

**Advice to South Wairarapa District Council regarding finalised three waters capital and operating expenditure budgets for the 2025-34 Long Term Plan**

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TO Stefan Corbett, General Manager Partnerships and Operations, South Wairarapa District Council; Charly Clarke, Chief Financial Officer, South Wairarapa District Council; Peter Trafford, Principal Engineer 3 Waters, South Wairarapa District Council

COPIED TO Nik Zangouropoulos, Head of Service Planning, Wellington Water; Wayne Maxwell, Chief Corporate Services Officer, Wellington Water; Charles Barker, Chief Operations Officer, Wellington Water; Erin Ganley, Acting Chief & Risk Compliance Officer

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

DATE 28 April 2025

**Action sought**

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<b>Action</b>	
Stefan Corbett, General Manager Partnerships and Operations, South Wairarapa District Council	<b>Note</b> the contents of this memo.  <b>Approve</b> FY2025/26 and 2026/27 three waters capital and operating expenditure budgets.

**Contact for telephone discussion (if required)**

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<b>Name</b>	<b>Position</b>	<b>1st Contact</b>	
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

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1. This paper provides South Wairarapa District Council (Council) with finalised three waters capital and operating expenditure budgets for the 3-year period of FY2024/25, 2025/26 and 2026/27 and 9-Year Long Term Plan (LTP) period FY2025-34.

## Background

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2. Wellington Water Limited (WWL) provided detailed capital and operating expenditure planning advice in a memo to Council on 25 February 2025, to support the long-term plan development process.
3. The February 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 the February advice memo continue to be relevant.
4. This advice has not had any significant changes and aligns with Council decisions on funding levels.
5. All capital and operating budgets represented in this advice are un-inflated and do not account for any annual inflation related variations. The base budget dollars are in FY2024/25 dollars.

### ***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 and FY2026/27 Capital Expenditure

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8. WWL has finalised the FY2025/26 and 3-year period (FY2024/25, 2025/26 and 2026/27) 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 \$12.65M and \$18.21M for FY2026/27.
9. As directed by Council, WWL has only provided changes to the programme relative to timing over the 3-year period (FY2024/25, 2025/26 and 2026/27). The following projects represent an estimated carry over total of \$6.4M from 2024/25, noting two of the projects are ringfenced activities.
  - **Greytown Water Treatment Plant Upgrade Stage 3** – Accounts for an approximate \$2.90M carry over with works now expected to be complete in FY2026/27 This initiative hasn't progressed at the speed previously forecast due to issues encountered throughout planning and design that has delayed the confirmation of the solution.
  - **Tauwharenikau (prev. 'Tauherenikau') Pipeline Crossing** – Accounts for an approximate \$2.08M movement from FY2024/25 into FY2025/26 due to the delay of construction works which are reliant on low river flows.

- **Waiohine Water Treatment Plant Stage 3 Upgrades (PH dosing system upgrade) –**  
Accounts for an approximate \$0.83M movement from FY2024/25 into FY2025/26 due to delays in design causing the forecast construction start date to slip from FY2024/25, into FY2025/26. Detailed Design was completed in February 2025.
  - **Greytown Wastewater Treatment Plant Compliance Upgrades Stage 2a Land Irrigation**  
– Accounts for an approximate \$0.57M movement from FY2024/25 into FY2025/26 due to slower than forecast spend in the planning and design phase.
10. **Appendix A** provides a detailed breakdown of initiatives that make up Council's FY2025/26 capital delivery plan which includes the impact of carry overs described in paragraph 9, the 3-year period, and the remaining out-years of the proposed 2025-34 LTP.

### Final FY2025/26 and FY2026/27 Operating Expenditure

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11. WWL acknowledges that Council is consulting on four options for FY2025/26 operating expenditure budgets as part of the 2025-34 LTP consultation and have directed WWL to only present operating budgets that align with those previously advised in November 2024.
12. Given the range of investment options under consideration, WWL has produced the FY2025/26 Opex budget based on the lowest investment level outlined in the LTP Consultation document ('Option 1 – Low Budget / High Risk') of \$5.90M and a FY2026/27 Opex budget of \$6.39M. However, should a higher level of funding be preferred post-deliberation, WWL is well-positioned to scale operating investment accordingly.
13. **Appendix B** provides a detailed breakdown of the investment categories of Council's 'Option 1 – Low Budget / High Risk' budget for operating expenditure for FY2025/26, and the 3-year period (2024/25, 2025/26 and 2026/27) and 9-year period of the LTP.
14. WWL has not made any adjustments to the accounting treatment of desludging activity across the LTP and therefore made no inclusion of funding for this in FY2025/26. However, WWL acknowledges that Council is looking at different accounting options that provide greater flexibility of the programme across the LTP.

### Next steps

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15. 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 long-term planning process.

## Appendix A: Detailed 3 year period and 9 Year LTP Capex programme (Uninflated in FY2024/25 \$)

Table 1: Detailed Capex Programme (\$ Uninflated Terms)

Water	LGA	Project Description	FY24/25 TOTAL	FY25/26 TOTAL	FY26/27 TOTAL	3-Year Period Total	9-year LTP (2025-34) Total
Drinking Water	Level of Service	Actuator Valve at Greytown WTP	30,215	-	-	30,215	-
Drinking Water	Level of Service	Greytown WTP Upgrades Stage 3	80,747	2,018,125	1,890,132	3,989,004	3,908,257
Drinking Water	Level of service	Greytown/Featherston Fire fighting upgrades	-	-	-	-	13,107,090
Drinking Water	Level of service	Martinborough Fire fighting upgrades	-	-	-	-	6,607,212
Drinking Water	Level of Service	Pirinoa WTP Filtration Upgrade	185,618	-	-	185,618	-
Drinking Water	Level of Service	PW Tanker Fill Points	-	-	-	-	1,567,871
Drinking Water	Level of Service	Resource Consent for Pirinoa water take - reconsenting	-	79,415	99,481	178,895	178,895
Drinking Water	Level of Service	Waiohine WTP Filtration	50,359	-	-	50,359	1,139,020
Drinking Water	Level of Service	Waiohine WTP Stage 2 - Treatment Systems Upgrade	100,718	-	-	100,718	-
Drinking Water	Level of Service	Waiohine WTP Stage 3 Upgrades - ph dosing system upgrade	168,848	1,632,088	-	1,800,936	1,632,088
Drinking Water	Level of Service	WTP Wellfield Security	50,359	99,268	746,105	895,732	1,575,663
Drinking Water	Renewals	Annually Recurring Projects	684,880	655,171	656,572	1,996,623	5,894,451
Drinking Water	Renewals	Boar Bush PW Trunk Main and reservoir outlet - Stage 1	50,359	148,902	1,492,209	1,691,471	1,641,112
Drinking Water	Renewals	FSTN Water Main Renewals	201,435	1,861,281	1,865,262	3,927,978	7,399,503
Drinking Water	Renewals	SWDC Drinking Water Pipe Renewals	-	-	-	-	19,569,110
Drinking Water	Renewals	SWDC VHCA Reservoir Water Quality Renewals	151,077	198,537	-	349,613	198,537
Drinking Water	Renewals	Tauwharenikau (prev. 'Tauherenikau') Pipeline Crossing	542,257	2,074,708	-	2,616,964	2,074,708
<b>Drinking Water Total</b>			<b>2,296,871</b>	<b>8,767,494</b>	<b>6,749,761</b>	<b>17,814,126</b>	<b>66,493,516</b>
Stormwater	Level of Service	FSTN SW Flooding Improvements	-	-	-	-	4,892,762
Stormwater	Level of Service	GTN SW Flooding Improvements	-	-	-	-	4,906,353
Stormwater	Level of Service	MTB SW Flooding Improvements	-	-	-	-	4,925,393
Stormwater	Renewals	Annually Recurring Projects	95,757	292,842	293,468	682,066	2,903,042
Stormwater	Renewals	Consenting of Water Races (Moroa)	251,794	248,171	149,221	649,186	397,392
<b>Stormwater Total</b>			<b>347,551</b>	<b>541,012</b>	<b>442,689</b>	<b>1,331,252</b>	<b>18,024,942</b>
Wastewater	Growth	GTN Papawai Rd Wastewater Upgrade Stage 2	-	-	-	-	3,408,019
Wastewater	Growth	GTN WWTP Growth Capacity Upgrade (Placeholder)	-	496,342	1,492,209	1,988,551	9,828,179
Wastewater	Growth	MTB WWTP Growth Capacity Upgrade (Placeholder)	-	496,342	1,492,209	1,988,551	9,828,179
Wastewater	Level of Service	Construction works from consent - Lake Ferry	-	-	-	-	4,897,138
Wastewater	Level of Service	FSTN Pressure Wastewater system - Stage 1	-	-	-	-	6,564,428
Wastewater	Level of Service	FSTN WWTP Consent renewal	1,208,612	-	-	1,208,612	-
Wastewater	Level of Service	FSTN WWTP Long-term Consent Stage 2 and Major Plant Upgrade	-	-	-	-	1,484,593
Wastewater	Level of service	FSTN WWTP upgrades	-	-	-	-	17,477,412
Wastewater	Level of Service	GTN WWTP Compliance Upgrades - Stage 2a Land Irrigation	199,867	1,071,734	3,481,822	4,753,424	21,493,865
Wastewater	Level of Service	MTB WWTP Compliance Upgrades - Stage 2a Land Irrigation	1,007,177	595,610	3,979,225	5,582,012	25,922,061
Wastewater	Level of Service	MTB WWTP Compliance Upgrades - Stage 2b Winter Storage	-	-	-	-	9,384,634
Wastewater	Renewals	Annually Recurring Projects	402,871	506,268	507,351	1,416,490	4,517,500
Wastewater	Renewals	Reconsenting Lake Ferry Treatment Plant	201,435	49,634	49,740	300,810	99,374
Wastewater	Renewals	SWDC WW Pump Station Renewals	-	129,724	19,697	149,421	598,474
Wastewater	Renewals	Wastewater Pipe Renewals	-	-	-	-	18,565,254
<b>Wastewater Total</b>			<b>3,019,962</b>	<b>3,345,654</b>	<b>11,022,255</b>	<b>17,387,871</b>	<b>134,069,110</b>
<b>Grand Total</b>			<b>5,664,384</b>	<b>12,654,160</b>	<b>18,214,705</b>	<b>36,533,249</b>	<b>218,587,568</b>

## Appendix A (cont): Detailed 3-year period and LTP Capex programme (Uninflated in FY2024/25 \$)

Table 2: Capex Programme by Water and LGA Category (\$ Uninflated Terms)

Work Type	LGA Category	Forecast FY24/25	Proposed FY25/26	Proposed FY26/27	Proposed 3- year period Total	Proposed 9- year period Total
Drinking Water	Growth	-	-	-	-	-
	Level of service	666,864	3,828,896	2,735,717	7,231,477	29,716,096
	Renewals	1,630,008	4,938,598	4,014,044	10,582,649	36,777,420
	<b>Drinking Water Total</b>	<b>2,296,871</b>	<b>8,767,494</b>	<b>6,749,761</b>	<b>17,814,126</b>	<b>66,493,516</b>
Stormwater	Growth	-	-	-	-	-
	Level of service	-	-	-	-	14,724,508
	Renewals	347,551	541,012	442,689	1,331,252	3,300,434
	<b>Stormwater Total</b>	<b>347,551</b>	<b>541,012</b>	<b>442,689</b>	<b>1,331,252</b>	<b>18,024,942</b>
Wastewater	Growth	-	992,683	2,984,419	3,977,102	23,064,376
	Level of service	2,415,656	1,667,344	7,461,047	11,544,048	87,224,132
	Renewals	604,306	685,626	576,789	1,866,721	23,780,602
	<b>Wastewater Total</b>	<b>3,019,962</b>	<b>3,345,654</b>	<b>11,022,255</b>	<b>17,387,871</b>	<b>134,069,110</b>
<b>Grand Total</b>		<b>5,664,384</b>	<b>12,654,160</b>	<b>18,214,705</b>	<b>36,533,249</b>	<b>218,587,568</b>

## Appendix B: SWDC Operating Expenditure Programme (High Owner Risk) (Uninflated in FY2024/25 \$)

Table 3: Opex Programme by Investment Category and Water (\$ Uninflated Terms)

SWDC Investment Category	Water	FY24/25 Budget Year 1	FY25/26 LTP Year 2	FY26/27 LTP Year 3	3 Year Period Total	9 Year Period Total
<b>Investigations</b>	Drinking Water	327,893	185,826	284,642	798,361	2,603,378
	Stormwater	84,064	22,891	6,362	113,317	57,258
	Wastewater	81,817	200,551	85,090	367,458	869,810
<b>Total</b>		<b>493,774</b>	<b>409,268</b>	<b>376,094</b>	<b>1,279,136</b>	<b>3,530,446</b>
<b>Monitoring</b>	Drinking Water	484,156	512,501	460,165	1,456,822	4,141,485
	Stormwater	91,532	43,301	65,064	199,897	287,326
	Wastewater	278,012	177,996	273,410	729,418	2,460,690
<b>Total</b>		<b>853,700</b>	<b>733,798</b>	<b>798,639</b>	<b>2,386,137</b>	<b>6,889,501</b>
<b>Operations</b>	Drinking Water	134,805	138,735	140,197	413,737	1,261,773
	Stormwater	9,414	9,792	9,791	28,997	88,119
	Wastewater	46,726	48,594	48,595	143,915	437,355
<b>Total</b>		<b>190,945</b>	<b>197,121</b>	<b>198,583</b>	<b>586,649</b>	<b>1,787,247</b>
<b>Planned Maintenance</b>	Drinking Water	38,871	44,080	40,426	123,377	363,834
	Stormwater	16,229	16,878	16,878	49,985	151,902
	Wastewater	12,393	12,888	12,889	38,170	116,001
<b>Total</b>		<b>67,493</b>	<b>73,846</b>	<b>70,193</b>	<b>211,532</b>	<b>631,737</b>
<b>Reactive Maintenance</b>	Drinking Water	841,683	879,916	875,350	2,596,949	7,878,150
	Stormwater	98,665	82,215	60,529	241,409	544,761
	Wastewater	538,372	561,486	559,907	1,659,765	5,039,163
<b>Total</b>		<b>1,478,720</b>	<b>1,523,617</b>	<b>1,495,786</b>	<b>4,498,123</b>	<b>13,462,074</b>
<b>Treatment Plant</b>	Drinking Water	1,118,364	1,202,457	1,128,107	3,448,928	10,454,777
	Wastewater	1,004,401	975,178	884,284	2,863,863	8,016,361
	Desludging	635,000	-	780,000	1,415,000	3,900,000
	Riparian Planting (Greytown RC condition)	70,000	228,800	67,600	366,400	421,200
<b>Total</b>		<b>2,827,765</b>	<b>2,406,435</b>	<b>2,859,991</b>	<b>8,094,191</b>	<b>22,792,338</b>
<b>Management &amp; Advisory Services</b>		347,700	370,561	408,662	1,126,923	3,655,097
<b>Water Races</b>		161,295	183,347	183,347	527,989	1,650,123
<b>Grand Total</b>		<b>6,421,392</b>	<b>5,897,993</b>	<b>6,391,295</b>	<b>18,710,680</b>	<b>54,398,563</b>