

Local Water Done Well Elected Member Briefing

Water services delivery plan update

18 February 2025

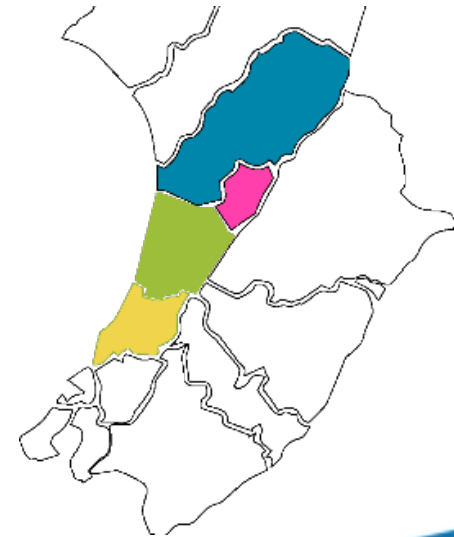
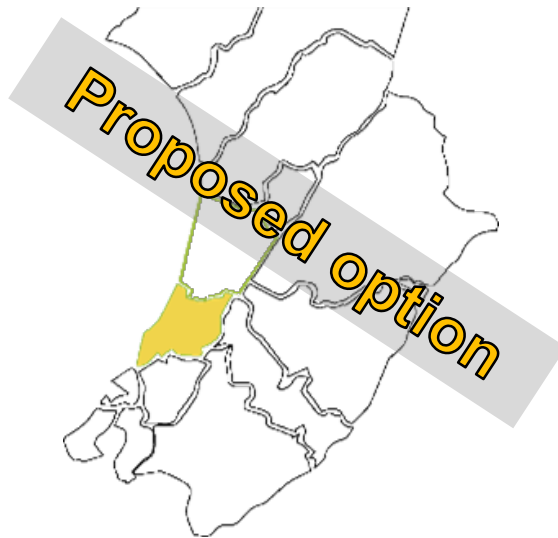
Purpose of this briefing

- Overview of the consultation approach
- Drivers for change
- Further work on the financials
- How standing orders are addressed
- Communications
- Next steps

Water Delivery Model Options

	"One" Council IBU New KCDC IBU
Population	58,750
Connections	24,500

	"Four" Council CCO KCDC, HDC, MDC & PNCC
Population	223,750
Connections	71,212



What is important to Kapiti



Public Ownership

Our water assets remain in public ownership.



Financial

Our water service is financially sustainable and maintains affordable, fair and transparent charging for customers.



Safe and reliable services

Our community continues to receive safe, reliable, efficient and effective water services



Local priorities

Our water services organisation recognises local priorities in planning for the future and catering for growth



Mana whenua








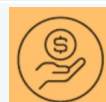

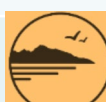


Mana whenua aspirations and concepts have a meaningful influence in managing our water



Resilience

Our water organisation is resilient – it remains strong and functional in all circumstances

Options overview

	“One” Council internal Business Unit	“Four” Council COO KCDC, HDC, MDC & PNCC
Public Ownership		
Safe and reliable services		
Mana whenua		
Financial		
Local priorities		
Resilience		

Drivers for change

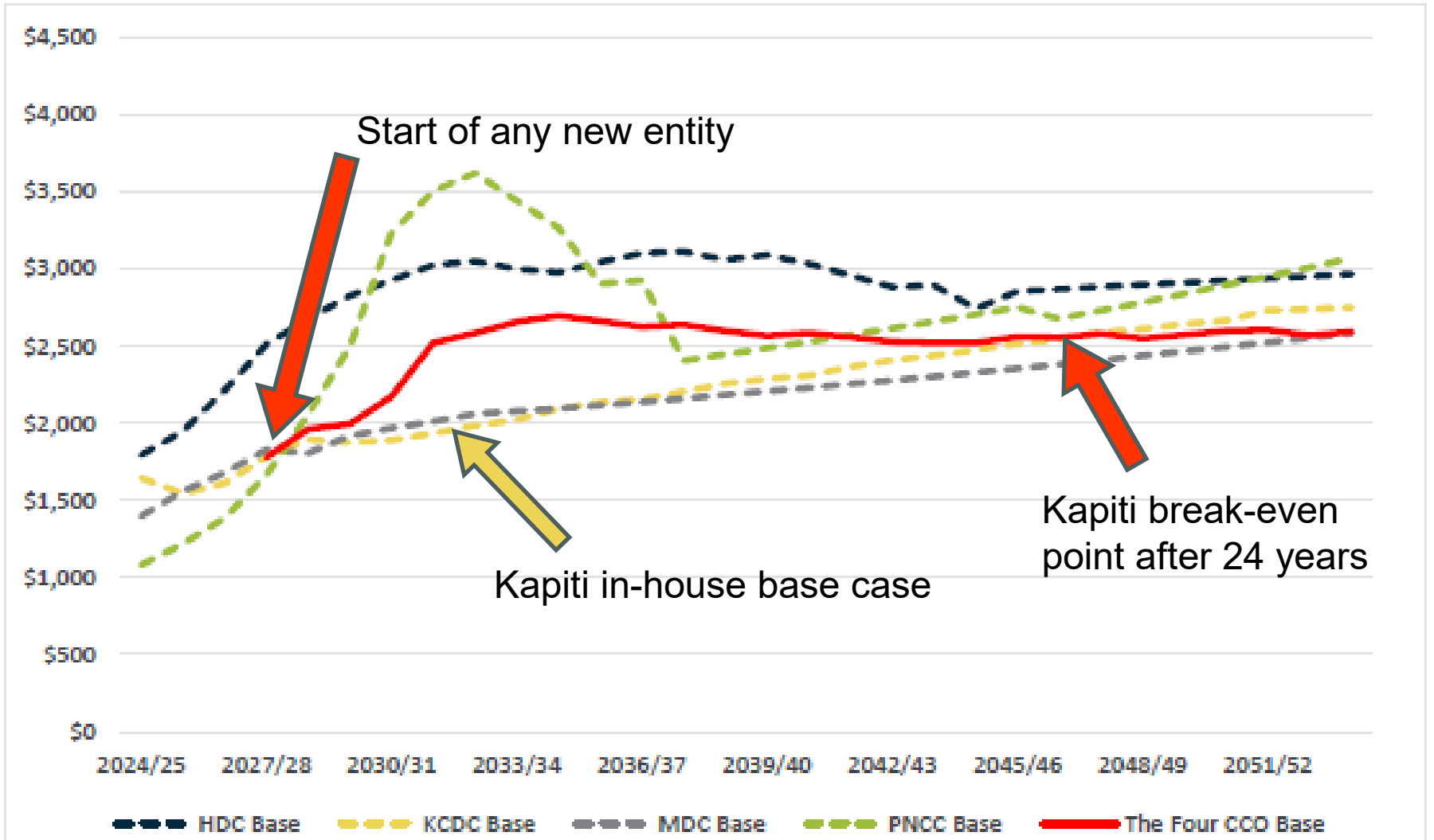
Driver	The Challenge	Kapiti's position
Available debt funding	Insufficient debt funding capacity is available for timely future investments, within the LGFA lending covenants.	Kapiti has a plan to reduce its debt and has headroom for future planned water services and Council investment within existing limits.
Financial sustainability	An in-house business unit fails to meet the new legislative financially sustainable requirements.	Kapiti can demonstrate financial sustainability with the existing in-house business unit model
Affordability	The cost of investment will require customer pricing to increase without access to addition debt funding.	Kapiti's in-house business unit option presents the lowest cost option for the next twenty years or so operating within its current debt capacity.

Financial update

- Additional analysis of the four-council option undertaken by Morrison Low.
- Aligning base assumptions and reviewing the capital programmes across each of the four Councils' data (apples with apples)
- More detailed setup and additional operating costings for WSCCO.
- Costs presented as inflated figures
- Exploring price harmonisation over time to ease any transition.

Modelled average cost to the customer (inflated)		
Delivery option	2033/34	2053/54
“ONE” In-house business unit KCDC	\$2,020	\$2,750
“FOUR” Council Joint WSCCO KCDC/HDC/MDC/PNCC	\$2,660	\$2,600

Average household charges over 30 years



Approach to standing orders

- Standing order 9.16 originated from concerns in 2011 about water metering and potential future privatisation.
- The proposed legislation has requirements to maintain public ownership and protections against privatisation.
- The council proposes to consider SO 9.16 when deciding on the future delivery model. If we stay in-house, a referendum is not a consideration.
- At that time, the options include:
 - Option 1 - Hold a referendum with additional costs (estimated around \$150,000), delays (four months), and the risk of missing the September deadline.
 - Option 2 - Update SO 9.16 to remove the referendum requirement and retain 75% majority vote. This resolves the timing issue and accepts the consultation feedback as sufficient.
 - Option 3 - Remove SO 9.16 altogether. This would acknowledge the new legislation contains adequate protections against privatisation and that the consultation was adequate to gauge community views.

Approach to Consultation

- Consultation set down for 10 March – 13 April
 - Hearings will follow for those who wish to speak to their submissions.
- To make it easy for people to access clear and accurate information and have their say.
- A wide range of tools being used:
 - 'Have your say' webpage plus hard copies for libraries/service centres
 - Call to action via Council channels – Everything Kāpiti, social media, Antenno, media screen,
 - Press releases
 - Direct email/mail communication to ratepayers/stakeholders
 - Digital and radio advertising and webinar(s)
 - 'Drop-in' sessions in our communities
- Key messages and dates of drop-in sessions will be provided for elected members' to attend to help with conversations.

Key messages

- The future of water services impacts everyone in Kapiti. It's about ensuring safe, reliable, and sustainable water services for generations to come.
- We want a future-focused model that is resilient, financially sustainable, recognizes local priorities, and caters for growth – ensuring our water services remain efficient and responsive to community needs.
- We want our water assets to stay in public ownership, and mana whenua aspirations and concepts to have meaningful influence.
- There'll be increased costs regardless of what model we choose due to the government's additional regulatory requirements.
- Our preferred in-house business model provides the lowest average cost to households over the next twenty-four years.
- We need your input to shape the direction of water services delivery. This is your chance to have a say.

Other work underway

- Further due diligence on the CCO option.
- Coordination with the other three Councils on consultation.
- Graphic design of the consultation document for presentation to the Council on March 6.

Next steps

- 6 March - Council consider and adopt the Consultation Document
- 10 March – 13 April Consultation
 - Hearings in 22-23 April 2025
 - Feedback analysis
- Further Council and Iwi briefings through the consultation period as required
- 15 May Council decision on the Water Services Model
- Water Services Delivery and Implementation Plan CE Certification and adoption by the end of June
- The Water Services Delivery Plan must be lodged with DIA by 3 September 2025

Discussion and questions