Watercare Services Limited
73 Remuera Road, Remuera,
Auckland 1050, New Zealand
Private Bag 92521, Victoria Street West,
Auckland 1142, New Zealand
Telephone +64 9 442 2222
www.watercare.co.nz

6th October 2026

Warwick Pascoe
Principal Project Lead, Auckland Council
Warwick.Pascoe@aucklandcouncil.govt.nz

Dear Warwick,

Auckland Surf Park Community - Stage 2
1320 & 1350 Dairy Flat Highway, 89 & 105 Lascelles Drive, 237 & 253 Postman Road, Dairy Flat

Introduction

1. Watercare Services Limited (**Watercare**) welcomes the opportunity to provide comments on the Auckland Surf Park Community – Stage 2 Fast-track substantive application (**Application**), made under section 53 of the Fast-track Approvals Act 2024 (**Act**).

2. AW Holdings 2021 Ltd (**Applicant**) proposes to construct and operate an artificial intelligence data centre, integrated residential development comprising ~500 residential units including visitor accommodation, a village centre, work-live precinct, subdivision and associated activities (**the Project**) over 54 hectares of land at approximately 1350 Dairy Flat Highway, Dairy Flat. The Applicant previously obtained resource consents for stage 1 of the project under the COVID-19 Recovery (Fast-track Consenting) Act 2020. A variation to the previous decision to increase the scale of surf lagoon and solar farm, rationalise the layout of buildings and structures associated with the surf lagoon and increase the number of accommodation units adjacent to the surf lagoon to ~140 is also included as part of this Application.

3. The zoning of the Project Area is Future Urban Zone (**FUZ**) under the Auckland Unitary Plan (**AUP**). As set out in the Auckland Future Development Strategy 2023-2053 (**FDS**) the Project is located in the Silverdale West (Stage 3) future urban area (**FUA**) and is timed to be development ready from 2035+. The FDS Monitoring Report 2023-2053 dated December 2025 identifies the following pre-requisites are required to support development of the Silverdale West (Stage 3) FUA:

    - Army Bay Wastewater Treatment Plant (**WWTP**) Upgrade which is timed to be delivered in 2031 and is currently funded.
    - Silverdale West Centralised Wastewater Pump Station (**WWPS**) which is timed to be delivered in 2031 and is currently funded.
    - Stanmore WWPS & Rising Main Upgrade which is timed to be delivered in 2031 and is currently funded.
    - Orewa to Stanmore Wastewater Trunk Network Upgrade which is timed to be delivered in 2033 and is currently funded.
    - North Harbour No.2 Watermain which is timed to be delivered in 2034+ and is currently funded.
    - Orewa 3 Watermain which is timed to be delivered in 2038 and is unfunded.

4. Watercare notes that the above infrastructure timings are reviewed and updated over time. However, for the purposes of this advice, the FDS Monitoring Report remains the most recent published Auckland Council position regarding FUA sequencing and infrastructure prerequisites.

5. Watercare's comments in this letter are based on the Application as at today's date, in particular the following lodged Application documents:
    - Assessment of Environmental Effects and Statutory Analysis, dated 24th April 2026.
    - Appendix 29 Engineering Infrastructure Report, dated 8th June 2026.
    - Appendix 30 Water and Wastewater Servicing Report, dated 9th June 2026.
    - Appendix 54 Wastewater Treatment Plant Operation and Maintenance Manual, dated 22nd January 2026.
    - Appendix 60 Stage 1 BUN60429155 Conditions
    - Appendix 61 Stage 2 LUC, DIS and WAT Conditions
    - Appendix 62 Stage 2 Staged SUB Conditions
    - Appendix 63 Stage 2 Unit Title SUB Conditions

6. Any amendment to the Application will require further review from Watercare.

7. This advice is valid as at the date of this letter. All servicing advice is based on the best available information at the time and may change if updated network modelling or programme and/or funding reviews indicate materially different outcomes.

Watercare's purpose, statutory obligations and growth policy

8. Watercare is New Zealand's largest provider of water and wastewater services, operating as a substantive council-controlled organisation owned by Auckland Council with the purpose embodied in the Māori whakatauki *"Ki te ora te wai, ka ora te whenua, ka ora te tangata"* (When the water is healthy, the land and the people are healthy), reflecting the connection between its services and the wellbeing of the community and local environment.

9. Watercare is required to manage its operations efficiently, with a focus on minimising overall costs while maintaining long-term asset integrity. These obligations are subject to economic regulation under the Watercare Charter, with oversight provided by the Commerce Commission as the appointed Crown monitor. Watercare must also give effect to the relevant aspects of Auckland Council's Long-term Plan and act consistently with other council plans and strategies, including the Auckland Plan 2050 and the FDS.

10. Through its annual Statement of Intent responding to the council's Letter of Expectation, Watercare commits to contributing to Auckland Plan 2050 outcomes. This includes working collaboratively with the wider council group to support areas of growth identified by the council, acting consistently with the FDS for major infrastructure development for FUAs and ensuring alignment of infrastructure projects with other utilities. Watercare also commits to fully recovering growth-related costs so that growth pays for growth.

11. Watercare's Growth Servicing Policy 2026[1] sets out Watercare's approach to servicing growth. The Policy recognises FUZ land as a distinct servicing category and notes that FUAs are anticipated to be rezoned for urban development before development occurs. It also recognises that development may be proposed through Fast Track or Resource Consent processes before rezoning, in which case Auckland Council will undertake a policy assessment considering consistency with its plans and strategies and wider infrastructure requirements needed to support a thriving community.

[1] https://assets.watercare.co.nz/media/Watercare_Growth_Servicing_Policy_2026_V1_3e5f1e7a7c.pdf

Watercare will follow Council's lead on strategic consistency and provision of public infrastructure servicing ahead of rezoning.

12. In line with this policy, Watercare does not provide water or wastewater connections to FUZ land unless and until that land is rezoned for urban development or Auckland Council has determined through its policy assessment that development should proceed ahead of rezoning. As of the date of this letter, no policy assessment for servicing the Project ahead of rezoning has been provided by Auckland Council.

13. Watercare does not support permanent private servicing within FUAs, as Watercare plans to deliver or has already invested public funds into projects to service these areas.

14. Notwithstanding this policy position, the below comments are provided in relation to the existing and future capacity of the bulk networks and the local network servicing requirements.

Applicants proposed water supply and wastewater servicing

15. In the absence of available public water and wastewater infrastructure, the Applicant proposes private servicing arrangements for both water supply and wastewater. The Application indicates that the proposed private infrastructure may operate as either an interim or permanent servicing solution depending on the availability of future public network connections.
16. To enable the option of connecting to the public system in the future, the proposed private water and wastewater treatment infrastructure will be designed and constructed in accordance with current public Watercare standards as much as is practical.
17. The private infrastructure is proposed to be owned, operated, and maintained through a private utility company.

<u>Wastewater</u>

18. The Applicant is proposing to service the Project via a low-pressure sewer (**LPS**) system. The LPS system includes underground grinder pump stations located within each lot which will pump wastewater to a centralised WWTP. Treated wastewater will then discharge to land for irrigation and/or the un-named tributary of the Rangitoopuni stream via land contact. Once commissioned, a private utility company will own and operate the WWTP.

19. The private WWTP is proposed to operate on a permanent basis, however the private wastewater infrastructure will be designed and constructed in accordance with the current public Watercare standards as much as practical.

<u>Water Supply</u>

20. The Application proposes that raw water will be sourced from a variety of sources including two bores, stream water take (already consented), and the use of rainwater collection for non-potable uses. The raw water will be treated via an onsite water treatment plant (**WTP**) which will be owned and operated by the utility company.

21. The private WTP is proposed to operate on a permanent basis, however to enable possible connection to the public system in the future, strategic isolation valves and connection points will be installed at the property boundary to enable integration should public infrastructure become available in the future.

Watercare's comments

Private Servicing

22. Watercare does not support the establishment of permanent private water supply or wastewater treatment facilities for the servicing of FUZ land as we plan to deliver or have already invested public funds into projects to service these areas.

23. Watercare is responsible for efficiently delivering and operating Auckland's public water and wastewater infrastructure. Permanent private servicing undermines Watercare's ability to plan and sequence bulk infrastructure investment. Watercare's position reflects a preference for a single, publicly controlled network to manage health, environmental, operational and equity risks at the least cost over the long term.

24. Watercare recognises that interim private servicing may be proposed to bridge the gap until public bulk infrastructure capacity becomes available. This may be appropriate, provided that the interim solution is demonstrably temporary, fully private and subject to clear and enforceable decommissioning and transition requirements. Such requirements should ensure that any transition from interim to permanent public servicing is managed effectively, minimises disruption to communities, and does not present a cost burden to customers not directly connected to the interim system.

25. It is recommended that any interim solution be designed in accordance with Watercare's standards in order to increase the likelihood that the assets can be transferred in the future, subject to Watercare's requirements at the time. However, Watercare is unlikely to accept treatment infrastructure for vesting to the public network, therefore any future transfer of private networks would likely require the full decommissioning of the treatment infrastructure prior to vesting.

26. Future decommissioning and transition requirements are not provided for under this Fast Track Application. Therefore, if this option is to be undertaken in the future, then the necessary approvals will need to be obtained at the time.

27. Watercare defers to Auckland Council for comments in relation to the design and environmental performance of the proposed private water supply and/or wastewater servicing for the Project. Additionally, any private water supply would be subject to regulation by Taumata Arowai as the water services regulator.

Public Servicing

Bulk Wastewater

28. The existing Army Bay WWTP and parts of the Hibiscus Coast wastewater network are already at or near capacity.

Wastewater Treatment

29. There is currently insufficient capacity at the Army Bay WWTP to support connections from unconsented developments within its catchment, including the Project.

30. Watercare is delivering the Army Bay Stage 1 Upgrade, which is currently forecast for delivery in 2031. The Army Bay Stage 1 Upgrade will increase treatment capacity to 125,000 population equivalent (PE), providing capacity for approximately 50,000 PE or 16,666 dwelling unit equivalents (DUEs).

Wastewater Networks

31. The bulk network that services the Hibiscus Coast and conveys wastewater flows to the Army Bay WWTP currently has limited available capacity and requires upgrades to ensure it has capacity to service the planned growth in the catchment. The network's expansion required to service the Silverdale West (Stage 3) FUA that the Project is located in, has not been completed. There are network upgrade projects planned that need to be delivered to service both infill growth and live zoned areas, and greenfield growth in line with the timing provided in the FDS.

32. Watercare is planning to deliver a number of bulk wastewater network upgrades to support growth within the wider area serviced by the Army Bay WWTP. These projects include:
    a. the Silverdale West WWPS project, which will provide a new bulk pump station and connecting infrastructure to cater to greenfield development and support the release of FUAs in line with the FDS by pumping flows from the Silverdale West (Stage 3) FUA to the existing bulk wastewater network in Milldale, from where flows are conveyed to Army Bay WWTP, and
    b. the Stanmore Wastewater Pump Station and Rising Main Upgrade and the Orewa to Stanmore Wastewater Trunk Network Upgrade, which are required to enable growth across the Hibiscus Coast.

33. Watercare is currently undertaking modelling work to update its understanding of the exact staging and location of capacity progressively becoming available across the Hibiscus Coast following the completion of the Army Bay Stage 1 upgrade by 2031. Watercare anticipates it will have more detailed staging and capacity information available in early-2027.

34. If the Applicant wishes to connect to the public network in the future, this will only be possible once sufficient capacity has been made available within the bulk wastewater network to service the Project.

35. While the Applicant proposes connecting to the public wastewater network once capacity becomes available, this is not considered a reliable or supported outcome due to the proposed design of the private local network. The development relies on a large-scale LPS system, which is not supported under the Code of Practice for developments of this size because of the associated operational and septicity risks. Watercare's requirement would be for the private network to be designed as a gravity system to enable future vesting and connection to the public wastewater network.

36. Watercare notes that if connection to the public system is provided for in the future, the private WWTP will need to be decommissioned prior to connection.

Water Supply

37. There is currently available capacity within the existing bulk water supply network servicing the wider Hibiscus Coast water supply zone. However, the Project is located approximately 4.6 km from the existing Orewa 3 watermain, with no intervening development to provide demand or turnover along the proposed connection. As a result, a watermain of this length to connect the Project would experience extremely low turnover and prolonged water age. This presents a significant risk to drinking water quality and may compromise compliance with water quality objectives. Accordingly, vesting this asset as a public watermain is not considered acceptable until a closer and sustainable source of supply is available (the future Orewa 3 watermain).

38. Watercare is planning to deliver the North Harbour 2 watermain (currently forecast for 2034+) and the Orewa 3 Watermain Scheme (to be delivered following completion of NH2). Once completed, these projects are anticipated to provide additional bulk water supply capacity to support growth across the wider area.

39. Watercare notes that for interim private water supply servicing there are likely to be higher operational and water safety risks associated with connecting a private serviced area to the public network at a future time. These risks, including significant water quality risks to connected customers, may mean the system needs to remain independent from the wider public network which may mean it becomes permanently private. Technical solutions to overcome these risks include super chlorination, flushing and water outage programme or complete duplication of the water supply network. To mitigate these risks Watercare recommends that the proposed private reservoir and watermains should be designed and constructed in accordance with the Code of Practice and Watercare Standards.

40. If the proposed watermains are ultimately incorporated into the public reticulation network, the fire flow assessment and demand calculations, particularly for industrial land uses, may change and will therefore require further review during the potential future resource consent and Engineering Plan Approval (EPA) stages. All applicable Watercare standards and requirements will need to be incorporated as part of the detailed design and approval process if connection to the public network is to be achieved in the future.

41. Watercare notes that although the proposed development appears to include industrial land use, the assessment has only considered FW3 fire flow requirements. The proposed additional 180 m^3 storage volume may not be sufficient, depending on the final land use, building characteristics, development intensity, and the available network capacity. Based on these factors, the required level of fire flow provision may increase to FW4 or higher. Accordingly, if the water supply is connected to the public system in the future, the fire flow assumptions should be reviewed and appropriately justified against the final development proposal and the requirements of the New Zealand Firefighting Water Supplies Code of Practice (SNZ PAS 4509). Furthermore, any changes to the fire flow requirements may affect the required water supply infrastructure sizing and overall network servicing strategy, and should therefore be reassessed during the future design and approval stages.

42. Watercare notes that if connection to the public system is provided for in the future, the private bores and WTP will need to be decommissioned prior to connection.

Comments on proposed conditions

43. The Applicant has proposed private water supply and wastewater servicing however, has stated that these will be designed to enable connection to the public system in the future, should capacity become available. Therefore, Watercare recommends the inclusion of the following advice notes:

    Advice Note: Any future connection to the public network is not guaranteed and will be assessed under the standards and provisions relevant at the date of any such application. By designing the interim network to Watercare's current Watercare Water and Wastewater Code of Practice for Land Development and Subdivision (Code of Practice), standards, and operational requirements, this will better support a pathway to a public connection in the future.

Conclusion

44. It is not technically feasible to service the Project for water supply until Orewa 3 is commissioned bringing water supply closer to the Project.

45. While Watercare is working towards enabling servicing of the Hibiscus Coast FUAs in line with the FDS, as of today Watercare cannot confirm the timing of bulk wastewater servicing for the Project area.

46. Watercare does not support permanent private servicing within FUAs, as Watercare plans to deliver or has already invested public funds into projects to service these areas. Watercare recognises that interim private servicing may be proposed to bridge the gap until public bulk infrastructure capacity becomes available. This may be appropriate, provided that the interim solution is demonstrably temporary, fully private and subject to clear and enforceable decommissioning and transition requirements.

47. If the Applicant wishes to connect to the public water and wastewater networks in the future, Watercare has concerns as outlined above in relation to the current design of the local networks. All applicable Watercare standards and requirements will need to be incorporated as part of the detailed design and approval process if connection to the public network is to be achieved in the future. Watercare cannot confirm future connection or asset acceptance.

48. Watercare is open to further discussions with the Applicant.

Yours faithfully,



Anna Jennings
Manager – Major Developments
Watercare Services Limited