



Ratonga wai

Water services

Let's look at how much we spend on our water services.

What's the issue?

The largest part of our budget for this draft 10 Year Plan is being set aside for infrastructure so we can meet the needs of our growing city. Like many places across Aotearoa New Zealand, we are facing a number of challenges with our drinking water, wastewater, and stormwater infrastructure. Even with increased investment since 2020–21, we can't keep on top of the levels of service required to meet our city's needs. The reality is that our water services infrastructure has suffered from considerable underinvestment spanning decades, and it desperately needs our attention.

There's no doubt we're up against a combination of challenges. Much of our water infrastructure is old, we have high levels of residential water use, and we're losing a lot to leaks. We have also heard and understand your frustration about the hundreds of leaks that can be seen across the city.

Simply put, we're using and losing more water than ever before, and we need to fix it.

Why does this matter?

If we don't increase our spend on water infrastructure, we risk greater water emergencies in the future. We need to provide Wellington Water with the funding to be able to fix more leaks as well as replace pipes to give us a reliable service now, and in the future.

It's time to take a stand to make sure the essentials are being taken care of.



We know a lot of investment is needed to bring our ageing water network up to date, right across our city.



➔ **See more about our water services at hutt.city/10yearplandocs**

What we need your help with

We want you to indicate to us the level of investment in water infrastructure you're willing to fund through rates.

We're looking at a short-term boost to investment to help clear the backlog of leaks and get Wellington Water in a better position to manage their regular workload of maintenance, repair and renewals. We also need to invest in long-term solutions to stop the leaks altogether.

Based on Wellington Water's advice, we're proposing a significantly higher investment in our water infrastructure from \$1 billion over 10 years in the Annual Plan 2023–24 to \$1.6 billion in our draft 10 Year Plan.

You may disagree with the options as presented and you can provide feedback on your preferred option.

\$78M



The proposal to install universal smart water meters is estimated to cost \$78 million and would take six years to roll out, starting in 2024–25. We will consult with the community if we plan to change how we charge households and businesses for water.

Learn more about water meters at hutt.city/10yearplandocs



Check out our city-wide water assets map on our website where you can see that our water infrastructure is made up of reservoirs, water treatment plants and water storage facilities.

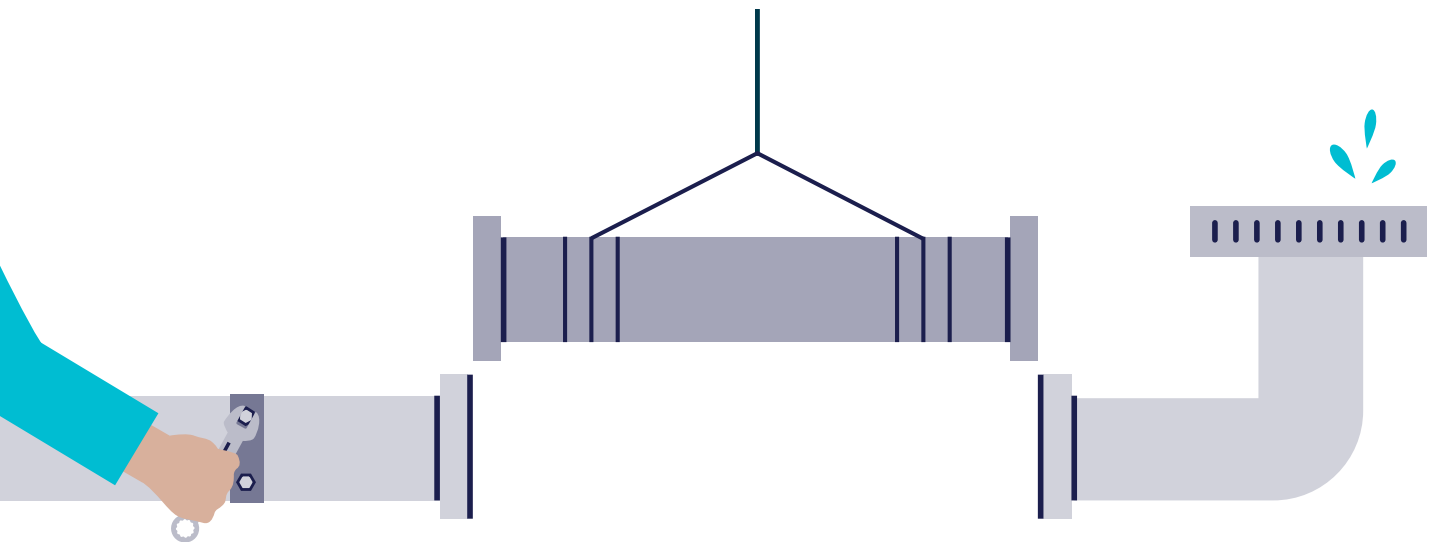
We know that this investment is still not enough. Wellington Water has recommended that we should invest in the maximum deliverable programme of work which will require us to increase investment by an additional \$1 billion over ten years (from the proposed \$1.6 billion up to \$2.6 billion). This additional investment would enable us to increase the length of pipe renewals to 30km a year, based on the qualified workforce able to deliver the works, which would address the backlog over the next 30 years.

We think these recommendations are unaffordable to be funded by ratepayers alone without reform or Government support. We therefore don't consider it to be a preferred option.

Our preferred option is based on what we think is affordable, while highlighting the need to crackdown on leaks. What we're proposing will get us into a position by the end of the year to operate at 'business as usual' and not caught in this serious backlog of leaks.

For more information on the main costs we're facing, check out our supporting documents on our website.

For us to take the next steps to sort out our water services, we're asking for your help to indicate to us the level of investment you're willing to fund through rates.



1912 leaks have been fixed

since 1 July 2023 (as of February 2024).

14.5km of pipes were renewed

in 2022–23. A significant increase from an average of 4km in previous years.

839 leaks are currently across our city

(as of February 2024) and this number won't come down without additional funding and resources.

★ Preferred

Option 1

Increased water infrastructure budget of \$1.6 billion over 10 years, including water meter installation and additional \$2.8 million to resolve backlog of leak repairs

- ✓ Water meters will help the community see their water use at home
- ✓ Installing water meters will help identify leaks and show how serious they are, which means Wellington Water can prioritise repairs
- ✓ Allows us to better operate our Seaview Wastewater Treatment Plant according to our consents
- ✓ We will get on top of the backlog of leaks by the end of 2024
- ✓ Will help Wellington Water meet its goal of 20 day response time to leak notifications
- ✓ Critical infrastructure, such as reservoirs, pumping stations and main network pipes will be renewed meaning major outage disruptions are less likely to occur
- ✗ Local pipe networks will deteriorate with the likelihood of more local outages or disruption to services
- ✗ The backlog in renewals will increase over the 10 year period
- ✗ Responsibility to address the backlog will fall unfairly on future ratepayers

This option would largely maintain the current levels of service over the next ten years.

Rates Impact* \$49 impact in 2024–25 progressively increasing to an additional \$1,245 per year in 2033–34**



Debt Impact^ Additional \$573 million over 10 years

Additional operating cost^^ \$185 million over 10 years

Option 2

Increased water infrastructure budget of \$2.6 billion over 10 years, including water meter installation and the maximum level of pipe renewals we can deliver

All benefits of Option 1 plus:

- ✓ Less leaks likely across the network
- ✓ Network is upgraded to meet demand
- ✓ Achieves targeted investment of 30km of pipe renewals per annum
- ✓ More investment now will mean less costs on future generations
- ✓ Enables us to better meet statutory performance measures
- ✗ Big increase to rates

This option would improve the current levels of service over the next ten years.

Rates Impact* \$49 impact in 2024–25 progressively increasing to an additional \$3,423 per year in 2033–34**



Debt Impact^ Additional \$1.4 billion over 10 years

Additional operating cost^^ \$392 million over 10 years

* Rates figures are included to provide an indicative impact to an average residential property. Individual property charges will vary dependent upon property value and rating category. The calculation of the rates impact includes the estimated capital, debt servicing and known ongoing operational costs for the project compared to rates in 2023–24.

** There would be further rates increases beyond the 10 year period of the plan as the proposed programme continues beyond this period.

^ The debt impact presented is the net debt requirement after offsetting capital subsidy from Upper Hutt City Council for shared Wastewater assets.

^^ Operating cost estimate does not include assumptions for additional costs of maintenance and operations of assets.

Note: Included in option 1 is a rates increase impact of around 1% in the first year, then 2%–3% per year from 2025–26 to 2029–30. In option 2 there is further additional rates revenue increases of about 4% per year from 2025–26 to 2030–31. The preferred option focuses on extra operational budgets for water meters and water leaks backlog but does not include the broader unavoidable budget increases which have also been included in the base budget.