)

		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 YTD *(end April 2025)*
Drinking Water	Budget	22,601,769	15,858,886	21,977,331	22,608,636	25,536,001	32,671,599
	Actual	13,329,980	9,074,686	14,640,661	21,291,594	23,954,731	26,188,421
	%	58.6%	57.2%	66.6%	94.2%	93.8%	80.2%
Wastewater	Budget	13,194,726	21,889,839	32,653,870	21,574,317	55,783,403	53,415,033
	Actual	10,368,929	12,615,184	27,681,461	20,678,244	17,862,776	37,021,660
	%	78.6%	57.6%	84.8%	95.8%	32.0%	69.3%
Stormwater	Budget	2,543,702	2,256,066	2,268,950	1,137,626	2,497,539	1,533,941
	Actual	618,705	1,207,028	559,142	532,545	245,767	146,904
	%	24.3%	53.5%	26.4%	46.8%	9.8%	9.6%

The following table breaks out the renewal components from the total capital delivery budgets. Drinking Water and Wastewater renewal budgets are identified through the IDS Wai modelling, while Stormwater relies on theoretical renewals profiles informed by asset life and asset valuation to ensure sufficient budget is available, but actual stormwater renewals may not occur in line with this, as assets are not replaced solely for being at 'end of life', but rather prioritised through identified issues.

Table 7: Three Waters Historic Renewals Delivery (Budget vs Actual Expenditure) 2019/20 – 2024/25 Year to Date (April 2025) – *included in the above table*

		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 YTD *(end April 2025)*
Drinking Water	Budget	1,987,975	2,652,703	6,418,771	5,755,130	3,970,000	5,967,346
	Actual	1,471,463	2,076,770	5,923,638	7,877,506	4,630,035	5,665,317
	%	74.0%	78.3%	92.3%	136.9%	116.6%	94.9%
Wastewater	Budget	2,213,231	3,127,290	3,693,680	3,627,016	4,661,102	4,409,807
	Actual	2,621,045	1,980,343	1,804,521	3,100,762	4,047,228	2,544,878[5]
	%	118.4%	63.3%	48.9%	85.5%	86.8%	57.7%
Stormwater	Budget	117,915	196,884	216,046	248,334	236,539	520,839
	Actual	*Data not available*	39,541	72,307	30,277	67,931	68,571
	%		20.1%	33.5%	12.2%	28.7%	13.2%

[5] Remainder of budget was committed to contract during 2024/25 with execution deferred to 2025/26 FY

As a rapidly growing District, Council and the WSCCO are confronted with substantial capital and operational programmes ahead. Navigating this programme needs effective project management and capable delivery resources. We are committed to an ambitious timetable and seek to be flexible and responsive to evolving circumstances. Proactive measures have been taken to enhance our organisational readiness, emphasising that success is achieved through a combination of internal capacity and market resources. This includes implementing streamlined management processes, reporting mechanisms to effectively manage capital program risks and ensure projects are delivered within the planned timeframes. Programme prioritisation and phasing for effective implementation ensures that scheduled works are realistically achievable. This includes rescheduling projects which haven't been completed within the planned timeframes within the last financial year.

We have also readied the Council and WSCCO, placing more emphasis on building internal capacity so that appropriate management disciplines and reporting are in place to manage capital programme risks and deliver projects within planned timeframes. An internal Council Capital Delivery Team has been established, with similar resource or support to be provided within the CCO, dedicated to developing designs, securing relevant consents and approvals, progressing procurement and overseeing project delivery. In addition, updates on our progress against the planned programme are provided in Annual Reports, ensuring stakeholders are informed and engaged in our ongoing efforts to drive successful infrastructure development.

Future approaches may include consolidating project work into larger packages for an area in the district, phasing resourcing & delivery, reviewing growth models & asset management and exploring collaborations with neighbouring Council led suppliers to facilitate efficient project execution.

Part D: Revenue and financing arrangements

Note: All numbers in the WSDP have an inflation factor added.
Definitions: SUIP (Separately Used or Inhabited Part), HUE (Household unit equivalent).

Key funding mechanisms

Rates

The rating system is the primary mechanism used by the Council to fund the operating and capital expenditure planned for the district. Rates are collected through general rates (for the general purpose of Council or wider benefit of the district), Uniform Annual General Charge (UAGC – a fixed rate for remainder of the general rate requirement), and targeted rates (levied for a particular purpose). Targeted rates are the current mechanism for charging ratepayers for drinking water, wastewater and stormwater activities, set under section 17 of the Local Government (Rating) Act 2002. The rates are assessed on each SUIP (Separately Used or Inhabited Part) which is, or rating unit which may be, connected to Council provided water services, depending on the connected services (drinking water, wastewater, stormwater), and level of service (e.g., restricted water connection).

Within the targeted rate, a volumetric component is charged for quantity of water provided in accordance with section 19 of the Local Government (Rating) Act 2002. Water meters are read progressively throughout the year on a biannual basis. Following each reading, an invoice for water supply targeted rates is issued. The invoice records and charges for consumption for the period since the last reading.

The current charging methodology for the water services for targeted rates is a quarterly bill that is due on the 15th of the month following the end of each quarter.

Selwyn Huts are not included in the targeted rates for water services. Selwyn Huts water services costs are included in those residents' annual licence fee administered by Council. It is expected that Council will continue to recover costs from Hut holders on that basis, with the WSCCO charging Council for the service provision.

In addition, a specific water and or wastewater loan targeted rate is charged where applicable. This is assessed on each rating unit connected to the scheme where there has been no election to pay a lump sum for physical works constructed. The rates are for 1 specified property within Prebbleton for Drinking Water and 4 specific properties in Rolleston and 65 properties in Southbridge for Wastewater. This is a small rating charge which offsets the general rate where the debt lies (not attributed to water services). It is assumed that Council will continue to charge this, offsetting the general rates account and will therefore not transfer to the WSCCO. The financial impact of these targeted water and wastewater loans are immaterial.

During the transition period of 2025/26 financial year, the Council will continue to collect targeted rates for all Three Waters services (Drinking Water, Wastewater and Stormwater) on a connection and volumetric basis, passing the revenue for Drinking Water and Wastewater on to the CCO.

Rating will continue to be the primary revenue source for Stormwater services, with the operation to be retained in-house by Council.

Water charges

From Financial Year 2026/27 onwards, the WSCCO will set water charges under the provisions of Bill 3 (as enacted) for Drinking Water and Wastewater Services.

The WSCCO will consider changes to the frequency of water reading ahead of the setting of water charges commencing 1 July 2026.

Debt – intergenerational funding

Water Services infrastructure serves the community over many generations. Debt funding of new infrastructure reflects the intergenerational value of infrastructure, spreading the costs across the benefit of investment.

The Council's gross debt levels are capped at 220% of net borrowing as a percentage of net operating revenue under the Treasury Policy and Financial Strategy as part of the LTP 2024-2034. This is less than the Local Government Funding Agency (LGFA) guidelines, Councils are currently constrained and can only borrow up to 280% of their operating revenue.

It is expected that the WSCCO will be able to secure financing directly through the Local Government Funding Agency (LGFA) under the Local Water Done Well policy. This will enable borrowing up to 500% of the total WSCCO revenue, excluding vested assets and 50% of development contributions, to fund drinking water and wastewater infrastructure investment and will meet the LGFA free funds from operations (FFO) covenants.

Further detail of borrowing arrangements is included in the section: Borrowing arrangements.

Fees and charges

Fees and charges are set by Council through the Long Term Plan or respective Annual Plan. These are cost-recoverable charges, including officer input or advice, service connections, discharge applications, and stand-over inspections. Fees and charges are received as either application fees or invoiced following work.

The WSCCO will continue to set and collect appropriate fees and charges under the Water Services Strategy and annual budget setting and in compliance with any economic regulation and consumer protection requirements set by the Commerce Commission.

Development Contributions – growth funding

Additional assets required to serve growth in demand for existing services due to new areas being serviced will be funded from developer's financial contributions. These are currently managed in accordance with Council's Development Contributions (DC) Policy.

Coinciding with the transfer of drinking water and wastewater assets from the Council to the WSCCO, it is expected that Council's DC Policy will be extended to the WSCCO under the provisions of the Local Government (Water Services) Bill once enacted. In time, the WSCCO may develop its own DC Policy for the recovery of drinking water and wastewater capital growth and expenditure at which time Council would amend its own policy to remove drinking water and wastewater. This will be subject to the advancement of Development Levies as proposed by the government.

Growth expenditure within Stormwater is anticipated to be fully recovered under Council's current Development Contributions Policy.

While subject to the final form of Bill 3, it is expected that Council will continue to receive payment of drinking water and wastewater development contributions after the transfer of the respective assets to the CCO, due to timing between the issue of consents and the payments being made. These payments will be transferred to the CCO.

Council acknowledges the intended introduction of development levies, replacing the development contributions framework. This will be progressed through a Local Government (Infrastructure Funding) Bill expected in September 2025. Levies are intended to be introduced from 2027 onwards. No changes have been made to the projected growth revenue from DCs within this WSDP on the assumption that, once introduced, development levies will return a similar level of funding for growth related infrastructure.

Vested assets

As the district grows and land development and subdivision occurs, developers construct new assets to service development, or replace existing assets with greater capacity. Once constructed and commissioned, these assets vest to Council to own and maintain through the process applied as part of section 224(c) of the RMA. This increases Council's asset holding and value, but also carries a liability of operating and renewal costs.

The WSCCO will also receive assets vesting under consents granted prior to the establishment of the WSCCO and asset transfer, and future development required to satisfy the necessary conditions of development and connection to the drinking water and wastewater networks.

Funding of renewals and depreciation

Depreciation charges are an accounting measure that can be used to represent how much of an asset value has been used up. The annual depreciation charge forms part of the Council's operating expenses for the year. Because many of the Council's assets are relatively new and have been fairly recently paid for by ratepayers through rates and development contributions, Council have not considered it fair to charge the full cost of depreciation to current ratepayers at the same time. As the asset has been previously paid for, depreciation is a non-cash expense (just a 'book entry') and does not involve any payments.

Renewal costs are the actual cost of replacing assets at the end of their life. It is the actual cash payment required to replace the old asset. Over the long term the renewal cost and the depreciation charge for the Council's infrastructure assets (roads, water and wastewater systems) should be similar. But in any one year they can be very different – depreciation is a regular annual operating expense, and the corresponding renewal is an irregular capital cost.

Drinking Water, Wastewater, and Stormwater renewal funding is determined by including the average cost of renewal work that will be required over the next 30 years in the calculation of the amount of rates required each year. This is because renewal costs are variable year to year and this approach smooths the rates funding required. For drinking water wastewater and water supply assets, Council use a software package called Infrastructure Decision Support - Wai (IDS-Wai) to generate the renewals programme. IDS-Wai is a risk-based forecasting model for pipe networks. The model uses Council pipe data (inventory, condition, performance and financial records) and generates a renewals programme over a 10-year horizon. The WSCCO and Council intend to maintain the same funding approach to renewals in recognition of the same driving factors.

Other revenue

Commercial and industrial charging – trade waste

Trade waste is any liquid discharged into the wastewater system from trade premises during commercial or industrial processes. The Trade Waste Bylaw 2021 sets controls on the discharge of potentially harmful trade waste. Any business (including food businesses) that discharges or wants to discharge trade waste into the wastewater system must apply for a trade waste discharge consent. Council currently charge trade waste on a quarterly or an annual basis depending on the volume that is discharged.

Historically, trade waste has been undercharged. Going forward, there will be an additional focus on charging the trade waste customers with hiring a specific trade waste officer and a review of commercial or industrial users not currently charged for trade waste services. This may result in additional revenue for the WSCCO not currently forecast in this WSDP.

Shared services

Shared services between Council and the WSCCO will result in a level of revenue from the receiving party, as set within any appropriate Shared Services Arrangement.

Water charging and billing arrangements

Current charging arrangements – 2024/25 financial year

The mechanisms for charging and revenue sources are described in the Key Funding Mechanisms section, Detail of the 2024/25 financial year are described as follows.

Targeted rates

Current rating for the 2024/25 year, including the separate targeted rates for urban (metered water supply) versus rural (restricted water supply) is detailed in the following tables.

Drinking Water	2024/25 Rate per rating unit, SUIP or other unit ($)
Targeted rates assessed on each SUIP (other than SUIP in the Upper Selwyn Huts settlement) within 100 metres from any part of a Council provided metered water supply from which water can be, but is not supplied as set out below. In addition, a charge per cubic metre of metered water supplied will apply.	
Water Targeted Rate (metered supply on each SUIP connected)	370.00
Water Targeted Rate (on each unconnected rating unit within 100 meters of available Council provided metered supply)	370.00
Restricted Water Targeted Rate (on each rating unit connected or with water supply available but water not being drawn)	370.00
Restricted Water Targeted Rate (on each water unit supplied) – *a water unit is supply up to 1m^3 of water over a 24 hour period, regardless of whether supply is taken.*	280.00

Wastewater	2024/25 Rate per rating unit, SUIP or other unit ($)
Targeted rates assessed on each SUIP (other than SUIP in the Upper Selwyn Huts settlement) which is connected to a Council supplied sewerage scheme and a half charge on each rating unit (other than SUIP in the Upper Selwyn Huts settlement) which has availability of service but is not connected, and additionally per urinals/pans in excess of four within a serviced SUIP as follows.	
Sewerage Targeted Rate (on each SUIP connected)	702.00
Sewerage Targeted Rate (on each rating unit which can be, but is not connected to)	351.00
Sewerage Targeted Rate (on each SUIP per pan in excess of four)	175.50

Stormwater	2024/25 Rate per rating unit, SUIP or other unit ($)
A targeted rate set on each SUIP in Arthur's Pass, Castle Hill, Darfield, Doyleston, Dunsandel, Edendale, Glentunnel, Hororātā, Kirwee, Lake Coleridge, Leeston, Lincoln, Prebbleton, Rakaia Huts, Rolleston, Southbridge, Springfield, Springston, Tai Tapu, Templeton (Claremont), West Melton and Whitecliffs.	
Stormwater Targeted Rate	152.00

Fees and charges

The fees and charges for stormwater are collected on a user pay charge and are billed through an invoice created by the debtors team payable by the 20th of the next month. All charges are invoiced if/when the service is provided. Fees and charges are set in the Long Term Plan or respective Annual Plan.

Development contributions

Development contributions are set each year, per scheme, as outlined in the DC Policy. The following tables illustrate the water services development contribution charges for the 2024/25 financial year per LTP 2024-2034, by scheme.

Drinking Water	Development Contribution per HUE (plus GST)
Prebbleton	$11,199
Rolleston	$5,398
Southbridge	$3,018
Lincoln	$5,763
Darfield	$9,721
Kirwee	$10,188
Leeston	$9,235
West Melton	$7,586
Rural water charge (connecting to Darfield, Malvern or Hororātā rural water supply	$7,539

Wastewater	Development Contribution per HUE (plus GST)
Tai Tapu	No capacity
Selwyn Sewerage Scheme	$12,917

Stormwater	Development Contribution per HUE (plus GST)
Lincoln	$2,854

The relevant charging year is determined by the date of application being made (resource or building consent). The actual value paid may differ from the amount relating to the year in which the development occurs. This means the rates that are received in any given year may be based on prior year charges.

Proposed charging arrangements

Drinking Water Wastewater

In recognition of the phased establishment of the CCO, Council will continue to collect targeted rates under the current mechanism, for the 2025/26 financial year. During this time, Council will pass the revenue directly through to the CCO. From 1 July 2026, the charging of Drinking Water and Wastewater services will change to the WSCCO setting and collecting water charges directly from customers (Drinking Water and Wastewater). For fees and charges and development contribution charges no material change is expected to be made to the mechanism for setting the charges, going forward the WSCCO will start to charge the bills itself.

The mechanism for setting Drinking Water and Wastewater charges is not proposed to change in the short to medium term from that described above in order to minimise the change for the ratepayers. However, once the WSCCO is fully functioning, the Board of Directors may determine a strategic reason for changing the methodology that provides greater alignment to the needs of the community and the water services that are provided. This would be developed through a future Water Services Strategy, should any change be identified. The WSCCO will consider moving both the connection and metered water charges to a rolling 90-day billing cycle so that there is only one, quarterly, water bill that customers receive. This will give customers more timely and simplified billing and also improves WSCCO cashflow.

Stormwater

As stormwater is remaining with Council the methodology of how this service is charged will not change from that described above.

Revenue sources

The sources of revenue shown in the tables below are the required levels that have been modelled for the WSCCO to be achieving an operating surplus while staying within its debt capacity. Council (Stormwater) sources of revenue are sufficient to be able to achieve an operating surplus each year from FY25/26 onwards and stay within the LGFA debt capacity of 280%.

Drinking Water

Water Supply Revenue Requirements ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Targeted rates	15,385	18,833	0	0	0	0	0	0	0	0
Water charges	0	0	24,030	32,107	35,252	37,958	40,822	43,034	45,341	47,817
Fees and charges	13	393	401	411	420	429	439	447	457	466
Development and financial contributions	4,923	4,131	4,585	4,731	4,870	4,944	5,014	4,843	4,908	5,130

It is noted that FY 2024/25 fees and charges do not include engineering fees. From 2025/26 onwards, these have been separated to reflect attribution to Drinking Water and Wastewater.

Note: Targeted rates are the set by Council, continuing into 2025/26 during the transition period. From 2026/26 onwards, the WSCCO will set and collect water charges .

Wastewater

Wastewater Revenue Requirements ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Targeted rates	12,755	15,131	0	0	0	0	0	0	0	0
Water charges	0	0	19,348	25,858	28,427	30,656	33,025	34,861	36,770	38,789
Fees and charges	632	1,215	1,240	1,269	1,298	1,326	1,354	1,381	1,410	1,438
Development and financial contributions	21,839	8,227	9,121	12,584	13,013	10,777	10,070	9,727	9,842	10,347

Note: Targeted rates are the rates that council has set and will collect while water charges are the same charges as the targeted rates but collected by the WSCCO. This will happen from FY26/27 onwards

Stormwater

Stormwater Revenue Requirements ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Targeted rates	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Fees and charges	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	129	132	135	134	137	140	143	0	0	0

Projected water services charging for residential households

The below illustrates the average charges for residential households water services over the next 10 years. To illustrate the charges these have been broken down into four examples, demonstrating the average residential charges levied by the WSCCO for Drinking Water and Wastewater services:

- urban residential property with wastewater
- urban residential property without wastewater
- a property on restricted water supply with wastewater, and
- a property on restricted water supply without wastewater connection.

An additional line “Council Bill” demonstrates the rates that will be charged by Council on an ongoing basis for Stormwater for the two residential examples where Stormwater services may also be provided.

Projected water charges under the WSCCO have been updated in response to new guidance and covenants being introduced by LGFA in relation to external borrowing.

Example: Urban Residential Property With Sewerage	LTP 2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034
WSCCO Bill										
Water Supply Rate	$ 370	$ 422	$ 523	$ 680	$ 728	$ 764	$ 802	$ 826	$ 851	$ 877
Metered water supply	$ 258	$ 323	$ 400	$ 521	$ 557	$ 586	$ 614	$ 632	$ 650	$ 671
Sewerage Rate	$ 702	$ 807	$ 1,001	$ 1,301	$ 1,392	$ 1,462	$ 1,535	$ 1,581	$ 1,628	$ 1,677
Total WSCCO Water Bill	$ 1,330	$ 1,552	$ 1,924	$ 2,502	$ 2,677	$ 2,812	$ 2,951	$ 3,039	$ 3,129	$ 3,225
Council Bill										
Stormwater Rate	$ 152	$ 175	$ 196	$ 214	$ 225	$ 236	$ 248	$ 260	$ 273	$ 287
Total Council Water Bill	$ 152	$ 175	$ 196	$ 214	$ 225	$ 236	$ 248	$ 260	$ 273	$ 287
Total Water Services Bill	$ 1,482	$ 1,727	$ 2,120	$ 2,716	$ 2,902	$ 3,048	$ 3,199	$ 3,299	$ 3,402	$ 3,512
Annual % change		16.5%	22.8%	28.1%	6.9%	5.0%	5.0%	3.1%	3.1%	3.2%
Annual $ change		$ 245	$ 393	$ 596	$ 186	$ 145	$ 151	$ 100	$ 103	$ 110

Example: Urban Residential Property Without Sewerage	LTP									
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034
WSCCO Bill										
Water Supply Rate	$ 370	$ 422	$ 523	$ 680	$ 728	$ 764	$ 802	$ 826	$ 851	$ 877
Metered water supply	$ 258	$ 323	$ 400	$ 521	$ 557	$ 586	$ 614	$ 632	$ 650	$ 671
Total WSCCO Water Bill	$ 628	$ 745	$ 923	$ 1,201	$ 1,285	$ 1,350	$ 1,416	$ 1,458	$ 1,501	$ 1,548
Council Bill										
Stormwater Rate	$ 152	$ 175	$ 196	$ 214	$ 225	$ 236	$ 248	$ 260	$ 273	$ 287
Total Council Water Bill	$ 152	$ 175	$ 196	$ 214	$ 225	$ 236	$ 248	$ 260	$ 273	$ 287
Total Water Services Bill	$ 780	$ 920	$ 1,119	$ 1,415	$ 1,510	$ 1,586	$ 1,664	$ 1,718	$ 1,774	$ 1,835
Annual % change		17.9%	21.7%	26.5%	6.7%	5.0%	4.9%	3.2%	3.3%	3.4%
Annual $ change		$ 140	$ 199	$ 296	$ 95	$ 75	$ 78	$ 54	$ 56	$ 61

Example: A Property on Restricted Water Supply with Sewerage	LTP									
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034
WSCCO Bill										
Restricted Water Supply	$ 370	$ 422	$ 523	$ 680	$ 728	$ 764	$ 802	$ 826	$ 851	$ 877
Water Supply Minimum Charge	$ 280	$ 350	$ 434	$ 564	$ 603	$ 633	$ 665	$ 685	$ 706	$ 727
Sewerage	$ 702	$ 807	$ 1,001	$ 1,301	$ 1,392	$ 1,462	$ 1,535	$ 1,581	$ 1,628	$ 1,677
Total Water Services Bill	$ 1,352	$ 1,579	$ 1,958	$ 2,545	$ 2,723	$ 2,859	$ 3,002	$ 3,092	$ 3,185	$ 3,281
Annual % change		16.8%	24.0%	30.0%	7.0%	5.0%	5.0%	3.0%	3.0%	3.0%
Annual $ change		$ 227	$ 379	$ 587	$ 178	$ 136	$ 143	$ 90	$ 93	$ 96

Example: A Property on Restricted Water Supply without Sewerage	LTP									
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034
WSCCO Bill										
Restricted Water Supply	$ 370	$ 422	$ 523	$ 680	$ 728	$ 764	$ 802	$ 826	$ 851	$ 877
Water Supply Minimum Charge	$ 280	$ 350	$ 434	$ 564	$ 603	$ 633	$ 665	$ 685	$ 706	$ 727
Total Water Services Bill	$ 650	$ 772	$ 957	$ 1,244	$ 1,331	$ 1,397	$ 1,467	$ 1,511	$ 1,557	$ 1,604
Annual % change		18.8%	24.0%	30.0%	7.0%	5.0%	5.0%	3.0%	3.0%	3.0%
Annual $ change		$ 122	$ 185	$ 287	$ 87	$ 66	$ 70	$ 44	$ 46	$ 47

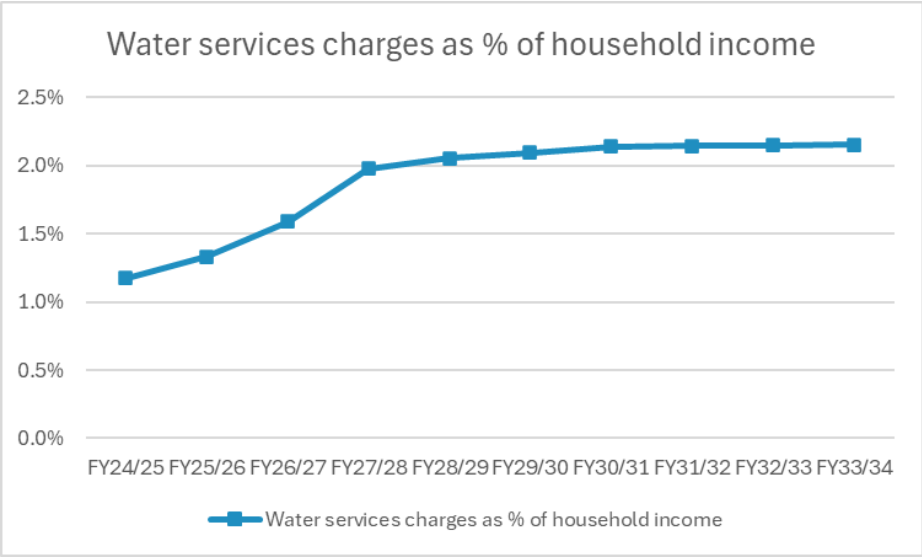
Affordability considerations and constraints

Throughout the process of consulting and establishing the WSCCO the impact on ratepayers has been a core consideration. This has included consideration of the ability to borrow more to maintain the level of service of our water activities, without detracting from other activities of the Council. This will enable the WSCCO to invest heavily in Drinking Water and Wastewater services to ensure we continue to meet future regulatory requirements without a significant impact on the current level of rates for the ratepayers particularly in the current economic environment. It should also be recognised that the short-term additional cost to the ratepayer will provide benefit through smaller required rates increases in the future.

Average water charges per connection as a percentage of median household income are shown in the following table.

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average drinking water bill (including GST)	656	780	968	1,261	1,350	1,418	1,490	1,535	1,582	1,631
Average wastewater bill (including GST)	668	770	956	1,244	1,333	1,401	1,473	1,518	1,565	1,613
Average stormwater bill (including GST)	152	175	196	214	225	236	248	260	273	287
Average charge per connection including GST	1,476	1,725	2,120	2,719	2,908	3,055	3,211	3,313	3,420	3,531
Projected increase	18.4%	16.8%	22.9%	28.3%	6.9%	5.1%	5.1%	3.2%	3.2%	3.3%
Projected number of connections - Drinking Water	26,979	27,765	28,551	29,292	30,034	30,775	31,517	32,243	32,970	33,707
Projected number of connections - Wastewater	21,943	22,610	23,276	23,905	24,533	25,162	25,790	26,406	27,022	27,648
Projected number of connections - Stormwater	21,937	22,586	23,235	23,850	24,465	25,079	25,694	26,296	26,898	27,504
Projected median household income	125,660	129,430	133,313	137,312	141,431	145,674	150,045	154,546	159,182	163,958
Water services charges as % of household income	1.2%	1.3%	1.6%	2.0%	2.1%	2.1%	2.1%	2.1%	2.1%	2.2%

The cost of three waters services is expected to start at 1.2% of median household income increasing to 2.2% (allowing for 3% inflation on median household income) over 10 yrs as shown in the figure below.



Selwyn District Council provides financial relief options for residents facing hardship in paying rates. The Rates Remission Policy includes provisions for extreme financial hardship, allowing for remissions in cases such as emergencies or disasters. Additionally, the Department of Internal Affairs (DIA) Rates Rebate Scheme offers financial assistance to low-income homeowners, with rebates of up to $790 for the 2024/2025 rating year. These measures aim to support residents struggling with water service costs while ensuring equitable access to essential services.

As Council is continuing to collect targeted rates in the first financial year of the WSCCO (2025/26 FY), these arrangements will apply for all water services and on an ongoing basis for Stormwater (remaining within Council). It is intended that the WSCCO will consider and develop an appropriate Financial Hardship Policy prior to the first year of water charges being levied (2026/27 FY).

Revenue separation

As the largest component of the current water services revenue is collected via targeted rates there is already a requirement that this revenue is ringfenced for the purpose of that specific activity. On that basis water and wastewater revenue is already separated into their own revenue codes. This will continue to occur during the first financial year (2025/26), when Council will collect rates on behalf of the CCO.

Following the transition period, water charges will be charged and collected directly by the WSCCO meaning that there will be complete separation from the other functions and activities of Council. Once the revenue is collected by the WSCCO the revenue separation will be done at water level so that each revenue has its ringfenced revenue.

Stormwater revenue will continue to be charged through targeted rates and therefore held in its own revenue code and ringfenced for the benefit of Stormwater activities by Council.

Similarly, Development Contributions are currently required to be ringfenced for the benefit of the activity for which they have been charged and collected. This will continue to be how they are administered across all three waters by both the WSCCO (Drinking Water and Wastewater) and Council (Stormwater services).

All other revenue received by the WSCCO will be utilised for the delivery of drinking water and wastewater services.

Funding and financing arrangements

Borrowing arrangements

The WSCCO will initially adopt the Council Treasury Risk and Liability Management and Investment Policies, guiding financial matters such as borrowing. The tenor, refinancing, interest rate risk and debt repayment will be managed in accordance with the Treasury Management guidelines for Drinking Water and Wastewater under the WSCCO and Stormwater continuing to be managed by the Council.

https://www.selwyn.govt.nz/__data/assets/pdf_file/0020/2151380/SDC_LTP24-34_Treasury-Risk-Policy_July24.pdf

Working Capital

Current projections for 2025/26 include a requirement for internal borrowing from Council as a working capital facility. This interim working capital arrangement with Council will enable the WSCCO to manage the cashflow until the time when there is regular and consistent revenue into the entity. This includes the recognition that revenue transfer will occur following the end of each quarter in 2025/26, reflecting the quarterly payment of rates. It is anticipated that this would be a short-term borrowing and not required beyond year two as it is anticipated that there will be sufficient revenue to cover operating costs and repay the internal borrowing while staying within the LGFA debt covenants.

The CCO's initial working capital from 1 July 2025 would be funded in accordance with the Council Treasury management policy initially, with invoices for revenue and expenses accounted for on an accrual basis. From FY 2026/27, working capital requirements for the WSCCO are included in the projected borrowings.

Internal borrowing arrangements

Internal borrowing is currently applied within the water services. Council uses different types of internal loans to allocate these funds efficiently:

- Development Contribution Loans: Used to fund development-related projects in line with the Development Contributions Policy. The project costs are assigned to a loan, and any development contribution revenue collected offsets the loan and are the repayments. Finance costs are added, adjusting the loan balance based on surplus or deficit adjustments required.
- Renewal Loans: Used for ongoing infrastructure renewal projects throughout the year. Council funds renewals based on a 30-year average expenditure model, expenditure is the actual spend of renewals within in the year and repayments being the 30-year average renewal cost paid for from rates each year. The balance of the loans the difference between the amounts. Interest is charged based on the loan balance.
- General Internal Loans: Used for capital projects that don't have a specific funding source. These projects are pooled into a single loan, with a 25-year repayment plan. Individual loans are made each year for different departments as to keep loans separate. Repayments and interest are covered by the relevant rates and repaid on an annual basis.
- Rating Loans: Used to cover funding gaps in different rating areas when operational revenue is insufficient. These loans also help ensure that financial deficits in specific areas (e.g., water supply vs. wastewater) don't lead to one service subsidising another. No internal interest charges apply.

Internal borrowings arrangements are to be assumed to be used going forward pre and post 30 June 2028 within Council and with the WSCCO to keep debt for individual water areas separate. This is expected to occur in a similar manner within each organisation.

The current method of internal borrowing for both Council and WSCCO achieves the ringfencing requirements as all loans are specific to a type of water and all balances are easily identified and separated within the financial ERP system.

Drinking Water

Wastewater

Drinking water and Wastewater will continue to operate in the same capacity however this will be within the new WSCCO. This will mean that:

- Internal borrowing between drinking water and wastewater and the WSCCO Finance department will start once the transfer happens during FY 25/26 and other processes will remain unchanged throughout the period, to manage working capital and longer-term funding requirements for the service; and
- the revenue from the current targeted rates will be ringfenced to the drinking water and wastewater activities to reduce the need for debt.

Stormwater

Stormwater will continue to operate as it currently does within the wider Council operations. This will mean that:

- Internal borrowing between stormwater and the Finance department will continue unchanged throughout the period, to manage working capital and longer term funding requirements for the service; and
- the revenue from the current targeted rates will be ringfenced to the stormwater activities to reduce the need for debt.

External borrowing

Within Selwyn District Council, the Finance department manages all borrowing from external sources, centralising borrowing and distributing funds to the services as needed for capital projects. The WSCCO will secure and assign external borrowing in a similar manner.

External borrowing of $133m is expected to transfer across to the WSCCO for Drinking Water and Wastewater as a recognised liability. Borrowings are expected to increase from $133m at the point of transfer of the water assets during FY2025/26 to $386m over the period of the WSDP to FY2033/34, with the increases primarily driven by funding for additional demand and improving levels of service. Stormwater borrowings start at $2.2m and increase to $14m over the period to 2033/34. The driving factor behind the increase is funding for improving level of service.

The tables below outline the internal debt requirements for water services based on 25-year loan terms. It is assumed that the WSCCO internal debt will be equal to the external debt due to the allocation of external debt to the respective activity through an internal loan.

Drinking Water

Loan Summary		
Financial Year	Drawdown	Closing Balance
Proposed debt transfered to CCO	$ 79,316,411.00	$ 79,316,411.00
2025/2026	$ 28,951,641.82	$ 106,394,089.08
2026/2027	$ 30,453,244.69	$ 134,185,863.18
2027/2028	$ 18,898,615.24	$ 149,576,187.97
2028/2029	$ 12,776,756.75	$ 158,254,731.46
2029/2030	$ 11,361,447.35	$ 165,061,560.22
2030/2031	$ 12,600,523.04	$ 172,673,295.53
2031/2032	$ 7,829,740.01	$ 175,038,639.01
2032/2033	$ 6,133,498.48	$ 175,316,143.40
2033/2034	$ 2,249,819.46	$ 171,338,514.51

Wastewater

Loan Summary		
Financial Year	Drawdown	Closing Balance
Proposed debt transfered to CCO	$ 54,123,758.00	$ 54,123,758.00
2025/2026	$ 25,194,537.60	$ 78,039,544.35
2026/2027	$ 27,649,664.36	$ 103,739,650.14
2027/2028	$ 23,839,121.77	$ 124,879,514.21
2028/2029	$ 20,707,625.97	$ 142,213,529.08
2029/2030	$ 14,927,808.01	$ 153,159,909.86
2030/2031	$ 22,371,815.27	$ 171,060,483.54
2031/2032	$ 24,300,584.32	$ 190,223,210.23
2032/2033	$ 23,435,142.08	$ 207,788,739.21
2033/2034	$ 13,003,246.48	$ 214,180,292.31

Stormwater

Loan Summary		
Financial Year	Drawdown	Closing Balance
2024/2025		$ 2,280,964
2025/2026	$ 4,137,517	6,418,481
2026/2027	$ 3,649,122	10,067,603
2027/2028	$ 1,097,909	11,165,512
2028/2029	$ 1,185,051	12,350,563
2029/2030	$ 2,368,225	14,718,788
2030/2031	$ 244,544	14,963,332
2031/2032	$ 894,482	15,857,814
2032/2033	$ 978,639	16,836,453
2033/2034	$ 2,698,982	19,535,435

Borrowing Limits

The limits on debt are:

- SDC debt servicing limit of 15% of planned revenue.
- SDC interest expense lower than 25% of rates.
- SDC planned debt lower than 220% of total revenue.
- LGFA debt servicing limit of 20% of planned revenue.
- LGFA interest expense lower than 30% of rates.
- LGFA planned debt lower than 280% of total revenue.
- LGFA guarantee from SDC (shareholder Council)
- Council does not currently have a specific limit for waters debt. In the absence of this we have used a 500% debt to revenue ratio as a guide for the balance of this document, together with the expected LGFA funding covenants using free funds from operations as a base for the WSCCO.

From FY 2026/27, the interim WSCCO working capital requirements are included in the projected borrowings.

Drinking Water

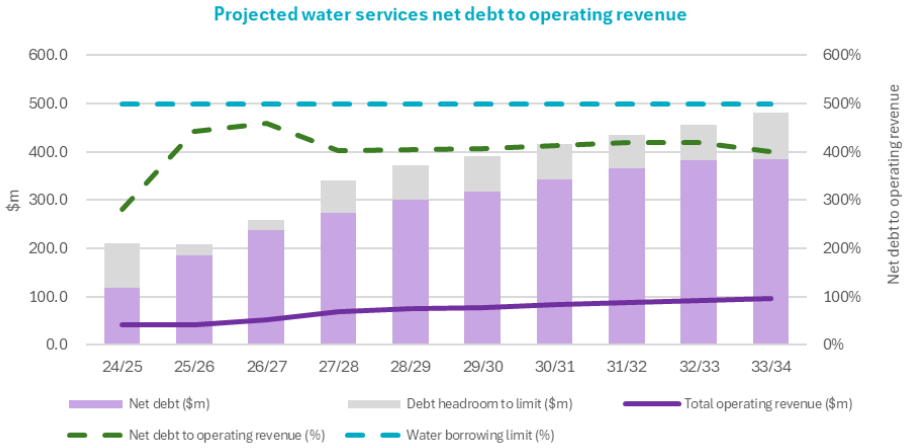
Wastewater

With the establishment of the WSCCO for water supply and wastewater, a borrowing limit for the WSCCO of 500% of operating revenue is used as a guide for prudent maximum debt levels. Funding is expected to be through LGFA, with the following covenants to be applied when assessing the level of debt:

- Funds from operations (FFO) to Gross Debt ratio with a target of at least 9%
- FFO to Cash Interest Coverage Ratio with a target of at least 1.50 times

In both cases, 50% of Development Contributions are recognised in operating revenue for the purposes of calculating the covenant. Current guidance from LGFA is that a period of up to five years from establishment will be allowed to meet the covenant levels.

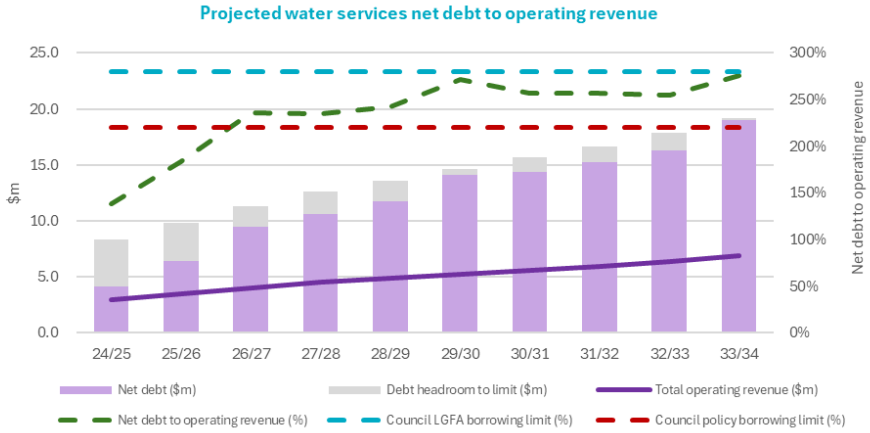
The Drinking Water and Wastewater projected borrowings will be within the limits throughout the period of the WSDP as determined by the LGFA guidance.



Stormwater

Stormwater, which remains within wider Council operations, continues to be subject to the debt to operating revenue ratio under the existing 220% limit as established by Council's Treasury Policy.

At an individual activity level, Stormwater will stay under the 280% debt limit of the LGFA but will exceed the Council policy of 220%. This however does not result in Council exceeding their total debt limit of 280% set by LGFA or Council's 220% debt limit.



Debt Repayment Strategy

The debt repayment strategy is outlined in Council's Treasury Risk and Liability Management and Investment Policies. External Debt will be repaid as it falls due in accordance with the applicable borrowing arrangement. Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate. The funds from all asset sales, operating surpluses, grants and subsidies will be applied to specific projects or the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

Council and the WSCCO will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so. No changes to the debt repayment strategy are anticipated for SDC or the WSCCO.

Determination of debt attributed to water services

Council currently borrows from LGFA directly and allocates that borrowing to the respective activities within Council. Four sets of loans have been used. These comprise internal loan, Development contribution loan, Renewal Loan and Rating Loan as described in the Internal Loans section. The loans have been tracked within Council for each water service.

The debt allocated to each of Drinking Water, Wastewater and Stormwater is readily available and has been included in the relevant forecasts using the expected opening values included in the 2024/34 LTP, as detailed in the following tables.

Actual year end closing balances will be used to determine opening balances in support of the transfer of assets and liabilities following the completion of the current financial year and preparation of Council's Annual Report.

Drinking Water

Wastewater

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	118,236	184,434	237,926	274,456	300,469	318,222	343,733	365,262	383,105	385,519
Operating revenue	42,166	41,752	51,872	68,303	74,339	78,231	83,181	87,010	91,351	96,249
Net debt to operating revenue	280%	442%	459%	402%	404%	407%	413%	420%	419%	401%

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	42,166	41,752	51,872	68,303	74,339	78,231	83,181	87,010	91,351	96,249
Debt to revenue limit	280%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt	118,065	208,760	259,360	341,513	371,693	391,153	415,905	435,050	456,755	481,243
Total net debt	118,236	184,434	237,926	274,456	300,469	318,222	343,733	365,262	383,105	385,519
Borrowing headroom/ (shortfall) against limit	(171)	24,326	21,434	67,057	71,224	72,931	72,172	69,788	73,650	95,724

Stormwater

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	4,111	6,418	9,501	10,599	11,784	14,152	14,396	15,291	16,269	18,968
Operating revenue	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Net debt to operating revenue	142%	187%	240%	239%	246%	275%	260%	257%	255%	276%

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Debt to revenue limit	220%	220%	220%	220%	220%	220%	220%	220%	220%	220%
Maximum allowable net debt	6,378	7,561	8,712	9,764	10,531	11,323	12,190	13,079	14,047	15,101
Total net debt	4,111	6,418	9,501	10,599	11,784	14,152	14,396	15,291	16,269	18,968
Borrowing headroom/ (shortfall) against limit	2,267	1,143	(789)	(835)	(1,253)	(2,829)	(2,206)	(2,212)	(2,222)	(3,867)

Insurance arrangements

Full replacement insurance is held as per current policies. Reporting on Insurance goes to the Audit & Risk Committee and the Insurance Renewal will be approved by Council/CCO Board as applicable.

Council will continue to hold insurance for all water services, including insurance relating to water supply and wastewater (on behalf of the WSCCO). Insurance relating to the Drinking Water and Wastewater will be on charged effective from the point of transfer of the assets to the WSCCO. It is envisaged that the coverage, terms and renewal period will remain unchanged from the current Council arrangements. Cover for WSCCO corporate requirements including Directors & Officers insurance will also be in place.

Insurance cover is reviewed annually, based on financial valuations, with provision in the limits set to allow for additions during the year. A full risk assessment is undertaken periodically, with the most recent being in 2021 and the next assessment planned during FY 2025/26.

The previous evaluation from 2021 identified the probability of loss and costs under various scenarios (distinguishing between above and below ground assets) utilising the Applied Insurance Research (AIR) model. It is proposed to carry out a loss modelling update in FY26 for the FY27 insurance renewal.

Previously insurance value was calculated off the Waters Financial Valuation but for 2025 – 2026 WSP has prepared a Full Insurance Valuation. For Above Ground Assets, insurance cover is full replacement cost. Policies held are a Machinery Breakdown Policy, Material Damage and Business Interruption Policy.

Under the Material Damage policy for underground Infrastructure assets (if there is ever a claim under this policy), the Government contribute 60% of the claimable costs, above the specified threshold (currently 0.0075 percent of the net capital value of the district council. This government contribution is dependent on the council having an acceptable cover for the balance of the claim (40%). This policy of government contribution is set/established under the National Civil Defence Emergency Management Plan Order 2015. It is noted that Bill 3 intends to amend the National Civil Defence Emergency Management Plan Order 2015 to amend reference to Watercare Services Limited to 'water organisations' (the earlier changes to include Watercare Services Limited have not yet occurred). Therefore, the detail and specified thresholds are not yet known. The insurance policy held by the Council meets the government's requirement. The WSDP assumes that continuing cover will be achieved on similar basis, dependent on amendments to extend the cover beyond local authorities to include water organisations.

Asset identification relies on Council's AMS system, which holds information on all waters assets by site and asset feature criteria; this is updated throughout the year for additions and reviewed annually. Asset replacement/estimated life and condition (from surveys) is included in AMS.

Part E: Financial sustainability assessment

Confirmation of financially sustainable delivery of water services

Confirmation of financially sustainable delivery of water services by 30 June 2028

Water service delivery by the WSCCO (drinking water and wastewater) is forecast to be financially sustainable by 30 June 2028, when assessed in terms of the LGFA financial covenants and capital programme delivery. Modelling over the latter part of the forecast period, which assumes minimal increases to water charges, but includes provision for growth, indicates the LGFA covenants will be met after 2027/28.

Stormwater, which remains in Council, is forecast to be financially sustainable throughout the period, but noting that the net debt to revenue limit is above the Council's 220% policy limit, but below the LGFA borrowing covenant of 280% through the latter years of the forecast period.

Achievement of financial sustainability of the SDC and WSCCO for the delivery of water services by 30 June 2028 includes that:

- The revenue applied to SDC and the WSCCO delivery of water services is sufficient, including servicing of debt, to ensure long term investment in delivering water services.
- SDC and the WSCCO are able to meet all regulatory standards and requirements for the delivery of water services.
- The capital programme includes sufficient investment to meet levels of service, regulatory requirements and provide for growth.
- SDC/WSCCO has appropriate funding and financing arrangements to fund the capital programme with additional headroom for unknown investments.

Details and evidence of financial sustainability are included in the remaining sections of Part E.

Financially sustainable water services

This WSDP demonstrates that water and wastewater services will be delivered in a financially sustainable way by a WSCCO by 30 June 2028. In addition, stormwater services will be delivered in a financially sustainable manner.

This Plan sets out how the Council's future delivery options provides sufficient revenue, sufficient investment and sufficient debt to respond to growth and renewal needs, manage water quality in line with legislative requirements and ensure resilient services for its communities.

The financial modelling outlined in this WSDP is based on:

- 10 years projected investment requirements (2024-2034),
- Continuing to deliver current levels of service, as described in the Council's LTP 2024-2034,
- Remaining within borrowing limits,
- Shifting to a new WSCCO charging model in FY2026/27 for drinking water and wastewater, but otherwise continuing to fund stormwater services by rates.

Investment Response

Selwyn District is a high growth area, that will require significant investment in new infrastructure to service population growth and housing demand. This WSDP projects that significant investment in three waters infrastructure will be required over the next 10 years and beyond.

This WSDP has considered several key strategic issues, as part of developing the strategic investment response:

- Responding to growth pressures: Significant investment in new and renewed three waters infrastructure to provide necessary capacity and manage demand will be required, given the projected 27% growth in population from 2024 to 2034. Council anticipates that further investment will be needed in order to fully respond to plan enabled growth under the National Policy Statement – Urban Development.
- Renewals: While the district has a significant proportion of new infrastructure is in good condition, a careful approach to renewals will be required, and in places assets may need to be replaced earlier than expected with larger capacity assets to respond to growth.
- Compliance pressure: addressing capacity constraints within networks and treatment plants.

Sufficient Investment

This WSDP outlines the approach to achieving investment sufficiency, which involves focus on:

- Investing in a manner that addresses key strategic issues;
- Planned capital investment;
- The analysis of Investment Sufficiency is detailed in Financial sustainability assessment - investment sufficiency.

Sufficient revenue

Revenue sufficiency for drinking water, wastewater and stormwater is achieved through the strategic increase to charges to ensure yearly surpluses as well as having enough funds through the free funds from operations to fund debt repayments and renewal projects.

Revenue sufficiency has been determined taking into account affordability by keeping within the Water services charges as a percentage of household income at levels lower than the benchmark of 2.5% of household income.

Sufficient Financing

Financing for drinking water and wastewater investments can meet the free funds from operations (FFO) covenants as required by LGFA for all required funding to be available.

Financing of drinking water and wastewater investments can be maintained within a proposed 5:1 debt to revenue ratio throughout the 10 years modelled, assuming access to financing through the LGFA.

Council can manage and deliver its stormwater network within its council-wide debt to revenue limit for every year modelled.

By shifting to a WSCCO model, the collective debt headroom available to the Council is $1.7b in 2033-34.

Analysis of Financing Sufficiency is further detailed in

Financial sustainability assessment - financing sufficiency.

Actions required to achieve financially sustainable delivery of water services

Intended actions and the milestone of achieving financial sustainability are identified in the Implementation plan in Part B.

Drinking Water

Wastewater

Price increases over the 2026/27 and 2027/28 period, are in line with or below the average percentage increase in the indicative examples provided during consultation (WSCCO for Drinking Water and Wastewater). Annual increases beyond 2027/28 required on the basis of new LGFA covenants, and to spread the cost burden on customers as the WSCCO transitions to revenue sufficiency across the life of the WSDP.

Capital project delivery in line with forecasts (in terms of timing and cost) to meet investment sufficiency.

With the achievement of price increases and project delivery, the levels of borrowing will remain within the net debt to revenue limit and LGFA covenants at 30 June 2028.

Stormwater

Financial sustainability is predicated on price adjustments as outlined in the LTP 2024/34 together with delivery of the capital projects in line with forecasts. No specific action is required beyond the planned revenue changes anticipated in the LTP.

Risks and constraints to achieving financially sustainable delivery of water services

Risk	Mitigation
CAPEX programme is materially different from projection	Programme will be revised through annual budgets, and debt, interest and affordability projections will be updated accordingly. It is noted that SDC has significant headroom before reaching LGFA borrowing covenants to allow taking on additional debt if required while the WSCCO has small headroom between LGFA debt to revenue limits to allow taking on additional debt if required.
Real inflation is higher than projected.	Programme will be reviewed through annual budgets, considering external factors.
Legislation, particularly in relation to infrastructure standards, is yet to be confirmed.	Legislation is not expected to significantly differ from current approach as in most cases SDC and WSCCO is consistent with, or ahead of, national best practice.
Natural disaster could put fiscal pressure on SDC and WSCCO. It is noted that the WSCCO has limited debt ceiling capacity to fund emergency expenditure.	Council currently has an insurance and earthquake funds set up which can be relied on in the case of a disaster. It is assumed that the transfer of the current funds will proportion across to the WSCCO to mitigate the risk for the WSCCO.

Financial sustainability assessment - revenue sufficiency

Unless otherwise specified, financial disclosures are in $000s.

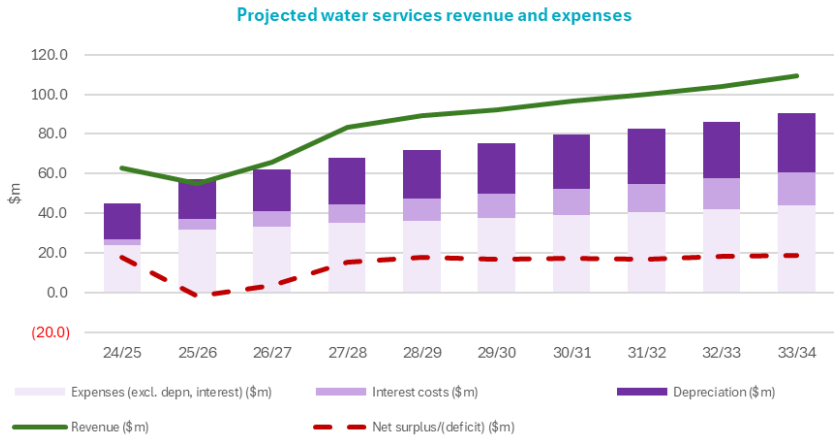
Projected water services revenue

Drinking Water

Wastewater

The projected Drinking Water and Wastewater revenue exceeds expenses (including the required level of investment as specified in this WSDP and debt servicing) in all years except FY25/26 where there is a deficit of 1.9m. The deficit in FY25/26 is due to one-off costs incurred as part of establishing the WSCCO. This ensures there is sufficient revenue to ensure the WSCCO's long-term investment in delivering drinking water and wastewater services, in compliance with all regulatory standards and requirements.

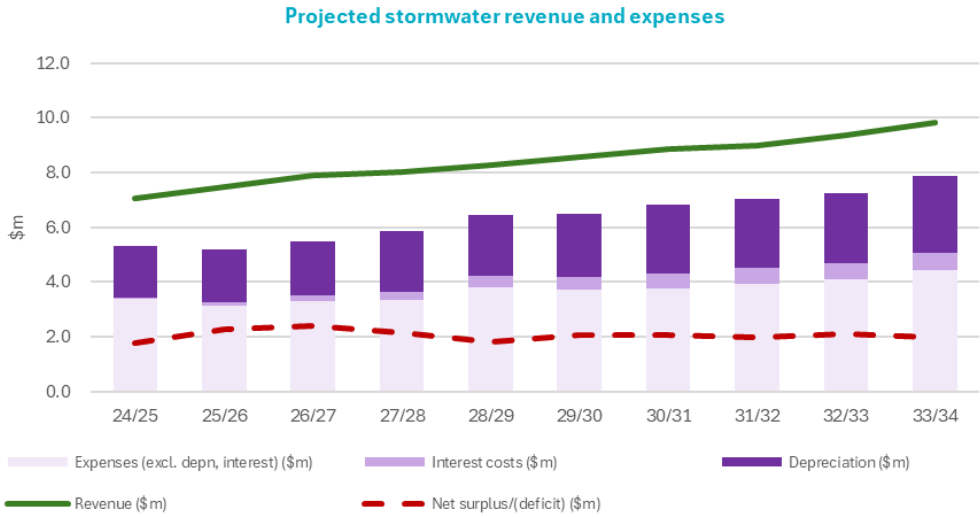
Surpluses in other years will be used to fund renewals and debt repayments.



Stormwater

The projected Stormwater revenue exceeds expenses (including the required level of investment as specified in this WSDP and debt servicing) in all years. The surplus will be used to fund renewals and debt repayments.

This ensures there is sufficient revenue to ensure the SDC long-term investment in stormwater services, in compliance with all regulatory standards and requirements.



Average projected charges for water services

Projected median household income is estimated to be $122,000, as determined by the 2023 Census for the district of Selwyn, inflated at 3% each year

The average bill was calculated by the predicted revenue for each water divided by the projected number of connections for each water.

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average drinking water bill (including GST)	656	780	968	1,261	1,350	1,418	1,490	1,535	1,582	1,631
Average wastewater bill (including GST)	668	770	956	1,244	1,333	1,401	1,473	1,518	1,565	1,613
Average stormwater bill (including GST)	152	175	196	214	225	236	248	260	273	287
Average charge per connection including GST	1,476	1,725	2,120	2,719	2,908	3,055	3,211	3,313	3,420	3,531
Projected increase	18.4%	16.8%	22.9%	28.3%	6.9%	5.1%	5.1%	3.2%	3.2%	3.3%
Projected number of connections - Drinking Water	26,979	27,765	28,551	29,292	30,034	30,775	31,517	32,243	32,970	33,707
Projected number of connections - Wastewater	21,943	22,610	23,276	23,905	24,533	25,162	25,790	26,406	27,022	27,648
Projected number of connections - Stormwater	21,937	22,586	23,235	23,850	24,465	25,079	25,694	26,296	26,898	27,504
Projected median household income	125,660	129,430	133,313	137,312	141,431	145,674	150,045	154,546	159,182	163,958
Water services charges as % of household income	1.2%	1.3%	1.6%	2.0%	2.1%	2.1%	2.1%	2.1%	2.1%	2.2%

Projected operating surpluses/deficits

The operating revenues generates a surplus for the first year and then deficit for the 2025/26 FY and in a surplus for the remaining WSDP years. The WSCCO plans to fund renewals through a 30-year average renewal to be able to spread the cost of renewals evenly for customers over the life of the asset. Surpluses will go towards the funding of renewals and any left-over surpluses will go towards funding the repayment of debt, reducing the increases in Drinking Water and Wastewater charges required in future years. The operating deficit in year FY25/26 is appropriate as this is due to a combination of adopting year 2 of the LTP 2024/34 as the base plus the one-off costs associated with the establishment of the CCO, before operating surpluses are achieved from FY 2026/27.

Operating surplus ratio	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	2,126	(1,573)	4,133	15,118	18,110	20,411	23,549	24,851	26,419	28,071
Total operating revenue	28,785	35,573	45,019	59,645	65,397	70,370	75,639	79,725	83,976	88,510
Operating surplus ratio	7.4%	(4.4%)	9.2%	25.3%	27.7%	29.0%	31.1%	31.2%	31.5%	31.7%

Stormwater

The operating revenues generate a deficit in 2024/25 FY with surplus for the remaining years of the WSDP, as provided over the full period in the LTP 2024/34. The Council will continue to fund renewals through a 30-year average renewal to be able to spread the cost of renewals evenly for customers over the life of the asset. Surpluses will go towards the funding of renewals and any leftover surpluses will go towards funding the repayment of debt, reducing the increases in stormwater rates required in future years.

Operating surplus ratio	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	(533)	169	446	783	579	950	1,224	1,437	1,708	1,788
Total operating revenue	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Operating surplus ratio	(18.4%)	4.9%	11.3%	17.6%	12.1%	18.5%	22.1%	24.2%	26.8%	26.0%

Projected operating cash surpluses

Drinking Water

Wastewater

The operating cash ratio for Drinking Water and Wastewater is a deficit for the 2024/25 FY, with the remaining years of the WSDP operating in a surplus. As the cash ratio has started negative this means that the WSCCO will not meet the funding of the renewals investment, meaning that renewals will have to be debt funded until rates revenue is sufficient. This is expected to occur around FY2030/31.

Operating cash ratio	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 revenue	(3,561)	11,472	18,949	31,021	35,748	42,051	48,933	52,674	55,579	59,215
Total operating revenue	28,785	35,573	45,019	59,645	65,397	70,370	75,639	79,725	83,976	88,510
Operating cash ratio	(12.4%)	32.2%	42.1%	52.0%	54.7%	59.8%	64.7%	66.1%	66.2%	66.9%

Stormwater

The operating cash ratio for stormwater is in a surplus for across all years of the plan. There is a sufficient surplus to be able to fund the renewals investment throughout the 10-year plan for stormwater.

Operating cash ratio	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 revenue	1,267	2,092	2,505	3,186	3,083	3,590	4,131	4,522	4,864	5,229
Total operating revenue	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Operating cash ratio	43.7%	60.9%	63.3%	71.8%	64.4%	69.7%	74.6%	76.1%	76.2%	76.2%

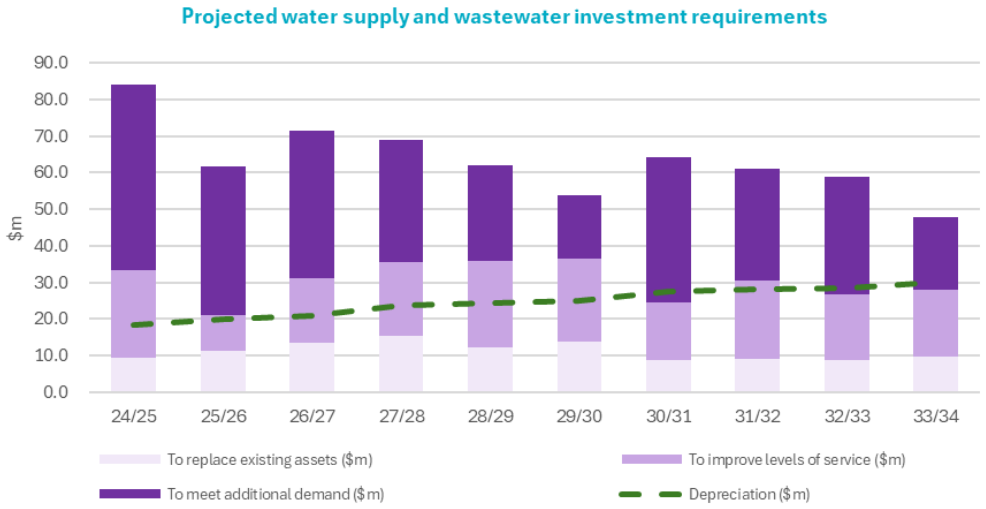
Financial sustainability assessment - investment sufficiency

Investment required to meet levels of service, regulatory requirements and provide for growth

Drinking Water

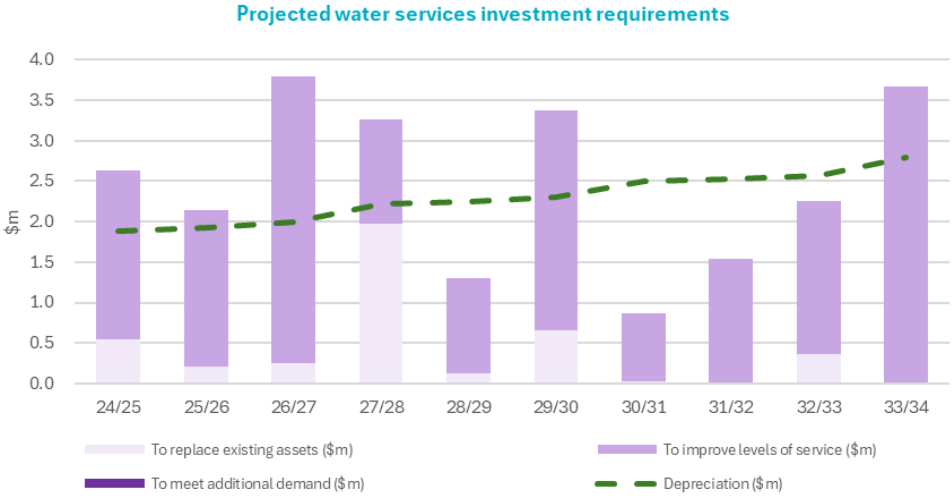
Wastewater

The WSCCO planning for capital expenditure for Drinking Water and Wastewater meets all level of service, regulatory and district growth requirements. The WSCCO has sufficient debt headroom to finance the required investments.



Stormwater

SDC plan for capital expenditure for stormwater meets all level of service, regulatory and district growth requirements. The Council has sufficient debt headroom to finance the required investments



Renewals requirements

Drinking Water

Wastewater

The Asset Sustainability ratio is negative throughout the 10 years of the WSDP. Selwyn has a relatively new asset base that has been built recently and the water and wastewater assets are in good condition. This means that the capital expenditure on renewals requirement is lower than depreciation resulting in a negative ratio. Consideration will be given to increasing the current investment into renewals through the planned investigation works, in addition as the assets become closer to end of life the amount of renewal funding will be reevaluated.

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	9,545	11,448	13,626	15,374	12,329	13,800	8,890	9,277	8,672	9,748
Depreciation	18,523	19,905	21,075	23,680	24,487	25,162	27,392	28,033	28,421	30,156
Asset sustainability ratio	(48.5%)	(42.5%)	(35.3%)	(35.1%)	(49.7%)	(45.2%)	(67.5%)	(66.9%)	(69.5%)	(67.7%)

Significant capital projects, including Renewals, are included in the Part G: Water Services Delivery Plan: additional information section of this WSDP. Additional detail is provided in the Renewal Strategy sections of the 5 Waters AMP 2024 Volume 2 – Drinking Water Supply and Volume 3 – Wastewater for details on remaining useful life of assets, renewals and forecast expenditure, further to the disclosures in this WSDP.

Stormwater

The Asset Sustainability ratio is negative throughout the 10 years of the WSDP. As Selwyn has relatively new assets that have been built recently the stormwater assets are in good condition. This means that the capital expenditure on renewals requirement is lower than depreciation resulting in as negative ratio. Council is satisfied with the current investment into renewals and as the assets become closer to end of life a relook into the amount of renewal funding will be undertaken.

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	539	208	255	1,967	128	658	30	0	363	0
Depreciation	1,885	1,928	1,989	2,219	2,250	2,298	2,497	2,526	2,569	2,785
Asset sustainability ratio	(71.4%)	(89.2%)	(87.2%)	(11.4%)	(94.3%)	(71.4%)	(98.8%)	(100.0%)	(85.9%)	(100.0%)

Significant capital projects, including Renewals, are included in the Part G: Water Services Delivery Plan: additional information section of this WSDP. Additional detail is provided in the Renewal Strategy sections of the 5 Waters AMP 2024 Volume 4 Stormwater for details on remaining useful life of assets, renewals and forecast expenditure, further to the disclosures in this WSDP.

Total water services investment required

The proposed level of investment for water services has been determined based on a rigorous planning process that is reevaluated annually as part of the annual planning and Long Term Plan processes. The asset investment ratio over the 10 period fluctuates from positive to negative depending on the investment needed. As growth projects are done through the developers this leaves only level of service and renewal projects for council to complete. This results in a fluctuating ratio that council is okay with. The programme has had adjustments from the LTP 2024-2034, Infrastructure Strategy and Five Waters Asset Management Plan to account for the timing of specific projects.

Drinking Water

Wastewater

Asset investment ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure	84,163	61,779	71,331	68,963	62,003	53,886	64,143	60,950	59,011	45,962
Depreciation	18,523	19,905	21,075	23,680	24,487	25,162	27,392	28,033	28,421	30,156
Asset investment ratio	354.4%	210.4%	238.5%	191.2%	153.2%	114.2%	134.2%	117.4%	107.6%	52.4%

Significant capital projects are included in the Part G: Water Services Delivery Plan: additional information section of this WSDP. Refer to the Funding Programme sections of the 5 Waters AMP 2024 Volume 2 - Drinking Water Supply and Volume 3 -Wastewater for details on total forecast capital expenditure and the basis of forecast expenditure.

Stormwater

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	2,631	2,137	3,791	3,266	1,296	3,365	873	1,545	2,247	3,666	24,817
Depreciation	1,885	1,928	1,989	2,219	2,250	2,298	2,497	2,526	2,569	2,785	22,946
Asset investment ratio	39.6%	10.8%	90.6%	47.2%	(42.4%)	46.4%	(65.0%)	(38.8%)	(12.5%)	31.6%	8.2%

Significant capital projects are included in the Part G: Water Services Delivery Plan: additional information section of this WSDP. Refer to the Funding Programme sections of the 5 Waters AMP 2024 Volume 4 – Stormwater for details on total forecast capital expenditure and the basis of forecast expenditure.

Average remaining useful life of network assets

Remaining life of assets are recorded within the asset management system.

Drinking Water

Wastewater

The Asset Consumption ratio steadily increases from 62% to 73% over the 10 years.

SDC/WSCCO records remaining life within the asset management system.

Asset consumption ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Book value of infrastructure assets	954,887	999,544	1,166,401	1,210,554	1,248,373	1,380,087	1,422,393	1,430,943	1,540,124	1,539,435
Total estimated replacement value of infrastructure assets	1,526,408	1,571,065	1,737,922	1,782,075	1,819,894	1,951,608	1,993,914	2,002,464	2,111,645	2,110,956
Asset consumption ratio	62.6%	63.6%	67.1%	67.9%	68.6%	70.7%	71.3%	71.5%	72.9%	72.9%

Refer to the Renewal Strategy sections of the 5 Waters AMP 2024 Volume 2 – Drinking Water Supply and Volume 3 – Wastewater for details on remaining useful life of assets, renewals and forecast expenditure.

Stormwater

Asset consumption ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Book value of infrastructure assets	150,457	155,645	173,369	178,394	182,773	199,067	203,128	204,524	220,345	222,787
Total estimated replacement value of infrastructure assets	188,522	193,710	211,434	216,459	220,838	237,132	241,193	242,589	258,410	260,852
Asset consumption ratio	79.8%	80.3%	82.0%	82.4%	82.8%	83.9%	84.2%	84.3%	85.3%	85.4%

The Asset Consumption ratio steadily increases from 79% to 85% over the 10 years.

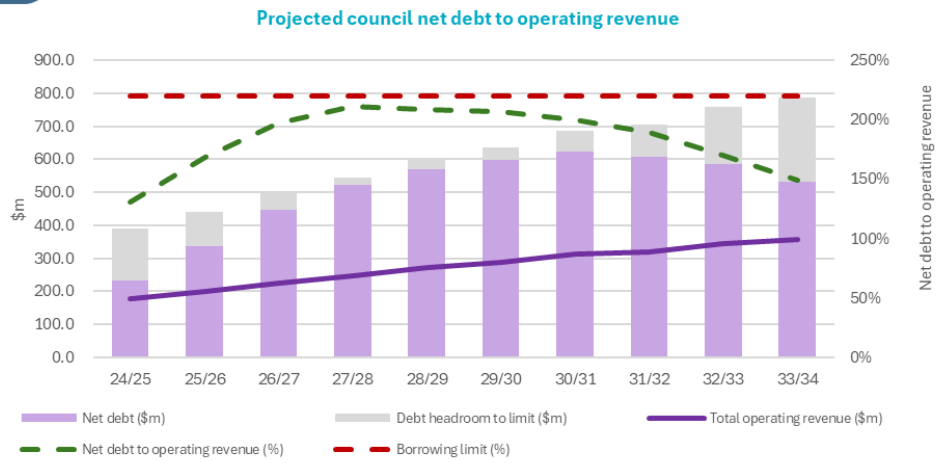
Refer to the Renewal Strategy sections of the 5 Waters AMP 2024 Volume 4 – Stormwater for details on remaining useful life of assets, renewals and forecast expenditure.

Financial sustainability assessment - financing sufficiency

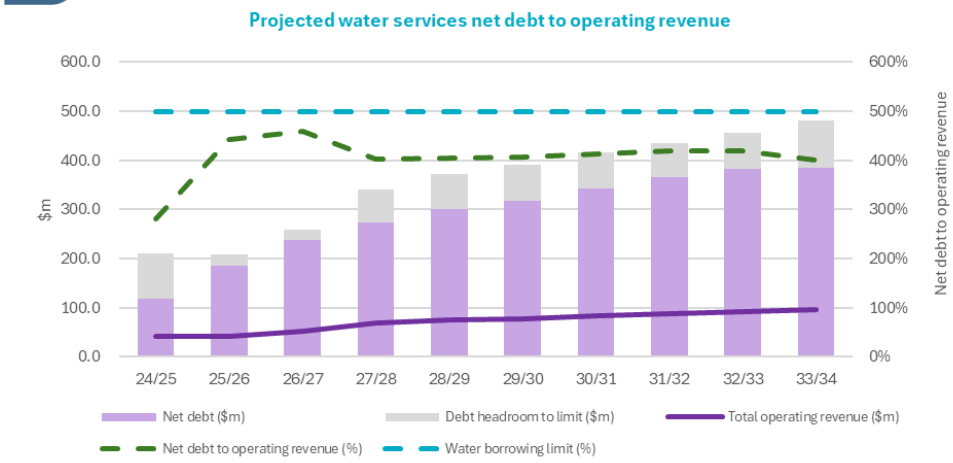
Funding and financing sufficiency

Selwyn District Council confirm the sufficient funding and financing can be achieved through borrowing.

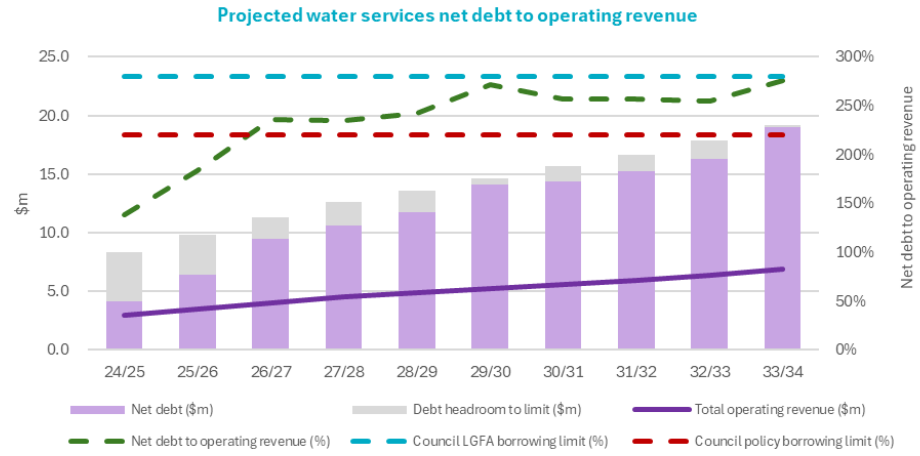
Drinking Water



Wastewater



Stormwater



Projected borrowings

Drinking Water

Wastewater

The WSCCO net debt to operating revenue is within the proposed water services borrowing limit of 500% for the life of the WSDP. The SDC WSCCO will require a Debt Guarantee from SDC as the Shareholder Council.

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	118,236	184,434	237,926	274,456	300,469	318,222	343,733	365,262	383,105	385,519
Operating revenue	42,166	41,752	51,872	68,303	74,339	78,231	83,181	87,010	91,351	96,249
Net debt to operating revenue	280%	442%	459%	402%	404%	407%	413%	420%	419%	401%

Stormwater

Stormwater as an individual activity does not meet the council's debt limit policy of 220% but does meet the LGFA limit of 280%. Within Councils net debt to operating revenue, both Council's limit and the LGFA limit can be met.

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	4,111	6,418	9,501	10,599	11,784	14,152	14,396	15,291	16,269	18,968
Operating revenue	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Net debt to operating revenue	142%	187%	240%	239%	246%	275%	260%	257%	255%	276%

Borrowing headroom

Drinking Water

Wastewater

The WSCCO has a slight negative projected borrowing headroom in FY 24/25 still using the 280% debt limit and then moving to the 500% limit the WSCCO stays within the debt limit across the remaining years.

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	42,166	41,752	51,872	68,303	74,339	78,231	83,181	87,010	91,351	96,249
Debt to revenue limit	280%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt	118,065	208,760	259,360	341,513	371,693	391,153	415,905	435,050	456,755	481,243
Total net debt	118,236	184,434	237,926	274,456	300,469	318,222	343,733	365,262	383,105	385,519
Borrowing headroom/ (shortfall) against limit	(171)	24,326	21,434	67,057	71,224	72,931	72,172	69,788	73,650	95,724

Stormwater

Stormwater, which remains within wider Council operations, continues to be subject to the debt to operating revenue ratio under the existing 220% limit as established by Council's Treasury Policy.

At an individual activity level, Stormwater will stay under the 280% debt limit of the LGFA but will exceed the Council policy of 220%. This however does not result in Council exceeding their total debt limit of 280% set by LGFA or Council's 220% debt limit.

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Debt to revenue limit	220%	220%	220%	220%	220%	220%	220%	220%	220%	220%
Maximum allowable net debt	6,378	7,561	8,712	9,764	10,531	11,323	12,190	13,079	14,047	15,101
Total net debt	4,111	6,418	9,501	10,599	11,784	14,152	14,396	15,291	16,269	18,968
Borrowing headroom/ (shortfall) against limit	2,267	1,143	(789)	(835)	(1,253)	(2,829)	(2,206)	(2,212)	(2,222)	(3,867)

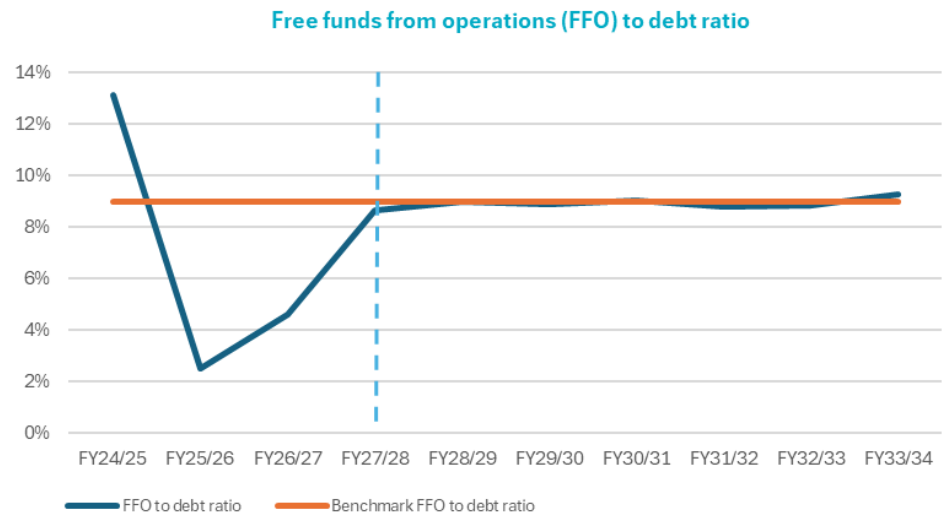
Free funds from operations

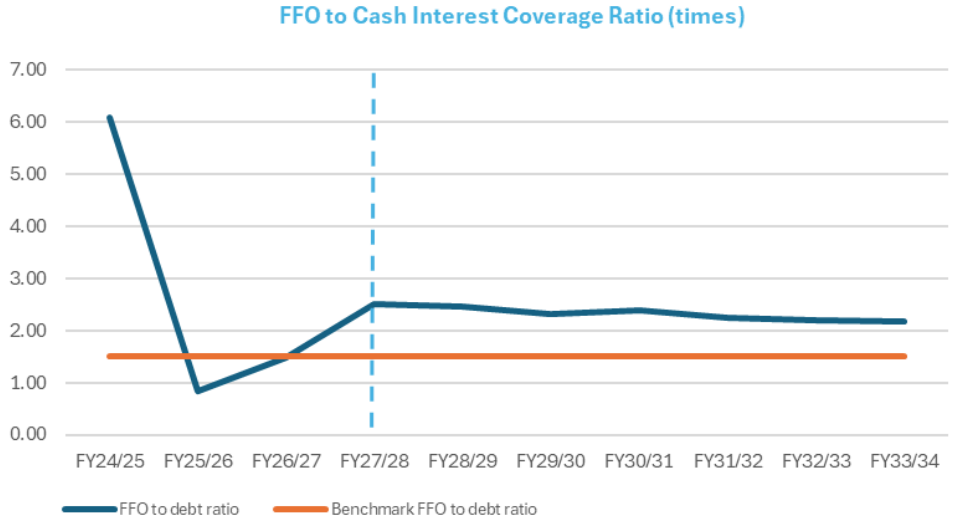
Drinking Water

Wastewater

The WSCCO free funds from operations (FFO) ratio for Drinking Water and Wastewater increases over time to 9% at FY 27/28 remaining at this level over the life of the WSDP. This is in line with the revenue increases where it is expected that smaller increases to the rates/water charges and the growth of the consumer base will be able to cover the inflation of operational costs after FY27/28. Additional increases to water charges income may be deemed necessary to fund Renewals Capital expenditure and debt repayments and will be reviewed with future Water Service Strategies. The FFO ratio to cash interest coverage follows the same trend as the debt ratio as by FY 27/28 the ratio is over the 1.50 benchmark and continues to stay above the benchmark for the remaining years.

Free funds from operations (FFO) to debt ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt	118,236	184,434	237,926	274,456	300,469	318,222	343,733	365,262	383,105	385,519
Funds from operations	15,507	4,607	10,986	23,776	27,052	28,273	31,090	32,138	33,792	35,810
FFO to debt ratio	13.1%	2.5%	4.6%	8.7%	9.0%	8.9%	9.0%	8.8%	8.8%	9.3%
Benchmark FFO to debt ratio	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Free funds from operations (FFO) to cash interest coverage ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Free funds from operations	15,507	4,607	10,986	23,776	27,052	28,273	31,090	32,138	33,792	35,810
Finance Cost	2,552	5,498	7,447	9,538	11,034	12,199	13,076	14,360	15,489	16,465
FFO to Cash Interest Coverage Ratio (times)	6.08	0.84	1.48	2.49	2.45	2.32	2.38	2.24	2.18	2.17
Benchmark FFO to Cash Interest Coverage	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50





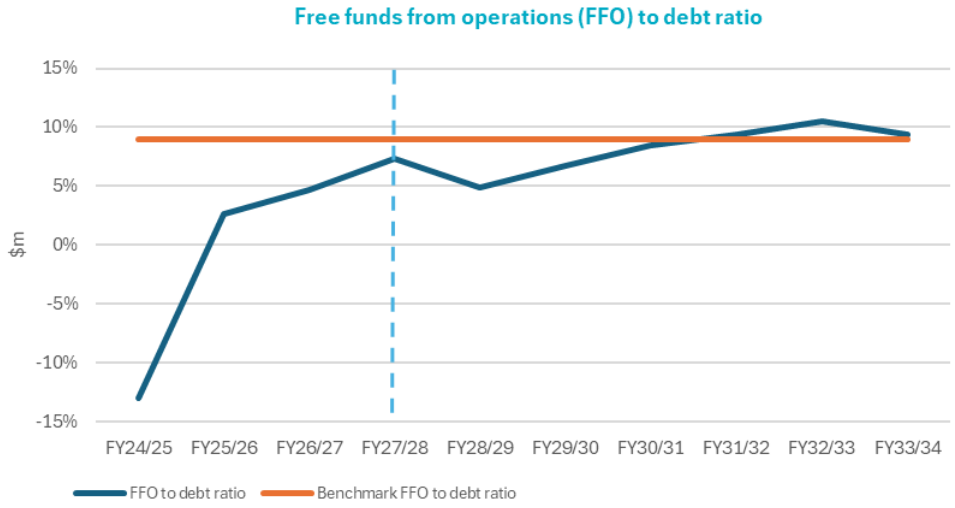
Stormwater

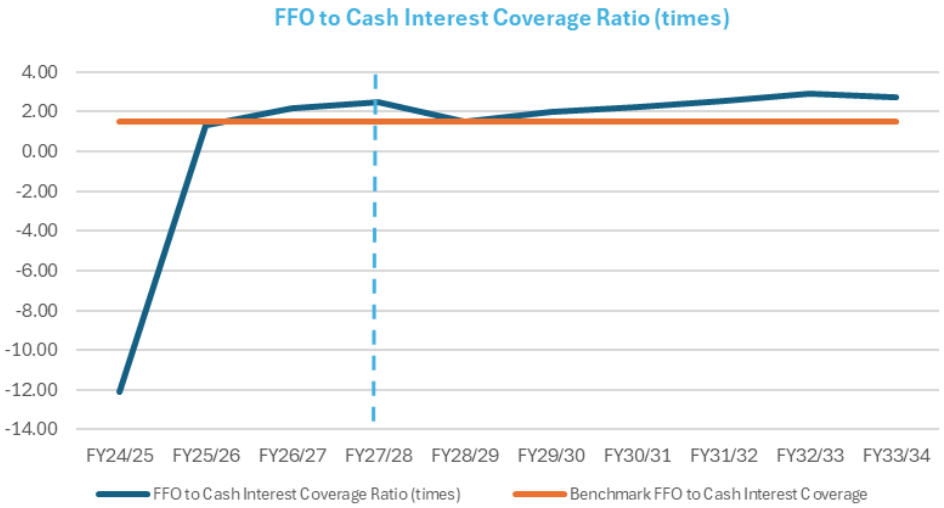
The council FFO ratio for stormwater starts negative and steadily increases over the 10-year period to meet the benchmark. This is in line with the Financial Strategy within the LTP 2024-2034 where rate increases are steadily increased to fund renewal capital expenditure and debt repayments. The FFO ratio to cash interest coverage follows the same trend as the debt ratio as by FY 27/28 the ratio is over the 1.50 benchmark and continues to stay above the benchmark for the remaining years.

Sensitivity: General

Free funds from operations (FFO) to debt ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt	4,111	6,418	9,501	10,599	11,784	14,152	14,396	15,291	16,269	18,968
Funds from operations	(533)	169	446	783	579	950	1,224	1,437	1,708	1,788
FFO to debt ratio	(13.0%)	2.6%	4.7%	7.4%	4.9%	6.7%	8.5%	9.4%	10.5%	9.4%
Benchmark FFO to debt ratio	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%

Free funds from operations (FFO) to cash interest coverage ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Free funds from operations	(533)	169	446	783	579	950	1,224	1,437	1,708	1,788
Finance Cost	44	127	205	318	391	482	553	559	587	656
FFO to Cash Interest Coverage Ratio (times)	(12.11)	1.33	2.18	2.46	1.48	1.97	2.21	2.57	2.91	2.73
Benchmark FFO to Cash Interest Coverage	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50





Part F: Projected financial statements for water services

Projected funding impact statements

 Drinking Water  Wastewater

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	28,140	33,964	0	0	0	0	0	0	0	0
Water charges			43,378	57,965	63,679	68,614	73,847	77,895	82,111	86,606
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	645	1,608	1,641	1,680	1,718	1,755	1,793	1,828	1,867	1,904
Total operating funding	28,785	35,572	45,019	59,645	65,397	70,369	75,640	79,723	83,978	88,510
Applications of operating funding										
Payments to staff and suppliers	20,648	22,669	25,569	26,251	27,325	28,633	29,699	31,006	32,368	34,080
Finance costs	2,552	5,498	7,447	9,538	11,034	12,199	13,076	14,360	15,489	16,465
Internal charges and overheads applied	3,459	8,978	7,870	8,738	8,928	9,126	9,316	9,506	9,702	9,894
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	26,659	37,145	40,886	44,527	47,287	49,958	52,091	54,872	57,559	60,439
Surplus/(deficit) of operating funding	2,126	(1,573)	4,133	15,118	18,110	20,411	23,549	24,851	26,419	28,071
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	26,762	12,358	13,706	17,315	17,883	15,721	15,084	14,570	14,750	15,477
Increase/(decrease) in debt	54,390	50,994	53,492	36,530	26,013	17,753	25,513	21,528	17,844	2,414
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	81,152	63,352	67,198	53,845	43,896	33,474	40,597	36,098	32,594	17,891
Applications of capital funding										
Capital expenditure - to meet additional demand	50,929	33,182	37,438	34,910	28,518	18,590	39,790	30,376	32,362	19,068
Capital expenditure - to improve levels of services	23,689	17,149	20,267	18,679	21,156	21,496	15,463	21,297	17,977	17,146
Capital expenditure - to replace existing assets	9,545	11,448	13,626	15,374	12,329	13,800	8,890	9,277	8,672	9,748
Increase/(decrease) in reserves	(885)	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	3	(1)	3	(1)	2	0
Total applications of capital funding	83,278	61,779	71,331	68,963	62,006	53,885	64,146	60,949	59,013	45,962
Surplus/(deficit) of capital funding	(2,126)	1,573	(4,133)	(15,118)	(18,110)	(20,411)	(23,549)	(24,851)	(26,419)	(28,071)
Funding balance	0	0	0	0	0	0	0	0	0	0

Stormwater

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0
Total operating funding	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Applications of operating funding										
Payments to staff and suppliers	2,527	2,249	2,395	2,414	2,876	2,753	2,788	2,954	3,078	3,395
Finance costs	44	127	205	318	391	482	553	559	587	656
Internal charges and overheads applied	861	892	914	923	941	962	976	995	1,012	1,025
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,432	3,268	3,514	3,655	4,208	4,197	4,317	4,508	4,677	5,076
Surplus/(deficit) of operating funding	(533)	169	446	783	579	950	1,224	1,437	1,708	1,788
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	129	132	135	134	137	140	143	0	0	0
Increase/(decrease) in debt	2,985	1,836	3,210	2,349	580	2,275	(494)	108	539	1,878
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	3,114	1,968	3,345	2,483	717	2,415	(351)	108	539	1,878
Applications of capital funding										
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve levels of services	2,092	1,928	3,536	1,299	1,168	2,707	843	1,545	1,884	3,666
Capital expenditure - to replace existing assets	539	209	255	1,967	128	658	30	0	363	0
Increase/(decrease) in reserves	(50)	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	2,581	2,137	3,791	3,266	1,296	3,365	873	1,545	2,247	3,666
Surplus/(deficit) of capital funding	533	(169)	(446)	(783)	(579)	(950)	(1,224)	(1,437)	(1,708)	(1,788)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Note: 'other revenue' includes development contributions and vested assets. It is noted that these values differ from those included in the Statement of Financial Position, which does not include vested assets.

Drinking Water

Wastewater

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	28,785	35,573	45,019	59,645	65,397	70,370	75,639	79,725	83,976	88,510
Other revenue	34,233	19,598	20,729	23,694	24,093	21,771	20,981	20,202	20,233	20,983
Total revenue	63,018	55,171	65,748	83,339	89,490	92,141	96,620	99,927	104,209	109,493
Operating expenses	20,648	22,669	25,569	26,251	27,325	28,633	29,699	31,006	32,368	34,080
Finance costs	2,552	5,498	7,447	9,538	11,034	12,199	13,076	14,360	15,489	16,465
Overheads and support costs	3,459	8,978	7,870	8,738	8,928	9,126	9,316	9,506	9,702	9,894
Depreciation & amortisation	18,523	19,905	21,075	23,680	24,487	25,162	27,392	28,033	28,421	30,156
Total expenses	45,182	57,050	61,961	68,207	71,774	75,120	79,483	82,905	85,980	90,595
Net surplus / (deficit)	17,836	(1,879)	3,787	15,132	17,716	17,021	17,137	17,022	18,229	18,898
Revaluation of infrastructure assets	73,374	0	97,980	0	0	99,474	0	0	100,109	0
Total comprehensive income	91,210	(1,879)	101,767	15,132	17,716	116,495	17,137	17,022	118,338	18,898
Cash surplus / (deficit) from operations (excl depreciation)	36,359	18,026	24,862	38,812	42,203	42,183	44,529	45,055	46,650	49,054

Stormwater

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	2,899	3,437	3,960	4,438	4,787	5,147	5,541	5,945	6,385	6,864
Other revenue	4,173	4,051	3,937	3,587	3,499	3,415	3,336	3,049	2,968	2,980
Total revenue	7,072	7,488	7,897	8,025	8,286	8,562	8,877	8,994	9,353	9,844
Operating expenses	2,527	2,249	2,395	2,414	2,876	2,753	2,788	2,954	3,078	3,395
Finance costs	44	127	205	318	391	482	553	559	587	656
Overheads and support costs	861	892	914	923	941	962	976	995	1,012	1,025
Depreciation & amortisation	1,885	1,928	1,989	2,219	2,250	2,298	2,497	2,526	2,569	2,785
Total expenses	5,317	5,196	5,503	5,874	6,458	6,495	6,814	7,034	7,246	7,861
Net surplus / (deficit)	1,755	2,292	2,394	2,151	1,828	2,067	2,063	1,960	2,107	1,983
Revaluation of infrastructure assets	12,199	0	14,341	0	0	14,021	0	0	13,877	0
Total comprehensive income	13,954	2,292	16,735	2,151	1,828	16,088	2,063	1,960	15,984	1,983
Cash surplus / (deficit) from operations (excl depreciation)	3,640	4,220	4,383	4,370	4,078	4,365	4,560	4,486	4,676	4,768

Projected statement of cashflows

Drinking Water

Wastewater

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	38,778	10,786	17,841	32,433	35,992	36,133	38,632	39,423	41,167	43,547
Net cashflows from operating activities	38,778	10,786	17,841	32,433	35,992	36,133	38,632	39,423	41,167	43,547
Cashflows from investment activities										
Capital expenditure	(84,163)	(61,780)	(71,332)	(68,963)	(62,005)	(53,886)	(64,144)	(60,951)	(59,010)	(45,961)
Net cashflows from investment activities	(84,163)	(61,780)	(71,332)	(68,963)	(62,005)	(53,886)	(64,144)	(60,951)	(59,010)	(45,961)
Cashflows from financing activities										
New borrowings	54,390	54,147	58,103	42,738	33,485	26,289	34,973	32,131	29,568	15,253
Repayment of borrowings	0	(3,153)	(4,611)	(6,207)	(7,472)	(8,536)	(9,460)	(10,602)	(11,726)	(12,839)
Net cashflows from financing activities	54,390	50,994	53,492	36,531	26,013	17,753	25,513	21,529	17,842	2,414
Net increase/(decrease) in cash and cash equivalents	9,005	0	1	1	0	0	1	1	(1)	0
Cash and cash equivalents at beginning of year	(9,005)	0	0	1	2	2	2	3	4	3
Cash and cash equivalents at end of year	0	0	1	2	2	2	3	4	3	3

Stormwater

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	(404)	301	581	917	716	1,090	1,367	1,437	1,708	1,788
Net cashflows from operating activities	(404)	301	581	917	716	1,090	1,367	1,437	1,708	1,788
Cashflows from investment activities										
Capital expenditure	(2,631)	(2,137)	(3,791)	(3,266)	(1,296)	(3,365)	(873)	(1,545)	(2,247)	(3,666)
Net cashflows from investment activities	(2,631)	(2,137)	(3,791)	(3,266)	(1,296)	(3,365)	(873)	(1,545)	(2,247)	(3,666)
Cashflows from financing activities										
Movemnt of borrowings	2,985	1,836	3,210	2,349	580	2,275	(494)	108	539	1,878
Net cashflows from financing activities	2,985	1,836	3,210	2,349	580	2,275	(494)	108	539	1,878
Net increase/(decrease) in cash and cash equivalents	(50)	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	50	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year	0	0	0	0	0	0	0	0	0	0

Projected statement of financial position

 Drinking Water  Wastewater

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	954,887	1,004,003	1,159,263	1,210,925	1,254,653	1,388,903	1,431,551	1,470,100	1,606,281	1,627,592
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	954,887	1,004,003	1,159,263	1,210,925	1,254,653	1,388,903	1,431,551	1,470,100	1,606,281	1,627,592
Liabilities										
Borrowings - current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	118,236	184,434	237,926	274,456	300,469	318,222	343,733	365,262	383,105	385,519
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	118,236	184,434	237,926	274,456	300,469	318,222	343,733	365,262	383,105	385,519
Net assets	836,651	819,569	921,337	936,469	954,184	1,070,681	1,087,818	1,104,838	1,223,176	1,242,073
Equity										
Revaluation reserve	589,787	0	97,980	97,980	97,980	197,455	197,455	197,455	297,563	297,563
Other reserves	246,864	819,570	823,359	838,489	856,205	873,226	890,363	907,385	925,613	944,510
Total equity	836,651	819,570	921,339	936,469	954,185	1,070,681	1,087,818	1,104,840	1,223,176	1,242,073

Note: changes in equity balances for drinking water and wastewater change from FY25/26 due to the establishment of the WSCCO. It is assumed that the net equity in the assets when vested in FY25/26 at current value will be recognised as reserves/paid in capital at the point of transfer, and any revaluations held in SDC on those assets will zero out.

Stormwater

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	150,457	155,645	173,369	178,394	182,773	199,067	203,128	204,524	220,345	222,787
Other non-current assets										
Total assets	150,457	155,645	173,369	178,394	182,773	199,067	203,128	204,524	220,345	222,787
Liabilities										
Borrowings - current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	4,111	6,418	9,501	10,599	11,784	14,152	14,396	15,291	16,269	18,968
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	4,111	6,418	9,501	10,599	11,784	14,152	14,396	15,291	16,269	18,968
Net assets	146,346	149,227	163,868	167,795	170,989	184,915	188,732	189,233	204,076	203,819
Equity										
Revaluation reserve	69,041	69,041	83,382	83,382	83,382	97,403	97,403	97,403	111,280	111,280
Other reserves	77,305	80,186	80,486	84,413	87,607	87,512	91,329	91,830	92,796	92,539
Total equity	146,346	149,227	163,868	167,795	170,989	184,915	188,732	189,233	204,076	203,819

Part G: Water Services Delivery Plan: additional information

Significant capital projects

The following tables identify significant capital projects within the term of the WSDP. Tables for Drinking Water and Wastewater are updated from LTP 2024-2034 to reflect the updated capital requirements. Tables for stormwater are the capital projects that were in 2024/34 LTP.

In recognition of Selwyn District being a high-growth area, additional projects have been identified to 2054, as identified in the Infrastructure Strategy 2024-2054. These are included in Appendix E: Thirty year infrastructure planning.

This section includes a description of the intended Dynamic Adaptive Pathway Planning approach to review growth requirements and infrastructure investment

All tables are in actual ($).

Drinking Water

Significant capital projects - drinking water	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										
Malvern Growth	0	0	537,905	0	0	1,409,203	0	0	0	0
Centralised Treatment	120,000	(0)	(0)	476,838	1,090,975	1,117,849	0	0	0	0
Darfield Growth	303,587	207,240	9,141,632	0	0	0	0	0	0	0
Kirwee Growth	536,331	(0)	509,489	0	0	0	0	0	0	0
Leeston Growth	78,899	970,215	0	0	0	0	0	0	0	1,239,275
Lincoln Growth	2,656,196	750,000	2,670,007	1,055,866	83,343	219,616	117,330	1,736,448	0	493,045
Prebbleton Growth	5,315,374	0	3,220,106	1,612,806	0	0	0	0	0	0
Rolleston Growth	4,596,697	5,209,665	0	3,888,684	1,500,176	344,010	10,773,616	209,267	5,408,418	0
Southbridge Growth	148,960	(0)	654,927	0	0	0	0	0	153,869	607,644
West Melton Growth	2,196,737	4,671,557	0	0	0	0	0	0	0	0
Contingent Water Capex	0	0	0	0	0	0	0	4,000,000	3,500,000	2,500,000
Total investment to meet additional demand	15,952,781	11,808,677	16,734,065	7,034,193	2,674,494	3,090,678	10,890,946	5,945,715	9,062,288	4,839,964
Projects to improve levels of services										
WTP Upgrade	643,084	0	0	0	0	0	0	0	0	0
Centralised Treatment	130,000	(0)	(0)	516,574	1,181,890	1,211,003	0	0	0	0
Water - Capital Works	3,646,295	2,869,200	6,950,273	10,224,379	10,985,100	8,526,956	7,787,589	3,481,068	1,706,473	3,166,147
Ngati Moki Marae, Taumutu. Water	0	0	0	0	0	1,268,250	0	0	0	0
Water - Capital Improvements	2,282,530	7,908,804	2,748,096	1,538,879	1,417,173	999,601	722,819	684,365	592,082	399,766
Contingent Water Capex	0	0	0	0	0	0	0	4,000,000	3,500,000	2,500,000
Total investment to improve levels of services	6,701,909	10,778,004	9,698,369	12,279,831	13,584,163	12,005,811	8,510,407	8,165,433	5,798,555	6,065,913
Projects to replace existing assets										
Water Renewals - Linear (Pipe Valve)	4,767,939	4,940,079	5,063,162	5,198,274	5,334,683	5,465,507	5,590,770	5,530,381	4,590,678	4,813,332
Water Renewals - P&E (PS TP Teley)	1,111,143	1,593,558	2,462,097	2,999,651	1,337,479	1,431,665	231,016	1,127,551	360,128	1,409,864
Water Consent Renewals	88,264	256,739	93,728	200,525	213,996	84,344	224,381	255,966	420,120	486,385
Lincoln Town Centre Upgrade - Water	0	0	0	0	0	695,451	0	0	0	0
Total investment to replace existing assets	5,967,346	6,790,376	7,618,987	8,398,450	6,886,158	7,676,966	6,046,167	6,913,898	5,370,926	6,709,581
Total investment in drinking water assets	28,622,036	29,377,056	34,051,421	27,712,474	23,144,815	22,773,455	25,447,520	21,025,046	20,231,769	17,615,458

Wastewater

Significant capital projects - wastewater	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										
Conveyance and Pumping - Darfield & Kirwee Growth	0	150,000	252,412	1,248,291	1,282,035	0	0	0	0	0
Ellesmere Trunk Sewer	4,500,000	466,751	0	0	0	0	0	0	0	0
Conveyance and Pumping - Ellesmere Growth	0	93,258	0	490,223	4,527,317	925,193	6,965,149	1,590,127	0	0
Conveyance and pumping - Rolleston Growth	6,420,224	8,876,875	7,596,079	7,955,902	1,437,887	7,367,404	6,030,645	2,206,769	13,299,701	5,728,037
Pines WWTP Upgrades (Pines 120)	3,296,483	11,285,000	15,300,000	16,726,291	16,183,399	6,137,047	15,698,519	9,633,456	0	0
Contingent Sewerage Capex	0	0	0	0	0	0	0	11,000,000	10,000,000	8,500,000
Total investment to meet additional demand	14,216,707	20,871,885	23,148,491	26,420,707	23,430,638	14,429,644	28,694,313	24,430,352	23,299,701	14,228,037
Projects to improve levels of services										
WW Capital Works	30,196,788	1,569,678	5,052,691	4,481,972	6,030,695	1,871,313	1,157,952	1,276,800	1,304,145	1,687,146
Ellesmere WWTP Cap works	0	37,532	0	0	0	0	0	0	0	0
Ngati Moki Marae, Taumutu. Wastewater	0	0	0	0	0	5,046,053	5,163,107	0	0	0
WW Capital Improvements	1,639,411	4,598,635	3,072,127	883,910	797,713	817,460	836,422	855,456	873,777	892,811
Odour Management	0	0	0	0	0	0	0	0	0	0
Conveyance and Pumping	0	0	0	2,487,666	3,157,546	2,824,875	0	0	0	0
Ellesmere Trunk Sewer	4,500,000	466,751	0	0	0	0	0	0	0	0
Ellesmere Trunk Sewer - LoS	1,410,000	200,000	0	0	0	0	0	0	0	0
Contingent Sewerage Capex	0	0	0	0	0	0	0	11,000,000	10,000,000	8,500,000
Total investment to improve levels of services	37,746,199	6,872,596	8,124,819	7,853,548	9,985,953	10,559,701	7,157,481	13,132,256	12,177,922	11,079,957
Projects to replace existing assets										
WW Renewals - Linear (Pipe Valve)	1,683,274	2,365,373	1,351,147	1,478,066	1,417,864	1,458,479	1,490,148	1,762,422	1,553,422	1,587,301
WW Renewals - P&E (PS TP Teley)	1,428,217	2,033,919	4,429,506	3,940,531	3,773,851	3,681,822	1,354,144	600,923	1,747,113	1,334,744
WW Consent Renewals	101,513	259,037	179,304	98,444	251,709	257,940	0	0	0	115,577
Lincoln Town Centre Upgrade - WW	364,500	0	0	1,341,081	0	718,981	0	0	0	0
WW Consent Renewals	0	0	11,276	0	0	0	0	0	0	0
WW Renewals - USH P&E (PS TP Teley)	0	0	36,090	118,206	0	6,031	0	0	0	0
Total investment to replace existing assets	3,577,504	4,658,329	6,007,324	6,976,328	5,443,424	6,123,252	2,844,292	2,363,345	3,300,535	3,037,622
Total investment in wastewater assets	55,540,410	32,402,810	37,280,634	41,250,583	38,860,016	31,112,597	38,696,086	39,925,953	38,778,157	28,345,616

Stormwater

Significant capital projects - stormwater	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										
Total investment to meet additional demand	0	0	0	0	0	0	0	0	0	0
Projects to improve levels of services										
Lincoln Town Centre Upgrade LOS - District Stormwater	366,788	0	0	545,250	0	214,526	0	0	0	608,087
SW - Capital Works - District Stormwater	1,427,057	1,586,038	2,750,360	139,235	876,759	1,949,390	274,646	1,532,160	1,871,399	3,031,309
SW - Capital Improvements - District Stormwater	297,920	341,780	785,254	614,955	291,656	542,894	568,018	12,768	13,041	26,651
Total investment to improve levels of services	2,091,765	1,927,818	3,535,614	1,299,440	1,168,415	2,706,810	842,664	1,544,928	1,884,440	3,666,047
Projects to replace existing assets										
Renewals - Linear (Pipe Valv - District Stormwater	538,773	59,751	195,996	625,154	128,103	36,626	30,097	0	362,590	0
Renewals - P&E (PS TP Teley) - District Stormwater	0	62,534	0	0	0	0	0	0	0	0
Renewals - Concent - District Stormwater	0	86,062	58,798	0	0	0	0	0	0	0
Lincoln Town Centre Upgrade REN - District Stormwater	0	0	0	1,342,316	0	621,186	0	0	0	0
Total investment to replace existing assets	538,773	208,347	254,794	1,967,470	128,103	657,812	30,097	0	362,590	0
Total investment in stormwater assets	2,630,538	2,136,165	3,790,408	3,266,910	1,296,518	3,364,622	872,761	1,544,928	2,247,030	3,666,047

Dynamic Adaptive Pathway Planning

The WSCCO will incorporate maturing asset management and project planning approaches, including the use of Dynamic Adaptive Pathway Planning (DAPP), to ensure that infrastructure requirements are met in a sustainable way, while responding to changing requirements and demand.

Decision-making in water services infrastructure planning requires long-term considerations of deep uncertainty due to climate change and population growth as infrastructure is typically long-lived (~100 year design and service life). DAPP enables complex decision-making by generating multiple infrastructure options, rather than a single, static option.

Therefore, short-term pathways can be selected that avoid locking in future solutions which may become unsuitable as environmental conditions, societal perspectives and preferences change. In this way, long-term plans are able to retain flexibility and adapt to a variable and deeply uncertain future to ensure water services can continue for our communities.

A DAPP approach to infrastructure planning will include:

- Documentation of the drivers, triggers, and actions specific to an asset
- Adaptive pathways map
- Monitoring programme
- Programme for review of adaptive plan.

The table below provides a list of projects that are currently identified as requiring further consideration around programme timing, budget or scope.

Project	Description	Estimated Budget
SSS Wastewater Storage	Additional above ground storage to relieve operational pressure on Pines WWTP.	$ 15,000,000
Prebbleton - Wastewater Servicing	Prebbleton Terminal Pump Station and Rising Main, required before Prebbleton township growth exceeds an additional 600 units (+1,620 population). Original LTP timeframe 2063, revised programme under consideration 2030.	$ 17,290,000
Industrial WW treatment Plant	Development of a Trade Waste Treatment Plant and disposal area for Izone and Iport.	$ 85,100,000
Rolleston West - Wastewater Servicing	New trunk mains, catchment PS and rising main accommodate growth within new areas of West Rolleston.	$ 5,256,324
Rolleston South East – Wastewater Servicing	Required before that catchment area exceeds an additional 2,400 units total (+6,500 population).	$ 16,000,000
Rolleston SW Rising Main – Wastewater Servicing	New South-Western rising main to accommodate growth within community and relieve load on the Selwyn Road PS. Required before an additional +1700 units total (from Rolleston, Lincoln, Prebbleton, and Leeston). Original LTP timeframe, completion 2034. Revised programme under consideration completion 2028.	$ 13,000,000
WW Renewals	To assist with I&I investigation outcomes, including increased rate for townships with high groundwater. Increase to reflected recent tender rates.	$ 138,906,926
Lincoln Growth - Water	Consolidation of North and East Lincoln sites.	$ 5,722,240
Rolleston Growth - Water	Additional budget for bores as a result of lower than expected yield at new Helpet bores.	$ 2,252,448
Acheron WTP Upgrades	Additional budget for membrane treatment at Acheron if required to meet DWQAR.	$ 7,055,400
District Wide Smart Meter Roll Out	Budget for future smart metering for all properties.	$ 9,997,875
Wai Nui Centralised Treatment	Provision of centralised treatment, currently sitting outside of the LTP.	$ 405,501,001
Fluoridation	Districtwide fluoridation, if required.	$ 7,925,000
Water Renewals	Increase to reflected recent tender rates using generalised criteria for cost drivers.	$ 156,451,115

Note: unit and population thresholds are established from 2023 base modelling and does not therefore include subsequently approved growth. As timing of these developments being enacted are not known, the use of Dynamic Adaptive Pathway planning remains appropriate.

Key issues, constraints, risks and assumptions

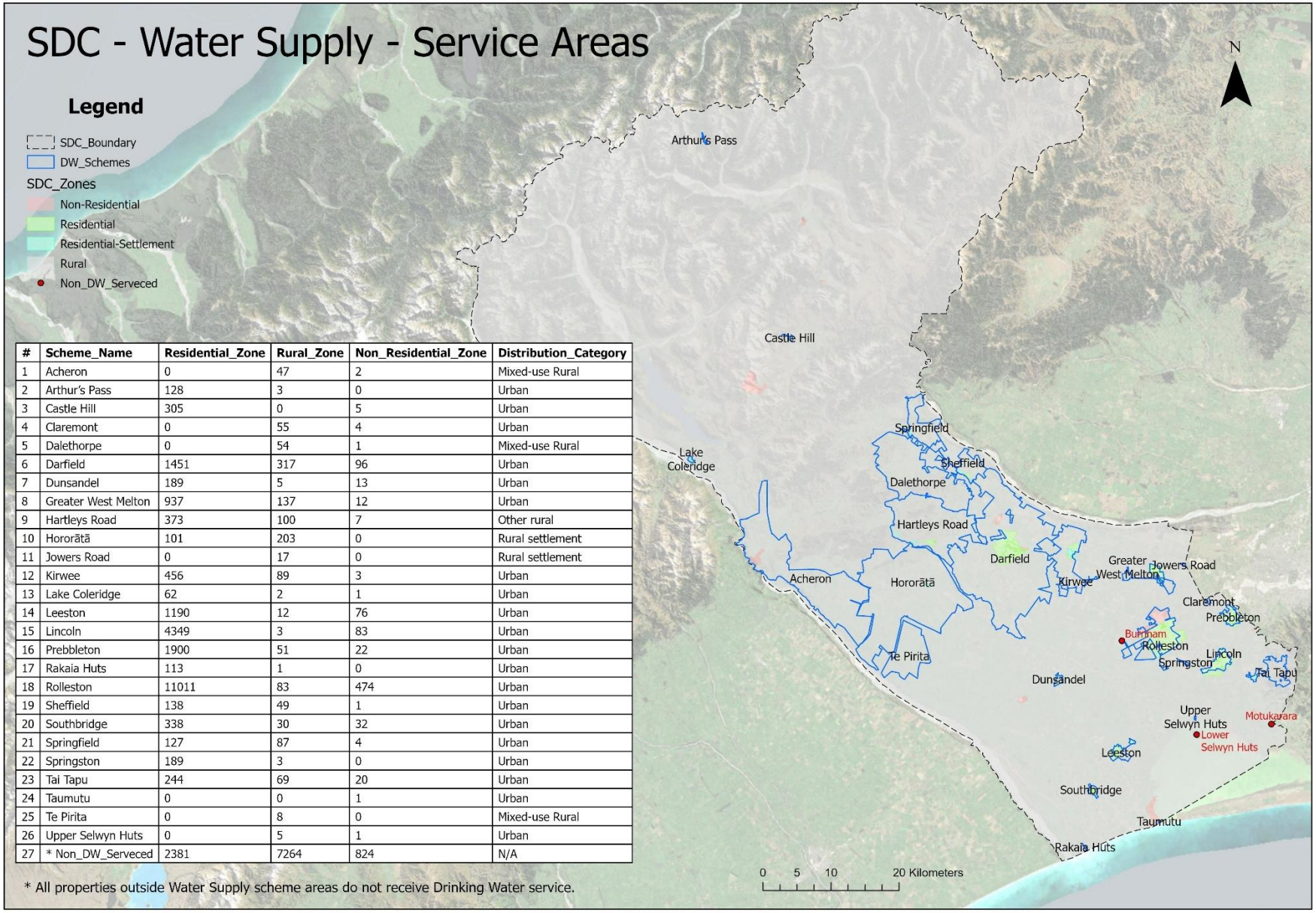
The following tables summarises key issues/constraints, risks and assumptions within the operation of three waters delivery. Key issues and constraints are matters which have been addressed or considered within asset management planning and the programme outlined in this WSDP. Significant risks are based on the current risk scoring (including mitigation) as outlined in Council's Five Waters Asset Management Plan 2024-2034. Assumptions are summarised at a waters activity level. Further detailed can be found in the respective sections of Council's Five Waters Asset Management Plan 2024-2034.

Significant Forecasting Assumptions underpinning this WSDP are included in Appendix F: Significant forecasting assumptions. Further to these disclosed issues, risks and assumptions, Councils Infrastructure Strategy 2024-2034 includes priorities for addressing challenges and risks over the next 30 years.

Drinking supply	Wastewater	Stormwater
Key Issues/Constraints		
- Source water capacity and supporting growth in the district - Resilience of single-source water supply schemes - Source water quality - Regulatory change and compliance - Managing growth	- Regulation and wastewater treatment assumptions - Supporting growth in the district - Inflow and infiltration - Adapting to climate change and reducing emissions - AC pipe renewals - Trade waste discharge	- Cost of resource consent compliance - Management of overland flow paths - Reporting of habitable floor flooding - Impact of non-Council assets on Council stormwater networks - Stormwater management areas to facilitate growth
Significant Risks		
- Contamination or deterioration of source water quality at surface water supplies - Insufficient capacity at peak demand periods (source, treatment, and/or reticulation capacity) - Insufficient backflow protection for commercial properties (work in progress) - Delays in obtaining consents, loss of consents for source water, or non-compliance in the operation of consents	- Unauthorised trade waste discharge - Insufficient capacity during weather events - Delay in completion of capital projects to align with accelerated growth - Delay in obtaining consents	- No significant current risks identified (mitigation deemed appropriate within current management)

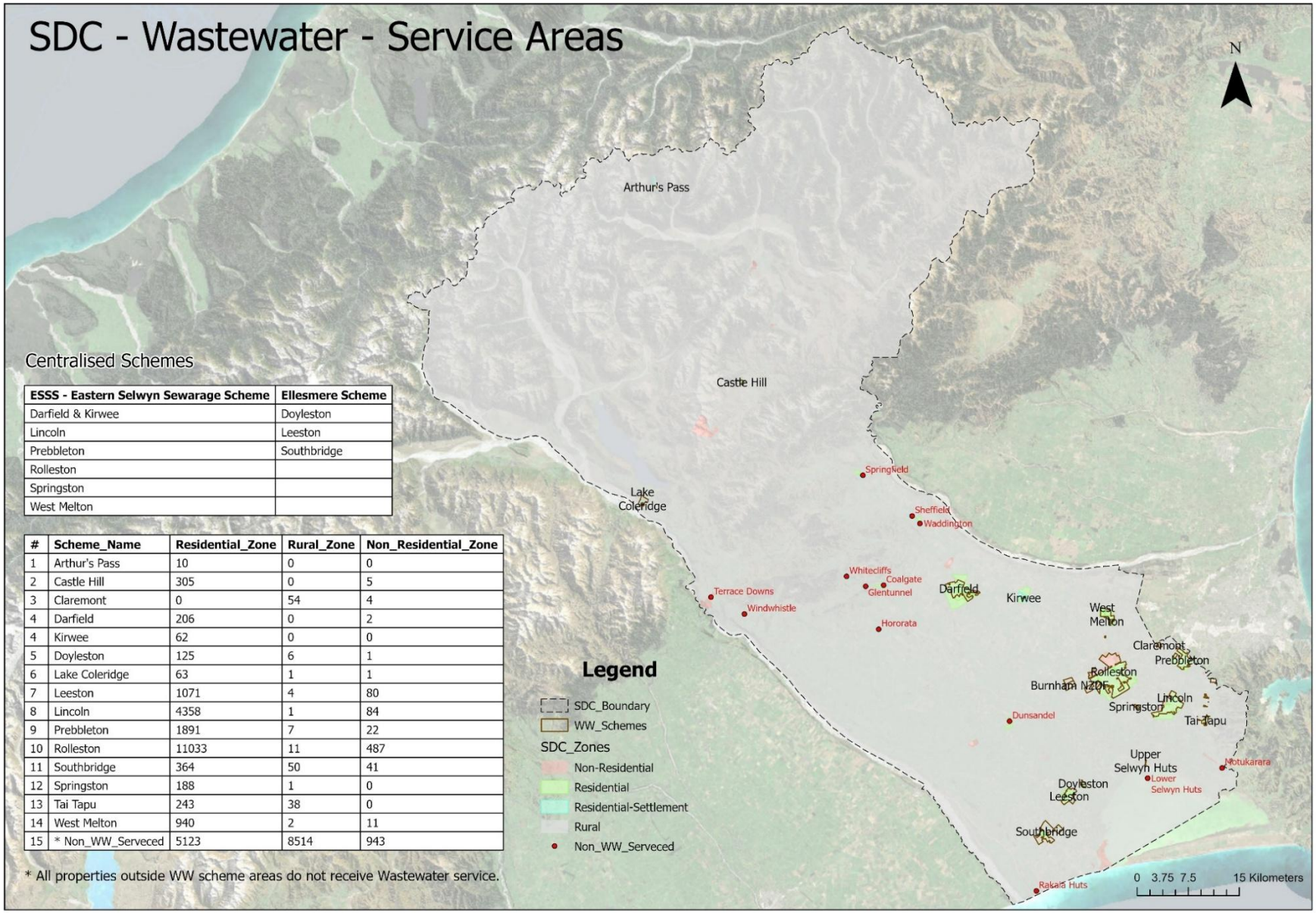
Drinking supply	Wastewater	Stormwater
Activity Assumptions		
- Growth occurs in line with projections and capacity within the network is available in time for growth, as modelled - Per capita water demand is static or decreases slightly - Additional water sources can be consented and developed or existing consents transferred - Current consents can be renewed with the same level of water take or additional water take to service demand - Change in land use does not significantly impact groundwater levels or quality - There are no significant changes to drinking water standards or compliance monitoring and reporting requirements - Low-nitrate water is available at the required rates - Nitrate concentrations in groundwater remain high across the Plains - Water losses within the network can be identified and remediated	- Growth occurs at projected rates and capacity within the network is available in time for growth, as modelled - Additional land for disposal at Pines WWTP, Castle Hill WWTP and other wastewater treatment plants (as required) can be secured - Resource consents required for continued operation of the district wastewater treatment plants can be secured - Future restrictions on disposal methods and/or effluent quality can be managed operationally - If required the option to replace existing aerobic digestion with anaerobic digestion treatment processes at the Pines WWTP can be implemented as part of future renewal requirements - Existing methods for managing biosolid waste from the Pines WWTP will become unaffordable and unavailable for increasing quantities in the longer term - Biosolids from the Pines WWTP can be used locally (reducing transport emissions) - Viable alternative electricity sources can be established at the Pines WWTP - Inflow and infiltration into the network does not increase significantly - Inflow and infiltration within the network can be identified and addressed	- Strategic planning can identify land available for stormwater retention/detention/treatment where centralised facilities are required (i.e. in wet areas) - Discharge quality for stormwater in order to meet future resource consents can be managed operationally - Resource consents required for the operation of stormwater assets can be secured

Appendix A: Water services areas



#	Scheme_Name	Residential_Zone	Rural_Zone	Non_Residential_Zone	Distribution_Category
1	Acheron	0	47	2	Mixed-use Rural
2	Arthur's Pass	128	3	0	Urban
3	Castle Hill	305	0	5	Urban
4	Claremont	0	55	4	Urban
5	Dalethorpe	0	54	1	Mixed-use Rural
6	Darfield	1451	317	96	Urban
7	Dunsandel	189	5	13	Urban
8	Greater West Melton	937	137	12	Urban
9	Hartleys Road	373	100	7	Other rural
10	Hororātā	101	203	0	Rural settlement
11	Jowers Road	0	17	0	Rural settlement
12	Kirwee	456	89	3	Urban
13	Lake Coleridge	62	2	1	Urban
14	Leeston	1190	12	76	Urban
15	Lincoln	4349	3	83	Urban
16	Prebbleton	1900	51	22	Urban
17	Rakaia Huts	113	1	0	Urban
18	Rolleston	11011	83	474	Urban
19	Sheffield	138	49	1	Urban
20	Southbridge	338	30	32	Urban
21	Springfield	127	87	4	Urban
22	Springston	189	3	0	Urban
23	Tai Tapu	244	69	20	Urban
24	Taumutu	0	0	1	Urban
25	Te Pirita	0	8	0	Mixed-use Rural
26	Upper Selwyn Huts	0	5	1	Urban
27	* Non_DW_Serveced	2381	7264	824	N/A

* All properties outside Water Supply scheme areas do not receive Drinking Water service.

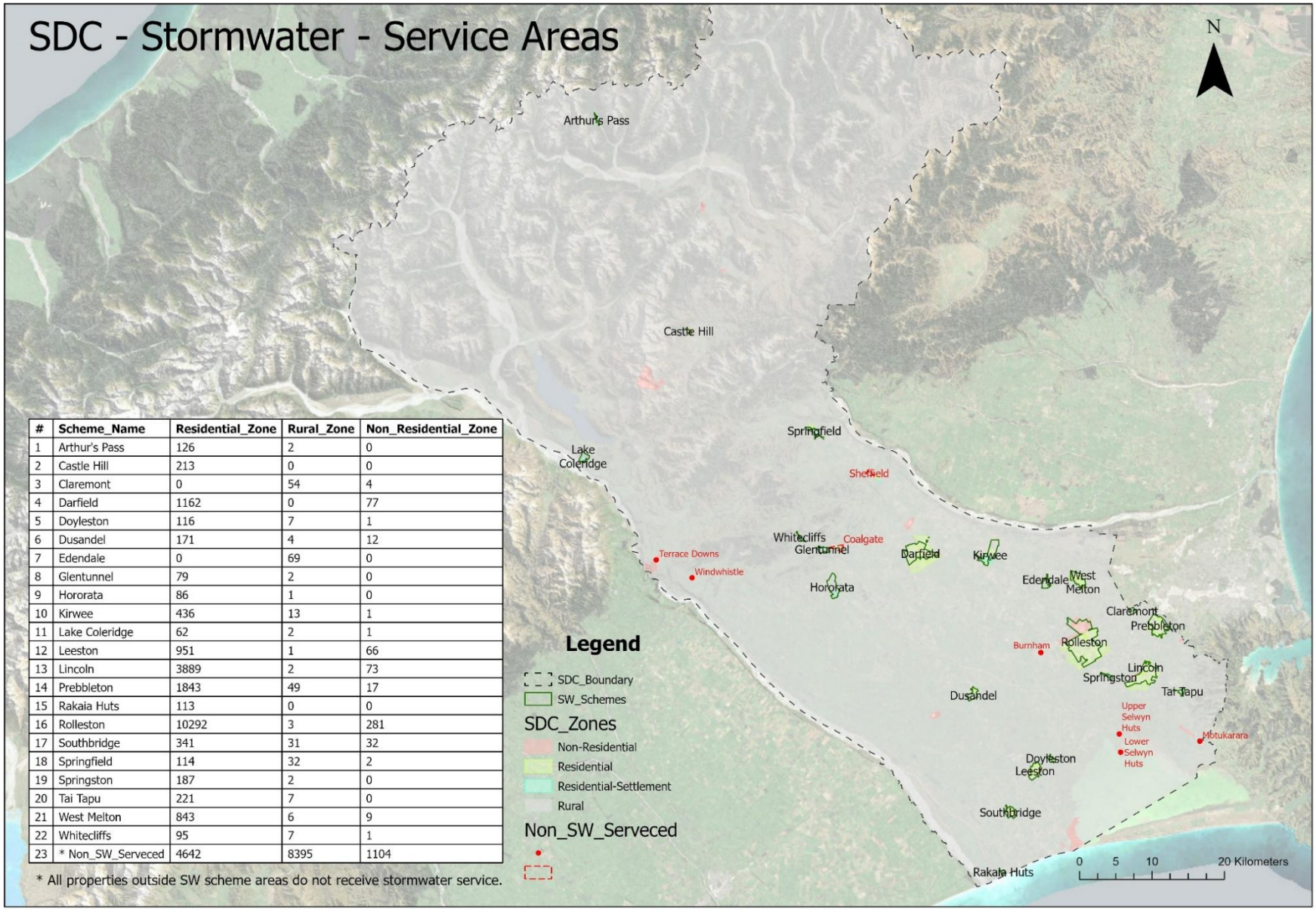


Centralised Schemes

ESSS - Eastern Selwyn Sewarage Scheme	Ellesmere Scheme
Darfield & Kirwee	Doyleston
Lincoln	Leeston
Prebbleton	Southbridge
Rolleston	
Springston	
West Melton	

#	Scheme_Name	Residential_Zone	Rural_Zone	Non_Residential_Zone
1	Arthur's Pass	10	0	0
2	Castle Hill	305	0	5
3	Claremont	0	54	4
4	Darfield	206	0	2
4	Kirwee	62	0	0
5	Doyleston	125	6	1
6	Lake Coleridge	63	1	1
7	Leeston	1071	4	80
8	Lincoln	4358	1	84
9	Prebbleton	1891	7	22
10	Rolleston	11033	11	487
11	Southbridge	364	50	41
12	Springston	188	1	0
13	Tai Tapu	243	38	0
14	West Melton	940	2	11
15	* Non_WW_Serveced	5123	8514	943

* All properties outside WW scheme areas do not receive Wastewater service.



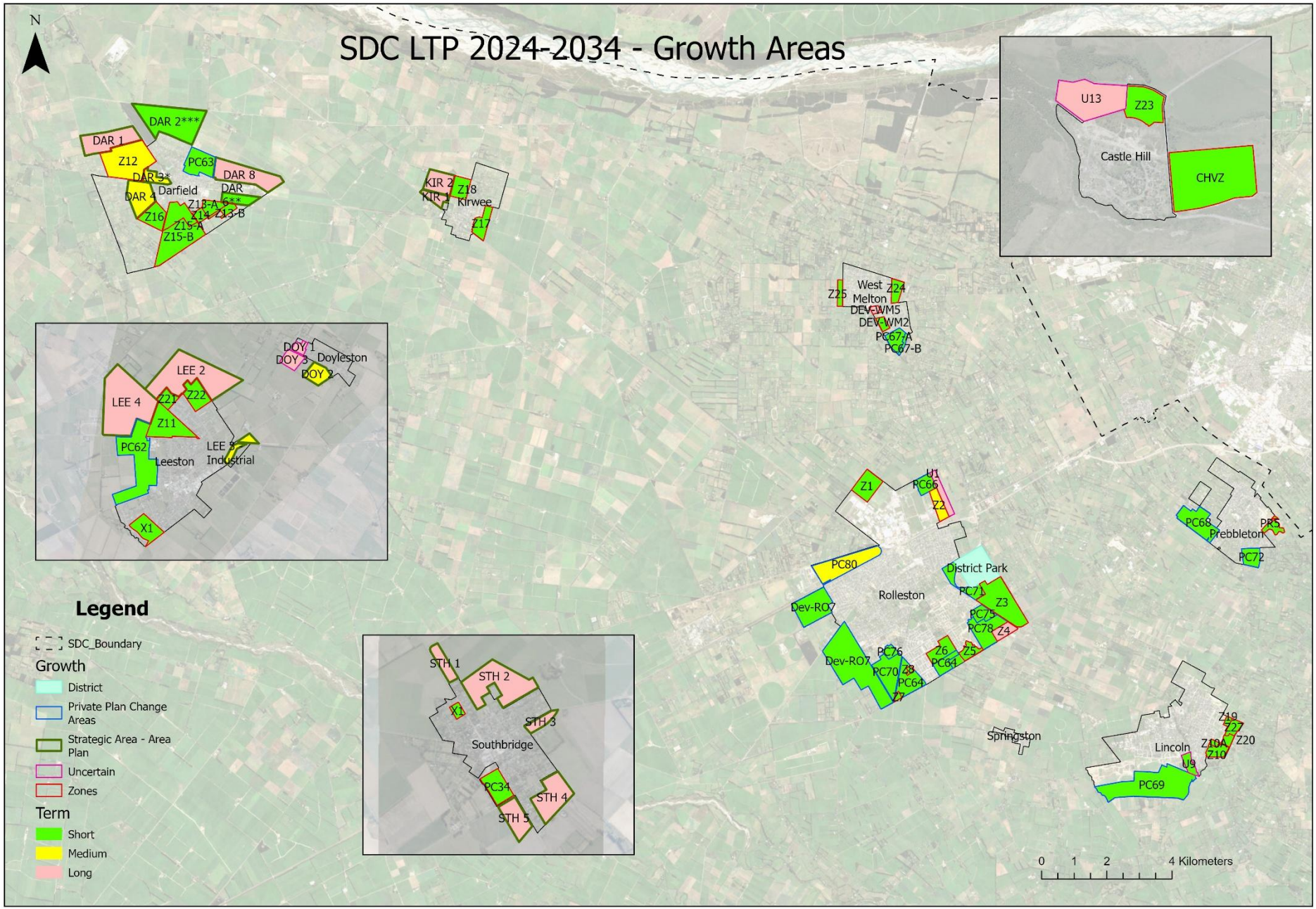
#	Scheme_Name	Residential_Zone	Rural_Zone	Non_Residential_Zone
1	Arthur's Pass	126	2	0
2	Castle Hill	213	0	0
3	Claremont	0	54	4
4	Darfield	1162	0	77
5	Doyleston	116	7	1
6	Dusandel	171	4	12
7	Edendale	0	69	0
8	Glentunnel	79	2	0
9	Hororata	86	1	0
10	Kirwee	436	13	1
11	Lake Coleridge	62	2	1
12	Leeston	951	1	66
13	Lincoln	3889	2	73
14	Prebbleton	1843	49	17
15	Rakaia Huts	113	0	0
16	Rolleston	10292	3	281
17	Southbridge	341	31	32
18	Springfield	114	32	2
19	Springston	187	2	0
20	Tai Tapu	221	7	0
21	West Melton	843	6	9
22	Whitecliffs	95	7	1
23	* Non_SW_Serveced	4642	8395	1104

* All properties outside SW scheme areas do not receive stormwater service.

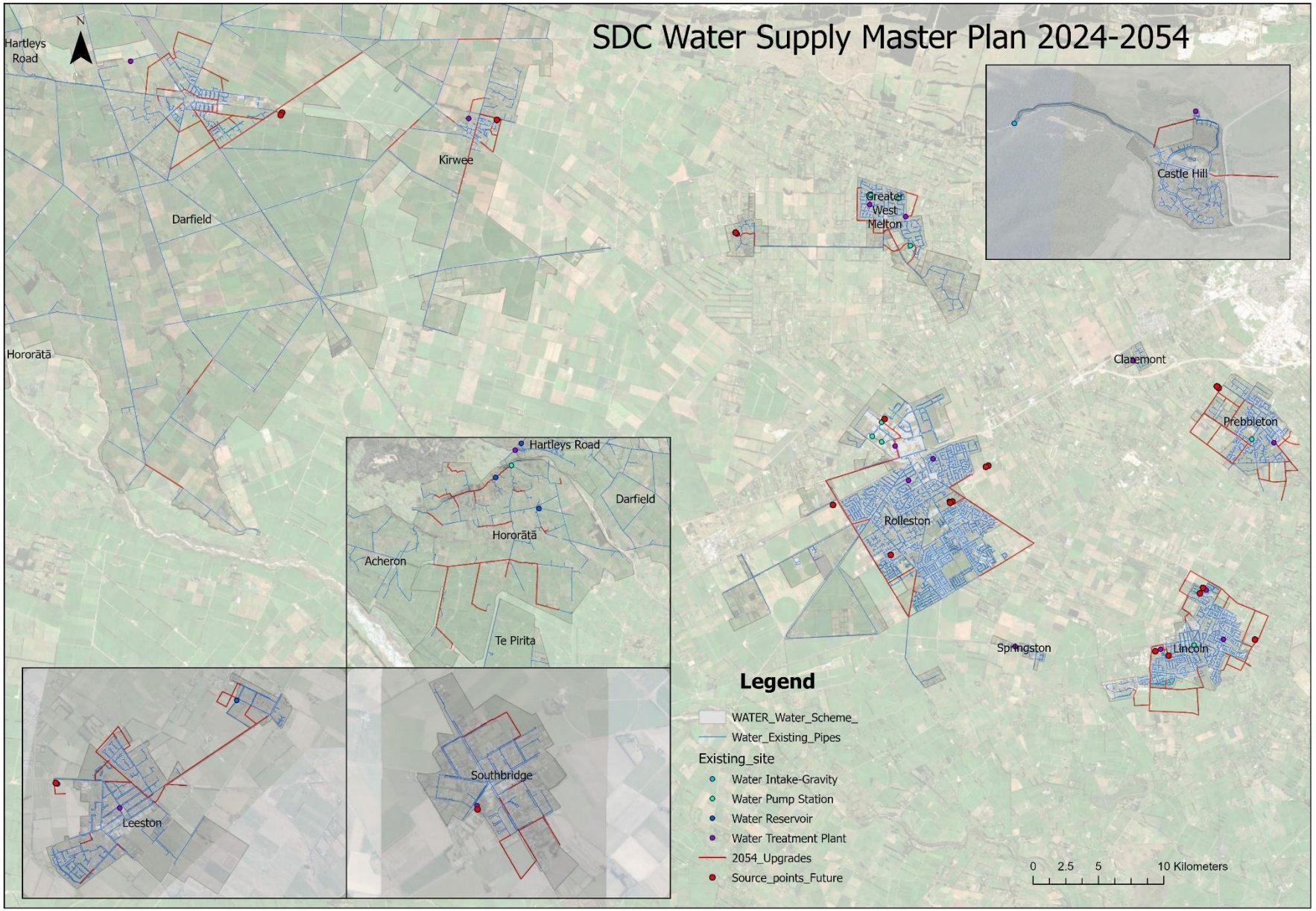
Appendix B: Indicative growth areas

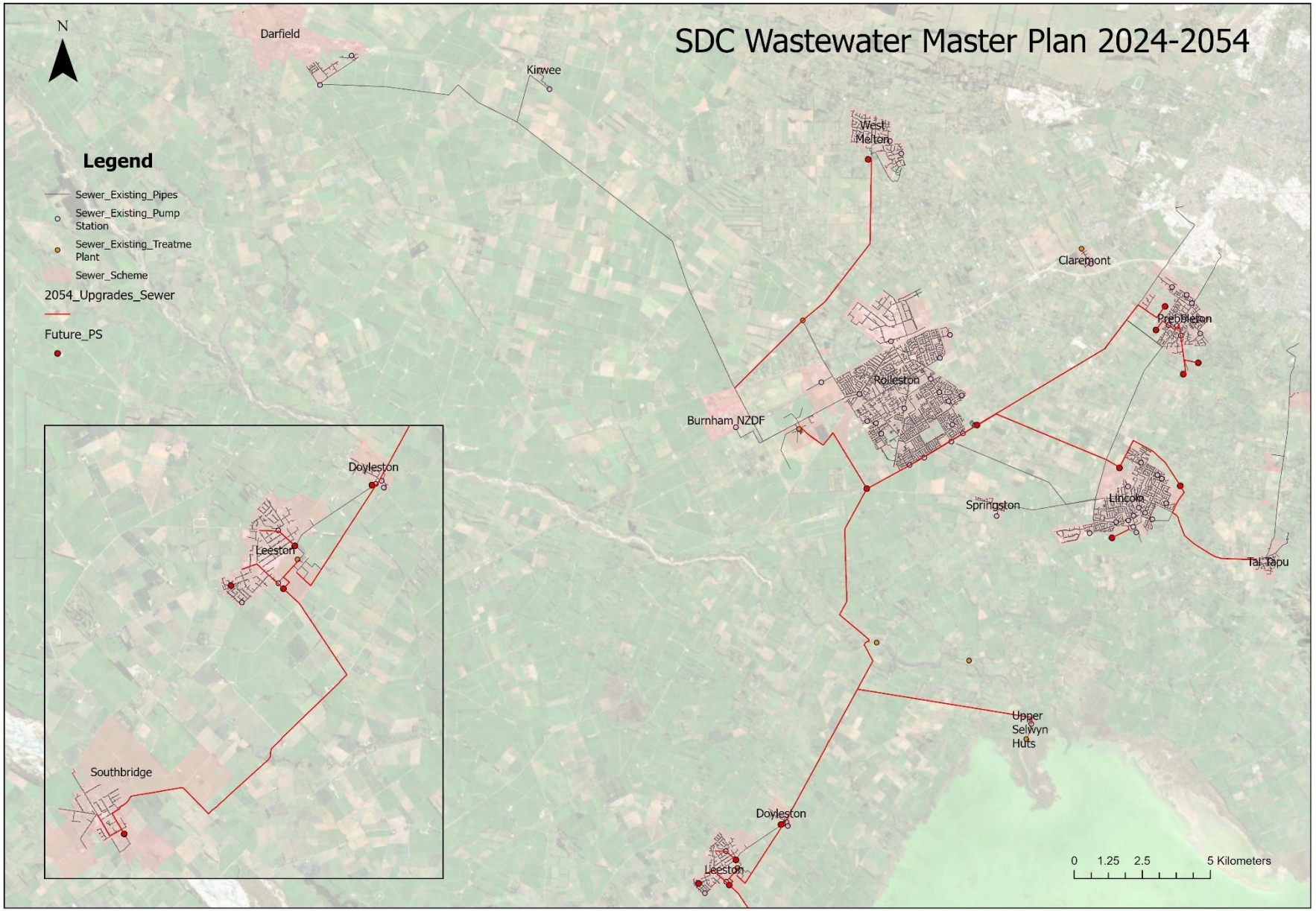
The following map and table include indicative growth areas identified through projected growth planning as part of the District Plan and approved plan changes. These areas may be subject to increased intensification as enabled through MRZ.

Council is developing new Area Plans for the district, guided by the vision and framework of Waikirikiri Ki Tua – Future Selwyn which will be subject to public engagement. These will replace the existing Malvern and Ellesmere Area Plans and introduce the first Area Plan for Eastern Selwyn. Area Plans are non-statutory spatial plans that provide targeted direction for growth and investment, helping to realise our long-term aspirations for Waikirikiri Selwyn. They will identify new Future Development Areas and be implemented through the Long-Term Plan, District Plan changes, and other Council policies and projects.


SDC LTP 2024-2034 - Growth Areas
N
DAR 1
DAR 2***
Z12
PC63
DAR 3*
DAR 8
DAR 4
Darfield
DAR 6**
Z13-A
Z16
Z14
Z13-B
Z15-A
Z15-B
KIR 2
KIR 1
Z18
Kirwee
Z17
U13
Z23
Castle Hill
CHVZ
Z25
West Melton
Z24
DEV-WM5
DEV-WM2
PC67-A
PC67-B
DOY 1
DOY 3
Doyleston
DOY 2
LEE 2
LEE 4
Z21
Z22
Z11
PC62
Leeston
LEE 3
Industrial
X1
Z1
U1
PC66
Z2
PC68
PR5
Prebbleton
PC72
PC80
District Park
PC71
Rolleston
Z3
Dev-RO7
PC75
PC78
Z4
PC76
Z6
Z5
Dev-RO7
PC70
Z8
PC64
PC64
Z7
Springston
Z19
Z21
Z20
Lincoln
Z10A
Z10
U9
PC69
STH 1
STH 2
X1
STH 3
Southbridge
PC34
STH 4
STH 5
Legend
SDC_Boundary
Growth
District
Private Plan Change Areas
Strategic Area - Area Plan
Uncertain
Zones
Term
Short
Medium
Long
0
1
2
4 Kilometers

Name	Town	Area_Ha	Capacity
Z23	Castle Hill	4.5	50
U13	Castle Hill	8.07	81
CHVZ	Castle Hill	17.35	0
DAR 2***	Darfield	163.94	328
DAR 1	Darfield	94.59	315
DAR 3*	Darfield	22.04	60
DAR 4	Darfield	67.16	134
DAR 6**	Darfield	30.74	100
DAR 8	Darfield	110.68	0
PC63	Darfield	62.85	450
Z12	Darfield	141.91	284
Z13-A	Darfield	23.8	366
Z14	Darfield	11.96	113
Z15-B	Darfield	109.73	219
Z16	Darfield	42.23	450
Z13-B	Darfield	14.64	29
Z15-A	Darfield	48.59	748
DOY 2	Doyleston	8.83	118
DOY 3	Doyleston	6.84	47
DOY 1	Doyleston	3.22	22
KIR 2	Kirwee	52.79	528
KIR 1	Kirwee	22.46	225
Z17	Kirwee	33.59	237
Z18	Kirwee	32.76	153
LEE 2	Leeston	55.7	185
LEE 4	Leeston	61.43	205
LEE 3 - Industrial	Leeston	5.83	0
PC62	Leeston	43.36	303
Z11	Leeston	21.82	231
X1	Leeston	11.98	108
Z21	Leeston	5.89	12
Z22	Leeston	12.28	25
PC69	Lincoln	195.51	2346
U9	Lincoln	17.74	213
Z10	Lincoln	21.81	327
Z27	Lincoln	16.39	246
Z10A	Lincoln	4.22	63
Z19	Lincoln	5.01	52
Z20	Lincoln	9.65	80
PC72	Prebbleton	28.71	431
PC68	Prebbleton	71.82	1085
PR5	Prebbleton	16.48	232
PC71	Rolleston	38.31	566
PC75	Rolleston	24.66	371
PC70	Rolleston	69.3	1247
PC64	Rolleston	54.41	816
PC66	Rolleston	26.95	0
PC73	Rolleston	87.47	22
PC76	Rolleston	12.96	194
PC78	Rolleston	63.31	949
PC80	Rolleston	98.27	0
District Park	Rolleston	102.99	0
U1	Rolleston	51	0
Z7	Rolleston	3.99	60
Z6	Rolleston	38.21	639
Z5	Rolleston	21.41	236
Z4	Rolleston	23.43	281
Z3	Rolleston	92.61	1389
Z8	Rolleston	4	60
Z1	Rolleston	48.95	0
Z2	Rolleston	28.07	0
PC64	Rolleston	24.95	374
School	Rolleston	10.26	0
PC73	Rolleston	212	2400
STH 1	Southbridge	3.95	40
STH 2	Southbridge	18.7	187
STH 3	Southbridge	2.72	27
STH 4	Southbridge	10.9	36
STH 5	Southbridge	7	23
PC34	Southbridge	5.93	56
X1	Southbridge	1.37	18
PC67-A	West Melton	27.63	425
Z24	West Melton	20.67	152
Z25	West Melton	12.63	0
U12-A	West Melton	5.53	83
PC67-B	West Melton	5.91	12
U12-B	West Melton	10.74	109


SDC Water Supply Master Plan 2024-2054
N
Hartleys Road
Kirwee
Darfield
Hororātā
Greater West Melton
Castle Hill
Claremont
Prebbleton
Rolleston
Springston
Lincoln
Hartleys Road
Darfield
Hororātā
Acheron
Te Pirita
Leeston
Southbridge
Legend
WATER_Water_Scheme_
Water_Existing_Pipes
Existing_site
Water Intake-Gravity
Water Pump Station
Water Reservoir
Water Treatment Plant
2054_Upgrades
Source_points_Future
0 2.5 5 10 Kilometers


SDC Wastewater Master Plan 2024-2054
N
Legend
Sewer_Existing_Pipes
Sewer_Existing_Pump Station
Sewer_Existing_Treatme Plant
Sewer_Scheme
2054_Upgrades_Sewer
Future_PS
Darfield
Kirwee
West Melton
Claremont
Prebbleton
Rolleston
Burnham NZDF
Springston
Lincoln
Tai Tapu
Doyleston
Leeston
Southbridge
Upper Selwyn Huts
Doyleston
Leeston
0 1.25 2.5 5 Kilometers

4.

Appendix C: Community outcomes and levels of service statements

Water services contribution to Waikirikiri Selwyn community outcomes

Council activities are focused on achieving community outcomes. The three waters activities aim to deliver the results required to achieve these outcomes, contribute to community wellbeing, align with Council strategies, and meet legislative requirements.

More information on our Community Outcomes can be found in the Council's LTP 2024-2034, including the roles Council will take and who we will partner with to contribute to and advance community wellbeing.

	Drinking Water	Wastewater	Stormwater
Environmental: Waikirikiri | Selwyn's whenua | land, wai | water and Taonga o te Taiao | biodiversity are protected and enhanced. Our towns are cleaner and greener and we address climate change			
En.1 - A clean | taiao environment			
En.1.1 - We will live within our air, soil, water, and Taonga o te Taiao|biodiversity limits	✓	✓	✓
En.1.2 - Healthy wai|water, wetlands, and waterways	✓	✓	✓
En.1.3 - We utilise smart and toitū|sustainable practices	✓	✓	✓
En.1.4 - Te Waihora / Ellesmere being restored		✓	✓
En.2 - Liveable low carbon towns			
En.2.1 - Growth that consolidates and intensifies towns	✓	✓	✓
En.2.2 - A town network supported through their strong inter-connections	✓	✓	✓
En.3 - Protect productive and diverse land			
En.3.1 - Important land, landscapes, and features are valued	✓	✓	✓
En.3.2 - Our biodiversity, including indigenous Taonga o te Taio|flora and fauna, is thriving	✓	✓	✓
Social: Waikirikiri | Selwyn is a resilient district and a great place to live, work, and play; where our takata | people support each other, enjoy spending time together and feel a sense of honoka | connection			
S.1 - Honoka | Connected community			
S.1.1 - We have good health, social, and community facilities that are accessible to all residents of the district	✓	✓	✓
S.1.2 - We have access to a range of community services and activities that support wellbeing	✓	✓	✓
S.1.3 - We have access to housing which suits the changing needs of the diverse demographics within our district	✓	✓	✓
S.1.4 - We have affordable ways to easily connect with the facilities, services, and communities within and outside of our district			
S.1.5 - We have cohesive communities that support volunteering and build capacity.			

S.2 - Strong neighbourhoods			
S.2.1 - We are safe at home and in the community	✓	✓	✓
S.2.2 - We are ready for emergency events and disasters	✓	✓	✓
S.2.3 - We can effectively respond to, and recover from, emergency and disaster events	✓	✓	✓
S.3 - Active and educated community			
S.3.1 - We have access to good quality information and a range of lifelong learning opportunities			
S.3.2 - Everyone who lives in and outside of the district can enjoy our environment	✓	✓	✓
S.3.3 - We have access to resources to help our takata|people increase their bi-cultural competency and cultural knowledge			
S.3.4 - We can participate in community life	✓	✓	✓
S.3.5 - We can play and be physically active			
Economic: Waikirikiri | Selwyn is a prosperous diverse economy that employs and empowers our takata | people and invests in our towns and communities			
E.1 - A district of opportunity			
E.1.1 - Local businesses support each other			
E.1.2 - There are employment opportunities for our takata|people			
E.1.3 - Innovation and investment are fostered			
E.1.4 - There is a strong diverse economy, supported by a sustainable rural sector	✓	✓	✓
E.1.5 - The district is a key regional freight and logistics hub supported by an efficient freight network	✓	✓	✓
E.2 - Quality innovative infrastructure			
E.2.1 - Our infrastructure is adaptive and resilient	✓	✓	✓
E.2.2 - Our transport system is effective and accessible with a range of choices			✓
Cultural: Waikirikiri | Selwyn is a collection of connected multicultural and diverse communities. We have mana upholding partnerships which allows our takata | people to thrive, and everyone has a place to call home			
C.1 - A district which values its culture and heritage			
C.1.1 - Our district celebrates its arts and culture; our traditions are carried with us			
C.1.2 - Local and cultural history and heritage are preserved, shared, and promoted.		✓	✓
C.1.3 - Our wāhi taonga|places of tribal significance, wāhi tapu|sites of special association, and wāhi ingoa|place names are protected	✓	✓	✓
C.2 - Inclusive communities			
C.2.1 - Each town's unique identity as well as the rural identity, are promoted	✓	✓	✓
C.2.2 - Active, responsive, and respectful partnerships with Mana whenua and Tangata whenua	✓	✓	✓
C.2.3 - The identity of Mana whenua communities is promoted			

Levels of service statements

Targets set in the Long Term Plan 2024-2034 are detailed in the following tables, including clarification or additions reflecting changes in guidance.

Drinking Water

Table 8: Drinking Water KPIs – SDC LTP 2024-2034

Objective	Service Level	Related Community outcomes	Performance Measure	Mandatory Yes/No	24/25	25/26	26/27	2027-34
To minimise nuisance effects from water services	**Water Take Compliance:** The water supply network is managed in accordance with resource conditions.	En.1.1, En.1.2, En.1.3, En.2.2, En.3.1, En.3.2, S.2.2, S.2.3, S.3.2, S.3.4, C.1.3, C.2.2, E.1.4, E.1.5, E.2.1	Compliance with resource consents for surface water takes for water supplies measured by the number of: a) abatement notices b) infringement notices c) enforcement orders; & d) successful Prosecutions	Yes (Environment Canterbury)	a) Nil b) Nil c) Nil d) Nil			
	Customer Satisfaction: The water supply network is managed to give a good quality service.	En.1.3, En.2.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.4, C.2.1, E.1.4, E.1.5, E.2.1	The total number of complaints received about drinking water clarity, continuity of supply, odour, taste, pressure or flow and response to these issues, expressed per 1000 rated properties.	Yes	Less than 15			
To address problems with water services in a timely manner and prioritised according to risk and need	**Fault Response:** Times Water system faults or problems are attended to promptly by contractors and/or staff	En.1.3, En.2.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.4, C.2.1, E.1.4, E.1.5, E.2.1	Where personnel attend an urgent call-out in response to a fault or unplanned interruption in the reticulation system. The median response times measures the: a) attendance time: from the time that personnel receive notification to the time that service personnel reach the site; b) resolution time: from the time that personnel receive notification to the time that service personnel confirm resolution of the fault or interruption.	Yes	a) Less than 4 hours b) Less than 48 hours			

Objective	Service Level	Related Community outcomes	Performance Measure	Mandatory Yes/No	24/25	25/26	26/27	2027-34
		En.1.3, En.2.2, S.1.1, S.1.2, S.1.3, S.3.4, C.2.1, E.1.4, E.1.5, E.2.1	Where personnel attend a non-urgent call-out in response to a fault or unplanned interruption in the reticulation system. The median response times measures the: a) attendance time: from the time that personnel receive notification to the time that service personnel reach the site; b) resolution time: from the time that personnel receive notification to the time that service personnel confirm resolution of the fault or interruption.	Yes	a) Less than 24 hours b) Less than 120 hours			
To provide service capacity is provided to accommodate growing communities, where this growth is sustainable	**Serviced Area:** The water supply network is provided to growing communities, where this growth is sustainable	En.1.3, En.2.1, En.2.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.4, C.2.1, E.1.4, E.1.5, E.2.1	The proportion of residential properties serviced by water supplies within Waikirikiri Selwyn expressed as a percentage of total residential properties	No	≥80%			
	Maintenance of the Reticulation Network: The water supply network is managed to minimise the leakage or loss from the network	En.1.1, En.1.2, En.1.3, S.1.1, S.1.2, S.1.3, S.2.2, S.2.3, E.1.4, E.1.5, E.2.1	The percentage of real water loss from the water reticulation system in urban schemes. Determined through a water balance calculation for each supply, using a nationally agreed methodology (BenchlossNZ)	Yes	20%			
	Demand Management: There is enough water supplied to meet customer needs	En.1.1, En.1.2, En.1.3, En.2.1, En.2.2, S.1.1, S.1.2, S.1.3, S.2.2, S.2.3, S.3.4, E.1.4, E.1.5, E.2.1	The average consumption of drinking water per day per resident	Yes	Less than 0.47m3 per person per day within urban schemes			
				Yes	95%	98%	100%	

Objective	Service Level	Related Community outcomes	Performance Measure	Mandatory Yes/No	24/25	25/26	26/27	2027-34
	Safety of Drinking Water: It is safe to drink and complies with the Drinking Water Standards of New Zealand	En.1.3, En.2.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.4, C.2.1, E.1.4, E.1.5, E.2.1	The extent to which the drinking water supplies comply with the bacteria and protozoa treatment requirements of DWQAR, measured on a daily basis. DWQAR – define as Drinking Water Quality Assurance Rules (Taumata Arowai) [6]		(of the days that Water treatment plants are in operation) Apply to all schemes.			
			The extent to which the drinking water supplies comply with the DWQAR rules for chlorine levels in the distribution on a monthly basis. Compliance period is 1 month). DWQAR – define as Drinking Water Quality Assurance Rules (Taumata Arowai)[2]	Yes	85%	90%	95%	100%
					To all schemes except L1. (Jowers Rd, Taumutu, Te Pirita and Upper Selwyn Huts)			

An adjustment of two of the Drinking Water KPIs set in the SDC LTP 2024-2034 is noted in the following table, to reflect a new guideline for the Non-Financial Performance Measures Rules 2024 released by DIA in September 2024, following the adoption of the LTP 2024-2034 in July 2024. In the interest of completeness, the adjustments are disclosed as additional KPIs.

Table 9: Safety of Drinking Water KPI – Adjustment

Objective	Service Level	Related Community outcomes	Performance Measure	Mandatory Yes/No	24/25	25/26	26/27	2027-34
		En.1.3, En.2.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.4, C.2.1, E.1.4, E.1.5, E.2.1	The extent to which the drinking water supplies comply with the bacteria and protozoa treatment requirements of DWQAR. DWQAR – define as Drinking Water Quality Assurance Rules (Taumata Arowai)	Yes	95%	98%	100%	

[6] *Further Details under SDC LTP 2024-2034.*

Objective	Service Level	Related Community outcomes	Performance Measure	Mandatory Yes/No	24/25	25/26	26/27	2027-34
To provide service capacity is provided to accommodate growing communities, where this growth is sustainable	**Safety of Drinking Water:** It is safe to drink and complies with the Drinking Water Standards of New Zealand		Applies to all supplies. All supplies except Taumutu will be measured against the level 3 (large supply >500 population) treatment rules for bacteria and protozoa compliance for UV treatment (daily compliance period). Taumutu will be measured against the level 1 (small) treatment rules. (*)		(of the days that Water treatment plants are in operation) Apply to all schemes.			
To provide service capacity is provided to accommodate growing communities, where this growth is sustainable	Safety of Drinking Water: It is safe to drink and complies with the Drinking Water Standards of New Zealand	En.1.3, En.2.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.4, C.2.1, E.1.4, E.1.5, E.2.1	The extent to which the drinking water supplies comply with the DWQAR rules for the frequency of monitoring E. coli and Total Coliforms in the distribution system. DWQAR – define as Drinking Water Quality Assurance Rules (Taumata Arowai) Applies to Level 1 (small 26-100 population), level 2 (medium 101 – 500 population) and level 3 (large >500 population) supplies. The compliance period is 3 monthly for Level 1 supplies, and monthly for Level 2 and 3 supplies (**) 1. Acheron (D2), 2. Arthurs Pass (D2), 3. Castle Hill (D2), 4. Claremont (D2), 5. Dalethorpe (D2), 6. Darfield (D3), 7. Dusandel (D3), 8. Greater West Melton (D3), 9. Hartley's Road (D3), 10. Hororātā (D3), 11. Jowers Rd (D1), 12.Kirwee (D3), 13. Lake Coleridge (D2), 14. Leeston (D3), 15. Lincoln (D3), 16. Prebbleton (D3), 17. Rakaia Huts (D2), 18. Rolleston (D3), 19. Sheffield (D3), 20. Southbridge (D3),21. Springfield (D3), 22. Springston (D3), 23. Tai Tapu (D3), 24. Taumutu (D1), 25. Te Pirirta: (D1), 26. Upper Selwyn Huts (D1)	Yes	98%	100%		

Wastewater

Table 10: Wastewater KPIs – SDC LTP 2024-2034

Objective	Service Level	Related Community outcomes	Performance Measure	Mandatory Yes/No	24/25	25/26	26/27	2027-34
To minimise nuisance effects from water services	**Discharge Compliance:** The wastewater network is managed in accordance with resource consent conditions	En.1.1, En.1.2, En.1.3, En.1.4, En.3.1, En.3.2, S.1.1 S.1.2, S.2.1, S.2.2, S.2.3, S.3.2, S.3.4, C.1.2, C.1.3, C.2.1, C.2.2, E.1.4, E.1.5, E.2.1	Compliance with resource consents for discharge from the wastewater system measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) Successful prosecutions. Received from Environment Canterbury.	Yes	a) Nil b) Nil c) Nil d) Nil			
	Customer Satisfaction: The wastewater network is managed to give a good quality service	En.1.2, En.1.3, En.2.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.2, S.3.4, C.1.3, C.2.1, E.1.4, E.1.5, E.2.1	The total number of complaints received about sewage odour, system blockages system faults and response to issues with its sewerage expressed per 1000 rated properties	Yes	Less than 6			
To address problems with water services in a timely manner and prioritised according to risk and need	**Fault Response Times:** Wastewater system faults or problems are attended to promptly by contractors and/or staff	En.1.2, En.1.3, En.1.4, En.2.2, S.1.1 S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.2, S.3.4, C.1.3, C.2.1, E.1.4, E.1.5, E.2.1	Where personnel attend wastewater overflows resulting from a blockage or other fault in the wastewater system. The median response time measures the: a) attendance time: from the time that the personnel receives notification to the time that service personnel reach the site; b) resolution time: from the time that the personnel receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Yes	a) Less than 1 hour b) Less than 24 hours			

Objective	Service Level	Related Community outcomes	Performance Measure	Mandatory Yes/No	24/25	25/26	26/27	2027-34
To provide service capacity to accommodate growing communities, where this growth is sustainable	**Serviced Area:** The wastewater network is provided to growing communities, where this growth is sustainable	En.1.1, En.1.2, En.1.3, En.1.4, En.2.1, En.2.2, En.3.1, En.3.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.2, S.3.4, C.1.3, C.2.1, E.1.4, E.1.5, E.2.1	The proportion of residential properties serviced by wastewater services within the district expressed as a percentage of total residential properties	No	≥65%			
To provide the community with water services to a standard that protects their health and property	**System Adequacy:** The wastewater network is managed to give a good quality service	En.1.1, En.1.2, En.1.3, En.1.4, En.2.1, En.2.2, En.3.1, En.3.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.2, S.3.4, C.1.3, C.2.1, C.2.2, E.1.4, E.1.5, E.2.1	The number of wastewater overflows from the wastewater system, expressed per 1000 rated properties: a) Dry weather overflow (Mandatory Performance Measure) b) Wet weather overflow	Yes	a) Less than 0.5 overflow b) Less than 0.5 overflow			

Stormwater

Table 11: Stormwater KPIs – SDC LTP 2024-2034

Objective	Service Level	Related Community outcomes	Performance Measure	Mandatory Yes/No	24/25	25/26	26/27	2027-34
To minimise adverse effects of water services on the environment	**Discharge Compliance:** The stormwater network is managed in accordance with resource consents conditions	En.1.1, En.1.2, En.1.3, En.1.4, En.3.1, En.3.2, S.2.1, S.3.2, S.3.4, C.1.2, C.1.3, C.2.1, C.2.2, E.1.4, E.1.5, E.2.1, E.2.2	Compliance with resource consents for discharge from the stormwater system measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) successful prosecutions	Yes	a) Nil b) Nil c) Nil d) Nil			

Objective	Service Level	Related Community outcomes	Performance Measure	Mandatory Yes/No	24/25	25/26	26/27	2027-34
To minimise nuisance effects from water services	**Customer satisfaction:** To minimise nuisance effects from water services	En.1.3, En.2.1, En.2.2, S.1.1, S.1.2, S.1.3, S.2.1, S.2.2, S.2.3, S.3.2, S.3.4, C.1.2, C.1.3, C.2.1, E.1.4, E.1.5, E.2.1, E.2.2	The number of complaints received about the performance of the stormwater system, expressed per 1000 rated properties.	Yes	Less than 20			
	Response Times: Flooding events are attended promptly by contractors and/or staff		The median response time to attend a flooding event measured from the time that personnel receives notification to the time that service personnel reach the site.	Yes	Less than 1 hour for urgent flooding events Note: Urgent define as P1 Critical under Corde Contract			
	System Adequacy: The stormwater system is maintained adequately and minimises flooding		The number of flooding events that occur as a result of overflow from the stormwater system that enters a habitable floor	Yes	Nil in less than 50-year storm events			
			For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system	Yes	Nil per 1,000 connected properties in less than 50-year storm events			

Appendix D: Water modelling

Firefighting capacity

Water Supply Scheme	Firefighting sufficient	Comments
Acheron	No	Restricted supply Network and WTP not designed to achieve this and not required. There are a few hydrants that provide some water (not 12.5 l/s) but primarily used for flushing.
Arthurs Pass	Partial	WTP yes, majority of township network yes but network has some small pipes.
Castle Hill	Yes	
Claremont	Yes	
Dalethorpe	No	Restricted supply Network and WTP not designed to achieve this and not required. There are a few hydrants that provide some water (not 12.5 l/s) but primarily used for flushing.
Darfield	Partial	Township yes, rural area restricted so no
Dunsandel	Yes	
Greater West Melton	Yes	
Hartley's Road	Partial	Restricted supply network and WTP not designed to achieve this and not required. There are a few hydrants that provide some water (not 12.5 l/s) but primarily used for flushing.
Hororātā	Partial	Restricted supply Network and WTP not designed to achieve this and not required. There are a few hydrants that provide some water (not 12.5 l/s) but primarily used for flushing.
Jowers Road	No	Network and WTP not designed to achieve this and not required.
Kirwee	Partial	Township yes, rural area restricted so no
Lake Coleridge	Yes	
Leeston	Yes	
Lincoln	Yes	
Prebbleton	Yes	
Rakaia Huts	Yes	
Rolleston	Yes	
Sheffield	Partial	Township yes, rural area restricted so no
Southbridge	Partial	WTP yes, majority of township network yes but network has some small pipes in areas so not complete coverage.

Water Supply Scheme	Firefighting sufficient	Comments
Springfield	Partial	Township yes, rural area restricted so no
Springston	Yes	
Tai Tapu	Partial	Township yes, rural area restricted so no
Taumutu	No	Network and WTP not designed to achieve this and not required
Te Pirita	No	Network and WTP not designed to achieve this and not required. Hydrants on scheme are for flushing and some flow.
Upper Selwyn Huts	No	Network and WTP not designed to achieve this and not required.

Water loss modelling

Table 12: Summary of Water Loss Performance Indicators (and % NRW) for SDC 26 Water Supply Schemes for 2023/2024

Supply Area		Real Water Losses (measure reported depends on density of connections > or < 20 conns/km main)		Infrastructure Leakage Index (ILI)	Percentage Real Losses (DIA)	Percentage Non-Revenue Water*
Zero or negative result not realistic. Report notional losses.		l/conn/day	M3/km/main/day	(indicative as very small system)	(suggested nominal % for reporting)	(see Note below)
1	Acheron Water Supply		1.2	1.1	16.0%	16.6%
2	Arthur's Pass Water Supply	510		10.7	57.3%	60.1%
3	Castle Hill Water Supply	334		8.7	68.7%	70.1%
4	Claremont Water Supply	48		0.9	2.9%	3.7%
5	Darfield Water Supply		1.8	2.2	16.9%	18.3%
6	Dunsandel Water Supply	110		1.8	8.1%	10.4%
7	Greater West Melton Water Supply	66		1.0	6.7%	9.1%
8	Hororata Water Supply		1.8	1.1	17.8%	18.4%
9	Jowers Road Water Supply		2.8	4.3	16.3%	18.9%
10	Kirwee Water Supply		3.1	2.6	24.5%	26.2%
11	Lake Coleridge Water Supply		3.1	1.8	48.5%	51.0%
12	Leeston – Doyleston Water Supply	472		7.6	45.1%	46.7%
13	Lincoln Water Supply	139		2.4	18.5%	20.6%
14	Dalethorpe Rural Water Supply		1.9	1.6	21.8%	22.4%

15	Hartleys Rural Water Supply		1.4	0.9	12.6%	13.2%
16	Prebbleton Water Supply	91		1.7	11.5%	13.7%
17	Rakaia Huts Water Supply	168		3.2	30.0%	32.2%
18	Rolleston Water Supply	162		2.5	16.6%	18.7%
19	Sheffield/Waddington Water Supply		2.7	2.7	35.0%	36.3%
20	Southbridge Water Supply	434		7.6	37.2%	39.0%
21	Springfield Water Supply		8.5	7.9	55.8%	56.9%
22	Springston Water Supply	49		1.3	6.7%	9.5%
23	Tai Tapu/Otahuna Water Supply		3.6	2.9	18.0%	19.4%
24	Taumutu Water Supply	35		0.6	12.3%	15.8%
25	Te Pirita Water Supply		4.5	6.5	44.4%	46.2%
26	Upper Selwyn Huts Water Supply	288		13.2	48.6%	49.4%
	Combined Systems		**3.9**	**2.6**	**19.8%**	**21.6**
	Urban Systems	**194**		**2.8**	**20.2%**	**22.1%**

*Note: The percentage of Non-Revenue Water (the ration of water 'not sold' (billed) to water supplied) is considered a financial indicator, not a water loss performance indicator.

Appendix E: Thirty year infrastructure planning

These projects and programmes align with the Major Projects and Decisions identified in the Selwyn District Infrastructure Strategy 2024-2054, updating to reflect a focus on the WSDP on the three waters, and focussing on the potential expenditure in Years 20234/35 to 2054/55, beyond the other financial disclosures in this WSDP.

The following tables identify plans (principal option) for responding to each of the key challenges and identified issues as outlined in the Infrastructure Strategy. These 'plans' are assessed for benefit, cost, and sustainability impact. Where more detail is known about intended responses, costs estimates (uninflated) have been provided as well as identifying the timing and driver of capital works: growth, maintaining level of service and/or renewing assets. As a number of these projects are scheduled over the next thirty years, there is a level of uncertainty with each. The tables include planning assumptions underpinning each of project or big decision.

MANAGING WHAT WE HAVE WHILE PLANNING FOR THE FUTURE

Issue	What are we doing (principal option)?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
Pipelines will deteriorate as they come to the end of their useful lives which could result in failures.	**Project:** Optimised, proactive pipe replacement programme based on asset condition and criticality assessments.	Limits potential risk of failure. Minimises disruption and maintains LOS. Improve public health and environmental outcomes or mitigate adverse effects on them. Optimises the whole-of-life cost of assets.	$103m total $21.7m - wastewater $70.1m – water supply $11.1m - stormwater	2034/35 to 2053/54			✓
	Assumptions	• Replacement programmes can be developed to extend the asset lives of pipes and enable infrastructure work across Council activities to be co-ordinated at the same location requiring minimal establishments and re-work. • Works can be completed within planned programme budgets and resourcing • Pipes do not deteriorate to failure point prior to programmed replacement • Asset information used for renewals programming are sufficiently complete and accurate					
	Alternative options and implications	Replacement programmes are developed based solely on asset lives and condition assessments and are not optimised alongside Council's infrastructure programmes	**-LOS:** Increased disruption resulting from multiple works	**+$:** Lost cost efficiencies if works aren't completed together in a coordinated way			

Issue	What are we doing (principal option)?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
		Reactive pipe repair of failures or replacement as failures occur	**-LOS:** Pipe failures will result in service disruption and potential for public health and environmental harm		**+$:** Reactive repairs are more costly. Loss of service has financial impacts on community		
	Sustainability impact	• Minimised environmental harm from potential failures • Co-ordinated infrastructure works supports potential for "Build efficiently" carbon reduction equating to 0-20% reduction in carbon emissions (t-CO2e)					
Growth and demand is placing pressure on available water take volumes and capacity	**Future Decision and Project:** Programme to plan for new water source requirements, including infrastructure upgrades, and securing of necessary consents.	Increases security, resilience and redundancy of supply. Maintains current LOS (without the need to implement the Demand Management Strategy).	483m	2034/35 to 2053/54	✓	✓	
	Assumptions	• Growth occurs in line with projections • Per capita water demand is static or decreases slightly • Additional water sources can be consented and developed or existing consents transferred • Current consents can be renewed with the same level of water take or additional water take to service demand					
	Alternative options and implications	Reduce water use – implement Demand Management Strategy. Restrictions would be required to increase as growth continues	**-LOS:** Demand management requires reduction in water use by our communities. Will reduce current LOS		**-$:** Less cost to Council but community wellbeing, including economic likely to be negatively impacted		
		Limit growth to acceptable level within existing consent takes	**-LOS:** Reduced growth opportunity within District. Inconsistent with broader growth outcomes (Council, Greater Christchurch and national planning)		**-$:** Less cost to Council but community wellbeing, including economic likely to be negatively impacted		
	Sustainability impact	• Water demand must be managed to give effect to Te Mana o te Wai for all sources used to supply water schemes, including surface water and groundwater					
	Future Decision and Project: Planned programme of consent renewals to plan for new water source requirements, including infrastructure upgrades, and securing of necessary consents.	Increases security, resilience and redundancy of supply. Maintains current LOS (without the need to implement the Demand Management Strategy).	$1.9m	2034/35 to 2053/54	✓	✓	

Issue	What are we doing (principal option)?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
Some of our resource consents for water takes will be expiring over the next thirty years. The changing regulatory environment may impact on our ability to renew some consents in their current form	**Assumptions**	• Growth occurs in line with projections and demand does not exceed capacity • Additional water sources are able to be consented and developed or existing consents transferred • Current consents can be renewed with the same level of water take or additional water take to service demand					
	Alternative options and implications	Reduce water use – implement Demand Management Strategy. Restrictions would be required to increase as growth continues	**-LOS:** Demand management requires reduction in water use by our communities. Will reduce current LOS		**-$:** Less cost to Council but community wellbeing, including economic likely to be negatively impacted		
		Limit growth to acceptable level within existing consent takes	**-LOS:** Reduced growth opportunity within District		**-$:** Less cost to Council but community wellbeing, including economic likely to be negatively impacted		
	Sustainability impact	• Water demand must be managed to give effect to Te Mana o te Wai for all sources used to supply water schemes, including surface water and groundwater					
Some of our resource consents for discharges (wastewater and stormwater) will be expiring over the next thirty years. The changing regulatory environment may impact on our ability to renew some consents in their current form	**Future Decision and Project:** Renewal of discharge and disposal consents. Catchment management planning for stormwater.	Continuity of supply/services – maintains current LOS. Improved environmental and cultural outcomes	$0.25m (wastewater) $1.32m (stormwater)	2034/35 to 2053/54		✓	✓
	Assumptions	• Council can secure consents for continued operation of Five Waters assets • Future restrictions on disposal methods/water quality can be managed operationally • Climate impacts will be as projected • Change in land use does not significantly impact groundwater levels or quality					
	Alternative options and implications	Infrastructure upgrades (i.e., retrofit stormwater treatment; improve wastewater treatment processes) to achieve new consent requirements	/LOS: Unlikely to affect LOS		**+$:** Likely to result in increased cost		
		Limit growth in catchments with restrictive resource consent conditions	**-LOS:** Reduced growth opportunity within District. Inconsistent with broader growth outcomes (Council, Greater Christchurch and national planning)		**-$:** Less cost to Council but community wellbeing, including economic likely to be negatively impacted		
	Sustainability impact	• Catchment management planning and investments to achieve consent renewals is likely to lead to better environmental outcomes					

Issue	What are we doing (principal option)?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
Growth and increasing demand requiring additional capacity provision in The Pines WWTP	**Project:** Develop design to ensure that appropriate capacity levels are reserved to match growth and 50-year treatment and disposal projections. Options for treatment and staging of further upgrades to increase capacity to 130,000PE by FY53/54 are developed. Ultimate planning for expansion to 180,000 PE in 50 years. Heat and Power (radiant heat recovery systems) upgrade.	Expansion is delivered with the lowest possible impact on emissions for the whole-of-lifecycle. Expansion of the Eastern Selwyn Sewerage Scheme (ESSS) may enable future decommissioning of less efficient WWTP facilities (i.e., Leeston WWTP and Upper Selwyn Huts).	$89m	Staged: 2036/37 to 2049/50	✓	✓	✓

Assumptions	• Growth occurs at projected rates and capacity is available as modelled • Additional land for disposal can be secured • Required resource consents can be secured • Options to replace existing aerobic digestion with anaerobic digestion treatment processes can be implemented as part of future renewal requirements • Existing methods for managing biosolid waste will become unaffordable and unavailable for increasing quantities in the longer term • Biosolids can be used locally (reducing transport emissions) • Viable alternative electricity sources can be established		
Alternative options and implications	Expansion option occurs based on aerobic treatment, with different costs and environmental benefits	**-LOS:** Greater impact of operations on environment, including carbon emissions	**+$:** Increased operational costs to management of produced biosolids including (electricity, land requirement, transport of biosolids)
	Limited upgrade(s) restricting additional capacity	**-LOS:** Constrained growth opportunity within District	**-$:** Less cost to Council but community wellbeing, including economic likely to be negatively impacted through restriction of growth
Sustainability impact	• Support efforts to reduce carbon from wastewater treatment plant operations • Requirements for biosolids (sludge) removal to landfill are minimised • Reduced power use, from the grid, at Pines WWTP • Reduced emissions on a per capita/volumetric basis		

Issue	What are we doing (principal option)?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
Management and cost inefficiencies of dispersed water treatment supplies, limited resilience and increasing nitrate levels	**Future Decision:** Investigations for viability and concept design for centralised water supply treatment. May enable future decommissioning of some existing WTP facilities.	Maintain LOS. Improve public health and environmental outcomes or mitigate adverse effects. Utilise low nitrate water sources. Achieve efficiencies of scale including operational costs	$400m	2034/35 to 2042/43	✓	✓	
	Assumptions	• Centralised water takes for high growth areas of plains can be consented including transfer of existing consents • Growth occurs at projected rates • Low nitrate water is available at required rates • Nitrate concentrations in groundwater remain high across the Plains					
	Alternative options and implications	Water supply schemes across the District retain separated sources and treatment plants	**-LOS:** Does not achieve efficiencies and resilience improvements. Does not address high nitrate levels in some schemes	**-$:** Reduced upfront investment costs			
		Council invests in nitrate removal technologies rather than providing low-nitrate source water	**-LOS:** Investment reduces nitrate but does not provide other efficiencies and resilience improvements	**+$:** Increased cost to implement			
	Sustainability impact	• Support efforts to reduce carbon through building efficiently and adopting innovative technologies where possible. May extend to carbon reductions in-line with "build less" potential as fewer assets and facilities are required to maintain service delivery.					
Increasing need to treatment of stormwater prior to discharge to meet compliance and ensure protection of receiving environment, health and cultural outcomes	**Future Decision:** Look for opportunities for retro-fitting stormwater treatment processes; Set strategic direction for stormwater treatment in areas of discharge to ground.	Environmental impacts of surface water discharges are mitigated; Compliance with changing regulations proactively managed.	$ 37.32m	2034/35 to 2053/54		✓	✓
	Assumptions	• Strategic planning can identify land available for stormwater retention/detention/treatment where centralised facilities are required (i.e., in wet areas) • Future resource consents will require treatment for discharges to ground. Retrofitting of urban areas may be required					
	Alternative options and implications	Adopt a wait and see approach to implement the requirements for stormwater management as changes to regulatory requirements are confirmed/at consent renewal	**-LOS:** Does not achieve improvements now	**+$:** Delayed action may increase ultimate costs to Council and decrease the number of viable options including for land purchase			

Issue	What are we doing (principal option)?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
	Sustainability impact	• Ability to treat stormwater to remove pollutants as well as control its volume and rate of discharge • Biodiversity and habitat improvements/protection - improve the mana and ecosystem health of downstream waterbodies, including Te Waihora					
Potable water losses (approx. 20% in 2022/23)	**Project:** Identification of water leakage/loss. Leakage addressed through metering and renewals.	Improved water efficiencies. Water treatment demands managed from existing resources.	$,000/year () $70.1m (pipeline renewals)	2034/35 to 2053/54		✓	✓
	Assumptions	• Appropriate cost recovery based on development contributes to works • Parts of network causing water losses can be identified					
	Alternative options and implications	Demand management for treated potable water consumption to account for losses	**-LOS:** Demand management requires reduction in water use by our communities. Will reduce current LOS	**-$:** Less cost to Council but community wellbeing, including economic likely to be negatively impacted			
	Sustainability impact	• Mitigates the risks of disruption incidents through making additional capacity available within existing networks • Supports climate change mitigation by maintaining an acceptable Level of Service through managing resource consumption alongside the risks of drought or lowering groundwater levels					
Potential for contamination from wastewater pipe networks inflow/infiltration (I/I)	**Project:** Identification and management of I/I risks.	Capacity increased within existing infrastructure. Reduced contamination risk – public health and environmental benefits.	$21.7m (WW pipeline renewals)	2034/35 to 2053/54	✓	✓	✓
	Assumptions	• Climate impacts will be as projected and not reach tipping point in this period (increasing weather events which could result in I/I and changes to groundwater levels) • Parts of network at risk of I/I can be identified					
	Alternative options and implications	Status quo – minimal addressing of identified I/I and potential contamination through backflow. This may not be compliant with current and future changes in consents and water standards.	**-LOS:** Higher risk including public health and environmental outcomes, as well as continuity of service if issue arises	**+$:** Delayed action may increase ultimate costs to Council			
	Sustainability impact	• Climate change adaptation to partially manage the anticipated impacts of extreme rainfall events and high groundwater levels					

BALANCING FUNDING AND RESOURCE CONSTRAINTS

Issue	What are we doing?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
Increased construction and operating costs	**Future Decision:** Prioritising programme within available funding and debt limits.	Ensure programme affordability.	Unknown	Ongoing			
	Assumptions	• Cost increases will not exceed forecasts (including inflation)					
	Alternative options and implications	Complete programmes without prioritisation, and alignment with other works	**-LOS:** Increased disruption to non-prioritised works		**+$:** Non-prioritised programme increases costs		
	Sustainability impact	• None identified					
Cost of supply change shift to low carbon/zero carbon	**Future Decision:** Prioritising low carbon/zero carbon to meet targets.	Meet net zero carbon target. Regulatory compliance.	TBC	Ongoing			
	Assumptions	• Market movements will support financially viable alternatives and low/zero carbon options					
	Alternative options and implications	• No alternative option to transition to compliance with changing legislative requirement					
	Sustainability impact	• Reduce GHG emissions, supporting transition to net zero carbon.					
Under insured and uninsured assets	**Project:** Review insurance requirement of assets.	Support potential recovery from adverse events (including climate change related).	Unknown	Ongoing			
	Assumptions	• Adequate insurance can be achieved on priority assets					
	Alternative options and implications	Status quo – no change to insurance arrangements	**-LOS:** resulting from impacts of underinsured assets, including potential delays to recovery		**+$:** Lower costs associated with initial cost to cater for future demand		
	Sustainability impact	• Supports recovery of services and assets					
Financial sustainability of Council infrastructure activities	**Future Decision:** Participating and advocation in sector changes, Local Government review relating to funding models.	Appropriate and adequate funding models. Financially viable delivery of services.	No funding requirement known	Ongoing			
	Assumptions	• Opportunity to review local government funding at a national level					
	Alternative options and implications	• No viable alternative options identified					
	Sustainability impact	• Financial sustainability of infrastructure services					

MANAGING CHANGE: RESPONDING TO LEGISLATIVE REFORM

Issue	What are we doing (principal option)?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
Changing regulatory and operating framework including Resource Management reforms	**Future Decision:** Participating in sector changes and advocating for our communities; Routine (operational) consent compliance monitoring and trending.	Managing land and resources efficiently. Compliance with changing regulations. Improve public health and environmental outcomes or mitigate adverse effects on them.	No funding requirement known	Ongoing	✓		✓
	Assumptions	• Ability to secure new consents and renew existing consents (particularly for 5 Waters services) under existing planning frameworks, with new regional planning framework coming into effect in late 2024. • Legislative frameworks do not change significantly (drinking water quality rules, planning frameworks, etc.) • Changes to wider regulatory and operational framework can be incorporated into activity					
	Alternative options and implications	• No alternative option to compliance with legislative environment					
	Sustainability impact	• None identified at this stage of reform					
Changing regulatory and operating framework including Local Water Done Well water reforms	**Future Decision:** Participating in sector planning and advocating for the best outcomes for our communities in future water services delivery.	Compliance with changing regulations.	No funding requirement known	Ongoing		✓	
	Assumptions	• Three waters reform legislation will be repealed and water reform (Local Waters Done Well) will progress as indicated by Government. • Legislative frameworks do not change significantly (e.g., drinking water quality rules, planning frameworks) • Changes to wider regulatory and operational framework can be incorporated into activity • No significant changes to the operation of Waters activities will occur within the initial 3 year planning period					
	Alternative options and implications	• No alternative option to compliance with legislative environment					
	Sustainability impact	• Non identified at this stage of reform					

RESPONDING TO RISK, SUSTAINABILITY AND CLIMATE CHANGE

Issue	What are we doing?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
Diesel use and GHG emissions.	**Future Decision:** Seeking technological and fuel improvements to reduce diesel consumption in our activities, including all infrastructure contracts.	Reduction in diesel use – GHG emissions reduction	TBC	TBC		✓	
	Assumptions	• Technological advances in EV or other low emission fuels will become viable and commercially available within an appropriate timeframe to comply with net zero emissions targets					
	Alternative options and implications	• Alternative options are dependent on emergence of technologies and available options					
	Sustainability impact	• Reduced GHG emissions through replacement/reduction of diesel use					
Carbon neutral/renewable electricity sources	**Future Decision:** Review electricity contract to include carbon neutral supply. Explore opportunities to install renewable energy generation in conjunction with building construction or retrofitting projects.	Reduced GHG emissions. Reduce electricity cost/requirement through installation of renewable energy on Council buildings.	TBC	2027/28 (carbon neutral electricity) & ongoing			✓
	Assumptions	• Available commercial option to secure carbon neutral electricity contract • Ability to include renewable energy generation within projects/renewals					
	Alternative options and implications	Status quo – no change to electricity contract or generation	**-LOS:** no impact on ability to reduce carbon emissions	**/$:** no change to current operating costs			
		Dedicated programme to develop renewable energy generation across Council building and site assets	**+LOS:** Improved energy generation and use. Reduced carbon emissions	**+$:** Increased costs to implement, with whole of life return / minimisation of operational costs			
	Sustainability impact	• Reduced GHG emissions through reducing/replacement of energy needs with renewable source and contracted supply of electricity to carbon neutral					

Issue	What are we doing?	What is the benefit?	How much will it cost? (in 2023 $)	When are we doing it?	Growth	LOS	Renew
Increasing need for protection of 3 Water assets and / or services in changing environmental conditions (including climate change and sea level inundation)	**Future Decisions and Projects:** Monitoring risk to service delivery. Reviewing catchment strategies particularly coastal and affected areas. Adaptation of stormwater networks. Developing and restoring wetlands.	Protection of 5 Waters infrastructure assets and security of service where appropriate.	TBC			✓	✓
	Assumptions	• Climate impacts will be as projected and not reach tipping point in this period • Change in land use does not significantly impact groundwater levels or quality					
	Alternative options and implications	Do nothing: do not prioritise resilience	**-LOS:** will impact on asset and community resilience and ability to recover. Disruption to services resulting from events	**+$:** initial cost savings through lack of investment in resilience improvements but this will incur significant costs when assets are impacted, and require recovery			
	Sustainability impact	• Investment in infrastructure upgrades and renewals can be focussed on areas where the risks are already well understood and will remain in-service for longer periods.					

Appendix F: Significant forecasting assumptions

Assumption Area	Source	Stated Assumption	Level of Uncertainty	Risk	Consequence rating	Potential Impact/ Consequence if assumption is wrong
Capital Expenditure: Capital Delivery	LTP 2024-2034 (updated to reflect change in operating model)	Delivery of all forecast capital works will be fully achieved over the period of the WSDP, based on the current assumptions of level of growth, no significant change to regulation requirements, procurement methodology, contractual arrangements or expectations of level of service. Note: historic annual actuals <100% delivery against budget.	Moderate	Changes may occur, undermining current planning and design assumptions. Delays may occur due to external factors including consent timing, land purchases and resource availability.	High	Growth may be delayed. Ability to achieve agreed levels of service and to remain compliant with regulatory and consenting. Potential impact on borrowing, debt levels and resourcing requirements.
Capital Expenditure: Timing and level of capital expenditure	LTP 2024-2034 (updated to reflect change in operating model)	Timing and costs of capital projects and associated operating costs are as determined through Council and the CCO's activity management planning processes. The financial impacts of changes to timing of capital expenditure would be impacted by inflation, and cost of borrowing.	High	There is a risk that capital projects may not occur as planned. This may have an impact on the costs of the project. In periods of high inflation and cost escalations there is also a risk that actual project costs will vary from those forecasts.	High	If projects do not occur as planned, capital expenditure in any year may differ from that forecast and delay may also change the cost of individual projects. The Council and/or WSCCO will consider the impact of any change as part of the annual budget processes and consider the financial implications of any cost changes.
Capital Expenditure: Funding	LTP 2024-2034 (updated to reflect change in operating model)	Assumptions have been made on how each capital project included in the WSDP will be funded. The Council's policy in relation to the funding of capital expenditure is set out in the Revenue and Financing Policy that is included in the Long Term Plan. The CCO's funding is consistent with this approach.	Moderate	There is a risk that sufficient funds will not be available to pay for the planned capital projects. For example, because growth does not provide sufficient funding from development contributions or the community considers that required rate rises are not affordable. There is also a risk that depreciation funds will be utilised affecting funding for renewals.	Moderate	The Council and WSCCO will assess the availability of funds as part of the annual budget process and if funds are not available, it may revise the capital programme that is set out in the Long Term Plan and WSDP.

Assumption Area	Source	Stated Assumption	Level of Uncertainty	Risk	Consequence rating	Potential Impact/ Consequence if assumption is wrong
Development Contributions	LTP 2024-2034 (updated to reflect change in operating model)	Development Contributions (DCs) will remain available to fund network infrastructure commensurate with growth forecasts. At such time as DCs are replaced with development levies, a similar level of cost recovery will be achieved.	Moderate	There is a risk that policy implementation and methodology restrictions will affect the ability to collect contributions/levies or the method by which contributions are calculated.	Moderate	If contributions/levies are less than assumed, the WSCCO may need to increase its future charges or debt to cover any shortfall or delay upgrade works.
Insurance	LTP 2024-2034 (updated to reflect change in operating model)	An appropriate level of insurance will be secured by Council and the WSCCO for water services assets. That premiums to be paid are affordable. That increases in Insurance Premiums will be similar to CPI. That Central Government will provide a sufficient share for post event works as per the National Civil Defence and Emergency Management Plan to the WSCCO on a basis consistent with territorial authority funding. Underground assets will be partly self-insured.	Moderate	There is a risk that insurance will be difficult to secure. There is a risk that insurance premiums will rise more rapidly than expected.	High	Assets may not be able to be insured in a similar manner to the current approach and different options may need to be considered. This includes increasing reserve funds and higher excess sums. Premiums will exceed budget allocation and savings will be required in insurance policies or funds will need to be reallocated from other areas of expenditure.
Asset Information	New	Current condition, criticality and performance data is suitably accurate to support reasonable investment requirements as described in the Asset Management Plan for the purposed WSDP.	Low	There is a risk that asset condition, criticality or performance data may not accurately reflect the asset portfolio and investment requirement.	Moderate	Planned programmes may not reflect required works.
Unserviced areas and Small Waters	New	Unserviced schemes (if any) will not require access to Council / WSCCO reticulated supplies – no funding has been allocated. New infrastructure investment will be provided in response to growth and development areas (as per approved Selwyn District Plan, Outline Development Plans and Plan Changes).	Low	Insufficient infrastructure and capacity to service or connect.	Moderate	If additional projects are required, the Council and/or WSCCO will need to consider the impact of any change as part of the annual budget processes including the financial implications, potentially increasing rates/water charges and debt.

Assumption Area	Source	Stated Assumption	Level of Uncertainty	Risk	Consequence rating	Potential Impact/ Consequence if assumption is wrong
		No transfer of small water schemes (e.g., reserves and campgrounds) to the WSCCO – these will be retained by SDC.				
Asset Valuation	LTP 2024-2034 (updated to reflect change in operating model)	The Council revalues its assets so that carrying values are maintained at fair value based on condition. It is assumed that revaluations will take place a minimum of every three years and that replacement value of the assets will reflect construction costs. Council's valuation provides a fair and reasonable basis for transfer asset value planning, with an updated valuation to inform transfer value, acknowledging asset base changes up to transfer date.	Moderate	There is a risk that price level changes will be greater or lower than those assumed and that revaluation movements will be higher or lower than forecast. There is a risk that the value assigned at the transfer of assets may not accurately reflect the change to asset holdings by the Council or CCO.	Moderate	If price levels increase by more than forecast, the value of the assets and the associated depreciation charge will increase. If price levels increase by less than that forecast, the value of the assets and associated depreciation will increase less quickly. The impact of any such changes on rates will depend on whether the depreciation charge is funded by rates. Renewals are funded and spread over a long timeframe. Changes to asset transfer not recognised in the valuation may impact on the CCO's intended funding of renewals in the first financial year, requiring readjustment in a future planning cycle.
Procurement	New	No changes to the current procurement process for water services anticipated within the projected budgets and planned operating model.	Low	Risk that alternative procurement approach may be taken within the planned delivery period.	Moderate	Potential reduction in delivery (operational and capital), impacting on level of service, and ability to service growth. May require changes to current resourcing.
Operational Delivery	New	No changes to the current delivery of operational and capital works under the current contract prior to the end of the contractual arrangement.	Low	Contract changes may result in operational impacts which would need to be managed through any change.	Moderate	Financial impacts to change within contract period.

Assumption Area	Source	Stated Assumption	Level of Uncertainty	Risk	Consequence rating	Potential Impact/ Consequence if assumption is wrong
Legislation: Bill 3 Enactment	New	Local Government (Water Services) Bill will be enacted in September/October 2025, with contents largely consistent with the current Bill.	Moderate	There is a risk that the Local Government (Water Services) Bill will be enacted later, or with material changes to the current form.	Moderate	Changes to the draft may impact on establishment work undertaken and assumptions / planning outlined in this WSDP. Deferment may delay WSCCO establishment execution beyond 20 December 2025 including intended asset transfer, and require extended transitional services.
Adverse Events	LTP 2024-2034 (updated to reflect change in operating model)	No major impact from an adverse event, should one occur during the period covered by the WSDP, for example earthquake, pandemic or significant flood. While events may occur at any time, Council's planning will focus on operational resilience and Emergency Management and the WSCCO will focus on business continuity planning and responsibilities as a Lifeline Utility.	High	There is a risk that a major adverse event will occur and result in damage to assets and additional costs.	High	Any major adverse event will have a significant impact on the Council, WSCCO and the community. The Council and WSCCO seeks to mitigate this risk through its Civil Defence, Lifeline Utility responsibilities, business continuity planning, risk management and insurance policies.
Climate Change Impacts	LTP 2024-2034 (updated to reflect change in operating model)	Climatic changes in the Selwyn District are assumed to be in line with those anticipated in recognised publications and documented in the Council's report 'Impact of Climate Cycles and Trends on Council Assets (2023)' prepared by Aqualink Research Ltd. Anticipated changes include: • Under a mid-range emission scenario, through to 2050, annual average temperatures may be between 0.5 1.5°C warmer • The annual number of hot days (maximum temperature 25°C and above) is projected to increase by 10 20 days through to 2050	Moderate	Despite forecasts, adaptation and mitigation strategies, there is risk of extreme events which cannot be predicted.	Moderate	Council and WSCCO priorities and budgets may need to be redirected to address any unforeseen risks and issues, climate changes are likely to be adopted to as part of future LTPs and Water Services Strategies if the assumption is wrong.

Assumption Area	Source	Stated Assumption	Level of Uncertainty	Risk	Consequence rating	Potential Impact/ Consequence if assumption is wrong
		• The number of frost days each year (minimum temperature 0°C and below) is projected to decrease by 10-30 days, especially for inland parts of the district • Winter rainfall is projected to increase considerably through to 2100 in many eastern, western and southern parts, with 15-40% more rainfall under a high emission scenario • If global emissions remain high, sea levels will increase by a further 0.21m by 2050 and 0.67m by 2100, coastal communities and infrastructure. The consequences of climate changes and increases in the number and scale of severe weather events include damage to facilities, infrastructure and property and disruption to services and supply chains.				
Growth and Planning	Future Selwyn growth forecasting and planning	No significant changes in the management of infrastructure assets, are expected in the short term as a result of growth. Actions required in the 2024-27 period can be accommodated within current forecasts on the basis of approved growth.	Moderate	There is a risk that the visions and initiatives identified through the District wide strategy process cannot be accommodated through current planning, funding and delivery mechanisms. There is a risk that additional approved or facilitated growth beyond projections may not be aligned to funding or ability to deliver.	Moderate	Changes in service (demand, performance, condition, resourcing) may be required as a result of growth and development exceeding planning. Additional growth response may impact on Council / WSCCO funding capacity (debt and timing/sufficiency of development contributions) or require rephasing of planned capital programmes.

Assumption Area	Source	Stated Assumption	Level of Uncertainty	Risk	Consequence rating	Potential Impact/ Consequence if assumption is wrong
Population Change	LTP 2024-2034 (updated to reflect change in operating model)	The Selwyn District population will continue to grow at a high rate (around 3%) as outlined in our Growth and Demand Report, similar to that experienced over the past ten years. Growth will be focused in Rolleston and the Eastern Selwyn area, with moderate rates elsewhere. Details of the population and household numbers are included in the accompanying report.	Moderate	There is a risk that the level of population growth will be higher or lower than the projections and that the timing of population growth will differ from that in the model.	Moderate	The Council and WSCCO has based their plans for the management and expansion of its infrastructure on the population projections. Should growth occur at different rates, it can respond by accelerating, delaying or revising planned capital works. The level of revenue from development contributions will vary from that forecast if actual growth differs from the projections, but any variation will tend to mirror the need for capital expenditure, thereby mitigating the risk to the Council and/or WSCCO of any shortfall. If growth occurs at a different rate from the projections, the forecasts for the cost of service provision will differ from the actual. Any impact on the Council/CCO's financial performance will be mitigated because the change in forecast revenue from rates / water charges and fees and charges will tend to mirror the change in the cost of service provision.

Assumption Area	Source	Stated Assumption	Level of Uncertainty	Risk	Consequence rating	Potential Impact/ Consequence if assumption is wrong
Population Demographics	LTP 2024-2034 (updated to reflect change in operating model)	Population and demographic structure will remain similar for the district progressing to an aging population pattern. This looks like 13% over 65 in 2024; growing to 28% in 2034; and 24% in 2054. This is based on our Growth Model that is informed by Stats NZ population projections. Details of the population and demographic trends are included in the accompanying report.	Moderate	There is a risk that the assumptions are not correct meaning the age and household structures modelled are incorrect. This could also lead to lesser misalignment between the population and the services planned for.	Low	The Council and WSCCO have based its plans for the management and expansion of its infrastructure on the population projections assumptions. Should the nature of growth change (e.g. household structure), the type of investment will need to change.
Asset Lives and Depreciation	LTP 2024-2034: NAMS (updated to reflect change in operating model)	Asset lives will be as set out in the LTP statement of accounting policies, on the basis of IDS-Wai modelling for Drinking Water and Wastewater and remining life (asset valuation) for Stormwater.	Moderate	There is a risk that assets will wear out more quickly than forecast and require replacement earlier than planned.	Moderate	If assets require replacement more quickly than forecast, renewal or capital expenditure projects may need to be brought forward. The Council and/or WSCCO will consider the funding implications of any early replacements as they occur. Early replacement will result in a write off of the book value of the asset, increasing expenditure in the year it occurs.
Resource and Building Consents	LTP 2024-2034 (updated to reflect change in operating model)	Consents will continue to be able to be processed in statutory timeframes, and obtained for all necessary works and operations.	Moderate	There is a risk that the consents are delayed or that consent will not be obtained for the Council projects.	Moderate	If consent conditions change, expenditure may increase to comply with the conditions and this may have an impact on rate/water charges levels. If consents cannot be obtained for planned projects, the project may be delayed or may not go ahead.

Assumption Area	Source	Stated Assumption	Level of Uncertainty	Risk	Consequence rating	Potential Impact/ Consequence if assumption is wrong
Significance Policy	LTP 2024-2034 (updated to reflect change in operating model)	That the amendments to Council's Significance and Engagement Policy, including the identification of strategic assets will remain unchanged until the adoption of a Long Term Plan amendment to enable the asset transfer to the WSCCO.	Low	There is a risk that other activities will become more prominent and a desire for more comprehensive planning for those activities emerges as the focus shifts from water services.	Moderate	Council priorities and the approach to engagement are misaligned.
Income Tax	New	The WSCCO is exempt from income tax from establishment.	Low	There is a risk that amendments to clarify the status from commencement are not included in the final Act, resulting in the entity being taxable for a period.	Moderate	If not allowed for, the period of impact is limited.
Borrowing Costs	LTP 2024-2034 (updated to reflect change in operating model)	Interest on term debt is assumed to range between 3.84% and 5% p.a. throughout the period of the Long Term Plan. Borrowing is funded through the LGFA and borrowing margins for the WSCCO are not materially different than those for the Council.	Moderate	There is a risk that interest rates will differ from those assumed and that borrowing costs will be higher than those assumed.	Moderate	If borrowing costs are greater than those assumed, the Council or WSCCO may need to increase development contribution charges, rates/water charges or reduce expenditure. Conversely, lower borrowing costs may mean rates/water charges are lower than they would otherwise have been.
Covenants on borrowing	New	Borrowing from LGFA is subject to two financial covenants, with the level and path to achievement over up to five years being bespoke to each CCO, but assumed to be: • Funds from Operation (FFO) to Gross Debt ratio of at least 9% • FFO to Cash Interest Coverage of at least 1.50 times • The calculation of FFO includes 50% of Development Contributions • The covenants are to be met from FY2029/30 onward (five	Low	Covenants as agreed may not be achievable without significant changes to charges and/or timing of projects.	High	Increased margins on borrowings, at worst default on borrowings. Initial then annual reviews of charges and expenditure will mitigate this risk.

Assumption Area	Source	Stated Assumption	Level of Uncertainty	Risk	Consequence rating	Potential Impact/ Consequence if assumption is wrong
		years from establishment) and there is no interest margin penalty in the meantime, up to the point the covenants are met				
Notional Borrowing limit (secondary to covenants on borrowing)	New	A borrowing limit of 500% of revenue (as adjusted for 50% of Development Contributions) is adopted as a guideline for a prudent maximum borrowing level, and that at 30 June 2026, following transition of the water assets, the borrowings are close to this level at 442%.	Low	Longer term borrowings above this level, taken in conjunction with the LGFA covenants indicate higher risk levels to the CCO	Moderate	If borrowings remain at this level over time, there is likely to be less scope to react to adverse or unplanned events. The WSCCO mitigates this risk by setting its rates and fees and charges each year based on its forecast costs and likely borrowing profile for the following years.
Council guarantee on LGFA borrowings	New	Council provides a guarantee on the LGFA advances	Low	Guarantee not supplied, (nor the alternate of uncalled capital) resulting in direct borrowing from LGFA not being available from the point of transferring the assets to the CCO	High	Assets unable to be transferred to the CCO. The Council and WSCCO will agree on the mechanism prior to transfer.
Inflation	LTP 2024-2034 (updated to reflect change in operating model)	The level of prices is assumed to increase over the period of the WSDP for each activity area as forecast by BERL in October 2023. The level of increase assumed are set out in the Long-Term Plan. The assumed increases include general prices, pay costs and construction costs.	Moderate	There is a risk that price level changes will be greater or lower than those assumed and that costs and revenues will be higher or lower than forecast.	Moderate	Should the price level change differ from those assumed, expenditure, capital costs and revenues may differ from those forecast. The Council and WSCCO mitigates this risk by setting its rates and fees and charges each year based on its forecast costs for the following year.

Appendix G: Council resolution – Adoption of Water Services Delivery Plan

Resolution of Selwyn District Council Ordinary Meeting held on Wednesday 18 June 2025

8. **Water Services Delivery Plan**

Moved– Councillor Epiha / **Seconded** – Councillor Lyall

'That Council:

a. *Adopts the Water Services Delivery Plan, attached as Appendix A to this report.*

b. *Authorises the Chief Executive Officer to make minor changes (if required) to the Water Services Delivery Plan to allow for certification.*

CARRIED