

Advice to Porirua City Council regarding finalised three waters capital and operating expenditure budgets for the FY2025/26 financial year

TO Mike Mendonça, General Manager Infrastructure, Porirua City Council
Ian Dennis, Chief Financial Officer, Porirua City Council
Olivia Dovey, Manager Water Services, Porirua City Council

COPIED TO Nik Zangouropoulos, Head of Service Planning, Wellington Water;
Wayne Maxwell, Chief Corporate Services Officer, Wellington Water

FROM Julie Alexander, Chief Strategy and Planning Officer, Wellington Water

DATE 17 April 2025

Action sought

Action

Mike Mendonça, General Manager Infrastructure, Porirua City Council	<p>Note the contents of this memo.</p> <p>Approve FY2025/26 three waters capital and operating expenditure budgets, noting:</p> <ul style="list-style-type: none">• Clarity is required regarding the \$2.6-\$2.8M funding of the sludge removal landfill charges.• Leak detection and leak repair budgets are below our recommended levels and it is anticipated that the backlog of repairs will increase, with an estimated end of year level of 85 leaks.
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Contact for telephone discussion (if required)

Name	Position	1st Contact	
Julie Alexander	Chief Strategy and Planning Officer, Wellington Water	021 815 162	
Nik Zangouropoulos	Head of Service Planning, Wellington Water (Acting)	027 450 4812	x

Purpose

1. This paper provides Porirua City Council (Council) with finalised three waters capital and operating expenditure budgets for the 2025/26 financial year.

Background

2. Wellington Water Limited (WWL) provided detailed annual planning advice to Council in February 2025, to support its annual planning process.
3. The WWL Stage 2 advice memo outlined key risks that Council should be aware of, including risks that are relevant to all councils, and those risks that are specific to Council's funding decisions. The risks identified in WWL stage 2 advice memo continue to be relevant.
4. This advice has had key changes, which align with Council decisions on funding levels, as outlined in paragraph 10.
5. All capital and operating budgets represented in this advice are inflated using the inflation rates provided to WWL by Council. No inflation has been applied to the Porirua City Council Storage Tank and Odour Treatment projects.

New approach to the tendering process to assist in ensuring value for money

6. WWL is working at pace to achieve value for money and develop a baseline for water infrastructure work in the Wellington region. We are doing this by putting all work over \$100K (both capital and operating expenditure) out to the open market for competitive tendering until the end of the financial year, at which point we will reassess to determine what the best long-term approach is.
7. As we get better information through these tenders, we will be able to have an informed discussion with councils.

Final FY2025/26 Capital Expenditure

8. WWL has finalised the FY2025/26 Capex budgets to reflect final information received on cost estimates and recommended timings for projects and to fit within council directed budgets. WWL recommends that Council adopts the final Capex budget for FY2025/26 of \$56.86M. The FY2025/26 budget includes the estimated carry over figure of \$8.5M.
9. **Appendix A** provides a detailed breakdown of initiatives that make up Council's FY2025/26 capital delivery plan.
10. The key changes from WWL's Stage 2 advice memo (also detailed in the appendix) include:
 - **Titahi Bay water/trunk main renewal** – these works have been accelerated in the programme noting the critical nature of these assets, with physical works to start in 2026.
 - **Consenting and Compliance** - The Wellington Natural Resources Plan (NRP) requires that discharges be authorised by resource consents. The network discharge consent applications seek resource consent for global discharges from the stormwater and wastewater networks (the latter during wet weather). Without consents for these discharges, they could be determined to be illegal discharges by Greater Wellington Regional Council which could give

rise to the risk of prosecution. Significant changes to the regulatory framework that will apply to these discharges are currently being considered (e.g. Change 1 to the NRP and the proposed Wastewater Environmental Performance Standards). These will impact the ability to get consent and the likely consent conditions that will apply when consent is granted, these changes may make consenting more straight forward and therefore we are revisiting the consent strategy. Obtaining consent is fundamental to WWL's activities and will need to be supported by robust evidence through the engagement of technical specialist consultants to justify the application as well as support from legal and planning consultants. The work required to obtain and implement the consents is considered to be significant.

- **Metering programme** - the programme and planning for procurement and pilot deployments are still being developed. Implementation will be later than originally planned in the LTP. Physical works are not expected to commence until 2026/27. The programme has been re-phased to reflect this updated timeline.

Final FY2025/26 Operating Expenditure

11. WWL has finalised the FY2025/26 Opex budgets to reflect final information received and fit within Council directed budgets. WWL recommends that Council adopts the final Opex budget for FY2025/26 of \$12.84M (exclusive of landfill charges set out in paragraph 15).
12. **Appendix B** provides a breakdown of the categories of Council's agreed budget for Opex for year 2 of the 2024-34 LTP.
13. This has not changed significantly from WWL's Stage 2 advice memo. Of note, drinking water has an increased budget for reactive maintenance by \$771,538.
14. Please note that leak detection and leak repair budgets are below WWL's recommended levels. Consequently, it is anticipated that the backlog of repairs will increase, with an estimated end of year level of 85 leaks.
15. Council have requested that WWL pay landfill charges, resulting in an increase of \$2.6-\$2.8M to Opex. In previous years we have only paid for Veolia Margin on landfill changes, plus chemicals and transport. Clarity is currently being sought from Council regarding the funding of these charges.

Next steps

16. Wellington Water is committed to working with Council and we are happy to meet with officers to discuss the contents of this memo. In addition, following upcoming Council meetings, please advise us of relevant decisions so that these can be incorporated into our ongoing work to support your annual planning process.

Appendix A: Detailed FY2025/26 inflated Capex programme

Water	LGA Classification	2025/26
Drinking Water	Growth	152,873
	Level of Service	1,302,622
	Renewal	12,335,554
Drinking Water TOTAL		13,791,049
Stormwater	Growth	31,804
	Level of Service	2,471,319
	Renewal	1,114,026
Stormwater TOTAL		3,617,149
Wastewater	Growth	65,517
	Level of Service	1,965,555
	Renewal	7,158,950
Wastewater TOTAL		9,190,022
Wastewater JV	Growth	-
	Level of Service	27,574,547
	Renewal	2,687,498
Wastewater JV TOTAL		30,262,045
TOTALS		56,860,265

Water	LGA	Project Description	FY25-26 TOTAL
Drinking Water	Growth	PCC Reactive Growth Development Projects - Drinking Water	-
Drinking Water	Growth	Plimmerton Farms Stage 1 Reservoir	43,678
Drinking Water	Growth	Porirua High Level Reservoir No.2	109,195
Drinking Water	Growth	Porirua High Level to Whitby water trunk main	-
Drinking Water	Level of service	(SWS) PCC PW Pressure Management	379,676
Drinking Water	Level of service	PCC Capital Carbon Modelling - Drinking Water	10,962
Drinking Water	Level of service	PCC DMA Meter Fleet New Installs	-
Drinking Water	Level of service	PCC Drinking Water Network Modelling	54,598
Drinking Water	Level of service	PCC Management of Fire Hydrant Use	-
Drinking Water	Level of service	PCC New Smart Services - Drinking Water	21,924
Drinking Water	Level of service	PCC Security Locks Reservoirs	21,101
Drinking Water	Level of service	PCC Universal Residential Smart Metering	491,389
Drinking Water	Level of service	PCC Water Hydraulic model update	-
Drinking Water	Level of service	PCC Water Loss Level of Service Improvements	322,972
Drinking Water	Level of Service	PCC-CPX-AoteaReservoir(LowLevelZone)	-
Drinking Water	Level of Service	PCC-CPX-PoriruaHighLvl Res Subsoil Drain	-
Drinking Water	Level of Service	PCC-CPX-Regional Pressure Mgmt & PRV Upg	-
Drinking Water	Level of service	Porirua High Level HL Res Drainage Improvements (urgent)	-
Drinking Water	Renewal	Awarua St Watermain Renewals	10,920
Drinking Water	Renewal	Buried Reservoirs Integrity Improvements	163,793
Drinking Water	Renewal	PCC Commercial Meter Renewals	54,598
Drinking Water	Renewal	PCC District Meter Area Renewals	251,327
Drinking Water	Renewal	PCC DW Control Systems Renewals	32,759
Drinking Water	Renewal	PCC Pipe Network Planned Renewals - Drinking Water	-
Drinking Water	Renewal	PCC Pipe Network Reactive Renewals - Drinking Water	2,129,863

Drinking Water	Renewal	PCC Pressure Reducing Valve (PRV/PCV) Renewals	49,214
Drinking Water	Renewal	PCC Reservoir Renewals	1,636,064
Drinking Water	Renewal	PCC VHCA Reservoir Water Quality Renewals	1,289,014
Drinking Water	Renewal	PCC Water Pump Station Renewals	1,071,465
Drinking Water	Renewal	PCC Water Service Connection Renewals	297,190
Drinking Water	Renewal	PCC-CPX- Commercial Meter Reactive Renewals	-
Drinking Water	Renewal	PCC-CPX-DMA Reactive Renewals	-
Drinking Water	Renewal	PCC-CPX-Mana Ave Watermain Renewals	-
Drinking Water	Renewal	PCC-CPX-Papakowhai Rd WM Renewal	-
Drinking Water	Renewal	PCC-CPX-PCC WM MouldDownesMorere Renew	-
Drinking Water	Renewal	PCC-CPX-Service Connection Renewals	-
Drinking Water	Renewal	PCC-CPX-Titahi Bay Water Renew FY21-22	-
Drinking Water	Renewal	PCC-CPX-TitahiBayTrunkMainRenewalsStage2	-
Drinking Water	Renewal	Prosser Street Watermain Renewals	-
Drinking Water	Renewal	Titahi Bay Trunk Main Renewal - Stage 1	10,920
Drinking Water	Renewal	Titahi Bay Trunk Main Renewal - Stage 2	1,516,599
Drinking Water	Renewal	Titahi Bay Trunk Main Renewal - Stage 2 (additional funding proposed)	-
Drinking Water	Renewal	Titahi Bay WM Renewals Packages 1	3,821,830
Drinking Water	Renewal	Titahi Bay WM Renewals Packages 2 & 3	-
Stormwater	Growth	Cannons Creek Wetland	31,804
Stormwater	Growth	PCC Reactive Growth Development Projects - Stormwater	-
Stormwater	Growth	Takapuwahia Stormwater Pipe Upgrade	-
Stormwater	Level of service	Acheron Park SW Detention	197,643
Stormwater	Level of service	Eskdale Conclusion Stormwater Upgrades Phase 2	720,738
Stormwater	Level of service	Hongoeka SW Catchment	-
Stormwater	Level of service	Karehana SW Catchment	-
Stormwater	Level of service	NDP: Resource consent for stormwater discharges	545,976
Stormwater	Level of service	NDP: SMS workstream 1 implementation for water quality (modelling)	109,195

Stormwater	Level of service	NDP: SW Subcatchment Asset Management Plan - Porirua A	-
Stormwater	Level of service	NDP: SW Subcatchment Asset Management Plan - Taupo	152,873
Stormwater	Level of service	PCC Capital Carbon Modelling - Stormwater	10,920
Stormwater	Level of service	PCC Climate Resilience Model	-
Stormwater	Level of service	PCC Global consent for operations and maintenance works in streams	31,590
Stormwater	Level of service	PCC Stormwater Network Modelling	272,988
Stormwater	Level of service	PCC SW Drainage Improvement Projects	429,396
Stormwater	Renewal	PCC Pipe Network Planned Renewals - Stormwater	-
Stormwater	Renewal	PCC Pipe Network Reactive Renewals - Stormwater	884,716
Stormwater	Renewal	PCC SW Control Systems Renewals	10,920
Stormwater	Renewal	VHCA - Bernie Wood Turf SW Renewal	218,390
Stormwater	Level of Service	PCC-CPX-Elsdon Park Wetland	-
Stormwater	Level of Service	PCC-CPX-Karehana SW Upgrades	-
Stormwater	Level of Service	PCC-CPX-Ngatitua St Flood Protection	-
Stormwater	Level of Service	PCC-CPX-SW Manhole Cover Improvements	-
Wastewater	Growth	Bothamley Park Sewer Upgrade	32,759
Wastewater	Growth	PCC Reactive Growth Development Projects - Wastewater	-
Wastewater	Growth	Plimmerton Farms Stage 1 Wastewater tank	32,759
Wastewater	Level of service	NDP: Resource consent for dry weather overflows	327,585
Wastewater	Level of service	NDP: Resource consent for wet weather overflows	818,964
Wastewater	Level of service	NDP: ww overflows universal measures	109,195
Wastewater	Level of service	NDP: WWNO Subcatchment reduction plan - Porirua A	-
Wastewater	Level of service	NDP: WWNO Subcatchment reduction plan - Taupo	163,793
Wastewater	Level of service	PCC - Odour modelling	-
Wastewater	Level of service	PCC Capital Carbon Modelling - Wastewater	10,962
Wastewater	Level of service	PCC Wastewater Network Modelling	218,390
Wastewater	Level of Service	PCC-CPX-Paremata WW Trunk Upgrade Stg 2	-
Wastewater	Level of Service	PCC-CPX-WW Manhole Cover Improvements	-

Wastewater	Level of Service	PCC-CPX-WW Pump Station 6B Upgrade	-
Wastewater	Level of Service	Rukutane Point Pump Station upgrade	316,666
Wastewater	Renewal	Mana Esplanade Pipeline cross connection stage2	1,637,927
Wastewater	Renewal	Navigation Drive WW renewal	-
Wastewater	Renewal	Omapere Street WW renewals	197,842
Wastewater	Renewal	PCC Pipe Network Planned Renewals - Wastewater	-
Wastewater	Renewal	PCC Pipe Network Reactive Renewals - Wastewater	2,037,284
Wastewater	Renewal	PCC WW Control Systems Renewals	32,759
Wastewater	Renewal	PCC WW Drainage Investigations Water Quality Renewals	563,919
Wastewater	Renewal	PCC WW Pump Stations Renewals	962,845
Wastewater	Renewal	PCC-CPX-Plimmerton(SteyneAve)WW Renew	-
Wastewater	Renewal	Tasman Close sewer renewal (urgent)	1,528,732
Wastewater	Renewal	Titahi Bay South Beach access WW Network Renewals	197,643
Wastewater JV	Level of Service	PCC-CPX-TangareDriveWWPSSplitterBox	-
Wastewater JV	Level of Service	PCC-CPX-WW JV Network Overflow Consent	-
Wastewater JV	Level of Service	PCC-CPX-WWTP UV Treatment Upgrade	-
Wastewater JV	Level of service	Porirua Central City Wastewater Storage tank	14,741,344
Wastewater JV	Level of service	Porirua WWTP JV Backup Power Supply	-
Wastewater JV	Level of service	Porirua WWTP JV Odour Treatment	6,620,324
Wastewater JV	Level of service	Porirua WWTP JV Process Model Development	54,598
Wastewater JV	Level of service	Porirua WWTP JV Solids Handling Upgrade	6,158,282
Wastewater JV	Renewal	Consent renewal - Porirua WWTP land occupation by outfall structure (exp. 2034)	-
Wastewater JV	Renewal	PCC WWJV Pump Stations Renewals	350,949
Wastewater JV	Renewal	PCC-CPX-PCC WWTP Blower Room Renewal	-
Wastewater JV	Renewal	PCC-CPX-PCC WWTP Centrifuge Renewal	-
Wastewater JV	Renewal	PCC-CPX-PCC WWTP UV System Renewal	-
Wastewater JV	Renewal	PCC-CPX-Whitehouse Rd Stg 3 & 4 JV WW Re	-
Wastewater JV	Renewal	PCC-CPX-WWJV Major Pump Station Renewals	-

Wastewater JV	Renewal	PCC-CPX-WWTP Aeration Feedline Renewal	-
Wastewater JV	Renewal	Porirua WWTP JV Aeration Diffuser Renewal	-
Wastewater JV	Renewal	Porirua WWTP JV Centrifuge Replacement	-
Wastewater JV	Renewal	Porirua WWTP JV Critical Spares	109,619
Wastewater JV	Renewal	Porirua WWTP JV Effluent Outfall Renewal	-
Wastewater JV	Renewal	Porirua WWTP JV General Instrumentation Renewal	-
Wastewater JV	Renewal	Porirua WWTP JV Planned Renewals	1,023,885
Wastewater JV	Renewal	Porirua WWTP JV Reactive Renewals	667,519
Wastewater JV	Renewal	Porirua WWTP JV Site Service and Building Renewal	323,946
Wastewater JV	Renewal	Porirua WWTP JV UV TAK Renewal	211,581
Wastewater JV	Renewal	Whitehouse Road (Titahi Bay) Wastewater Renewals - stages 3 and 4	-
		Total	56,860,265

Appendix B: FY2025/26 approved inflated operating expenditure programme

Water	Opex Activity	25/26 WWL Recommended Budget	25/26 Final Budget
Drinking Water	Monitoring & Investigations	1.51M	0.91M
	Operations	0.06M	0.06M
	Planned Maintenance	0.64M	0.36M
	Reactive Maintenance	3.30M	3.54M
	Management & Advisory Services	0.46M	0.46M
Total Drinking Water		5.98M	5.33M
Stormwater	Monitoring & Investigations	1.05M	0.44M
	Operations	0.02M	0.02M
	Planned Maintenance	0.74M	0.48M
	Reactive Maintenance	0.57M	0.20M
	Management & Advisory Services	0.23M	0.23M
Total Stormwater		2.61M	1.38M
Wastewater	Monitoring & Investigations	2.12M	1.11M
	Operations	0.05M	0.05M
	Planned Maintenance	0.53M	0.41M
	Reactive Maintenance	1.17M	0.70M
	Management & Advisory Services	0.54M	0.54M
Total Wastewater		4.42M	2.81M
Wastewater Joint Venture	Monitoring & Investigations	0.23M	0.18M
	Planned Maintenance	0.11M	0.11M
	Reactive Maintenance	0.07M	0.05M
	Treatment Plant	2.88M	2.67M
	Management & Advisory Services	0.31M	0.31M
Total Wastewater Joint Venture		3.60M	3.32M
Total		16.60M	12.84M