CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Workshop

Thursday, 3 July 2025

Council Chamber

28-32 Ruataniwha Street

Waipawa

Together we thrive! E ora ngātahi ana!

WORKSHOP

Author: **Doug Tate, Chief Executive**

Authoriser: **Doug Tate, Chief Executive**

Attachments: **1. 3 July 2025 Workshop Slides**

PUBLIC WORKSHOP

The public workshop covered the following items:

Solid Waste Review – Draft Waste Assessment detailing the need to update WMMP

The purpose of this session was to introduce the draft waste assessment, a systematic waste evaluation of the current and future waste needs for feedback. The assessment provides context on the Solid Waste Strategy review and will inform updated WMMP, a legislative requirement under the Waste Minimisation Act. This key component is part of the Terms of Reference endorsed by Council.

Local Water Done Well – Capital programme options

This workshop session continued to progress the Local Water Done Well programme options.

PUBLIC EXCLUDED

CE Performance end of Year Review and KPIs for the 2025/26 year

This session was led by Councillor Kate Taylor as the Chair of the Chief Executive Employment and Performance Committee, supported by Independent Advisor Mr Greg Timms.

In accordance with the Chief Executive Pay and Performance Policy, this session sought general feedback from Councillors on the Chief Executive's performance, before the Committee meet to make recommendations to Council. The Committee will be meeting on 10 July 2025.

The Chair also sought feedback on the Draft KPI's/plan for the 2025/26 year for the Chief Executive in accordance with the Policy, before seeking to have these signed off at the Committees meeting on 10 July 2025.

PE reasons:

s7(2)(a) the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons

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Council Workshop

3 July 2025

Together we thrive!

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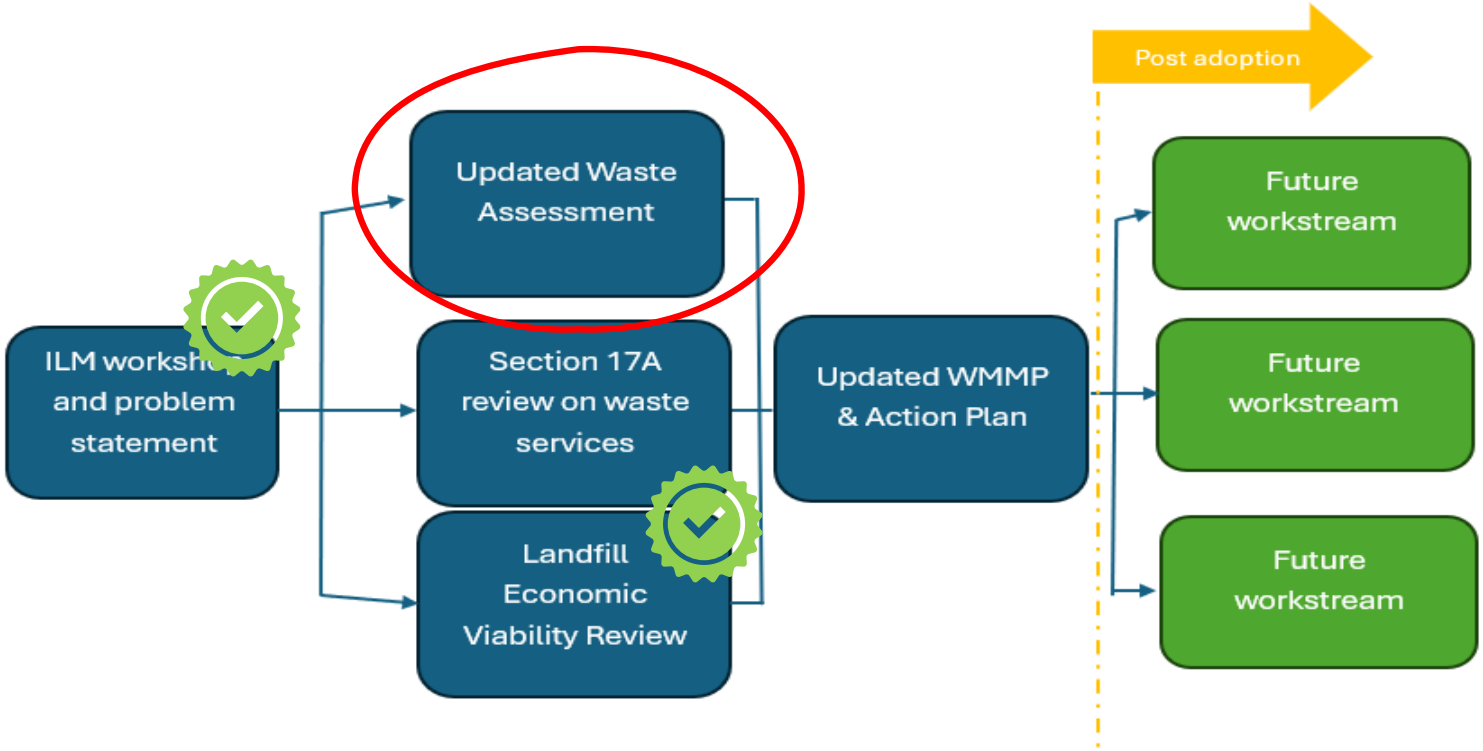
Solid Waste Review – Draft Waste Water Assessment The need to update WMMP

3 July 2025

Purpose

- •On the 22 May, the Strategy Growth and Community accepted the Terms of Reference for the Updated WMMP.
- Officers will present key findings of the draft Waste Assessment for elected member feedback prior to finalising the draft and noting through a Council paper.
- The Waste Assessment is a legislative requirement when reviewing and updating a Council's Waste Management and Minimisation Plan.

Where we are in the process?

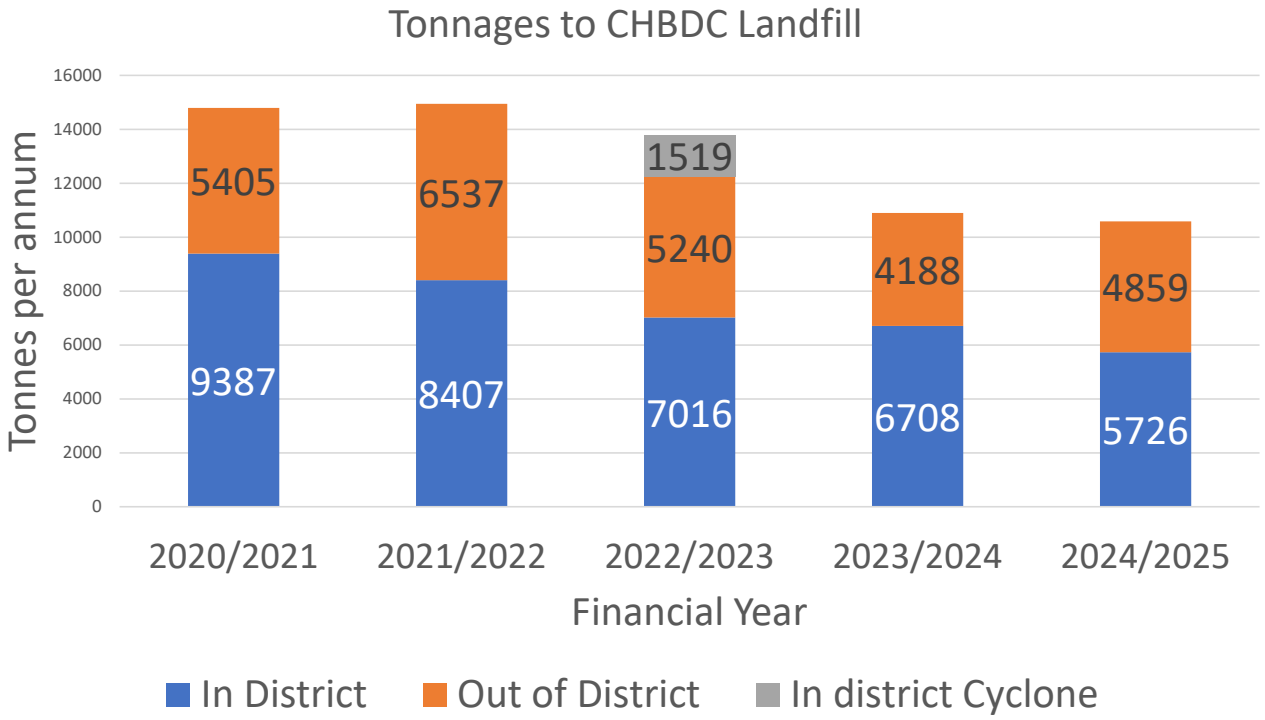


How much are we diverting?

Material	2021/2022	2022/2023	2023/2024	2024/2025
Glass	687 tonnes	742 tonnes	654 tonnes	670 tonnes
Co-mingle recycling	358 tonnes	502 tonnes	490 tonnes	495 tonnes
Green waste	4500 m3	6500m3	4980 m3	350 tonnes
Other diversion (e.g. Metals, tyres, E-waste)	110 tonnes*	179 tonnes*	147 tonnes*	415 tonnes

We divert circa 100kg per person per year

How much are we throwing away?



District waste to landfill per capita over 5 years: **440 kg per person per year**.

NZ average in 2016: **734kg per person per year**.

How did we do?

The first is an aspirational long-term target.

To increase diversion from landfill to 70% by 2040

The second is a target specifically relating to the term of this plan, and the actions proposed.

To increase diversion from landfill to 48% by 2025

The baseline for these two targets is 32% diversion from landfill in 2018/19[1].

We are tracking at around 38-42% over the past 3 years.

The third is a service-related target.

To increase participation in kerbside recycling services (measured through set out rates) to 60% by 2025

We did not progress...

- Food waste collection feasibility
- Discuss waste gaps with businesses or farmers
- Waste minimisation concepts in our procurement

Difficult target to track – Usage is based on needs. 34% for glass, 40% for plastics & cans, 35% for Fibre
If we track the number of households putting at least one crate out a month, we get a 80-85% participation rate.

New Goals and focus?

How do we continue to provide affordable community waste services while protecting our environment?

Objective 1	**Solid waste services that are affordable and financially viable for the long term**
Objective 2	Waste management solutions will seek to minimize the impact of waste on the environment
Objective 3	Solid waste options that are supported by community, stakeholders and partners

Proposed new targets to measure progress?

1. **Reduce waste to landfill per person per year to 400Kg by 2031**
   (Baseline 440kg per person per year)

2. **Increase diverted materials from Council services to 125Kg per person per year by 2031**
   (Baseline of 100kg per person per year)

3. **Less than 30 incidents of unauthorized dumping incidents as reported to the Council per year**

What will we focus on in the next 6 years?

Our statement of proposals (i.e. *options of what we want to do over the next 6 years*)have the following key themes:

- Deciding on the future of our waste disposal infrastructure.
- Optimising Council waste services.
- Partnering on waste management and diversion services and infrastructure.
- Improving our waste diversion messaging.
- Preventing illegal dumping.

Next Steps

- Progress Waste Assessment report to a final draft.
- Present a Council paper to support the final Waste Assessment report and acknowledge the Councils' intent to update the WMMP on 24 July in the SCG Committee.
- Draft Updated WMMP – September 2025.

Pātai - Questions?

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Local Water Done Well – Capital Programme Affordability

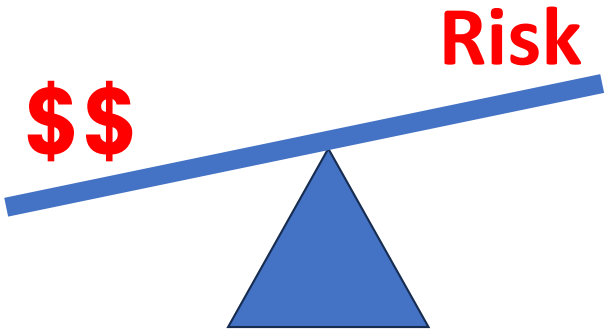
3 July 2025

Purpose

- We've had clear feedback from LWDW consultation on affordability
- Share our thinking and seek direction on what 'affordable' means
- Confirm key assumptions for the programme
- Share options for improving the affordability of the programme including:
  - Assumptions
  - Key trade-offs
- Get direction on the options, to inform a future decision paper (24th July)

CHBDC Critical Success Principles + Assessment Criteria

- Costs are reduced
- Safe and healthy water
- Environmental responsibility
- Resilient infrastructure responsive to growth
- Community ownership and empowerment

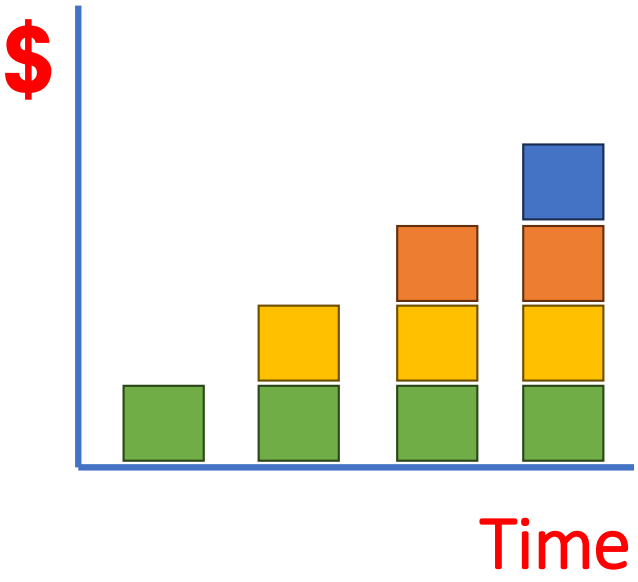


Additional assessment Criteria....

- Solution efficiency
- Right sized modular investment approach

Right sized modular investment approach

- Modular systems approach to investment
- Infrastructure systems can meet current needs but be added to over time
- Modular 'building blocks' with a no regrets approach to infrastructure development



Benefits:

- Right sized infrastructure for community
- Optimised investment to service growth
- Allows time to understand **actual** growth
- Examples: water loss and usage, I&I, renewals plan etc

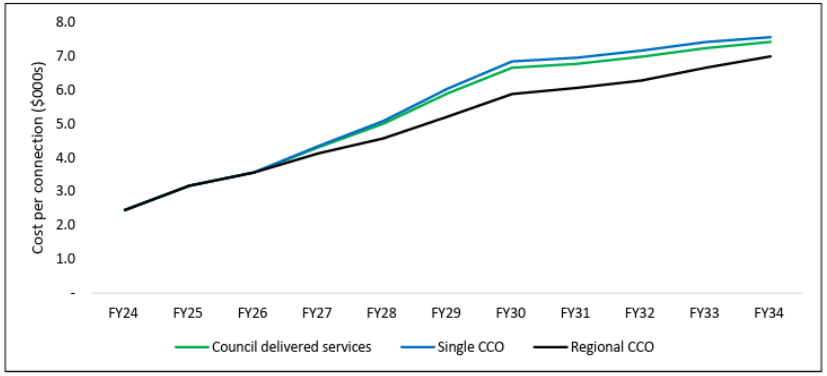
Affordability

- Targeted rates are projected to increase to between $7000-$7600 by 2034 based on our current programme
  - This is clearly unaffordable for our community
  - Our current programme may also not meet future regulatory requirements (wastewater)
  - Some projects are required to facilitate growth and some include external funding (IAF etc)

Table: Central Hawke's Bay – Cost per connection by year and option (in $1000s)

Cost per connection ($000s)	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Council delivered services	2.5	3.2	3.6	4.3	5.0	5.9	6.7	6.8	7.0	7.2	7.4
Single CCO	2.5	3.2	3.6	4.3	5.1	6.0	6.8	7.0	7.2	7.4	7.6
Regional CCO	2.5	3.2	3.6	4.1	4.6	5.2	5.9	6.1	6.3	6.7	7.0

Graph: Central Hawke's Bay – Cost per connection by year and option



Affordability

- **Affordability benchmarks**
  - No official definition of affordable water costs in New Zealand
  - International guidelines (WHO) suggest drinking water and wastewater services costs should not exceed 3-5% of a household's income to be considered affordable
    - Forecasted Median household income in CHB in 2034 - $97,998 (5% = $4,899.88)

- **$5000 max targeted rates (2 waters)**
  - After allowing for OPEX, inflation and financing, would allow approximately circa $107m of CAPEX expenditure over a 10-year period to 2034
  - This would be a circa 50% reduction in the current programme

Key Assumptions

- A targeted maximum combined rate for Drinking Water and Wastewater in 2034 of $5000 per connection
- Safe and healthy drinking water, meeting the DWQAR's set by Taumata Arowai, is provided to those connected to our network
- We meet the requirements of our Wastewater discharge consents (and/or proposed Wastewater standards) by 2034
- We are enabling of growth, on the basis that growth pays for growth

- OPEX costs are likely to increase to account for reduced CAPEX investment – Levels of Service may need to be slightly reduced to manage this increase

Current 10 year CAPEX plan (from 3YP)

Drinking water:

- 2nd Supply, Reservoir Replacements, Pipeline renewals, Metering & Backflow Programmes

FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	**Total**
$12,273,694	$14,786,292	$10,900,232	$8,620,800	$7,900,287	$4,492,693	$4,618,014	$4,734,996	$4,297,304	$4,407,480	**$77,031,792**

Wastewater:

- Treatment upgrades – Partial WOW, Porangahau & Te Paerahi, Takapau
- Pipeline renewals, I&I programme

FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	**Total**
$5,676,500	$5,743,927	$3,657,347	$13,448,977	$14,849,485	$11,731,565	$15,011,095	$21,731,745	$21,094,281	$10,835,340	**$123,780,262**

Drinking Water programme options

Drinking Water Option 1

- Complete 2nd Supply – investigate increasing storage and ability to back-feed to Waipawa
- Defer Reservoir Replacements until un-economic to repair

	Total
Current 3YP	**$77,031,792**
Option 1	**$67m**

Feasibility

- While this option appears feasible there are a number of technical considerations that have not been fully assessed
- Low confidence in estimate

Risks/Trade-offs

- Aging existing reservoirs risk of failure and increasing OPEX costs to maintain

Other Commentary

- Water network generally enables continued growth

Drinking Water Option 2

- Continue Reservoir Replacements and defer delivery of the Second Supply project

	Total
Current 3YP	**$77,031,792**
Partial Scope option 2	**$62m**

Feasibility

- Higher confidence in technical feasibility and cost estimate

Risks/Trade-offs

- May limit the growth able to be serviced in the medium term or without additional upgrades
- Water supply quality and resilience risks remain

Other Commentary

Drinking Water Options

	Total
Option for extra Reduction	-$10.6m

Option for extra reduction in spend

- Reduce renewals programme to only fund depreciation focusing on critical assets

Feasibility

- This option is feasible

Risks/Trade-offs

- Likely to see more frequent non-critical pipe failures and service disruption

Other Commentary

- Water network generally enables continued growth, although may be some staging delays as pipe upgrades are phased over longer time

Wastewater programme options…..

Wastewater specific assumptions

- Wastewater Standards not yet fully known
  - For small sites we have assumed some treatment requirements for TSS, Ammonia, e.coli
  - For large sites we have made some assumptions regarding consenting pathways i.e. wastewater standards vs traditional RMA pathway
  - Assumes physical space is available for proposed upgrades

Wastewater Options – Takapau

Option 1

- Generally continue as planned in the 3-year plan and as per existing consent – expected cost circa $6-7m
- Assumes appropriate reinstatement and future protection of the Makaretu River

Option 2

- Do Bare minimum, reconsent as per Wastewater standards and implement minor upgrades to achieve these – high level estimated cost $3-4m
- Reasonable confidence this is feasible
- Reduced asset resilience and asset life expectations compared to option 1
- Is not reliant on reinstatement of the Makaretu River
- Continued surface water discharge does not align with community aspirations outlined in the Wastewater Strategy 2020

Wastewater Options – Porangahau

Option 1

- Generally continue as planned in the 3-year plan and as per existing consent application to centralise treatment with Te Paerahi – expected cost circa $22-25m

Option 2

- Do Bare minimum, reconsent as per Wastewater standards and implement minor upgrades to achieve these – high level estimated cost $3-4m
- Reasonable confidence this is feasible
- Reduced asset resilience and asset life expectations compared to option 1
- Continued surface water discharge does not align with community aspirations outlined in the Wastewater Strategy 2020

Wastewater Options – Te Paerahi

Option 1

- Generally continue as planned in the 3-year plan and as per existing consent application to centralise treatment with Porangahau– expected cost circa $22-25m

Option 2

- Do Bare minimum, reconsent as per Wastewater standards and implement minor upgrades to achieve these – high level estimated cost $3-4m
- Expect this would involve moving the discharge from the existing site
- Some confidence this is feasible
- Reduced asset resilience and asset life expectations compared to option 1
- Does not align with community aspirations outlined in the Wastewater Strategy 2020

Wastewater Options – WOW sites – Option 1

- Current treatment and upgrades under the Wastewater strategy 2020 would not meet proposed standards
  - Rapid Infiltration Basins discharge not covered by the standards (more onerous consenting pathway)
  - Combined WOW plant likely to require more complex tertiary treatment. **This plant would cost significantly more** than the current treatment proposal in the wastewater strategy
- This programme was last estimated at $88.5m of which $61.5m is within the next 10 years.

Wastewater Options – WOW sites – Option 2

- Interim treatment upgrades at Waipawa and Waipukurau WWTPs – DAF, UV and MBBR (and/or similar) at each site
- High level estimated cost (next 10 years) – $44-54m

Feasibility

- Some confidence this option is feasible

Risks/Trade-offs

- Full technical scope and feasibility assessments have not been completed
- Continued surface water discharge does not align with community aspirations outlined in the Wastewater Strategy 2020

Other Commentary

- Modular upgrades allow for staged investment over time
- Current growth projections dramatically affect planning for these upgrades

Summary of options

tivity	Option	Option Description	Estimates	Estimate Confidence	Potential Scenario
inking Water	Option 1	Continue Second Supply, defer Reservoir Replacements	$67m		
	Option 2	Continue Reservoir Replacements, defer Second Supply	$62m		$62m
	Extra reduction	Reduce Renewals Programme	-$10.6m		-$10.6m
astewater – Takapau	Option 1	Continue as per 3 Year plan and WW Strategy	$6-7m		
	Option 2	Bare minimum approach	$3-4m		$3-4m
astewater – Porangahau/Te erahi	Option 1	Continue as per 3 Year plan and WW Strategy	$22-25m		
	Option 2	Bare minimum approach	$6-8m		$6-8M
astewater - WOW	Option 1	Continue as per 3 Year plan and WW Strategy	$61m +		
	Option 2	Bare minimum approach	$44-54m		$44-54m
Total CAPEX programme cost (2 Waters)					**$104-117m**

Impact on 2025/26 Programme

- Dependant on direction provided, there could be significant reduction in the scope of the current year programme
- This would provide a reduction in forecast 2026/27 rates

Next Steps

Officers and technical partners continue to:

- Assess options feasibility
- Quantify risks and trade-offs
- Refine estimated costs and programme phasing

Decision Report to come to council on the 24th July

- Endorsement of an alternative plan to be included in WSDP
- Supporting financial modelling
- Commentary on options – risks, assumptions and benefits

Questions – Pātai?