



# EXTRAORDINARY MEETING

of

## Council

## AGENDA

**Time:** 3:00 pm  
**Date:** Thursday, 19 December 2024  
**Venue:** Waiata House, 27 Lincoln Road,  
Masterton

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### MEMBERSHIP

Mayor Gary Caffell (Chairperson)

Councillor Bex Johnson  
Councillor Craig Bowyer  
Councillor Brent Goodwin  
Councillor David Holmes

Councillor Tom Hullena  
Councillor Stella Lennox  
Councillor Tim Nelson  
Councillor Marama Tuuta

## Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

<b>Whakamana Tangata</b>	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
<b>Manaakitanga</b>	Recognising and embracing the mana of others.
<b>Rangatiratanga</b>	Demonstrating effective leadership with integrity, humility, honesty and transparency.
<b>Whanaungatanga</b>	Building and sustaining effective and efficient relationships.
<b>Kotahitanga</b>	Working collectively.

## **Order Of Business**

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## **1 CONFLICTS OF INTEREST**

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

## **2 APOLOGIES**

The Chair invites notice from members of:

- leave of absence for future meetings of Masterton District Council
- apologies, including apologies for lateness and early departure from the meeting where leave of absence has not previously been granted.

## **3 ITEMS NOT ON THE AGENDA**

The Chairperson will give notice of items not on the agenda as follows:

*Matters requiring urgent attention as determined by resolution of the Council*

- The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

*Minor matters relating to the general business of Council*

No resolution, decision or recommendation may be made in respect of the item except to refer it to a subsequent meeting of Masterton District Council for further discussion.

## **4 REPORTS FOR DECISION**

### **4.1 REQUEST FROM THE WAIRARAPA SPORTS ARTIFICIAL SURFACE TRUST RE LOAN GUARANTEE**

**File Number:**

**Author:** Karen Yates, General Manager Strategy & Development

**Authoriser:** Kym Fell, Chief Executive

#### **PURPOSE**

This report seeks Council consideration of a request from the Wairarapa Sports Artificial Surface Trust (the Trust) for Masterton District Council to act as guarantor for a loan from the Wairarapa Building Society (WBS).

#### **EXECUTIVE SUMMARY**

Expenditure of some \$700,000 was approved by the Trust for the laying of replacement turf at the Clareville hockey complex. The work was done in March/April 2024 and reserves and grant funding was used to cover some \$470,000 of that cost. Shortfalls in fundraising from grants has resulted in the Trust being in a financial bind. Currently there is \$222,786 owing to the turf supplier and installer, who are demanding payment.

The Trust is seeking a loan from the Wairarapa Building Society of \$230,000 to cover the shortfall and has asked the three Wairarapa councils to act as joint guarantors for the loan. Both Carterton and South Wairarapa District Councils have declined their request to act as joint guarantors.

#### **RECOMMENDATION(S)**

That Council

1. Declines the request for Masterton District Council to act as guarantor of a loan to the Wairarapa Sports Artificial Surface Trust

**[OR]**

2. Agrees to act as guarantor of a loan from the Wairarapa Building Society to the Wairarapa Sports Artificial Surface Trust to the value of [ \$\_\_\_\_\_ ]
3. Agrees that the guarantor commitment will expire on [ \_\_\_\_\_ ] or earlier in the event that the loan is repaid earlier
4. Agree to the appointment of a non-voting Council Observer to the Wairarapa Hockey Association and Wairarapa Sports Artificial Trust entities, or future entity once established, to monitor the ongoing financial sustainability and debt repayment
5. Delegates authority to the Chief Executive to prepare a guarantee deed to give effect to the resolution in 2. above and delegates authority to the Mayor and the Chief Executive to authorise the guarantee deed.

## **CONTEXT**

The Hockey Stadium at Clareville is an important facility in the Wairarapa which contributes to the social and financial wellbeing of the Wairarapa community. The facility brings people into the Wairarapa through both regional competitions and tournaments. It is the only full size, international competition standard hockey facility in the Wairarapa.

The Stadium and the new artificial turf is located at the A&P Showgrounds at Clareville. The land is owned by the Wairarapa A&P Society. The A&P Society are unable to assist the Trust with a guarantee due to a restriction in their governing Act.

The artificial turf is owned and managed by the Trust. The sport of hockey is run by the Wairarapa Hockey Association who charge players affiliation fees, a portion of which are passed on to the Trust. The Trust also has revenue from the sale of signage rights.

The Trust approved expenditure over \$700,000 for the laying of replacement turf at the Clareville Hockey Stadium on the assumption that grant applications would be successful and would add to the funds they had on hand. A portion of those grant applications were not successful, but the turf installation went ahead. The Trust now owe the turf supplier and installer, Polytan, \$222,786. Polytan are demanding the final payments they are owed and will resort to legal action if it is not paid. Failure to pay the supplier and the resulting legal action may result in the Trust being wound up, and the newly laid turf being removed by the supplier. This action will severely damage the sport of hockey in the Wairarapa and Wellington region.

The Trust is seeking a loan from the WBS of \$230,000 to cover the shortfall and has asked the three Wairarapa councils to act as a guarantor for the loan (see attached letter). The loan would enable the debt to the supplier to be repaid and will help secure the future of hockey in the Wairarapa.

The request from the Trust is that the guarantee of \$230,000 be shared equally between the three Wairarapa councils which would amount to a maximum liability for each of the councils of \$76,667. Carterton District Council considered the matter at their council meeting on 11 December and have decided not to act as a guarantor for the loan. South Wairarapa's Mayor has indicated his Council does not support providing a guarantee.

## **ANALYSIS AND ADVICE**

### **Masterton District Council's ability to guarantee loans**

Council's Treasury Management Policy states:

#### ***6.5 Guarantees, Contingent Liabilities and Other Financial Arrangements***

*MDC may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, Trusts, or business units, if the purposes of the loan are in line with MDC's strategic objectives.*

*MDC will not guarantee loans to Council-Controlled Trading Organisations, in accordance with the LGA (s.62). MDC will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed.*

*Guarantees given will not exceed any amount agreed by Council or Council committee.*

*The Manager Finance will monitor guarantees and report annually to Council. Conditions to financial arrangements, such as loan advances, are detailed later in this document.*

Council has acted as guarantor for community entities in the past, for example for the Masterton Motorplex and for the Bring it to Colombo Trust (subsequently transferred to Netball Wairarapa). There have been no issues with either of these guarantees (ie the loans have been repaid).

It is recognised that the sport of hockey generates economic activity for the Wairarapa and that aligns with this Council's strategic objectives. Maintaining opportunities for participation in sport across all ages also aligns with the strategic objectives.

**Risk to Council in guaranteeing the loan**

*Will the Trust be able to repay the loan?*

The financial forecast information provided shows the Trust revenue projected over the next five years generating a surplus to repay the loan. The income from players is higher than prior years (by some \$20,000) but some \$100,000 of revenue from the three councils providing operational grants has been assumed from 2026. There is a risk of that income not being achieved at the levels they have assumed. The expectation that the Trust have is that ratepayers will want to support their sport via annual operating grants from rates. They have yet to make that case to the ratepayers of the Wairarapa, via the elected members.

In terms of governance, the Trust and the Wairarapa Hockey Association have separate governance structures, which has compounded the financial and operations issues the Trust faces. The two entities have proposed a plan to become one entity with charitable status as the current structure is not sustainable in the long term. An advisory group has been established to assist the Trust and the combined entity going forward.

*What will happen if the Trust default on the loan?*

If Council agree to guaranteeing the loan and the Trust defaulted, Council would be liable to repay the loan and any accrued interest.

If this happened Council would use unallocated reserves to pay the amount Council was liable for and then seek to recover the amount from the Trust/hockey players. In the last resort, if the hockey playing community were not prepared or able to pay for the costs of their facility, the cost would fall to Masterton ratepayers (repaying the reserves used).

**OPTIONS CONSIDERED**

A summary of the options considered is included in the table below.

Option	Advantages	Disadvantages
1 Decline to provide the loan guarantee as requested	There is no risk that Masterton District Council will be required to pay the loan in the event of default	There is a risk of the Trust being wound up, and the newly laid turf being removed by the supplier. This risks the future of hockey in the Wairarapa and Wellington region
2 Agree to provide a guarantee for the loan from WBS to the Trust.	Reduces the risk of the Trust being wound up, the newly laid turf being removed by the supplier and hockey's future in the Wairarapa.	Masterton District Council will be required to pay the loan in the event of default



## **RECOMMENDED OPTION**

No option is recommended.

## **SUMMARY OF CONSIDERATIONS**

### **Strategic, Policy and Legislative Implications**

Council's *He Hiringa Tangata, He Hiringa Whenua Wellbeing Strategy* supports activities that contribute towards improving the social wellbeing of the community, including providing and facilitating a wide range of opportunities for people to be physically active.

Council's Treasury Management Policy provides for Council to be able to act as a guarantor if the purposes of the loan are in line with MDC's strategic objectives.

### **Significance, Engagement and Consultation**

The decision sought in this report is not a significant decision in terms of Council's Significance and Engagement Policy.

### **Financial Considerations**

As set out above, if Council were to agree to act as guarantor and the Trust defaulted on the loan Council would be liable for the amount Council agreed to act as guarantor for. Council would need to use reserves to meet any liability. This would not have a direct impact on rates.

Council would look to recover any money paid to WBS from the Trust.

### **Implications for Māori**

There are no implications for Māori in the decision sought in this report.

### **Communications/Engagement Plan**

No communication or engagement plan is required in relation to the decision sought in this report.

### **Environmental/Climate Change Impact and Considerations**

There are no environmental or climate change impacts or considerations associated with or arising from the decisions sought in this report.

## **ATTACHMENTS**

**Nil**

## **4.2 LOCAL WATER DONE WELL - WAIRARAPA + TARARUA JOINT ARRANGEMENTS**

**File Number:**

**Author:** Karen Yates, General Manager Strategy & Development

**Authoriser:** Kym Fell, Chief Executive

### **PURPOSE**

The purpose of this report is to seek Council's agreement on matters to further the development of the Wairarapa + Tararua water services delivery option for consultation with the community in March/April 2025.

### **RECOMMENDATIONS**

That Council

1. **Receives** the report.
2. **Notes** that Council is making use of the alternative decision-making and consultation arrangements provided in the Local Government (Water Services Preliminary Arrangements) Act 2024.
3. **Notes** that the Local Government (Water Services) Bill which will establish the enduring settings for the new water system including the economic and regulatory oversight functions has been introduced into Parliament.
4. **Notes** that the three Wairarapa district councils and Tararua District Council have agreed to consult their communities on the Wairarapa + Tararua water services delivery option alongside their enhanced status quo options.
5. **Notes** that the existing Project Terms of Reference agreed by the councils in July 2024 requires updating and officers will report to the February 2025 Council meeting with a full update.
6. **Agrees** that until the full update in February 2025, work to develop the Wairarapa + Tararua water services delivery option continues under the existing Project Terms of Reference with two amendments:
  - (a) To expand the membership of the Advisory Oversight Group to include two elected members from each council, one of which is to be the Mayor or Deputy Mayor and appoints \_\_\_\_\_; and
  - (b) To include a delegation to the Advisory Oversight Group to develop a draft consultation document for the Wairarapa + Tararua water services delivery option.
7. **Agrees** that the Wairarapa + Tararua water services delivery model will be a Water Services Council Controlled Organisation.
8. **Agrees** to progress the Wairarapa + Tararua water services delivery option to include stormwater.
9. **Agrees** to include options for price harmonisation in the consultation document for the Wairarapa + Tararua water services delivery option, including a prohibition against harmonisation for a 3-5 year period.

## **CONTEXT**

Officers reported to the 13 November 2024 meeting on the progress of the Government's Local Water Done Well programme and sought direction on options for the delivery of water services. Council agreed to continue the development of the Wairarapa and Tararua (Wai + T) water services delivery joint arrangement for three waters for consultation with the community. The report also noted that the Chief Executive will draft an agreement with those participating councils for Council's consideration in December 2024.

At the meeting on 4 December 2024, Council agreed not to continue to develop the Wellington Region water services delivery joint arrangement for consultation with the community and to exit that joint arrangement.

This means that Council will be consulting with the community on the Wai + T option and the Masterton enhanced status quo (refer to the 13 November report for further details on this model). The three Wairarapa District Councils and Tararua District Council have now agreed to consult on the Wai+T option alongside their enhanced status quo option.

The 13 November report also noted that the Government intends to introduce further water services legislation in December 2024 to be enacted in mid-2025 that will establish the enduring settings for the new water system including the economic and regulatory oversight functions. The [Local Government \(Water Services\) Bill](#) has since been introduced into Parliament.

## **ANALYSIS AND ADVICE**

### **Wai + T Project Terms of Reference and Advisory Oversight Group**

The Wai + T water services delivery joint arrangement was developed under Project Terms of Reference (TOR) agreed by the councils in July 2024 (Attachment 1). The project is being delivered through an Advisory Oversight Group (AOG), which comprises Mayors/Councillors and Iwi, a Project Steering Group comprised of Chief Executives, and a project team.

The Project Terms of Reference will need to be updated to reflect some decisions made by participating councils and further information available from the Government on the detail of the programme. Officers will report to Council's meeting in February 2025 with a full update. In the meantime, officers note the timeframe to develop the two options and consultation documentation sufficiently robust enough to enable informed public consultation in 2025 is exceptionally short and officers will need to continue to work on the project ahead of the February 2025 meeting.

Officers recommend that work continues under the existing Project TOR, with two amendments. Firstly, to expand membership of the AOG to two elected members from each participating Council (at least one being the Mayor or Deputy Mayor). The expansion of the AOG will provide resilience to the AOG and project staff working on the models and draft consultation document. In addition to the two iwi representatives from Ngāti Kahungunu ki Wairarapa and Rangitane o Wairarapa Tu Mai Rā, the full AOG would be comprised of 10 members.

Secondly, specific responsibilities of the Project Team in the Project TOR include preparing the consultation pack in collaboration with individual councils (for the status quo model) and running the consultation. There are no corresponding responsibilities for the AOG. For clarity, officers propose the Project TOR are amended to include a delegation to the AOG to develop a draft consultation document for the Wai + T option.

Developing an option for public consultation will require participating councils to consider a number of choices for the proposed joint water services delivery model and plan. These need to be agreed within the AOG and advised to staff preparing the consultation documents. This may include questions around the size of the Board, the Board appointments process and choices with respect to the constitutional documents being proposed, amongst other things.

Using the AOG to consider these questions and providing clarity for the project team will help ensure the draft consultation document will be consistent across the Wai + T participants, will be robust enough for public engagement, and will be delivered on time.

Officers note that none of the decisions made by the AOG will seek to bind their participating councils. Each council will be asked to consider adopting the proposed Wai+T option through adoption of the draft consultation document. Participating councils will consider final decisions on the Wai + T option or enhanced status quo option after consultation during May/June 2025.

Officers are still considering the consultation timeline and will advise Council in due course.

### **Alternative Decision-Making and Consultation Arrangements**

The report to the meeting on 13 November 2024 noted that the Government has provided for a streamlined process of consultation and decision-making regarding the transfer of water services through the Local Government (Water Services Preliminary Arrangements) Act 2024. Part 3 of the Act sets out modified consultation and decision-making arrangements for councils in place of certain consultation and decision-making requirements in the Local Government Act 2002 (LGA). Rather than consulting on all reasonably practicable options for delivering water services, as would be required under the LGA, councils may consult on a minimum of two options, that being a WSCCO or other joint arrangement, and the enhanced status quo.

Council has effectively decided to utilise the alternative arrangements by deciding not to progress the Wellington Regional model, which is a reasonably practicable option.

### **Water Services Council Controlled Organisation**

The report to the meeting on 13 November 2024 noted that there was a number delivery options available under legislation, including a joint council-controlled water organisation, a mixed council/consumer trust owned organisation or a consumer trust owned organisation. The Wai + T model developed for consideration is a Water Services Council Controlled Organisation (WSCCO). The benefits of that model were outlined in the report and in the LWDW Benefits & Opportunities Analysis at Attachment 6 to that report.

The report noted that officers had not investigated the trust models for service delivery. Officers understand that there are some localised examples of a successful implementation of the trust models in the public utility area such as Scanpower in the Northern Tararua district. It may be possible to utilise the set-up of such organisations to provide other utility services, such as three waters, but this has not been tested in New Zealand. Most importantly, such models would not be able to access LGFA funding under the proposed legislation, which is a significant advantage of the WSCCO model.

Given the unlikely viability of the trust models under the proposed legislation and short time to develop the Wai + T option to consultation, officers recommend that Council agrees that the Wai + T delivery model will be a WSCCO.

## **Stormwater**

The report to the 13 November 2024 Council meeting noted that under the Local Government (Water Services Preliminary Arrangements) Act 2024 councils will retain legal responsibility and control of storm water services but have flexibility to choose the arrangements that best suit their circumstances. The Water Services Delivery Plan required to be submitted to the DIA by 3 September 2025 must indicate whether stormwater services are included or not.

The matters to consider for councils who elect to retain stormwater outside of any joint arrangements are:

- The technical waters expertise that would have to remain internal to council to continue delivering it in-house and how this would be separated out from the rest of the water expertise;
- How stormwater will be funded given the Council will not have the advantage of head room created by the uplift in LGFA funding for CCOs.
- How this might undermine the benefits that come from a whole-of-catchment approach which are a key strategic benefit to joint entities.

Stormwater is a small proportion of total revenue but a large portion of total infrastructure value. For Masterton, stormwater operating revenue for 2022/23 was \$934,000 which is 7% of the total of 3 waters operating revenue, but has a \$34,423,000 book value, which is 14% of the total of 3 waters book value. This means that stormwater is effectively undercharged as part of the three water delivery costs, which has implications for future funding if it is to be retained by Council.

A council has the flexibility to pass over the management of the stormwater assets to a water services entity which would likely be done by way of a service level agreement and expectations spelt out in a letter of expectation.

The report further noted that, given the work required to be undertaken on the MDC stormwater network (Stormwater and Wastewater Strategy Project), the unknown state of the network through an asset management lens, alongside the expected magnitude and cost of addressing stormwater issues, it is assumed any water services model developed will be for all three waters.

Officers recommend that for the purposes of clarity, Council agrees to progress the Wai + T option to include stormwater.

## **Price harmonisation**

There is no legislative requirement to harmonise prices across the participating council districts, however, the Water Services Bill enables the Commerce Commission to apply minimum or maximum revenue thresholds (or both). It is recognised that the Councils have different levels of debt and asset value to be transferred to a new entity and this could be reflected in different tariff structures. It is also recognised that this may have implications for the economic development and growth in each area and the success of the entity in the long term if there is a long prohibition against harmonisation in place. Given these issues, officers recommend that options for price harmonisation are included in the consultation document, including a prohibition of harmonisation for a 3-5 year period.

**OPTIONS CONSIDERED**

A summary of the options considered is included in the table below.

	Option	Advantages	Disadvantages
1	<p>Agrees:</p> <ul style="list-style-type: none"> <li>• To continue development of the Wai+T option under the existing TOR with two amendments:               <ul style="list-style-type: none"> <li>○ To expand the AOG to include 2 elected members from each participating council (one being a Mayor or Deputy Mayor)</li> <li>○ delegate the AOG to develop a draft consultation document</li> </ul> </li> <li>• that the Wai + T delivery model will be a WSCCO</li> <li>• to progress the Wai + T option to include stormwater</li> <li>• to include options for price harmonisation in the consultation document</li> </ul>	<ul style="list-style-type: none"> <li>• Provides for robust oversight of the project while maintaining council decision-making</li> <li>• Provides clarity to project members, council and the community</li> <li>• Streamlines the project deliverables resulting in resource efficiencies</li> <li>• Enables consultation delivery timeframes to be achieved</li> </ul>	<ul style="list-style-type: none"> <li>• None identified</li> </ul>
2	<p>Does not agree:</p> <ul style="list-style-type: none"> <li>• to continue development of the Wai+T option under the existing TOR with two amendments:               <ul style="list-style-type: none"> <li>○ To expand the AOG to include 2 elected members from each participating council</li> <li>○ delegate the AOG to develop a draft consultation document</li> </ul> </li> <li>• that the Wai + T delivery model will be a WSCCO</li> <li>• to progress the Wai + T option to include stormwater</li> <li>• to include options for price harmonisation in the</li> </ul>	<p>None identified</p>	<ul style="list-style-type: none"> <li>• Lack of clarity around the role and responsibilities of AOG</li> <li>• Insufficient variety of views in the AOG</li> <li>• Additional workstreams for the project which will result in increased costs and risks not meeting the legislative timeframes</li> </ul>

	consultation document		
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**RECOMMENDED OPTION**

Option 1 is recommended to realise the advantages identified.

**SUMMARY OF CONSIDERATIONS**

**Strategic, Policy and Legislative Implications**

The legislative and policy provisions for the Local Water Done Well programme are outlined in the report to the 13 November 2024 council meeting. The programme is a key strategic component of the Long-Term Plan 2024-34.

**Significance, Engagement and Consultation**

Council’s three waters network are strategic assets under the Significance and Engagement Policy. Changes to the delivery of water services will have high significance for the community.

Consultation arrangements are provided for in the Local Government (Water Services Preliminary Arrangements) Act 2024.

When the Council prepares its consultation documentation for its proposed delivery model, it must identify and assess the advantages and disadvantages of the enhanced status quo model and the proposed delivery arrangement/model. It may, if it wishes, identify and assess additional options as well. The options analysis must cover all of the options which have been identified in the consultation document, but other information such as the impact on impacts on rates, charges, debts and levels of service is limited to the enhanced status quo and proposed option(s).

Consultation must be completed before the WSDP is adopted and submitted to DIA.

Officers will advise Council of the proposed consultation timeframes.

**Financial Considerations**

There are no financial considerations associated with the decisions in this report, other than the efficiencies identified.

**Implications for Māori**

Water and environmental wellbeing are key priorities for mana whenua and the wider Māori community.

Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa iwi are represented on the Wairarapa + Tararua AOG.

**Communications/Engagement Plan**

A communications plan will be developed as part of the next phase of work leading to community consultation.

**Environmental/Climate Change Impact and Considerations**

There are no climate change impacts as a result of the decisions sought in this report.

Reducing emissions from water services will need to be considered as part of the renewal and upgrade of the network. This will form part of the Asset Management Plans and Strategy of the

Water Services Entity. Council will be able to influence climate change objectives through input into the Statement of Expectations.

### **NEXT STEPS**

Officers will further develop the models for consultation with the community. Work will also commence on the development of a WSDP for submission to DIA. Officers will report back to Council on the updated Project TOR at the February 2025 meeting.

### **ATTACHMENTS**

1. **Wairarapa + Tararua Project Terms of Reference** [↓](#)





# LOCAL WATER DONE WELL – WAIRARAPA & TARARUA

## Project Terms of Reference

July 2024

## **Local Water Done Well – Wairarapa and Tararua Joint Council Project**

### **Terms of Reference**

#### **Purpose**

The purpose of the project is to enable the councils and communities of South Wairarapa, Carterton District, Masterton District and Tararua, or any combination of these four Councils, to make an informed decision on the arrangements under which they will deliver a Water Services Delivery Plan (WSDP), as required under the Local Government (Water Services Preliminary Arrangements) Bill.

The project is scoped to provide sufficient supporting evidence and a decision-making framework to enable evaluation of a joint operating model (including all or some of the named councils) against other options for the delivery of water services (including the status quo).

The evidence provided will be of a quality that if chosen, the joint arrangement will be taken through as the alternative option in the consultation process with the community and into the development of a WSDP to be submitted to the Secretary for Local Government.

#### **Scope**

Under the Local Government (Water Services Preliminary Arrangements) Bill a key decision required of councils when preparing a WSDP is whether to continue delivering services as usual (whether under an existing CCO arrangement or alone) known as the 'status quo', or enter a joint arrangement with other councils, whether this be via a water services Council Controlled Organisation (CCO), Council Owned Organisation (COO) or other suitable model, for example shared services.

The scope of this project is to develop a joint arrangement option encompassing the Wairarapa and Tararua councils that is sufficiently detailed to enable it to be compared against other options.

Although the development of a Wellington Regional joint arrangement option is out of scope as this is being led out of a different project team under a different MOU and funding mechanism, it is in scope to assess the option derived from that process with the Wairarapa and Tararua Joint Council option.

Similarly, out of scope also is development of the status quo / existing approach option for each individual council which will remain the responsibility of the respective council but must be compared against the joint council option as required by Part 3, clause 51. 2. a. (i).

#### **Dependencies**

This project is dependent on two other processes being run concurrently:

1. The introduction and passage of the second and third pieces of Local Water Done Well legislation.
2. The progress of the Water Services Delivery Planning project for Wellington Region and Horowhenua.

This means that project deliverables and sub-deliverables will need to align to key milestones incorporated into these other two processes.

Of key importance are the designated 'off-ramps' designed within the Wellington Region and Horowhenua project to enable progressive decision making by councils on a preferred future delivery model.

This project feeds into but is not driven by those decision-making points. It is important however, that ultimately, all councils involved can progress on a timely basis to satisfy the requirements of the government to submit a WSDP to the Secretary for Local Government within twelve months of Royal Assent being given to the Local Government (Water Services Preliminary Arrangements) Bill therefore, decisions will need to be signalled and made on a timely basis across the two (regional and provincial) projects.

### **Membership**

Council Advisory Oversight Group (AOG) will be the Wairarapa appointees to the Wellington Regional WSDP AOG, the Mayor or an Elected Member of Tararua District Council, and an appointee from each of Rangitāne and Ngāti Kahungunu iwi authorities (six members in total).

The Project Steering Group (PSG) will be the Chief Executive Officers of the participating Councils.

The Project Team will be made up of Infrastructure Managers of the Masterton, Carterton and Tararua Councils.

The Project Lead will be Robyn Wells from South Wairarapa Council.

Support for the Project Team from internal and external consultants will be on an as required basis.

### **Specific responsibilities of the Project Team**

1. Production of a fact summary sheet for CEs and AOG to be updated as milestones are met
2. Prepare detailed scope of work and project plan to deliver on the purpose statement
3. Development of a Project Budget for the period up to the decision to either proceed as a collective, thereby taking an offramp of the Wellington Regional model
4. Establish assessment criteria to enable options analysis and confirm work plan
5. Engage external expertise as required
6. Prepare stakeholder/engagement framework ensuring all appropriate parties are included
7. Deliver work plan in the form of a report and slide pack
8. Workshop options with elected members
9. Prepare consultation pack in collaboration with individual councils (for status quo)
10. Run consultation
11. Develop a framework for a Water Services Delivery Plan in the event the option to proceed excludes continuing with the Wellington Regional WSDP

Note – Should the preferred option become clear throughout the above work package the PSG may redirect the project team to commence work on that option in parallel. This will trigger an updated Terms of Reference.

### **Specific Responsibilities of the PSG and AOG Groups**

1. Appoint membership to the project team

2. Ensure the team members can be committed to the project
3. To keep informed through information provided from the project team

### **Funding**

Participating Councils agree to fund the costs of this project in equal parts, i.e., Four Councils = 25%, Three Councils = 33.3%

Participating Councils will fund all project expenditure on the above proportions, unless otherwise agreed.

The project budget estimate will be approved by the PSG. Project expenditure will include all forecast external costs for the duration of this work.

The cost of backfilling the Project Lead for the duration of the project will be included as an approved cost. Except for the Project Lead, staff and Elected Member costs incurred by Councils will not be charged to this project. Iwi members on the AOG will be eligible for payment in line with existing Council policies. Where there is a conflict the most substantial policy payments will be applied by the project team.

South Wairarapa District Council will manage project expenditure and charging, through the Project Lead.

The Project Team will have delegated authority to spend up to \$30,000 in line with the approved budget. Approval of costs above \$30,000 requires the endorsement of all members of the PSG.

### **Term and Termination**

The Project will be funded to the point of a decision on the operating model to be included within the required WSDP. Post that point, a new Terms of Reference will be drafted.

Participating Councils may exit the project at any time. If a participating Council leaves the project, they remain liable for their share of all costs incurred up to that date, including committed costs unable to be avoided.

### **Decision Making**

Each Council will be responsible for their own decision-making using the project team's advice and assistance. The AOG, PSG, and Project team will make decisions on a consensus basis. Where consensus is not possible decisions will be made via majority, or alternatively escalated to the next level of oversight.

### **Meeting frequency**

The Project Team will meet weekly. The Steering Group and AOG will meet at least monthly based on the pace of decisions and / or updates required

### **Review of ToR**

To be reviewed at any time at the request of the PSG.

**SIGNED** for and on behalf of  
**CARTERTON DISTRICT COUNCIL**



by its authorised signatory

.....

Signature

Geoff Hamilton  
Chief Executive Officer

Date: 5 July 2024

**SIGNED** for and on behalf of  
**MASTERTON DISTRICT COUNCIL**



by its authorised signatory

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Signature

Kym Fell  
Chief Executive Officer

Date: 5 July 2024

**SIGNED** for and on behalf of  
**SOUTH WAIRARAPA DISTRICT COUNCIL**



by its authorised signatory

.....

Signature

Janice Smith  
Chief Executive Officer

Date: 5 July 2024

**SIGNED** for and on behalf of  
**TARARUA DISTRICT COUNCIL**



by its authorised signatory

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Signature

Bryan Nicholson  
Chief Executive Officer

Date: 5 July 2024