

Palmerston North and our water situation



Palmy is home to around 92,000 91,800 people and 30,335 water connections. We're a pretty young city, with the average age of our residents being 35 years old. We're also the most regionally diverse city in New Zealand, with more than 130 languages spoken. We're growing fast, with more people wanting to live here and set up businesses.

Our council is really proud of the way we've looked after water

Over successive councils for decades, our city has always taken investment in our water assets seriously. We have safe and resilient water infrastructure. About 34 percent of our council assets are water related, and they're in good shape and are compliant.

Our community is used to receiving great water services, and we want that to continue in the future.

Here's some examples of the wide range of water assets we've invested in:

Drinking water

- We supply 10 billion litres of safe drinking water each year
- We have the Turitea dams in the Tararua ranges
- We have one treatment plant
- We have 12 bores (wells) across the city to supply water to communities
- We have 3296 hydrants for fire fighting
- We have 7 reservoirs to hold your treated water and handle emergencies
- We have 586km of pipes – enough to stretch from Palmy to Auckland
- We have 5167 valves

Wastewater

- We treat 12.9 billion litres of wastewater each year from your kitchen, bathrooms and laundry
- We have 441km of pipes – enough to stretch to Hamilton
- We have 52 wastewater pump stations to help move wastewater to the treatment plant
- We have a treatment plant and several oxidation ponds to help treat your wastewater
- We have 6129 manholes to access your wastewater pipes

Stormwater

- We help to reduce the impacts of heavy rain
- We have 6146 manholes to access pipes
- We have 20km of open drains
- We have 8.3 hectares of drainage reserves
- We have 18 pump stations to help move rainfall after it reaches the ground
- We have 310km of underground pipes
- We have 14km of stopbanks along drains and streams that we maintain

Palmy uses fixed rates for charging for water

In Palmerston North, all residential ratepayers pay the same for drinking water and wastewater as they're fixed charges. In 2024/25, we charge \$415 for drinking water and \$375 for wastewater. Stormwater forms part of our general rate charge, and the price varies depending on the land value of the property. This year the average is about \$167.

Many of our businesses pay for their drinking water supply, or for us to treat and discharge their wastewater.

Palmy's water in the future

We currently have \$66 million of debt from investments we've made in our water infrastructure. Over the next 30 years, we're proposing to spend just under \$2 billion.

Nature Calls is our big project over the next decade.

The bulk of our investment in the next decade is for our wastewater. Our consents are expiring soon and legally we must have new ones. 70 percent of treatment plants around New Zealand need new consents in the next decade. Every community has resource consents for their wastewater treatment and discharge, and when it's their turn to renew consents they will also face large costs. Other communities are also anticipating large projects for drinking water. This is where more people paying for water helps as we can all help each other.

Our budget for Nature Calls is \$480 million excluding inflation, however that number may change once we know more about the wastewater treatment guidelines that are being released in the coming weeks by the Government. You can read more about Nature Calls at www.naturecalls.nz

Stormwater and providing water supplies to growing parts of our city are the other focuses

The remainder of our investment this decade is on continuing to maintain and upgrade our current water assets to ensure they're resilient. With significant weather events across the country in recent years, it's reiterated the need for good stormwater management. While stormwater is already a big focus, we are keen to ramp that up to ensure we continue to do all we can to reduce the chance of flooding for our community.

Our hope for Local Water Done Well is councils collaborating in a new water organisation

Our hope for Local Water Done Well for our community is councils collaborating in a new water organisation. Our council is consulting on three options. Two of these options are working with other councils to create a new water organisation. Our preferred option is with Manawatū, Horowhenua and Kāpiti Coast. Our residents are closely connected from a community perspective, but also geographically. The scale that comes with the population of those four communities is also beneficial for water costs in the future.

The alternate option is with one or more councils within the Horizons Regional Council boundary. That's not our preferred option as some councils have indicated they're not interested in a full regional model. For this to be more affordable than our preferred option there'd need to be 4-5 councils involved.

Our third option is our status quo, but that would come at significant cost to Council and our community and, therefore this means it doesn't meet legal requirements, as it wouldn't be financially sustainable. Our community would be paying significantly more for water than they do now, and would receive fewer services.

Community impact:

By collaborating with other councils our community would experience:

Community affordability:

Collaborating with other councils makes water services more affordable for our community than our status quo. Projected costs in Year 10 are similar to what we stated to our community in our Long Term Plan (incl Nature Calls levy).

We accept that affordability means different things to different people, and some people may not think potential costs are affordable.

Water services:

Water services would continue to meet legal requirements. It's also likely that water services could improve, as with more people able to pay, and an increased ability to borrow, the water organisation could invest in work sooner than what councils could.

Improved impact on other council services:

By joining a water organisation, we can continue to invest in other important infrastructure and facilities for our community which means we can continue to provide the services our community expects. We wouldn't be able to do this under a status quo option. That's due to the reduced debt capacity and needing to ring fence water spending and have full user charges for water.

Social Impacts:

A water organisation will have better social impacts for our community, as council can continue to invest in services and infrastructure that support our residents to be safe and connected.

Growth and Development:

A water organisations increased borrowing means it would be able to invest in water infrastructure to support growth. By Council no longer looking after water, it means we could be able to better support growth with other infrastructure needs eg- roading and rubbish and recycling.

Climate Change and Environment:

With the advantage of scale, improved efficiencies, and an increase in borrowing capacity, we believe better environmental and climate change mitigation could occur.

Community involvement and say:

We recognise that our community, under a water organisation, would need to advocate for services more than they do with us as a Council. However, we'd be outlining our expectations to the water organisation as part of the Statement of Expectations.

We're happy to chat!

We're consulting between 27 February and 30 March 2024.

We'll have a range of opportunities for people to come and chat to us during this time. Even if you don't live in Palmy, we're happy to answer any questions you may have and the potential impact for our community. You can come to our drop-in sessions, make a submission on our consultation, and chat to us on our social media channels. All the details are on our website at **www.pncc.govt.nz/localwater**