

Kaunihera | Council

Kaupapataka Wātea | Open Agenda



Notice is hereby given that an ordinary meeting of Matamata-Piako District Council will be held on:

Ko te rā | Date: Wednesday 13 August 2025
Wā | Time: 9:00
Wāhi | Venue: Council Chambers
35 Kenrick Street
TE AROHA

Ngā Mema | Membership

Manuhuia | Mayor

Adrienne Wilcock, JP (Chair)

Koromatua Tautoko | Deputy Mayor

James Thomas

Kaunihera ā-Rohe | District Councillors

Caleb Ansell

Sarah-Jane Bourne

Sharon Dean

Bruce Dewhurst

Dayne Horne

Peter Jager

James Sainsbury

Russell Smith

Kevin Tappin

Gary Thompson

Sue Whiting

Waea | Phone: 07-884-0060
Wāhitau | Address: PO Box 266, Te Aroha 3342
Īmēra | Email: governance@mpdc.govt.nz
Kāinga Ipuranga | Website: www.mpdc.govt.nz



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1 Whakatūwheratanga o te hui | Meeting Opening

2 Ngā whakapāha/Tono whakawātea | Apologies/Leave of Absence

At the close of the agenda no apologies had been received.

3 Pānui i Ngā Take Ohore Anō | Notification of Urgent/Additional Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
 - (iii) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

4 Whākī pānga | Declaration of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5 Whakaaetanga mēneti | Confirmation of Minutes

Minutes, as circulated, of the ordinary meeting of Matamata-Piako District Council, held on 23 July 2025

6 Papa ā-iwi whānui | Public Forum

At the close of the agenda there were no speakers scheduled to the public forum.

7 Pūrongo me whakatau | Decision Reports

7.1 Water Service Delivery Plan

CM No.: 3066988

Te Kaupapa | Purpose

The purpose of this report is to seek council consideration and approval on the Draft Water Services Delivery Plan.

Rāpopotonga Matua | Executive Summary

At the 25 June 2025 Council meeting, Council chose to proceed with a sub-regional council controlled organisation as their future water services delivery model for drinking water and wastewater, and join the limited liability company, Waikato Waters Ltd, with other Waikato Councils. Stormwater will continue to be delivered by Matamata-Piako District Council.

Councils are required to prepare a Water Services Delivery plan (WSDP) that provides an assessment of their water infrastructure (Drinking Water, Wastewater and Stormwater), how much they need to invest, and how they plan to finance and deliver it through their preferred water service delivery model. The WSDP is a one-off, transitional requirement under the Local Government (Water Services Preliminary Arrangements) Act 2024.

Councils are required to develop and submit WSDPs, either individually or jointly with other councils, by 3 September 2025 (unless an extension is requested and granted). Matamata-Piako District Council has not requested an extension and will be submitting an individual WSDP, in conjunction with the other Waikato Councils to be shareholders in Waikato Waters Ltd.

Tūtohunga | Recommendation

That:

1. Council receives the report titled **Water Services Delivery Plan**,
2. Council approves **Option 1: Approves the Water Services Delivery Plan**,
3. Council adopts the **Water Services Delivery Plan attached as Appendix 1 to this report pursuant to section 17 of the Local Government (Water Services Preliminary Arrangements) Act 2024**,
4. Council authorises the **Chief Executive to make non-material amendments to the WSDP prior to submission the Secretary of Internal Affairs in accordance with the Act**.

Horopaki | Background

At its meeting on 25 June 2025, Council resolved to adopt a sub-regional council-controlled organisation as the future model for delivering drinking water and wastewater services. As part of this decision, Council will join Waikato Waters Ltd, a limited liability company formed in partnership with other Waikato councils. Stormwater services will continue to be managed by Matamata-Piako District Council.

Under the Local Government (Water Services Preliminary Arrangements) Act 2024, councils are required to prepare a Water Services Delivery Plan (WSDP). This plan must assess the current state of water infrastructure (drinking water, wastewater, and stormwater), outline the necessary investment, and describe how services will be financed and delivered under the chosen model. The WSDP is a one-off, transitional requirement.

Councils must submit their WSDPs—either individually or jointly—by 3 September 2025, unless an extension is granted. Matamata-Piako District Council has not sought an extension and will submit an individual WSDP, developed in collaboration with the other Waikato councils that will be shareholders in Waikato Waters Ltd.

Ngā Take/Kōrerorero | Issues/Discussion

In July 2023, a comprehensive programme—now known as Waikato Water Done Well (WWDW)—was initiated by Waikato Iwi Chairs and Council Mayors. Over the past two years, WWDW has worked closely with the Joint Forum of Waikato Iwi Chairs and Mayors, as well as a Chief Executive (CE) working group from Waikato councils, to explore strategic approaches for delivering water services that maximise both local and regional benefits.

As each Waikato council determined its preferred water services delivery model, the CE working group agreed that each WWDW-associated council would prepare an individual Water Services Delivery Plan (WSDP). Sub-regional components of these plans are being developed by the WWDW programme team for inclusion. Each WSDP will be endorsed by the respective council, certified as financially sustainable by its CE, and submitted collectively to the Department of Internal Affairs (DIA) by WWDW.

At the time of drafting this report, the collective submission is scheduled for mid to late August 2025. Each WSDP must address key legislative requirements, including:

- Baseline information on council water services operations, assets, revenue, expenditure, pricing, and projected capital investment, along with financing arrangements.
- A description of future water services delivery arrangements.
- An implementation plan outlining how the proposed delivery model will be executed.

Financial sustainability will be assessed based on three key components:

1. **Revenue sufficiency** – Is there adequate revenue to cover operational costs, including debt servicing?
2. **Investment sufficiency** – Is the proposed level of investment sufficient to meet regulatory standards and accommodate growth?
3. **Financing sufficiency** – Are funding and financing arrangements adequate to support the required investment?

A central element of each WSDP is the preferred supplier model for governance, management, and operations of water services. WWDW has contributed substantial content to this section, primarily based on draft foundational documents.

On 7 July 2025, Waipa District Council submitted its WSDP to DIA on behalf of the associated sub-regional councils for preliminary feedback. DIA has since provided guidance, and relevant updates have been incorporated into the draft plans.

A key risk identified by Council is the potential for WSDPs to be adopted, certified, and submitted prior to the enactment of the Local Government (Water Services) Bill (Bill 3). As of this report’s drafting, this risk is highly likely. The Select Committee report was received on 3 July 2025, the Bill’s second reading occurred on 17 July 2025, and the third reading and Royal Assent are anticipated in mid-August 2025. While the WSDP requirement stems from the Local Government (Water Services Preliminary Arrangements) Act 2024, the enduring framework for water service delivery will be established through the enactment of Bill 3.

Mōrearea | Risk

There are no significant risks associated with the decision required for this matter. Risks associated with the WSDP are detailed within the draft attached Plan (Water Services Delivery Plan: additional information – risks and assumptions section).

These key risks are:

- The Company is not established and ready to be operational from 1 July 2026
- The company does not get LGFA approval/covenants
- The input costs from councils are materially understated
- Ability to recruit an experienced executive team to lead the establishment of the CCO
- Uncertainty in the regulatory landscape the company will be operating in, and cost blow out
- Ability of the market to respond and deliver on the capital works delivery

Ngā Whiringa | Options

Council has the following options:

Option One – Approves the Water Services Delivery Plan	
Description of option	
Council approves the Water Services Delivery Plan (WSDP) for submission to the Department of Internal Affairs, in alignment with legislative requirements and the agreed sub-regional approach through Waikato Water Done Well.	
Advantages	Disadvantages
Meets statutory obligations under the Local Government (Water Services Preliminary Arrangements) Act 2024.	May require future amendments if legislative or policy settings change post-submission.

Option Two – Does not approve the Water Services Delivery Plan	
Description of option	
Council declines to approve the WSDP at this time, potentially seeking further information, clarification, or awaiting the enactment of the Local Government (Water Services) Bill before proceeding.	
Advantages	Disadvantages

Allows more time to consider the implications of the final legislation.

Council will not meet the statutory deadline of 3 September 2025, as there is insufficient time remaining to revise and approve the WSDP.

Recommended option

Staff recommend proceeding with option 1 – to adopt the Water Services Delivery Plan, for submitting to the Department of Internal Affairs in conjunction with those Waikato Councils to be shareholders of Waikato Waters Ltd.

This recommendation reflects Council’s commitment to meeting its statutory obligations under the *Local Government (Water Services Preliminary Arrangements) Act 2024*, and to actively participating in the regionally coordinated approach to water service delivery through the Waikato Water Done Well programme.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

The development of this Water Services Delivery Plan (WSDP) is guided by the requirements set out in the *Local Government (Water Services Preliminary Arrangements) Act 2024* (PAA). This legislation establishes the framework for councils to assess and plan for the future delivery of water services, including drinking water, wastewater, and stormwater.

Under the PAA, councils are required to:

- Develop and submit a WSDP by 3 September 2025, unless an extension is granted.
- Include in the WSDP a comprehensive assessment of current water services infrastructure, levels of service, compliance with regulatory standards, and financial sustainability.
- Consult with the public on the proposed model or arrangement for the delivery of water services, which is a fundamental component of the WSDP.

While the Act does not require consultation on the WSDP itself, it mandates engagement on the delivery model. This consultation has been undertaken in accordance with the PAA, ensuring transparency and community input into the future structure of water services provision.

The WSDP also aligns with broader policy objectives under the Local Water Done Well programme, which emphasizes local decision-making, financial sustainability, and regulatory compliance. The plan reflects council’s commitment to meeting current and anticipated regulatory requirements, including those related to water quality, infrastructure resilience, and service equity.

Local Government Act 2002 (LGA 2002) Decision-making requirements

Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is assessed as having a high level of significance.

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Council has considered the reasonably practicable options available for the delivery of water services. These options were considered in earlier reports, including an assessment of their advantages, disadvantages, and alignment with community outcomes.
Section 78 – requires consideration of the views of Interested/affected people	Council has given due consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the proposed model for water service delivery. Engagement activities were undertaken as part of the consultation process required under the PAA, including public submissions, stakeholder meetings, and targeted outreach to iwi/Māori and other key community groups. Feedback received has informed the development of the proposed model and is reflected in this WSDP.
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	Council has determined that the level of analysis and consultation undertaken is proportionate to the significance of the decision. The Significance and Engagement Policy has been applied, and this issue is assessed as having a high level of significance.
Section 82 – this sets out principles of consultation.	Council has followed the principles of consultation as set out in Section 82 of the Local Government Act 2002. This includes ensuring that persons affected or interested were provided with clear information, reasonable opportunities to present their views, and that those views were given due consideration in decision-making. The consultation process was conducted in an open and transparent manner, consistent with Council's Significance and Engagement Policy.

Policy Considerations

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Following consideration of the available options, the recommended approach is assessed as having high overall significance. However, as community consultation has already been undertaken, the proposed method of engagement is to **inform** the community of the WSDP submission via the Local Water Done Well public webpage: <https://www.mpd.govt.nz/reforms/local-water-done-well>





In accordance with section 21 of the *Local Government (Water Services Preliminary Arrangements) Act 2024*, the Water Services Delivery Plan must be published on the Council's website as soon as reasonably practicable after it has been accepted by the Department of Internal Affairs. Responses from the Department are expected by the end of 2025.

Timeframes

Key Task	Dates
Provide to Waikato Waters Ltd, the draft Water Services Delivery Plan for joint submission to Department of Internal Affairs	Mid-August 2025

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata Piako District Council's Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.'			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao	He wāhi whakapapa, he wāhi hangahanga A place to belong and

		A place that embraces our environment	create
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The community outcomes relevant to this report are as follows:

- A place with people at its heart
- A place to thrive
- A place that embraces our environment

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

Council has submitted updated 2024 Long Term Plan (LTP) figures into the Waikato Water Done Well (WDDW) financial model.

The financial projections in this Water Services Delivery Plan (WSDP) are based on the 2025/26 Annual Plan. These figures incorporate annual operating costs adjusted for inflation, anticipated increases in operational expenditure due to the addition of new assets, and a revised capital programme that adopts a flat-lined investment profile to meet regulatory and compliance needs.

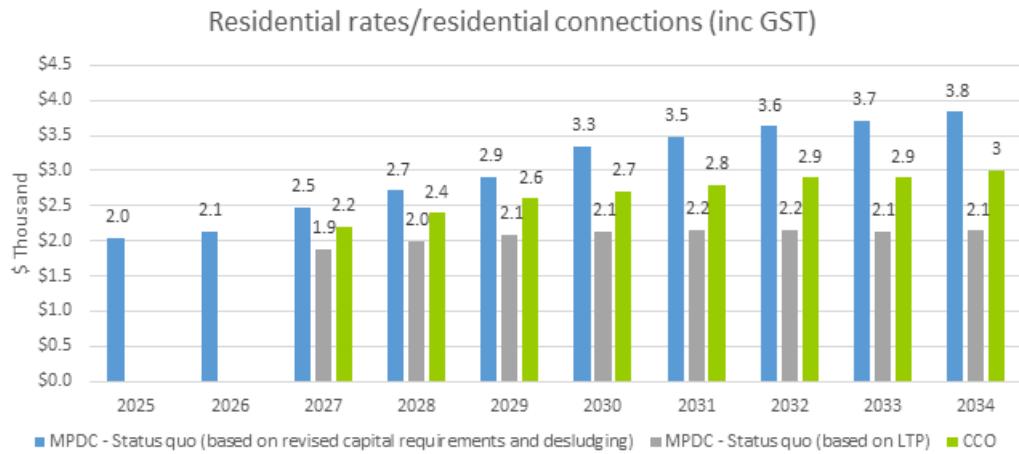
A comprehensive desludging report has been completed, and Council recently held a workshop to explore funding options to meet compliance requirements associated with desludging activities. The March 2025 WDDW financial figures included in the Water Services Delivery Plan (WSDP) reflected elevated operating costs for desludging at the Te Aroha, Matamata, and Morrinsville treatment plants.

Following this, Council considered an alternative approach, which has informed an updated investment profile. This revised strategy prioritises addressing immediate safety risks at the Te Aroha and Morrinsville plants, while enabling a more strategic, long-term solution. Specifically, it proposes capital investment in monofill infrastructure, which would reduce ongoing annual operating costs and improve compliance outcomes over time. Successful implementation of this approach will require collaboration with Waikato Regional Council and local iwi to ensure the desired outcomes are achieved.

Subsequent updates have been made to reflect revised desludging costs and associated funding strategy. These changes are clearly highlighted in the WSDP and indicate that the WDDW financial model will need to be re-run to incorporate the updated figures.

While the WSDP uses average and total WDDW figures, it is important to note that cost increases are expected across the three waters to meet evolving regulatory and compliance requirements. The 2025/26 budgets have already been updated to reflect some of these changes.

The graph below illustrates the projected long-term impacts of these changes on residential rates.



Council will review and set its budgets again as part of the 2026/27 Annual Plan process and the subsequent water services strategy. At that time, the work programmes and budget requirements identified in this WSDP will need to be carefully considered.

Ngā Tāpiritanga | Attachments

[A↓. MPDC Water Services Delivery Plan Draft 06.08.2025](#)



Ngā waitohu | Signatories

Author(s)	Susanne Kampshof Pou Rawa me ngā Kaupapa Assets and Projects Manager	
Approved by	Susanne Kampshof Pou Rawa me ngā Kaupapa Assets and Projects Manager	
	Fiona Vessey Hautū Whakahaere Group Manager Operations	

Water Services Delivery Plan

Matamata-Piako District Council

September 2025

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Appendix 3 [Drafting note: Councils to include any independent advice received to prepare this plan as listed in the assurance and adoption section of the plan] 96

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Overview of Plan

1. As required by the Local Government Water Services (Preliminary Arrangements) Act 2024 (**PAA**), this water services delivery plan is submitted to the Department of Internal Affairs (**DIA**) to demonstrate council's current and future commitment to delivering financially sustainable and regulatory compliant water services.
2. In summary, the future services delivery model that has been adopted by Matamata-Piako District Council (MPDC/ Council) is the Waikato Water Done Well model (**WWDW**). This is the largest group of councils coming together in the country. The Minister has recognised the leadership position that WWDW councils have taken in implementing Government policy. The approach taken to agree with this model has been principle-based. Strong foundations for the model were set back in December 2024 with the signing of a Heads of Agreement by seven councils.
3. Under this model, this council will transfer responsibility for the delivery of drinking water and wastewater services to a water organisation that is jointly owned by the following councils:
 - Hauraki District Council
 - Matamata-Piako District Council
 - Ōtorohanga District Council
 - South Waikato District Council
 - Waipā District Council
 - Waitomo District Council
 - Taupō District Council¹.

These councils (with the exception of Taupō District Council) are referred to as the **WWDW councils** in this plan.
4. This plan is materially based on the DIA water services delivery template with the following modifications:
 - Inclusion of an introductory section: giving context to how Waikato Water Done Well came into being
 - The duplication of Section D: one covers drinking water and wastewater services (prepared by WWDW for years 2027/28 to 2033/34) and the other covers stormwater services (prepared by Matamata-Piako District Council)

Introduction to Waikato Water Done Well

1. The Waikato is known nationally for its leadership in managing water to help ensure better long-term outcomes for the Waikato and Waipā rivers, Hauraki Coromandel rivers and Tikapa Moana/Hauraki Gulf.
2. In July 2023, what is now referred to as Waikato Water Done Well was initiated by Waikato Iwi Chairs and Waikato Council Mayors². From this, the combined forum of Waikato Iwi Chairs and Mayors was formed (**Joint Forum**) and the Waikato Water Done Well programme of work was mandated. Over almost the last two years, councils have reflected on how they can strategically approach the delivery of water services to maximise both local and regional benefits.
3. Concurrently, under Local Water Done Well (LWDW), all councils in New Zealand were required to develop a financially sustainable and regulatory-compliant model for delivering water services to their communities. Councils have been encouraged to consider how to meet the requirements of Local Water Done Well, including whether creating a jointly owned water organisation is the optimal structure for their communities.
4. To collectively address the identified common challenges, under Waikato Water Done Well, Waikato councils co-designed a proposed model for the delivery of water services. This model is centred around the vision of *Te Mana Te Wai, Te Mana o Te Tangata | Healthy Water, Healthy People*. The vision establishes a foundation for strategic, results-oriented water services governance and delivery under which community benefits in the long term. The

¹ Although Taupō District Council is a shareholder in the water organisation, it is under a particular share structure (described later below) and it has not committed to transferring responsibility for water services to the entity.

² This included the Chair of the Waikato Regional Council.

vision is captured in the company constitution of Waikato Waters, which has been established to deliver on the following strategic outcomes:

- a) **Financial sustainability:** create scale and change (including through further Company expansion opportunities) to enable the significant investment required to deliver efficient and financially sustainable water services that comply with regulatory requirements and enable urban and commercial development.
 - b) **Leading workforce:** create the conditions to build and sustain a highly-skilled, adaptable and world-leading water workforce that can innovate and collaborate to drive outcomes for the part of the Waikato region serviced by the Company (and in collaboration (where practicable) with other service providers in the wider region).
 - c) **Customer focus:** be customer-focused, leveraging new technologies, while also building customer awareness of their role in the water system and the value of water.
 - d) **Local influence:** ensure local voice is represented in critical decision-making around water investment and management across the region, including decisions in relation to water takes and water discharges.
 - e) **Delivering on expectations:** meet the expectations of key partners and stakeholders including those represented in Treaty settlements and applicable joint management agreements.
 - f) **Health and the environment:** protecting public health and the environment.
5. At the core of the model is a move towards a catchment-based approach to the health of water. By working together, there is the opportunity to get a better return on financial investment and achieve better outcomes in terms of the health of water bodies.
 6. Waikato Waters provides a future-focused opportunity that transcends boundaries, allowing councils to show leadership in water services delivery for generations to come, with a unified voice and increased scale. This strategic opportunity to work together for the benefit of communities and the wider region was recognised during negotiations with reference to the whakatauhāki by the late King Tāwhiao:

“Ki te kotahi te kākaho, ka whati; ki te kāpuia,
e kore e whati.”

When a reed stands alone it is
vulnerable, but a group of reeds together is
unbreakable.

7. Following public consultation, each of the WWDW councils have adopted the WWDW service delivery model and established the multi-council owned limited liability company, Waikato Waters, for the purpose of providing drinking water and wastewater services across their respective service area.
8. To manage the risk of multiple council businesses coming together in Waikato Waters, the WWDW councils have agreed that they will transfer their respective water services business into Waikato Waters in a staggered manner. Although transfer will be staged, the framework for transferring will be consistent as each WWDW council has committed to:
 - a) Entering into a template transfer agreement with Waikato Waters within an agreed timeframe before a council is due to transfer its business to Waikato Waters.
 - b) Completing that agreement in accordance with set transfer principles.
 - c) Transferring its business into Waikato Waters on a stipulated date.
 - d) MPDC has resolved to substantively transfer its business to Waikato Waters by 1 October 2026.

9. An objective of the WWDW councils is that, as part of the transition into Waikato Waters, there is an opportunity for Waikato Waters (and its shareholding councils) to:
- a) Benefit from strategic relationships with Iwi partners to deliver on its purpose (and identify cost effective solutions to resource consents); and
 - b) Build upon existing co-governance entities / authorities of the region (Waikato River Authority, Hauraki Gulf Forum and the Waihou, Piako, Coromandel Catchment Authority).

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Part A: Statement of financial sustainability, delivery model, implementation plan and assurance

1. Statement that drinking water and wastewater services delivery is financially sustainable

Statement that water services delivery is financially sustainable	
Financially sustainable water services provision	
Drinking water and wastewater services	
<p>Matamata-Piako District Council has determined that drinking water and wastewater services will be provided in its district by it transferring responsibility to a multi-council owned water organisation.</p> <p>The water organisation is a limited liability company with the name Waikato Waters Limited (Waikato Waters). It was incorporated on the 24th July 2025. The company constitution is available online HERE. At the date of submission of this plan, Waikato Waters is equally owned by the following councils:</p> <ul style="list-style-type: none"> • Hauraki District Council • Matamata-Piako District Council • Ōtorohanga District Council • South Waikato District Council • Waipā District Council • Waitomo District Council • Taupō District Council³. <p>These councils and the company have entered into a shareholders' agreement (SHA) documenting their respective rights and obligations as shareholders. A copy of the SHA is attached as Appendix 1.</p> <p>It is confirmed that Waikato Waters is the delivery model that will deliver drinking water and wastewater services across council's service area in a manner that is financially sustainable by 30 June 2028.</p> <p>The financial sustainability projected by Waikato Waters is supported by:</p> <ul style="list-style-type: none"> • Detailed financial modelling carried out to support council decision making. • An independent review carried out by Brad Olsen of Infometrics • Detailed information included in Parts B and D of this plan. <p>The findings of the independent review of the Waikato Water Done Well financial model by Infometrics are that the model:</p> <ul style="list-style-type: none"> • Meets government requirements • Reasonably reflects the financial benefits of collaboration means stronger negotiating power • Enables costs to be spread over time (and users over time) • Shows that water infrastructure can be debt financed, and most importantly saves money. <p>Transitional arrangements:</p> <p>Albeit that the company has been incorporated, it is not yet operational (in terms of carrying out waters delivery). An establishment plan has been developed to support reaching this operational state (informed by an Establishment Strategy appended to the SHA). The target operational date of Waikato Waters is 1 July 2026.</p>	

³ Although Taupō District Council is a shareholder in the water organisation, it is under a particular share structure (described later below) and it has not committed to transferring responsibility for water services to the entity.

Each council committed to transferring its water services business into the entity will enter into a transfer agreement which will have a completion date. The completion dates are staged with the first three councils completing their transactions (and transferring their business) on 1 July 2026, a further in October 2026 and the last two transferring on 1 July 2027.

The intended completion dates (also referred to as Agreed Transfer Dates) for each council are set out in section 2 below. Until a council transfers its water services business into Waikato Waters, the council remains responsible for the delivery of water services in accordance with its Long Term Plan or relevant Annual Plan. In addition, between now and the date of transfer, councils have made contractual commitments in the SHA to continue to operate their water services in a manner that complies with all statutory obligations and to engage with Waikato Waters in relation to matters that are defined as “Major Decisions” (a framework for this is set out in a schedule to the SHA). This ensures Waikato Waters is aware of any Major Decisions that occur between the SHA and the date a business is transferred to it and so there are ‘no surprises’.

Waikato Waters will be / is governed by an independent Board of Directors who will provide governance oversight in relation to the implementation of a detailed establishment plan.

Matamata-Piako District Council can confirm that Waikato Waters is projected to meet the financial sustainability requirements, in accordance with Part D (drinking water and wastewater), specifically:

- Proposed waters revenue is sufficient to cover the costs of delivering the relevant services, including sufficient infrastructure investment and best positions councils to meet increasing regulatory requirements.
- The proposed level of investment outlined in this water services delivery plan is sufficient to meet the level of service, regulatory requirements and provide for growth. The proposed level of investment can be funded through the forecast revenues and increased debt headroom. The ability to deliver the capital delivery programme is dependent upon the ability of the civil contracting market to respond. As noted by Brad Olsen in his review of WWL, by aggregating with other councils, there is greater negotiating leverage and Waikato Waters becomes a more attractive contracting partner, as well as having the scale to drive future development of the local supply chain.
- The projected borrowings for Waikato Waters are within the covenants it is forecast to have applicable to it under LGFA guidance.

Stormwater services

Matamata-Piako District Council has determined that stormwater will be provided in its district. MPDC will continue to manage and delivery the stormwater function in house. In the future it may look to transfer the delivery to WWDW.

The financial sustainability projected by Matamata-Piako District Council for the stormwater activity is supported by:

- Detailed financial modelling carried out to support council decision making (viability and sustainability report carried out by Morrison Low Advisory).
- Detailed information included in Parts B and D of this plan.

The financial modelling confirms that the stormwater activity will meet legislative requirements and be financially sustainable by 30 June 2028.

Proposed delivery model

Proposed model to deliver financially sustainable water services

The proposed model to deliver water services

Description of delivery model water and wastewater

[Drafting note: as set out in the notes, the following paragraphs are based on councils having agreed to adopt the WWDW model and Waikato Waters having been incorporated at the time this plan is submitted to DIA].

As noted above, Waikato Waters is a limited liability company that is owned by the councils listed in Overview of Plan Section. It is established as a water organisation within the meaning of the relevant legislation. As a council owned entity, Waikato Waters is a council-controlled organisation (CCO).

The overarching purpose of Waikato Waters is to achieve specific strategic outcomes (as set out in the Introduction section above) and provide consistent and improving water service levels and resilience across the whole of the area serviced by it. The vision for establishing Waikato Waters is Te Mana o Te Wai Te Mana o Te Tangata | Healthy Water Healthy People.

Waikato Waters provides the legal structure into which the relevant people, processes and systems will transfer from each council (on their respective pre-agreed date) and start working together to operationally deliver water services.

The transfer of council businesses into Waikato Waters will be staggered. The date on which each council (including MPDC) will transfer its business is:

1 July 2026	1 October 2026	1 July 2027
Waipā District Council	Matamata-Piako District Council	Hauraki District Council
South Waikato District Council		Ōtorohanga District Council
Waitomo District Council		

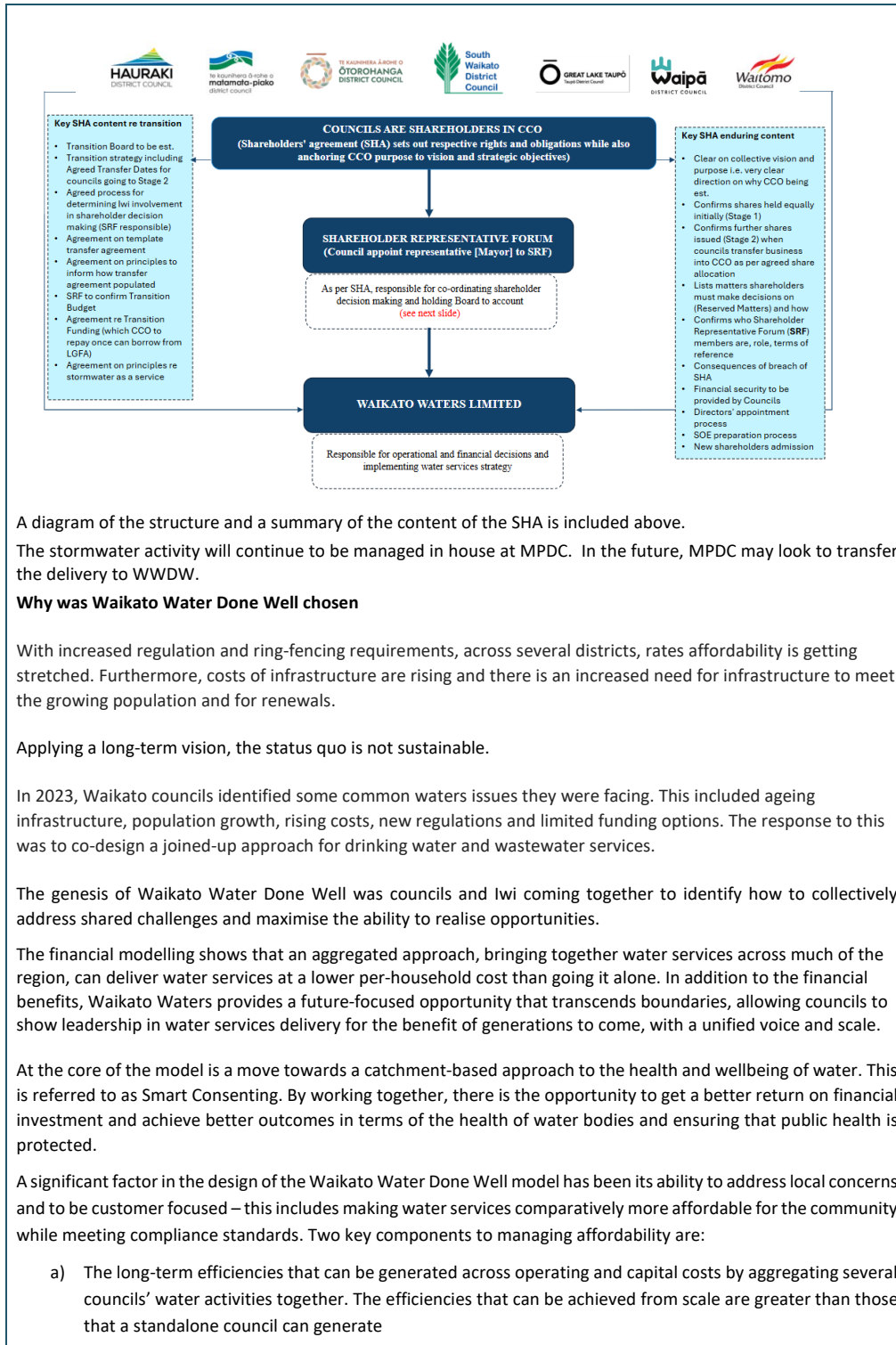
In accordance with legislative requirements, the transfer of responsibility will be implemented through a transfer agreement setting out the infrastructure, related assets and liabilities (including debt) transferring from the council to Waikato Waters. There is also a process to transition identified employees. The organisational structure is still under development and cannot be provided at this time.

To ensure a smooth and safe transition of each council's business into the CCO, planning for each transfer will be undertaken in accordance with agreed principles and processes. A detailed establishment plan provides the framework for ongoing preparation for the "go-live" date of 1 July 2026.

Within the Waikato Waters SHA, each council has acknowledged that the success of Waikato Waters rests on each complying with their commitments to it and each other (including the development and delivery of their respective water delivery plans). Further details of what has been agreed are included where relevant further below in this plan.

From the transfer date, Waikato Waters will become the water services provider responsible for water services in councils service area. Further shares will be issued to council at that time based on the total number of water connections in their service area. This will be reviewed in a manner set out in the SHA to ensure the allocation of shares remains current.

The focus of the Waikato Waters in the first decade will be on building capability, capacity, resilience and stability for future success. This water entity positions councils to work smarter for customer and environmental benefits by changing how things are currently done to achieve better outcomes for their communities.



A diagram of the structure and a summary of the content of the SHA is included above.

The stormwater activity will continue to be managed in house at MPDC. In the future, MPDC may look to transfer the delivery to WWDW.

Why was Waikato Water Done Well chosen

With increased regulation and ring-fencing requirements, across several districts, rates affordability is getting stretched. Furthermore, costs of infrastructure are rising and there is an increased need for infrastructure to meet the growing population and for renewals.

Applying a long-term vision, the status quo is not sustainable.

In 2023, Waikato councils identified some common waters issues they were facing. This included ageing infrastructure, population growth, rising costs, new regulations and limited funding options. The response to this was to co-design a joined-up approach for drinking water and wastewater services.

The genesis of Waikato Water Done Well was councils and lwi coming together to identify how to collectively address shared challenges and maximise the ability to realise opportunities.

The financial modelling shows that an aggregated approach, bringing together water services across much of the region, can deliver water services at a lower per-household cost than going it alone. In addition to the financial benefits, Waikato Waters provides a future-focused opportunity that transcends boundaries, allowing councils to show leadership in water services delivery for the benefit of generations to come, with a unified voice and scale.

At the core of the model is a move towards a catchment-based approach to the health and wellbeing of water. This is referred to as Smart Consenting. By working together, there is the opportunity to get a better return on financial investment and achieve better outcomes in terms of the health of water bodies and ensuring that public health is protected.

A significant factor in the design of the Waikato Water Done Well model has been its ability to address local concerns and to be customer focused – this includes making water services comparatively more affordable for the community while meeting compliance standards. Two key components to managing affordability are:

- a) The long-term efficiencies that can be generated across operating and capital costs by aggregating several councils' water activities together. The efficiencies that can be achieved from scale are greater than those that a standalone council can generate

- b) The ability of the Waikato Waters to access greater borrowing and so unlock additional financing over and above what a standalone council can unlock. The access to higher debt levels enables the cost of investments to be spread over long life assets (some of which have a lifespan of 75-100 years) and across the generations who use them.

Achieving statutory objectives is expected of all water services providers (whether it be a council or a CCO). The design of the Waikato Water Done Well CCO aligns with the new water service delivery model under Local Water Done Well. This means the Waikato Water Done Well CCO is well positioned to meet the statutory objectives of a water service provider and operate under the new water services system in a transparent and accountable manner.

All councils will have to invest in operational change to align with the new water services system. The Waikato Water Done Well CCO allows councils to strategically plan for this change in a way that meets regulatory requirements but more so, enables the councils to collectively borrow more, combine long-term work programmes to create efficiency and invest in infrastructure that is needed now without having to increase water charges significantly.

By taking a collective approach and being able to draw in and use a catchment of assets, efficiencies can be gained. Through scale, the value of the work on offer to the contracting market is also larger, meaning a jointly owned entity will have more leverage to negotiate with its suppliers.

In summary, this model was chosen as it is better for our people, our places and our communities:

1. Better water and wastewater delivery.
2. Better public health and environmental outcomes.
3. Better affordability.
4. Better data and analysis.
5. Better value for investment.
6. Better work planning.

Water services revenue – ring-fenced and future revenue

Water services revenues for drinking water and wastewater will be ringfenced as this will be sole source of revenue for Waikato Waters.

Waikato Waters will only start to charge for drinking water and wastewater services once councils have transferred their business into it. Accordingly, from a ring-fencing perspective, the following stages will apply:

- **1 July 2025 to 1 July 2026:** water services will be provided and charged for by councils in accordance with council Long Term Plan or Annual Plans.
- **From a council's agreed date of transfer to the first water services strategy (no later than 1 July 2027):** Waikato Waters will (subject to exceptions set out in the SHA) implement pricing as follows:
 - Maintain differential pricing across Stage 2 shareholding councils (this being councils have completed the transfer of their business).
 - Drinking water and wastewater charges no higher than forecast by shareholder for purpose of financial modelling.
 - Billing continues consistent with how shareholder currently bill.
- **By December 2026** (i.e. 6 months before Water Services Strategy due) shareholders will agree a combined Statement of Expectations to inform the Water Services Strategy.
- A core shareholder expectation is that when setting prices in the first water services strategy, the Board will target a price path lower than the status quo projected by a shareholder in its enhanced status quo.
- **No later 1 July 2027:** Water Services Strategy will be adopted by Board for period up until 30 June 2030 (informed by Statement of Expectations).

Billing arrangements

Under the template transfer agreement, it is agreed that councils will bill customers on behalf of Waikato Waters and collect charges including development contributions for drinking water and wastewater. The charges will then be passed to Waikato Waters in accordance with the services agreement which forms part of the transfer agreement. This is expected to be a short-term arrangement until under the CCO implements its own billing system. Costs of shared services will be ring-fenced by council and charged to Waikato Waters in accordance with the terms of the services agreement.

Councils will bill using existing invoice templates and Waikato Waters will ensure that the amount being charged for water is transparent and publicly available. It will also be published annually as required by legislation.

The Commerce Commission as the new water economic regulator will monitor the pricing of water under any delivery model adopted. This may include the introduction of universal water metering at a future date to ensure fair and equitable charging for water consumers.

Stormwater

Council is retaining stormwater activity and will continue to perform this service in-house in the following manner. In the future, MPDC may look to transfer the delivery to WWDW. Under this future option, MPDC will not transfer its stormwater assets. This is largely for practical reasons given the close relationship these assets have with roading and community services infrastructure. MPDC will continue to charge our community for the stormwater activity.

The stormwater activity is currently ringfenced and meets the regulatory requirements of:

- Stormwater revenues are spent on stormwater services
- Stormwater charges and expenses are transparent and accountable – charges and expenses include all operational expenditure including depreciation and interest along with allocated overheads as per MPDC’s overhead allocation model.

This is achieved by:

- Financial statements for stormwater are consistent and reconcilable.
- Revenue (including rates) for stormwater are separately identifiable from other revenues.
- Stormwater revenues are spent on stormwater services, not other council business.
- Any cash surpluses for stormwater are retained for future expenditure on stormwater (via separate balance reserve).
- Stormwater internal borrowing is repaid via stormwater revenue i.e. stormwater depreciation and stormwater development contributions.

There will be no change to the way stormwater revenue is currently charged and collected.

MPDC’s current funding arrangements are:

- Water supply activity – Only extraordinary water users are metered. These are classified as those who use more than the average residential property without a swimming pool. All other users pay a fixed amount as part of their rates.
- Wastewater activity - MPDC uses uniform charge per connected rating unit for a single residential house, and a scale of charges is used for connected non-single residential house and non-residential properties based on the number of pans. A remission policy then modifies the pan charges to take into account the amount HEU of water used by the property. There are also trade waste fees and charges.
- Stormwater activity – MPDC uses a mix of general and targeted rates for funding the stormwater activity. Targeted rates set on a uniform basis for properties within urban areas serviced by stormwater.

2. Implementation plan

Implementation plan

Implementing the proposed service delivery model

Water and wastewater activities

The WWDW Programme will prepare the Implementation Plan for the participating councils. It is expected that the Implementation Plan for Waikato Waters will cover the following elements for water supply and wastewater activities:

- Waikato Waters has been incorporated with strong foundation documentation (SHA and constitution) in place.
- By signing the SHA, the WWDW councils have contractually committed to:
 - Transferring its water business on an agreed transfer date
 - Completing a Transfer Agreement with Waikato Waters based on a common template that will be populated in accordance with agreed transfer principles.
 - Continuing to operate water services until its transfer date in compliance with statutory obligations and its relevant LTP (or latest annual plan).
 - Between the date of signing the SHA and the date of transfer, engage with Waikato Waters in relation to specific matters (set out in the Major Decisions schedule to the SHA) so that councils and Waikato Waters are operating in accordance with the principle of no surprises.
- Schedule 3 of the SHA includes the Establishment Strategy which sets out the establishment objectives and principles to inform the establishment plan.
- Based on this, a detailed establishment plan has been developed and approved, together with an establishment budget approved by the Shareholder Representative Forum. The establishment plan includes a consistent approach to change management including governance leadership, impact and readiness assessments, and regular monitoring and management of change, and stakeholder management.
- An independent establishment Board has been appointed to provide governance oversight over the establishment plan implementation.

An establishment team has been established with a single focus on ensuring all steps are taken for Waikato Waters to become operational on 1 July 2026.

Albeit that each of the WWDW councils are submitting a single water services delivery plan, the following matters are noted in relation to the joined-up approach to water services:

- Assets and debt associated with stormwater will remain with councils but it is expected that the Waikato Waters will undertake stormwater management functions under a service agreement with those councils who seek this.
- Councils will continue to set the strategic priorities and direction for Waikato Waters. These matters will be captured in the combined Statement of Expectations.
- Waikato Water has the following structure (which aligns with legislative requirements):
 - Shares can only be held by a council: they cannot be sold or transferred and so the water organisation cannot be privatised.
 - A visual of the ownership structure and how Shareholding Councils will hold the Waikato Water Done Well CCO to account is included in the Proposed Delivery Model section above.
 - Waikato Waters will be / is governed by a professional board of directors with the necessary skills, knowledge and experience to guide it and contribute to the achievement of its strategic outcomes and objectives.
 - Other than the initial directors, all board appointments have been competency based informed by a board skills matrix. A copy of the matrix agreed by councils is appended to the SHA.

- A Shareholder Representative Forum has been established at which each council has a voice. This forum is working with Iwi chairs to develop a proposal regarding their role in shareholder decision-making for each council's approval.
- A decision-making framework has been developed to ensure there is clarity on:
 - a. matters that will be brought to Shareholding Councils for decision making
 - b. how the shareholders will make those decisions at the Shareholder Representative Forum
 - c. there is a strong emphasis on decisions being made by consensus. If consensus is not achieved, then depending on the matter for decision making, voting is by number of shareholders or percentage of votes or both.
- Waikato Waters sees the value in working with others at the right time. There is an agreed process for other councils to join the entity as shareholders where all existing Shareholding Councils agree.

Stormwater activity

Matamata-Piako District Council plans to continue to manage the stormwater activity in house. In the future, MPDC may look to transfer the delivery to WWDW. If Matamata-Piako District Council decides to transfer stormwater delivery to Waikato Waters, it will engage with them to confirm the scope of the future contractual arrangements for this service. From this a service agreement will be completed.

DRAFT

3. Consultation and engagement

Consultation and engagement

Consultation and engagement undertaken

MPDC's consultation process

MPDC has consulted with its community on its two preferred service delivery options for water services in accordance with Local Government (Water Services Preliminary Arrangements) Act 2024 (Part 3, sections 60 to 64). There was no trigger for an amendment of the 2024 Long Term Plan.

The two preferred service delivery options consulted on are:

1. Joining WWDW (jointly owned water organisation).
2. Enhanced Business Unit (keeping in house but with major changes to structure and reporting to meet new regulations.).

Consistent messaging and documents were used for community consultation through a regional group facilitated by Co-lab for the WWDW participating councils.

MPDC's main methods used to consult with its community on LWDW and its preferred service delivery options were:

- Three-week public consultation process held in May 2025, where the community was invited to provide feedback on two proposed service delivery models.
- Consultation Document was made available on Council's website.
- Facilitating information sessions (in person) and online webinars during May 2025.
- Provided feedback form for community to submit on their preferred service delivery options via online platform, dedicated email address, post or dropping off at Council's offices.

MPDC's resolution for the preferred future water services delivery model was resolved on the 26 June 2025 with the outcome of water supply and wastewater assets transferring to Waikato Water.

Regional consultation process

WWDW is the outcome of 18 months collaboration by participating councils and the Iwi Chairs Forum – initially begun as a conversation about how to better deliver water services across the Waikato region.

The seven participating councils signed a Heads of Agreement in December 2024 to explore the WWDW model so they could put it forward as ONE of the options being considered for the future delivery of water services in their district.

Following public consultation, seven councils have adopted the WWDW service delivery model and established the resulting entity⁴, Waikato Waters. The company will provide drinking water and wastewater services across the service area of each of the councils once they transfer their business to it. Taupō DC has not committed to transferring its business to Waikato Waters but is a shareholder of Waikato Waters in a limited capacity. This enables it to gain some of the benefits of the waters CCO but also gives other councils the benefit of scale. They are keeping water services delivery in-house until their decision is revisited within the next two years.

Each of the participating councils identified and assessed at least two options and made this information available in their consultation documents.

None of the councils are intending to undertake any additional consultation on their chosen option (other than Taupō District Council who has committed to reviewing its position in 2 years).

A generic website (www.waikatowaters.co.nz) supporting consultation was made available for all councils and public to access more detailed WWDW information including the WWDW Heads of Agreement, CCO proposal, financial modelling, and the background and legislative requirements of LWDW.

⁴ Again, noting that Taupo DC is a shareholder in a limited capacity.

4. Assurance and adoption of the Plan

Assurance and adoption of the Plan
<p>Council resolution to adopt the Plan</p>
<p>This plan was adopted by the Matamata-Piako District Council on 11 August 2025. A copy of the resolution passed in relation to the adoption of this plan is attached as Appendix 2. For completeness, a copy of the resolution agreeing to the establishment of Waikato Waters Limited dated 11 2025 is attached as Appendix 3.</p>
<p>Certification of the Chief Executive of Matamata-Piako District Council</p>
<p>In preparing this plan, council has been supported by Morrison Low Advisory under a contract for services dated 25 November 2024. The scope of the services performed is included at Appendix 3.</p> <p>In relation to drinking water and wastewater, Council has also been supported by the Waikato Water Done Well programme team in the completion of specific aspects of this plan namely, Part A, relevant Parts of C(1) and (2) and Part D (drinking water and wastewater). The risks to the delivery of these water services are set out in the relevant section below, together with the mitigating actions that are being taken. The ability to deliver on this water services delivery plan is dependent upon these mitigating actions being effective. This will be a matter for the Board of Waikato Waters and the executive leadership to drive. Waikato Waters has been created to put each shareholding council in a better position to address the challenges than if it were to go it alone. Further, the future affordability for the community is of key concern. A comparison of Council's forecast charges (based on most recent financial forecasts of a status quo model) compared to Waikato Waters' forecast average charges (set out in Appendix 3) indicates that better affordability outcomes are achievable for our community by following this plan.</p> <p>In relation to stormwater, Council has also been supported by Morrison Low Advisory with independent financial modelling advice and in the completion of specific aspects of this plan.</p> <p>Subject to the above, I certify that to the best of my knowledge, and after having made all reasonable enquiry (including the assurance set out above), the information contained in Schedule 1 of this Water Services Delivery Plan:</p> <ul style="list-style-type: none"> • complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and • the information contained in the Plan is true and accurate. <p>Signed: _____</p> <p>Name: Manaia Te Wiata</p> <p>Designation: Chief Executive</p> <p>Council: _____</p> <p>Date: _____</p>

Additional guidance for joint Plans

For a joint Plan, a resolution to adopt the Plan must be completed by each council to which the Plan relates.

For a joint Plan, the certification statement must be made by the Chief Executive of each council to which the Plan relates, in respect of the information provided by that council.

Part B: Network performance

Investment to meet levels of service, regulatory standards and growth needs

Investment required in water services

Serviced population

Matamata-Piako district is located within the Waikato region, with Matamata, Te Aroha and Morrinsville its three main urban centres. The district is experiencing high population growth, which is forecast to continue over the next 30 years. This growth has implications for infrastructure services, including the capacity of our assets to deliver services to the community and the timing of capital projects.

The tables below provide a detailed view of the serviced population.

Water supply:

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	24,387	24,566	24,759	24,957	25,159	25,367	25,579	25,795	26,014	26,238
Total residential connections	10,071	10,204	10,306	10,409	10,513	10,618	10,724	10,831	10,940	11,049
Total non-residential connections	1,675	1,703	1,720	1,737	1,754	1,772	1,790	1,808	1,826	1,844

Based on NIDEA High figures, interpolated for each year and rates data base

Wastewater:

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	23,535	23,754	23,974	24,193	24,411	24,629	24,847	25,063	25,280	25,496
Total residential connections	9,445	9,580	9,676	9,772	9,870	9,969	10,068	10,169	10,271	10,374
Total non-residential connections	833	852	861	869	878	887	896	905	914	923

Stormwater:

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	23,535	23,754	23,974	24,193	24,411	24,629	24,847	25,063	25,280	25,496
Total residential connections	9,225	9,392	9,486	9,581	9,676	9,773	9,871	9,970	10,069	10,170
Total non-residential connections	1,113	1,133	1,144	1,156	1,167	1,179	1,191	1,203	1,215	1,227

Based on NIDEA High figures, interpolated for each year and rates data base

Serviced areas

Water supply serviced areas - MPDC owns and operate seven water supply schemes in the district as shown in the table below. The schemes are in Matamata (including Waharoa and Raungaiti), Morrinsville, Te Aroha (including Te Aroha West) and three small schemes in Te Poi, Tahuna and Hinuera. Each area has one or more treatment plants.

Wastewater serviced areas - MPDC owns and operate wastewater treatment plants (WWTP) in Matamata (which also treats wastewater from Waharoa and Raungaiti), Morrinsville (which also treats wastewater from Rukumoana), Te Aroha (which also treats wastewater from Waihou) and Tahuna. The Morrinsville WWTP also treats and disposes of rural septic tank waste. Approximately 50% of the wastewater treated in Morrinsville is from local industry.

Stormwater serviced areas – MPDC has stormwater drainage systems in Matamata, Morrinsville, Te Aroha, Waharoa and a limited system in Hinuera.

Servicing growth

Network infrastructure required to facilitate residential growth areas in the next 30 years is key driver for MPDC. A key project in the past 3 years has been to develop Master Plans. This has involved completing updated water and wastewater network modelling to identify what work is required. It has also investigated what the requirements will be in 30 years based on the latest population projections. This ensures that MPDC can be more prepared for changes that will come with future growth needs, such as private plan changes and future zoning changes.

The Water and Wastewater Masterplans have provided the projected growth investment requirements for the 2024 LTP and this plan.

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater #schemes	Stormwater # catchments
Residential areas (If more than one identify separately)	Matamata (4,278 connections) Waharoa (235 connections) Raungaiti (20 connections) Morrinsville (4,135 connections) Te Aroha (2,326) Hinuera (28 connections) Tahuna (68 connections) Te Poi (44 connections) <i>Data source: rating data base</i>	Matamata (3,767 connections) Waharoa (3,753 connections) Raungaiti (20 connections) Morrinsville (3,742 connections) Te Aroha (2,003 connections) Waihou (116 connections) Tahuna (68 connections) <i>Data source: rating data base</i>	Matamata (4,155 properties served) Waharoa (205 properties served) Morrinsville (3,933 properties served) Te Aroha (2,057 properties served) <i>Data source: rating data base</i>
Non-residential areas (If more than one identify separately)	Included in above towns and townships.	Included in above towns and townships.	N/A
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	N/A	n/a	n/a
Areas that do not receive water services (If more than one identify separately)	Waihou, Waitoa and several other small townships/communities	Waitoa, Te Poi, Hinuera and several other small townships/communities	Almost all properties within urban boundaries of Matamata, Morrinsville, Te aroha and Waharoa are serviced by Council stormwater system. Properties situated outside these boundaries are not serviced by Council stormwater system.
Proposed growth areas <ul style="list-style-type: none"> Planned (as identified in district plan) Infrastructure enabled (as identified and funded in LTP) 	Matamata greenfield and infill (978 properties) Waharoa greenfield and infill (235 properties) Morrinsville greenfield and infill (2126 properties) Te Aroha greenfield and infill (490 properties) <i>Data source: Housing and business assessment 2022 report</i>	Matamata greenfield and infill (978 properties) Waharoa greenfield and infill (235 properties) Morrinsville greenfield and infill (2126 properties) Te Aroha greenfield and infill (490 properties) <i>Data source: Housing and business assessment 2022 report</i>	Matamata greenfield and infill (978 properties) Waharoa greenfield and infill (235 properties) Morrinsville greenfield and infill (2126 properties) Te Aroha greenfield and infill (490 properties) <i>Data source: Housing and business assessment 2022 report</i>

Assessment of the current condition and lifespan of the water services network

Asset age and condition

The age and condition of the water services assets is provided in the table below and more information can be found in the 2024 Infrastructure Strategy.

Water supply condition - The water infrastructure assets' condition and reliability of data are described in the 2024 Water Asset Management Plan 2024. The water treatment plants (WTP) and reticulated water supplies are generally in good condition, delivering the agreed level of service to our community. The majority of water pipes have a working life of between 30 and 100 years, depending on material. MPDC has a fairly good understanding of the type of pipes. There is approximately 5% of the length of pipes for which do not have this information, mainly service lines and not our critical assets.

Wastewater condition - MPDC has reasonable knowledge of the wastewater assets. There is approximately 4% of assets for which we do not have information on the construction material. This is not considered to be a significant risk as the life of "unknown" pipes are categorised as the same as the lowest rated pipe.

The condition of the reticulation system varies with the various schemes. Te Aroha is subject to higher infiltration rates which could indicate a poor condition. The modelling of the Morrinsville reticulation for dry and wet weather flows indicates that the catchment is generally in poor condition. It is believed that much of the inflow and infiltration originates within private properties from defective pipes and low gully traps, and a programme of testing is addressing this issue. We are undertaking condition assessments of our reticulation network using closed circuit television (CCTV), with a focus on assets that are approaching scheduled renewal. This is resulting in some renewals being deferred and the pipes given an extended life. We also have a program of inspections using smoke testing and other means to identify faults and to prioritise them for renewal.

Stormwater condition – MPDC is unsure of the materials of 19% of assets, which makes up about 31 kilometres of the piped network. These pipes have been given the same life as the shortest life pipe material so that the renewal funding is not at risk in this area. Through the proposed modelling, MPDC is obtaining some better data about stormwater assets, mainly related to updated invert levels for manholes and pipes.

Critical assets

Three waters critical assets at asset class level have been identified the 2024 Infrastructure Strategy and 2024 Asset Management Plans and summarised in the following table. A 1 to 5 ranking has been allocated for water supply and wastewater assets and recorded in the asset management system but this is under review.

Activity	Critical asset classes
Water supply	<ul style="list-style-type: none"> Major water mains (250mm in diameter and greater) Treatment plants Pump stations Raw water inlets SCADA
Wastewater	<ul style="list-style-type: none"> Treatment plants and outlets Pump stations Wastewater mains directly to treatment ponds Rising mains SCADA
Stormwater	<ul style="list-style-type: none"> Large stormwater mains (900mm greater in diameter) Outlets / flap gates

- Stormwater storage and treatment ponds
- Matamata Overland flow path

Figures as at 1 July 2024.

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets – Pipes only, not point assets.	33.8. (As per NEPM D-R12). ¹	36.8. (As per NEPM D-R12). ²	33.5. (As per NEPM D-R12). ³
Critical Assets – Network/Reticulation pipes only, not point assets. Not Plant assets.	Criticalities from 1 to 5 allocated, but unreliable and under review.	Criticalities from 1 to 5 allocated, but unreliable and under review.	not identified
Above ground assets. Includes all assets from each of our 3 “Plant” databases.			
<ul style="list-style-type: none"> • Treatment plant/s • Percentage or number of above ground assets with a condition rating • Percentage of above –ground assets in poor or very poor condition 	10 100%, but low confidence in condition ratings. 1.4%	4 100%, but low confidence in condition ratings. 0%	0 (excludes ponds and wetlands) N/A N/A
Below ground assets. Reticulation Line Assets only.			
<ul style="list-style-type: none"> • Total Km of reticulation • Percentage of network with condition grading • Percentage of network in poor or very poor condition 	417 Km 100%, but low confidence in condition ratings. 4%	276Km 100%, but low confidence in condition ratings. 2.5%	172km 100%, but low confidence in condition ratings. 0.1%

1. From spreadsheet “Water Line Query 24July2024 Renewals”. Age as at 1 July 2024.
2. From spreadsheet “Wastewater Line Query 28July2024 Renewals”. Age as at 1 July 2024.
3. From spreadsheet “Stormwater Line Query 17Nov2023”. Age as at 1 July 2024.

Asset management approach

Existing service delivery mechanism - The existing service delivery mechanism is based on 3 individual in-house units namely asset and projects unit, 3 waters unit and Kaimai Valley Services (operations and maintenance) unit. The intended future service delivery mechanism is through a multi-council owned water organization (Waikato Water Done Well). Water supply and wastewater assets and responsibility will transfer to Waikato Waters. Stormwater assets will continue to be managed in house by MPDC.

Proposed service delivery model - From 1 October 2026, the service model will be the responsibility of Waikato Waters. As part of the establishment phase Waikato Waters will be developing and implementing an asset management policy and strategy. The Asset Management Policy will be Waikato Waters commitment to manage its assets. It will describe the principles and responsibilities that the entity applies to its asset management practices. Implementation of the Asset Management Policy will support the delivery of Waikato Waters strategic outcomes. The Strategy will guide how the entity will manage assets, in order to deliver drinking water and wastewater services to the community. It will set asset management objectives and describe the asset management system.

Asset management system - Asset management system used by the Council is AssetFinda and currently there is no plan to change this system unless the future water entity decides to do so.

