

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
COUNCIL MEETING NO. CL25-12
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA
ON THURSDAY, 28 AUGUST 2025 AT 10.30AM**

1 KARAKIA

Whakatau mai te wairua
Whakawātea mai te hinengaro
Whakarite mai te tinana
Kia ea ai ngā mahi

Āe

Settle the spirit
Clear the mind
Prepare the body
To achieve what needs to be
achieved.
Yes

2 PRESENT

Mayor J Denyer, Deputy Mayor J Scrimgeour, Cr G Dally, Cr R Joyce, Cr M Murray-Benge, Cr L Rae, Cr A Sole and Cr D Thwaites.

3 IN ATTENDANCE

M Taris (Interim Chief Executive), A Henderson (General Manager Corporate Services), E Watton (Acting General Manager Strategy and Community), A Curtis (General Manager Regulatory Services), A King (Legislative Reform and Special Projects Strategic Advisor), E Wentzel (Director Water Services), L Balvert (Communications Manager), J Fearn (Chief Financial Officer), R Garrett (Governance Manager), H Wi Repa (Governance Systems Advisor) and P Osborne (Senior Governance Advisor).

4 APOLOGIES

Council noted that Cr Grainger and Cr Wichers were on leave of absence.

APOLOGY

RESOLUTION CL25-12.1

Moved: Cr A Sole

Seconded: Cr M Murray-Benge

That the apologies for absence from Cr Coxhead and Cr Henry be accepted.

CARRIED

5 CONSIDERATION OF LATE ITEMS

Nil

6 DECLARATIONS OF INTEREST

Nil

7 PUBLIC EXCLUDED ITEMS

Nil

8 PUBLIC FORUM

Nil

9 REPORTS

9.1 ADOPTION OF THE WATER SERVICES DELIVERY PLAN

Council considered a report dated 28 August 2025 from the Strategic Advisor.

The Mayor noted that although the Water Services Delivery Plan and Commitment Agreement were provided as separate reports within the agenda, staff would speak to, and take pātai on, them together.

The Strategic Advisor provided an overview of the report and the recommendations therein, and noted the following points:

- Tabled Item 1 had been provided to Councillors, which was the proposed Commitment Agreement including tracked changes proposed by Tauranga City Council at their meeting.
- The main change was to allow discretion to create an Elected Members Governance Group, which sat over and above the CEO Oversight Group.
- The Commitment Agreement had also been updated to refer to The Treaty of Waitangi instead of Te Tiriti o Waitangi.
- The following suggested changes had been brought to staff following the publishing of the agenda:
 - Page 20: Change to the sentence “Assets (including land) where a significant purpose is recreation, and open space.”;
 - Page 21: Change reference of Te Tiriti o Waitangi to Treaty of Waitangi; and
 - Page 114: All references to Thames-Coromandel District Council (TCDC) would be removed.
- All amendments will be made prior to submitting the final Water Services Delivery Plan to the Department of Internal Affairs in conjunction with Tauranga City Council (TCC).

Staff responded to pātai as follows:

- In relation to regular monitoring of ageing asbestos cement pipes, it was noted that the water in the pipes was not being monitored for presence of asbestos. The risk with asbestos was not through ingestion but rather when airborne through handling or cutting the pipe.
- If there was a leak that required the pipe to be cut into, there was a procedure that had to be followed to ensure the safety of those undertaking the work; it was noted that as part of this procedure they would also flush the line.
- In relation to the points noted under 'Statutory Compliance' within the report, it was clarified that Section 63 of the Local Government Act gave Council the option of not consulting on a Long-Term Plan amendment if they believed that the criteria stated were met.
- The intended start date of the Water Organisation (WO) was 1 July 2027, this date aligned with the adoption of Council's next Long Term Plan; this meant that an amendment would not be required therefore eliminating costs associated with potential additional consultation.
- It was noted that paragraph 47 of the report related to the funding required to transfer the IT Support System.
- Each Council was required to meet the 'free-funds operations to debt' ratio, noting that the size of the organisation determined how much they would be eligible to borrow.
- Council would continue to keep the community informed on updates in relation to Local Waters Done Well decisions and next steps through the existing communications and engagement channels.
- The WO would have specific reporting and information requirements to their customers, noting that there was also the opportunity for Council to set certain requirements for the Waters Organisation through the Statement of Expectation. The Waters Organisation would also need to meet statutory requirements.
- Staff acknowledged that the purpose of the document was to have a Commitment Agreement to establish the Water Services Organisation. In relation to Shareholders Allocation, Statement of Expectation, and the governance of the actual Water Services Organisation, this would be a separate process.
- The purpose of the CEO Oversight Group was about progressing operational matters rather than the final governance model.
- There were parts of the Commitment Agreement that required a Council decision to proceed.
- Schedule 1 within the Commitment Agreement 'Agreement Details' would be amended to say 'Western Bay of Plenty District Council member: To be nominated by the Mayor and approved by the Western Bay of Plenty District Council.'
- The Levels of Service for the WO would be set by the CCO, noting that they would be governed by matters set out through the Commerce Commission, the Water Regulator and the Local Government (Water Services) Act.

- The Water Organisation would be working on an asset management basis in terms of how they make decisions around capital expenditure. Other matters in play included ringfencing of debt and not having price harmonisation for the first five years. This meant that there would be a number of factors the CCO would need to consider when making decisions around which capital infrastructure they needed to invest in first. It was noted that this was something that could also be captured through the Statement of Expectation.

RESOLUTION CL25-12.2

Moved: Cr R Joyce

Seconded: Cr D Thwaites

1. That the Strategic Advisor's report dated 28 August 2025 titled 'Adoption of the Water Services Delivery Plan' be received.
2. That the report relates to an issue that is considered to be of **high** significance in terms of Council's Significance and Engagement Policy.
3. That Council adopts the Water Services Delivery Plan on the basis of a multi-Council Water Organisation with Tauranga City Council as a preferred partner (**Attachment 1**), including the minor amendments approved at the Council meeting.
4. That Council delegates to the Chief Executive Officer to make the changes from the Council meeting and any minor editorial changes to the Water Services Delivery Plan.
5. That Council authorises the Chief Executive Officer to submit the Water Services Delivery Plan to the Secretary of Local Government no later than 3 September 2025.
6. That Council authorises the Chief Executive Officer to work with the Chief Executive Officer Tauranga City Council on the potential establishment of a multi-Council Water Organisation (as outlined in the Commitment Agreement), with an establishment date of 1 July 2027.

The motion was voted on and a division was called and recorded as follows:

For: Mayor Denyer, Deputy Mayor Scrimgeour, Cr Thwaites, Cr Joyce and Cr Dally.

Against: Cr Murray-Benge, Cr Rae and Cr Sole.

CARRIED 5/3

9.2 APPROVE THE COMMITMENT AGREEMENT FOR THE POTENTIAL ESTABLISHMENT OF A MULTI-COUNCIL WATER ORGANISATION

Council considered a report dated 28 August 2025 from the Strategic Advisor. This report was spoken to as part of the first agenda item.

Staff responded to further pātai as follows:

- Staff understood that under the 'Key Establishment Considerations – Revenue and Pricing' on page 26 of Tabled Item 1, the reference to "customer segmentation" related to the different customers of the WO, and whether this was commercial, residential or rural customers.
- The Economic Regulator would be looking at the whole regime, including the appropriateness of the capital programme, therefore it would be governed and tightly monitored to avoid customer price shocks.
- Through the Multi-Council Water Organisation peak efficiencies were expected by year 10. It was clarified, by the Mayor, that this would not be price reductions, but rather lower increases than what would otherwise have been.
- In terms of debt, these would be ringfenced meaning the costs would be pushed back to the respective councils. This would only change through full agreement by all councils involved in the Water Organisation.
- Any protections required in relation to Tauranga City Council's debt level affecting the Water Organisation's borrowing could be captured through the due diligence process. The WO had to be compliant for the Free Funds and Operations (FFO) requirements by year five of establishment.
- The rationale provided for appointing TCC as the "project administration agent" was due to needing to assign a lead role when multiple councils were involved. It was noted in this instance that they would take the lead in regard to paying bills, to avoid being invoiced separately. It was clarified that although TCC was taking the lead role, Western Bay of Plenty District Council would be agreeing to all costs and working requirements involved.
- The purpose of due diligence was the ability to better understand Council's partner and ensure that everything was captured for protection, as well as provide any off-ramps.
- In regard to "off-ramps" this would likely come from staff through a report highlighting the issue found, to determine how Council wanted to deal with it. The report would also need to highlight the costs associated.
- Staff had previously advised on the difference between shareholding allocations and voting rights, noting that these were intended to be two separate matters.
- Additional changes to the Commitment Agreement:
 - All references to the Bill would be changed to Act, as it had now been enacted;
 - All reference to Te Tiriti o Waitangi would be changed to Treaty of Waitangi; and
 - 'Agreement Details' would be amended to say 'Western Bay of Plenty District Council member: To be nominated by the Mayor and approved by the Western Bay of Plenty District Council.

RESOLUTION CL25-12.3

Moved: Mayor J Denyer
Seconded: Cr R Joyce

1. That the Strategic Advisor: Legislative Reform and Special Project's report dated 28 August 2025 titled 'Approve the Commitment Agreement for the potential establishment of a Multi-Council Water Organisation' be received.
2. That the report relates to an issue that is considered to be of high significance in terms of Council's Significance and Engagement Policy.
3. That Council approves the Commitment Agreement (**Tabled Item 2**) with Tauranga City Council including the minor amendments approved at the Council meeting.
4. That Council delegates to the Mayor and Chief Executive Officer to make minor amendments, finalise, and execute the Commitment Agreement with its partners, noting that any material change would come back to Council for approval.
5. That Council directs the Chief Executive Officer to undertake the actions set out in the Commitment Agreement that are required to establish a multi-Council Water Organisation.
6. That Council delegates authority to the Chief Executive Officer to approve and implement actions to meet due diligence requirements to support the potential establishment of a multi-Council Water Organisation noting that funding for these activities is provided for in the Annual Plan 2025/26.
7. That Council approves Tauranga City Council to a "project administration agent" role as part of the establishment of the multi-Council Water Organisation.

The motion was voted on and a division was called and recorded as follows:

For: Mayor Denyer, Deputy Mayor Scrimgeour, Cr Thwaites, Cr Joyce, Cr Sole and Cr Dally.

Against: Cr Murray-Benge and Cr Rae

CARRIED 6/2

10 INFORMATION FOR RECEIPT

Nil

11 RESOLUTION TO EXCLUDE THE PUBLIC

Nil

The Meeting closed at 12.03pm.

Confirmed as a true and correct record at the Council meeting held 4 September 2025.

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Mayor J Denyer
CHAIRPERSON / MAYOR