

ORDER PAPER

ORDINARY COUNCIL MEETING

Date: Thursday, 25 June 2026
Time: 10.00am
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Chair: HWTM Andy Watson

Deputy Chair: Cr Dave Wilson

Membership: Cr Diana Baird
Cr Alan Buckendahl
Cr Fi Dalgety
Cr Sandra Field
Cr John Hainsworth
Cr Piki Te Ora Hiroa
Cr Graeme O'Fee
Cr Coral Raukawa
Cr Paul Sharland
Cr Jeff Wong

For any enquiries regarding this agenda, please contact:

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<p>Locations:</p>	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <p><u>Marton</u> Head Office 46 High Street Marton</p> </td> <td style="vertical-align: top; width: 50%;"> <p><u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls</p> </td> </tr> <tr> <td colspan="2" style="text-align: center; vertical-align: top;"> <p><u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape</p> </td> </tr> </table>	<p><u>Marton</u> Head Office 46 High Street Marton</p>	<p><u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls</p>	<p><u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape</p>	
<p><u>Marton</u> Head Office 46 High Street Marton</p>	<p><u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls</p>				
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Notice is hereby given that an Ordinary Meeting of Council of the Rangitikei District Council will be held in the Council Chamber, Rangitikei District Council, 46 High Street, Marton on Thursday, 25 June 2026 at 10.00am.

Order Of Business

1	Welcome / Prayer	4
2	Apologies	4
3	Public Forum	4
4	Conflict of Interest Declarations.....	4
5	Confirmation of Order of Business	4
6	Reports for Decision	5
6.1	Adoption of the Annual Plan 2026/27, amended Revenue and Finance Policy and Rates Remission Policy	5
6.3	Deed of Support for Central Districts Water	18
7	Public Excluded	36
8	Open Meeting	37

AGENDA

1 Welcome / Prayer

2 Apologies

3 Public Forum

No Public Forum

4 Conflict of Interest Declarations

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

5 Confirmation of Order of Business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, [enter item number](#) be dealt with as a late item at this meeting.

6 Reports for Decision

6.1 Adoption of the Annual Plan 2026/27, amended Revenue and Finance Policy and Rates Remission Policy

Author: Tiffany Gower, Strategy Manager

Authoriser: Katrina Gray, Group Manager - Strategy, Community and Democracy

1. Reason for Report

- 1.1 To present the Annual Plan 2026/27 for adoption and enable the consequential setting of the 2026/27 rates (covered in a separate report), for the financial year 1 July 2026 to 30 June 2027. This report also presents the amended Revenue and Finance Policy (R&F Policy) and Rates Remission Policy to Council for adoption.

2. Context

Annual Plan:

- 2.1 The Annual Plan 2026/27 is based on Year 3 of the Long Term Plan (LTP) 2024-34. The Annual Plan outlines Council's planned work programme and associated budgets for the year.
- 2.2 Under the Local Government Act 2002 (LGA) every year that a LTP is not produced, an Annual Plan must be produced. This provides Council with an opportunity to review the planned work programme and budgets, and update them if required. If significant or material changes are proposed, then these must be consulted on.

Policies:

- 2.3 Council has amended/reviewed its R&F Policy and Rates Remission Policy.
- 2.4 Council is required to have a R&F Policy under s102(2)(a) of the LGA. The R&F Policy outlines how Council will fund the different activities (i.e. services and infrastructure) that it is responsible for, including why it has chosen certain funding mechanisms for different activities. The changes proposed to this policy were minor and relatively narrow in scope including changes to make the allocation of funding for all activities more transparent (i.e. remove the "piggy bank" images and using percentages instead) and updating some of the funding splits for certain activities to be more reflective of how these activities will be funded in 2026/27.
- 2.5 Councils may choose to have a Rates Remission Policy under s102(3)(a) of the LGA. Various amendments were proposed for the Rates Remission Policy including changes to improve clarity for applicants and officers as they implement this Policy (e.g. specifying dates when applications must be made by or updating references to legislation). A key change was the introduction of a "Remission of Water Rates" which will be available in certain circumstances where customers experience a loss of water as a result of leaks or damage to their internal water supply.
- 2.6 The amendments to these policies required consultation under section 82 of the LGA.

3. Overview of Process

- 3.1 Officers worked with Council in the last quarter of 2025 and early 2026 to review the planned programme of work and the financials for the 2026/27 financial year. Council did not propose to make any “significant or material” changes to the Annual Plan 2026/27 when compared to Year 3 of the LTP 2024-34.
- 3.2 Although consultation was not required, Council decided to consult with the community on the draft Annual Plan 2026/27 as it wanted to share with the community what it has planned for the 2026/27 financial year and to provide an opportunity for the community to provide feedback on what is planned/budgeted.
- 3.3 Council adopted “Where’s the Annual Plan 2026/27 & Co @ Rangitikei” at its meeting held on 12 March 2026. This document outlined key projects and some general information for the 2026/27 financial year, and it also incorporated other consultation that Council was simultaneously undertaking on the Draft Fees and Charges 2026/27, amended R&F Policy and draft Rates Remission Policy.
- 3.4 Consultation ran from 16 March until 17 April 2026 and Council received a total of 48 submissions (including one (1) late submission).
- 3.5 A Hearing of submissions was held on 6 May 2026, and 13 submitters spoke to their submissions: with six (6) submitters attending the Hearing in Taihape and seven (7) attending the Hearing in Marton.
- 3.6 Council considered all written and oral submissions at the deliberations meeting held on 21 May 2026.
- 3.7 Following deliberations, Officers have updated the Annual Plan 2026/27 to reflect the decisions made and it is now ready for adoption by Council. The Annual Plan 2026/27 is attached (under separate cover).
- 3.8 No changes were made to the R&F Policy or Rates Remission Policy following deliberations on the submissions received for these policies. These policies have been finalised by officers and are attached (under separate cover).

4. Rates increase

- 4.1 The rates increase for Year 3 of the LTP 2024-34 was projected to be 10.75%. Council reduced the rates increase to 6.4%, which was covered in the consultation document and this increase was not amended by Council following deliberations.
- 4.2 The above rates increase is the average increase that ratepayers can expect to receive. Actual rates increases that individual properties will receive will vary and depend on the type of property, services the property receives, and the capital value of the property.

5. Balanced budget

- 5.1 Section 100 of the LGA 2002 states that a local authority must ensure that each years’ projected operating revenue is set at a level sufficient to meet that years’ projected operating expenses, otherwise known as a ‘balanced budget’.
- 5.2 An unbalanced budget can be set if the local authority resolves that it is financially prudent to do so, having regard to the matters identified in section 100 of the LGA.

- 5.3 Deficits were planned for the first five (5) years of the LTP 2024-34, with this Annual Plan being Year 3 of the LTP. After the first 5 years of the LTP Council is expected to have an ongoing period of surplus budgets. This will allow Council to start repaying debt.

6. Options and Next Steps

Options: Annual Plan 2026/27

- 6.1 **Option 1:** Council may choose to adopt the Annual Plan 2026/27.
- 6.2 **Option 2:** Council could delay adopting the Annual Plan and instead request that officers make additional changes and bring it back to Council at a later date for adoption.

This option would create an issue in terms of Council’s requirement to adopt an Annual Plan before the beginning of the financial year that it relates to. This option is not recommended by officers.

Options: Revenue and Financing Policy

- 6.3 **Option 1:** Council may choose to adopt the R&F Policy.
- 6.4 **Option 2:** Council could delay adopting the R&F Policy and instead request that officers make additional changes and bring it back to Council at a later date for adoption.

Options: Rates Remission Policy

- 6.5 Option 1: Council may choose to adopt the Rates Remission Policy.
- 6.6 Option 2: Council could delay adopting the Rates Remission Policy and instead request that officers make additional changes and bring it back to Council at a later date for adoption.
- 6.7 Option 1 is officers preference for the Annual Plan 2026/27, R&F Policy and Rates Remission Policy.

Next Steps

- 6.8 Once the Annual Plan 2026/27 is adopted, the design of the document will be finalised and it will be printed and distributed within one month, in accordance with the requirements of section 95 of the LGA.
- 6.9 The Annual Plan 2026/27, the R&F Policy and Rates Remission Policy will be made available on Council’s website.
- 6.10 The proposed rates resolution will be presented to Council for adoption in a separate report.

7. Financial Implications

- 7.1 The Annual Plan 2026/27 outlines the projects and operational expenditure planned for the year and details the financial implications of the activities included. All financial implications have been discussed throughout workshops and Council Meetings while preparing this Annual Plan.
- 7.2 The Capital Expenditure Budget for Year 3 of the LTP 2024-34 was \$33.9M. This budget has been revised, resulting in the Capital Expenditure Budget of \$52.3M in the Annual Plan 2026/27.

- 7.3 The review of the R&F Policy and Rates Remission Policy was provided for within existing budgets. The potential implications of the amendments made to these policies have been discussed through Council workshops as these changes were drafted.

8. Impact on Strategic Risks

- 8.1 Possible risks associated with this report include:

8.1.1 Trust and confidence is tarnished

The Annual Plan is the document that sets out Council's planned work programme and budget for the relevant financial year. There is a risk that if the planned programme and financials are not achievable or do not reflect the community's priorities, then trust and confidence in Council may be negatively affected.

Council chose to consult on its draft Annual Plan 2026/27 despite there being no significant or material changes to what was proposed for Year 3 of the LTP 2024-34. Consultation provides interested members of the community the opportunity to have their say about what Council is planning for 2026/27. This helps to mitigate the risk that trust and confidence in Council may be tarnished.

8.1.2 Financial stability is lost

When preparing plans and determining the rates that will be required, Council must rely on the best information available to understand the funding that is required to cover capital and operational costs.

This risk is mitigated through sourcing projections from reputable sources, reviewing budgets, and ensuring expenditure is understood and justified before it is included in the Annual Plan.

9. Strategic Alignment

- 9.1 Council's strategic framework was decided during the development of the LTP 2024-34. All projects within the Annual Plan 2026/27 align with one or more of Council's priorities in its strategic framework.
- 9.2 The R&F Policy aligns with Council's strategic framework as it outlines how Council will fund its activities which are founded in the strategic framework.
- 9.3 The Rates Remission Policy has strategic alignment primarily in relation to Social and Economic Wellbeing. For example the Rates Remission Policy can support ratepayers in hardship or provide remissions to help enable local businesses to earthquake strengthen buildings.

10. Mana Whenua Implications

- 10.1 The Annual Plan 2026/27 includes all budgets for that financial year, including budgets and work programmes associated with engaging with mana whenua, as well as performance measures involving Te Rōpū Ahi Kā.

11. Climate Change Impacts and Consideration

- 11.1 When developing a plan, including the Annual Plan, officers take climate change into consideration. Projects and services within the Annual Plan will also appropriately consider and account for climate change.

12. Statutory Implications

- 12.1 Council is required to prepare and adopt an Annual Plan in alternate years to a LTP (refer to section 95 of the LGA).
- 12.2 The content required in an Annual Plan is set out in Schedule 10, Part 2 of the LGA. The Annual Plan must be adopted before the beginning of the financial year that it relates to (i.e. by no later than 30 June 2026).
- 12.3 As covered earlier in this report, Council is required to have a R&F Policy under s102(2)(a) of the LGA. Section 102(4)(b) of the LGA allows Council to amend its R&F Policy at any time subject to undertaking consultation in a manner that gives effect to s82 of the LGA. Council may choose to have a Rates Remission Policy under s102(3)(a) of the LGA and under s109(2A)(a) any review of its Policy must be consulted on in accordance with s82 of the LGA. Amendments to these policies have followed the legal requirements.

13. Decision Making Process

- 13.1 This report is subject to Council's Significance and Engagement Policy.
- 13.2 The decision to adopt the 2025/26 Annual Plan is significant as it sets out Council's budget, planned programme of work, and rates for the 2026/27 financial year.
- 13.3 Council followed the process necessary to make this significant decision in line with our Significance and Engagement Policy and the LGA 2002.

Attachments:

1. **Annual Plan 2026-2027 (under separate cover)**
2. **Revenue and Finance Policy (under separate cover)**
3. **Rates Remission Policy (under separate cover)**

Recommendation 1

That the report 'Adoption of the Annual Plan 2026/27, amended Revenue and Finance Policy and Rates Remission Policy' be received.

Recommendation 2

That Council considers it prudent to adopt a budget that is not balanced in 2026/27 on the basis that it is financially prudent to do so and achieves a sustainable balanced budget in accordance with section 100 of the Local Government Act 2002.

Recommendation 3

That Council adopts the Annual Plan 2026/27 and gives the Chief Executive authority to make minor editorial and formatting changes to the document prior to publication.

Recommendation 4

That Council adopts the Revenue and Finance Policy with/without [delete one] amendment and that Council gives the Chief Executive authority to make minor editorial changes.

Recommendation 5

That Council adopts the Rates Remission Policy with/without [delete one] amendment and that Council gives the Chief Executive authority to make minor editorial changes.

6.2 Setting of the 2026/27 Rates for the Financial Year 01 July 2026 to 30 June 2027.

Author: Warren Pedley, Manager Finance and Partnerships

Authoriser: Leanne Macdonald, Group Manager - Corporate Services

1. Reason for Report

- 1.1 The purpose of this report is to recommend that Rangitikei District Council, under the Local Government (Rating) Act 2002, sets the annual rates and water rates for the 2026/2027 financial year, being 01 July 2026 to 30 June 2027.
- 1.2 The resolution also includes the due dates for instalments of rates and water rates and penalty rates for both rates and water rates (where applicable) in the 2026/27 financial year.

2. Rangitikei District Council, under the Local Government (Rating) Act 2002, sets the following rates for the 2026/2027 financial year:

- (a) a uniform annual general charge under section 15(1)(b) of the Local Government (Rating) Act 2002 on all rateable land of \$765.73 (inc GST) per separately used or inhabited part of a rating unit.
- (b) a general rate under sections 13(2)(b) of the Local Government (Rating) Act 2002 for all rateable land, as follows:

Land subject to rate	Rateable Value	Rate in the dollar of Rateable Value (inc GST)
All General rating units (excluding Commercial, Industrial, Utilities and Defence land)	Capital Value	\$0.001333
All Commercial rating units	Capital Value	\$0.001600
All Industrial rating unit	Capital Value	\$0.001600
All Utilities rating units	Capital Value	\$0.002000
Defence land	Capital Value*	\$0.001235

* in accordance with S22 Local Government (Rating) Act 2002, Defence Land is assessed and capped at Land Value.

- (c) a district wide targeted rate for Civi Defence under sections 13(2)(b) of the Local Government (Rating) Act 2002 for all rateable land, as follows:

Land subject to rate	Rateable Value	Rate in the dollar of Rateable Value (inc GST)
All General rating units (excluding Commercial, Industrial, Utilities and Defence land)	Capital Value	\$0.000060
All Commercial rating units	Capital Value	\$0.000072
All Industrial rating unit	Capital Value	\$0.000072
All Utilities rating units	Capital Value	\$0.000090
Defence land	Capital Value*	\$0.000056

* in accordance with S22 Local Government (Rating) Act 2002, Defence Land is assessed and capped at Land Value.

- (d) Community services targeted rates under sections 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 per rateable rating unit as follows:

Land subject to rate	Basis for Liability	Charge (inc GST)
Taihape Community Board area	Per rating unit	\$25.83
Ratana Community Board area	Per rating unit	\$137.16

- (e) a solid waste targeted rate under section 16(3)(a) and 16(4)(a) of the Local Government (Rating) Act 2002 on all rateable land of \$144.92 (inc GST) per separately used or inhabited part of a rating unit.

- (f) a roading targeted rate under sections 16(3)(a), 16(4)(b) of the Local Government (Rating) Act 2002 on all rateable land, as follows:

Land subject to rate	Rateable Value	Rate in the dollar of Rateable Value (inc GST)
All rating units (excluding rating units instead rated for Roding rates as either Defence land or Forestry)	Capital Value	\$0.00133
Defence land	Capital Value*	\$0.00160
Forestry Differential	Capital Value	\$0.00360

* in accordance with S22 Local Government (Rating) Act 2002, Defence Land is assessed and capped at Land Value.

- (g) a wastewater (public good) targeted rate under section 16(3)(a) and 16(4)(a) of the Local Government (Rating) Act 2002 on all rateable land of \$136.55(inc GST) per separately used or inhabited part of a rating unit.
- (h) a wastewater (connected) targeted rate under sections 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 on all rating units connected to a wastewater scheme within the district of \$762.38 (inc GST) per water closet or urinal in the rating unit. As per Schedule 3 (Note 4) of the Local Government (Rating) Act 2002, any rating unit used primarily as a residence for one household will not be treated as having any more than one water closet or urinal.
- (i) a water supply (public good) targeted rate under section 16(3)(a) and 16(4)(a) of the Local Government (Rating) Act 2002 on all rateable land of \$193.15(inc GST) per separately used or inhabited part of a rating unit.
- (j) a water supply (connected) targeted rate under sections 16(3)(b) and 16(4)(b) of the Local Government (Rating) Act 2002 on all rating units connected to a water supply in the district set differentially for different categories of land, as follows:

Differential Category	Basis for Liability	Charge 1. (inc GST)
Marton, Taihape, Bulls, Mangaweka, Ratana, <i>Residential</i>	Per separately used or inhabited part of a rating unit	\$805.23
Marton, Taihape, Bulls, Mangaweka, Ratana, <i>Non Residential</i>	Per rating unit	\$805.23

- (k) a water supply (rural supply) targeted rate for all rating units in the Putorino rural area connected to the rural water supply scheme under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 of \$0.001192 (inc GST) per dollar of land value.
- (l) a stormwater (public good) targeted rate under section 16(3)(a) and 16(4)(a) of the Local Government (Rating) Act 2002 on all rateable land of \$32.03(inc GST) per separately used or inhabited part of a rating unit.
- (m) a stormwater (urban) targeted rate under sections 16(3)(b) and 16(4)(a) and 18(2) of the Local Government (Rating) Act 2002 on all identified rateable land in the Marton, Bulls, Taihape, Mangaweka, Ratana and Hunterville urban areas of \$352.02(inc GST) per rating unit.

3. Due dates for payment (For all rates 1(a) to 1(m) above)

Instalments	Due dates
1	Friday 21 August 2026
2	Friday 20 November 2026
3	Friday 19 February 2027
4	Friday 21 May 2027

4. Penalties (For all rates 1(a) to 1(m) above)

4.1 a penalty of 10 per cent on the amount of each instalment that has been assessed after 1 July 2026 and which is unpaid after the due date of each instalment, to be applied on the following dates:

- 24 August 2026 (in respect of the first instalment)
- 23 November 2026 (in respect of the second instalment)
- 22 February 2027 (in respect of the third instalment)
- 24 May 2027 (in respect of the fourth instalment)

4.2 an additional penalty of 10 per cent on the amount of any rates assessed in previous years which remain unpaid on 7 July 2026. This penalty will be added on 8 July 2026.

4.3 a further penalty of 10 per cent on any rates to which a penalty has been added under 4(2) above, if the rates remain unpaid 6 months after that penalty was added. This penalty will be added 11 January 2027

5. Rangitikei District Council, under the Local Government (Rating) Act 2002, sets the following Water Rates for the 2026/2027 financial year:

- (a) a water supply (by volume - Marton, Taihape (excluding rating units covered under (b) below), Ratana, Bulls (excluding ANZCO) and Mangaweka targeted rate under section 19(2)(a) of the Local Government (Rating) Act 2002 set for all rating units connected to a water supply in Marton, Taihape, Ratana, Bulls (excluding ANZCO) and Mangaweka, and metered for extraordinary use in the period 1 July 2026 to 30 June 2027 of \$2.60 (inc GST) per m³ for consumption in excess of 250m³ per annum.
- (b) a water supply (by volume – Taihape South, including Dixon Way and Winiata for properties deemed low pressure supply) targeted rate under section 19(2)(a) of the Local Government (Rating) Act 2002 set for all rating units connected to the water supply in Taihape South, including Dixon Way and Winiata for properties deemed low pressure and metered for water supplied in the period of 1 July 2026 to 30 June 2027 of \$2.60 (inc GST) per m³ (Attachment 1).
- (c) a water supply (by volume - Hunterville urban connected) targeted rate under section 19(2)(a) of the Local Government (Rating) Act 2002 set for all rating units connected to the Hunterville Urban water supply scheme for water supplied in the period of 1 July 2026 to 30 June 2027 of \$6.47 (inc GST) per m³.

- (d) a water supply (Huntermville Rural (Urban) Scheme Members) targeted rate for all rating units in the Huntermville urban area connected to the rural water supply scheme under section 19(2)(a) of the Local Government (Rating) Act 2002 for water supplied in the period of 1 July 2026 to 30 June 2027 of \$371.90 (inc GST) per unit or part unit (with one unit being 365m³).
- (e) a water supply (by volume - ANZCO (Bulls - being the water meter site) targeted rate under section 19(2)(a) of the Local Government (Rating) Act 2002 set for all rating units connected to a water supply at ANZCO (Bulls) and metered for extraordinary use in the period 1 July 2026 to 30 June 2027 of \$1.93 (inc GST) per m³ for consumption in excess of 250m³ per annum.
- (f) a water supply (Huntermville Rural Scheme Members) targeted rate for all rating units in the Huntermville rural area connected to the rural water supply scheme under section 19(2)(a) of the Local Government (Rating) Act 2002 for water supplied in the period of 1 July 2026 to 30 June 2027 of \$350.03(inc GST) per unit or part unit (with one unit being 365m³).
- (g) a water supply (rural supply – Erewhon) targeted rate for all rating units in the Erewhon rural area connected to the rural water supply scheme under section 19(2)(a) of the Local Government (Rating) Act 2002 for water supplied in the period of 1 July 2026 to 30 June 2027 of \$242.02 (inc GST) per unit or part unit (with one unit being 365m³).
- (h) a water supply (rural supply – Omatane) targeted rate for all rating units in the Omatane rural area connected to the rural water supply scheme under section 19(2)(a) of the Local Government (Rating) Act 2002 for water supplied in the period of 1 July 2026 to 30 June 2027 of \$101.26 (inc GST) per unit or part unit (with one unit being 365m³).

6. Due dates for the water rates listed at 5(a) to 5(h) above be as set out in the tables below:

6.1 Due dates for payment listed as 5(a) to 5(d) above (For metered rates for water) for – Huntermville Urban Water Supply, Marton Water Supply, Ratana Water Supply, Bulls Water Supply, Mangaweka Water Supply and Taihape Water Supply are:

Meter reading	Due dates	Penalty date
October 2026	20 November 2026	23 November 2026
February 2027	19 March 2027	22 March 2027
June 2027	16 July 2027	19 July 2027

6.2 Due dates for payment listed as 5(e) (for extra ordinary rates for water) for ANZCO (Bulls – being the water meter location) Site are:

Meter reading	Due date	Penalty date
Last day of each month	20 th day of the month following each meter reading (or the next business day when the 20 th falls in the weekend or a public holiday)	21 st day of the month following each meter reading (or the next business day when the 21 st falls in the weekend of a public holiday)

- 6.3 Due dates for payment listed as 5(f) to 5(h) above for rural water scheme charges be set out in the tables below

Erewhon Rural Water Scheme are:

Meter reading	Due dates
November 2026	18 December 2026
May 2027	18 June 2027

Omatane Rural Water Scheme are:

Meter reading	Due dates
May 2027	18 June 2027

Huntermville Rural Water Scheme are:

Billing Month	Due Dates	Penalty Date
November 2026	18 December 2026	21 December 2026
May 2027	18 June 2027	21 June 2027

7. Penalties (for extraordinary, metered urban water supply)

- 7.1 A penalty of 10 per cent on the amount of each instalment that has been invoiced after 1 July 2026 and which is unpaid after the due date of each instalment, to be applied on the dates specified in Section 4 to be applied on unpaid metered or extraordinary rates for water for Huntermville Urban Water, Marton Water Supply, Ratana Water Supply, Bulls Water Supply, Mangaweka Water Supply, Taihape Water Supply and ANZCO (Bulls - being the water meter site).
- 7.2 penalties for the Huntermville Rural and Rural Urban Water Scheme of 10 per cent on the amount of each instalment that has been invoiced after 1 July 2026 and which is unpaid after the due date of each instalment (6.6), to be applied on the following dates.

Billing Month	Due Dates	Penalty Date
November 2026	18 December 2026	21 December 2026
May 2027	18 June 2027	21 June 2027

8. Financial Implications

- 8.1 If Council does not set the rates and water rates listed above under the under the Local Government (Rating) Act 2002, for the 2026/27 financial year being 01 July 2026 to 30 June 2027, then Council will not have the revenue to carry out the programme of work as detailed in the 2026/27 Annual Plan.

9. Impact on Strategic Risks

- 9.1 This is covered with in the 2026/27 Annual Plan.

10. Strategic Alignment

- 10.1 The recommendations allow for Council to levy rates and water rates for the 2026/27 financial year.

11. Mana Whenua Implications

- 11.1 No obvious implications.

12. Climate Change Impacts and Consideration

12.1 No obvious implications.

13. Statutory Implications

13.1 Council is required, under section 23 of the Local Government Act (rating) 2002, to set rates by a resolution of Council.

14. Conclusion

14.1 That Council is required to set the annual rates and waters rates by Council Resolution as per the Local Government Act (rating) 2002. Council is also required to state the due dates and penalties.

15 Decision Making Process**Attachments:**

1. **Map of South Taihape Low Pressure water accounts (paying for water by a usage charge rather than a connection charge)** [↓](#)

Recommendation 1

That the Rangitīkei District Council, resolves under the Local Government (Rating) Act 2002, sets the rates listed in bullet point 2 (2(a) to 2(m)) above for the 2026/2027 financial year, being the period 01 July 2026 to 30 June 2027.

Recommendation 2

That the Rangitīkei District Council resolves that the rates listed in bullet point 2 (2(a) to 2(m)) above be due in four equal instalments, as set out in bullet point 3 above.

Recommendation 3

That the Rangitīkei District Council resolves to apply the penalties on these unpaid rates, as set out bullet point 4 (4.1-4.3 inclusive) above.

Recommendation 4

That the Rangitīkei District Council, under the Local Government (Rating) Act 2002, sets the Water Rates listed in bullet point 5 (5(a) to 5(h)) above.

Recommendation 5

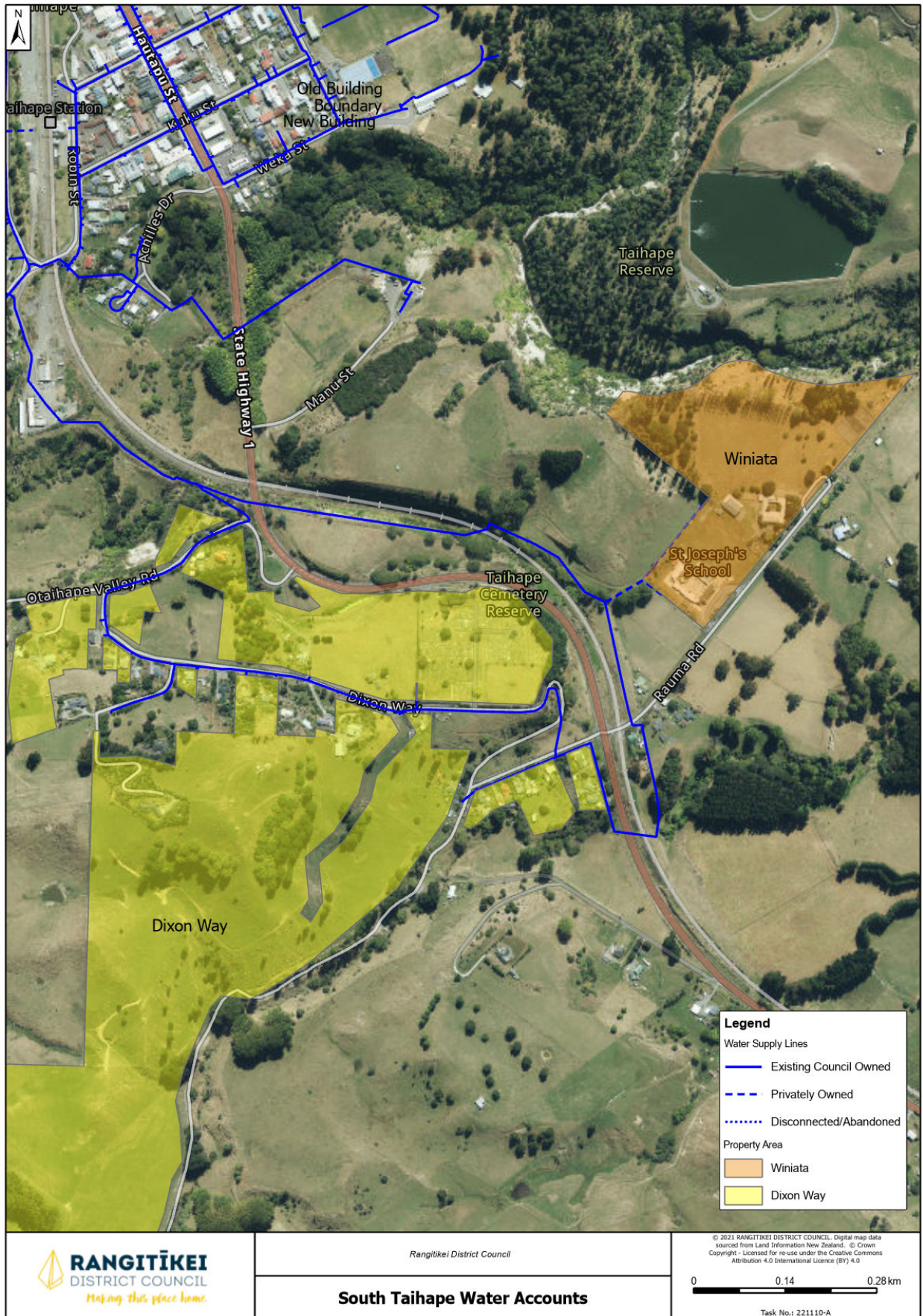
That the Rangitīkei District Council resolves that due dates for the water rates listed in bullet point 5 (5(a) to 5(h)) above be set out in bullet point 6 (6.1 to 6.6) tables.

Recommendation 6

That the Rangitīkei District Council resolves to apply penalties on unpaid metered or extraordinary rates for water for Hunterville Urban Water Supply, Marton Water Supply, Ratana Water Supply, Bulls Water Supply, Mangaweka Water Supply and Taihape Water Supply and ANZCO (Bulls – being the water meter site) listed in Bullet Point 5 (5(a) to 5(g)), as set out in bullet points 7 (7.1 to 7.2) above.

Recommendation 7

That the Rangitīkei District Council resolves to apply the penalties on unpaid Hunterville Rural and Rural Urban Water Supply, as set out bullet point 7.2 above.



6.3 Deed of Support for Central Districts Water

Author: Brent Manning, Transition Manager

Authoriser: Leanne Macdonald, Group Manager - Corporate Services

1. Reason for Report

- 1.1 The purpose of this paper is to seek approval for Central Districts Water (CDW) to obtain independent establishment funding, instead of funding the remainder of the programme through council debt, as was originally planned.
- 1.2 A key requirement to obtain independent funding is that each Council must approve a Deed of Support for CDW (attachment one). This will allow CDW to borrow directly from the Local Government Funding Agency (LGFA) and its Transactional Bank. The Deed of Support is required because CDW does not yet have any assets or liabilities and is not yet undertaking water services operations.

2. Context

- 2.1 Obtaining approval from Council in relation to any LGFA and/or transactional bank documents required for CDW to establish the establishment funding and associated interest rate risk management (establishment funding) which Council is required to approve and execute, other than the "LGFA Guarantee" and "Global Guarantee" which were tabled and approved by Council at the meeting dated 11 June 2026.
- 2.2 This paper will also provide Council with an update on CDW's budget and expected establishment funding requirements and proposed funding allocations with the key reason for seeking the independent funding is to allow for the accelerated completion of the digital programme. This is to ensure that critical systems are implemented and ready to go for 1 July 2027, without putting additional pressure on Shareholder Councils' borrowings. This will help to ensure optimal readiness before operations begin on 1 July 2027.
- 2.3 This decision requires Council approval. Council approval of the Deed of Support also requires Council to delegate authority to finalise, agree and execute the related documents presented to Council.
- 2.4 The same decisions are being requested by CDW of Horowhenua District Council and Palmerston North City Council as the other two shareholder councils.
- 2.5 At the Council meeting on 11 June 2026, Council approved provision of the Guarantees in support of the establishment funding, subject to the final establishment structure and the Guarantees and related documentation being satisfactory to Council, approval of the Guarantees by each other Shareholding Council and compliance with the requirements of the Local Government Act 2002 and all other applicable legislation.
- 2.6 The establishment funding structure and documentation, including the Guarantees and related documents, is progressing well with LGFA consent in hand and CDW's transactional bank and all Shareholding Councils have provided their approval on the same basis as Council. All Shareholding Councils, including Council, have delegations in place to negotiate and approve the final forms of the documents and have authorised execution of the relevant documents, as and when appropriate.

- 2.7 In addition to approving the Guarantees at the 11 June meeting, Council noted that the approval for the provision of the Deed of Support would be included in the Council paper for approval at this meeting.

3. Deed of Support

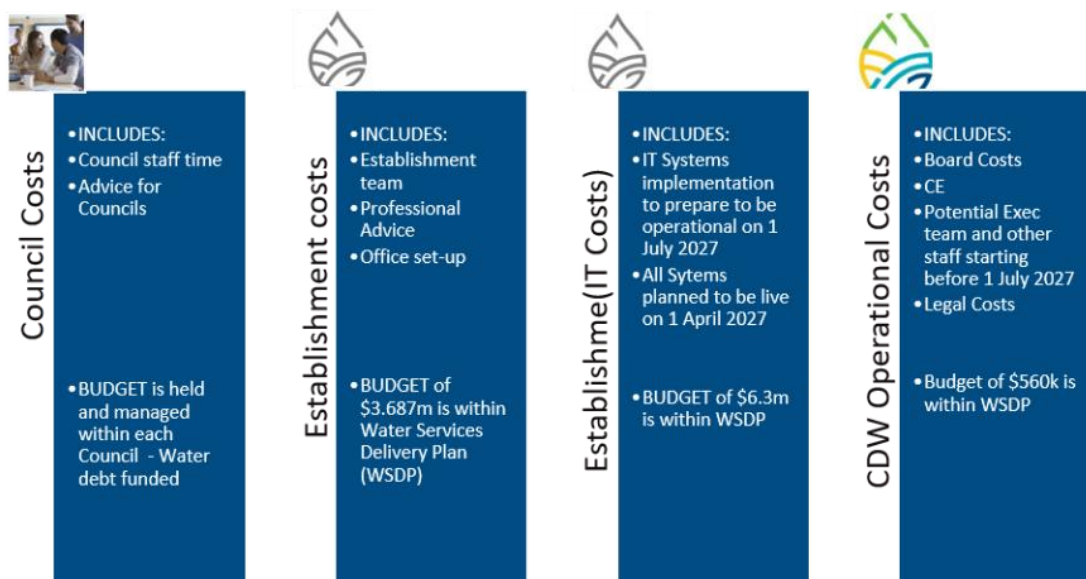
- 3.1 The Deed of Support is to be provided by the Shareholding Councils in favour of CDW in order to ensure CDW can meet its obligations in relation to the establishment funding. In the absence of CDW having had the water assets and debt transferred from the Shareholding Councils (i.e., pre Day 1) and being operational as a water services provider, generating its own revenue, CDW (and CDW’s Board) need support from the Shareholding Councils to ensure, prior to incurring any establishment funding obligations, CDW can meet those obligations should they fall due in the establishment period.

4. LGFA Document

- 4.1 Council noted at the 11 June meeting that additional documentation in relation to CDW joining and obtaining funding from LGFA would be required and included in the Council paper for approval at this meeting.
- 4.2 As a condition of CDW joining LGFA and accessing LGFA borrowing, the Shareholding Councils must provide the LGFA Guarantee and acknowledge CDW’s accession to the Multi-Issuer Deed and Notes Subscription Agreement.

5. Establishment of the Programme

- 5.1 The establishment programme is progressing well and is ahead of schedule. The programme included in the WSDP assumed that the Board and Chief Executive would start in the last six months of the programme (approximately January 2027), however the Board started on 1 April 2026 and to date have met four times. The Chief Executive recruitment is also progressing well and an appointment is expected in early July.
- 5.2 As the programme is tracking ahead of the assumed timeline, this has had an effect on the budget. Below is a summary of the key areas that are incurring costs as part of the establishment and transition of water services to Central Districts Water (CDW):

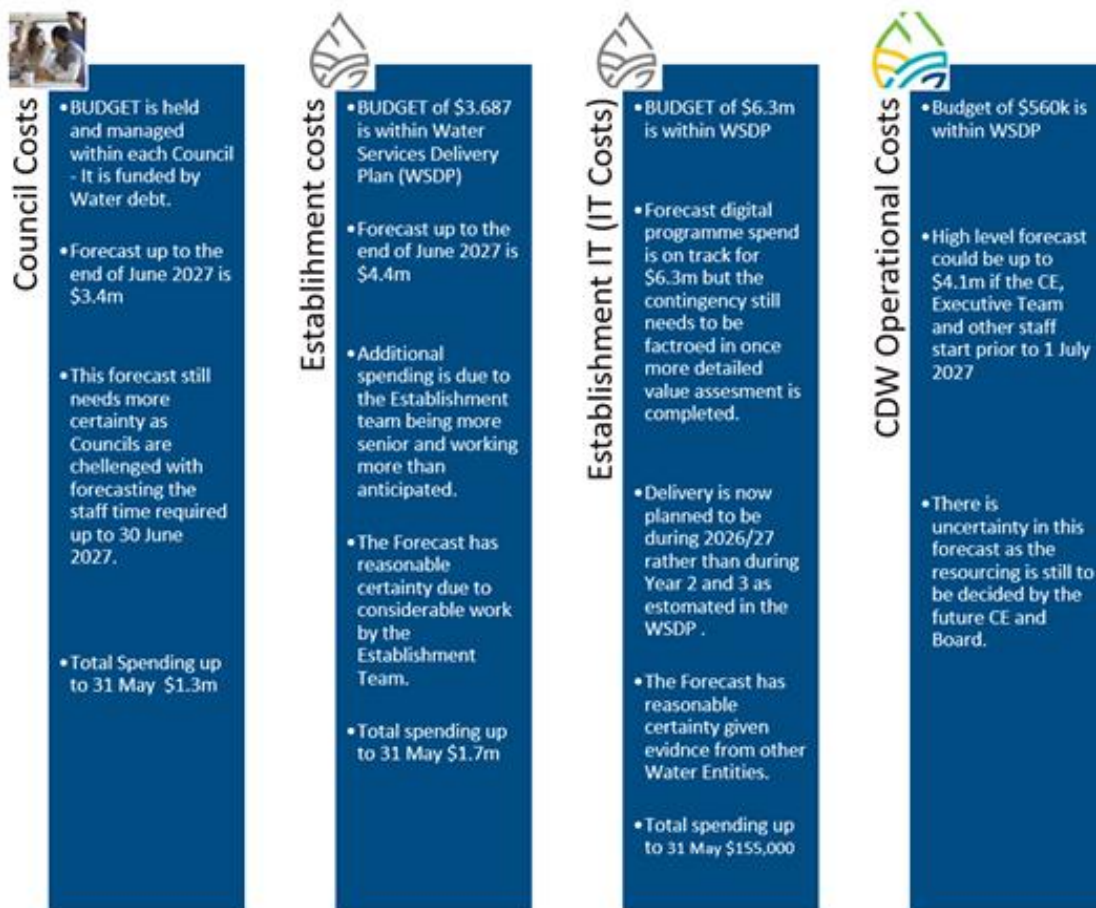


- 5.3 When the WSDP budget was set, the Digital Programme was originally anticipated to be completed in year 2 and 3 (2028 and 2029). Significant work has been completed on this programme, in collaboration with water entities across New Zealand to ensure consistency and opportunities for efficiency and shared services. The Board met and approved the Digital Strategy on 27 May and approved the digital Programme on 10 June.
- 5.4 The approved approach is to prioritise standardization and out of the box system configuration for utility companies, like CDW so that CDW can seek to gain benefits from the work that has occurred with other water entities across the Country. It will also provide opportunities for future shared services. It does though require the work to be done in advance of Day 1, to ensure that CDW is ready.
- 5.5 The setting up of the treasury programme is also well advanced and the CDW Board (10 June) and The LGFA Board (7 June) have approved CDW's LGFA accession (i.e. becoming an approved borrower). All three shareholding councils have also now approved the debt transfer method and principles for the transfer and the associated guarantees of water debt at 30 June 2027, and have also approved the guarantees required.
- 5.6 Providing a Deed of Support is the last step to allow CDW to obtain independent funding and ensure that the Digital Programme can be completed in advance of 1 July 2027. While the Councils could continue to fund the CDW establishment programme, the acceleration of the digital programme could put significant pressure on the debt and borrowing limits of the Councils.

6. Discussion and Options Considered

Establishment Funding and CDW Operational Funding

- 6.1 CDW is seeking its Shareholding Councils continuing support to take the next steps required to obtain independent establishment funding and CDW operational funding to support activities through to commencement on 1 July 2027.
- 6.2 The funding will allow CDW to operate independently and progress implementation of critical systems and processes during the Establishment Period without relying on interim arrangements through shareholding councils and putting undue pressure on Council borrowings. The critical systems include the digital programme, which is progressing faster than anticipated when the WSDP was approved.
- 6.3 Below is a summary of the budget, actual spending up to 31 May 2026, and a current forecast for the full establishment programme up to 30 June 2027.



- 6.4 The independent debt funding will be used to fund the completion of the establishment programme. This includes establishment costs, establishment IT and CDW operational costs.
- 6.5 Any costs incurred for the establishment programme and the CDW operational costs incurred prior to 1 July 2027 will be subject to Board approval and will be managed in accordance with the CDW Delegation Policy which requires Board approval. The financial results will be presented as part of every public Board agenda, which is available on the CDW website, and will also be presented at every Shareholders’ Committee meeting.
- 6.6 The independent funding will also mean that the establishment costs, establishment IT costs and CDW operational costs will not require Councils to borrow to fund these costs. Instead, CDW will fund them through their independent funding.
- 6.7 Below is a summary of how the line of credit funding is intended to be used in the 2026/27 year:

	\$
Establishment costs	4.4
Establishment IT (IT costs)	6.3
CDW Operational costs	4.1
Short term available funds for liquidity risk and cash flow management	5.0
Total borrowings capacity required	19.8

Accelerating Delivery of the Digital Programme

- 6.8 When the CDW Establishment Team was set up and started undertaking detailed programme planning, it became evident that some of the timing assumptions built into the WSDP were not realistic and some timeframes would need to be brought forward to ensure CDW would be fully operational by 1 July 2027.
- 6.9 Therefore, the establishment programme has progressed more quickly than anticipated in the WSDP.
- 6.10 The initial discovery work undertaken as part of the Digital Workstream identified that the original assumption that CDW would be able to initially utilise council systems was not correct. That assumption drove the WSDP plan for digital systems to be implemented in year 2 & 3. This has meant that the digital systems spend needs to be brought forward to the 2026/27 financial year.
- 6.11 The digital programme was estimated at approximately \$6.3 million in the WSDP and remains broadly consistent with current planning assumptions.
- 6.12 Accelerating delivery does not represent an increase in programme scope but rather brings forward work already anticipated within the approved programme. Earlier delivery of the digital programme will enable operational readiness prior to commencement on 1 July 2027. e.g. Billing from Day 1
- 6.13 The CDW Board approved the Digital Programme on 10 June and the Customer and Digital Work Stream are currently preparing to engage the market to select vendors and confirm pricing, which will provide a higher level of confidence. Some level of contingency may be built into the forecast once more detailed costs are confirmed.

Industry Alignment and Shared Services Opportunities

- 6.14 The digital programme is being developed using lessons learned from other water services organisations and utility providers throughout New Zealand.
- 6.15 CDW's implementation approach will prioritise standardisation and out of the box system configuration. The programme will also look to leverage the configuration and implementation work already completed by other water entities. Where that work can be reused or adapted, it has the potential to accelerate delivery and bring some milestones forward.
- 6.16 The proposed approach will create opportunities for future collaboration and shared services with other water services entities across New Zealand. Shared services opportunities may include technology platforms, customer services, asset management systems, reporting tools and specialist support functions.
- 6.17 These opportunities have the potential to improve efficiency and reduce long-term operating costs, which could benefit CDW's customers.

7. Options

Options	Benefits	Risks
<p>Option A (recommended)</p> <p>Approval of the deed of support</p>	<p>Enable CDW to secure establishment funding.</p> <p>Maintain programme momentum.</p> <p>Allow acceleration of the digital programme.</p> <p>Improve operational readiness for commencement on 1 July 2027.</p> <ul style="list-style-type: none"> • Support future opportunities for sector collaboration and shared services. 	<p>Perceived lower direct control over expenditure during establishment</p> <p>Higher average cost of borrowing than Council rated AA-.</p> <ul style="list-style-type: none"> • These risks can be mitigated through staged funding approvals, regular reporting, clear expenditure controls, and ongoing shareholder oversight.
<p>Option B</p> <p>Continue to fund the establishment programme through Council Debt (<i>forecast to be \$4.4m</i>), Fund the Digital Programme in 2026/27 through Council debt (<i>forecast to be \$6.3m</i>) and Fund CDW operational costs required (<i>Estimated to be \$4.1m</i>)</p> <p><i>Note all water debt above would transfer to CDW on 1 July 2027, but the increased borrowings would sit with Council until then.</i></p>	<p>A lower initial debt profile can strengthen CDW's financial position during 2026/27</p>	<p>This will put additional pressure on debt limits for Councils due to the digital programme of \$6.3m requiring completion during 2026/27 and due to unplanned CDW operational costs estimated of \$4.1m being funded by Council debt.</p> <p>This could increase the three councils' debt by up to \$10.6m for 2026/27.</p> <p>This has caused increased administration and resourcing costs for the Lead Council.</p> <p>This puts greater reliance on councils' existing resources.</p> <ul style="list-style-type: none"> • Delay implementation activities.
<p>Option C: WSDP status quo (not recommended)</p> <p>Continue to fund establishment programme through Council Debt within the timeframe set out in the WSDP</p>	<p>Lower borrowings in 2026/27</p>	<p>The planned digital programme approved by the CDW board would need to stop completely and options for Council to provide the</p>

ITEM 8.3

		<p>services would need to be investigated.</p> <p>This will increase future costs through deferred delivery.</p> <p>This will significantly increase the implementation risks for CDW as there will be no systems to operate.</p> <p>Delays in establishing CDW as there is no certainty in how key financial, HR and asset management systems will be provided.</p> <p>Increased risk of non-compliance with future water service requirements due to monitoring and reporting systems not set up for day 1.</p> <p>Councils are very unlikely to be able to deliver core systems on behalf of CDW.</p> <p>Reduced ability to recruit key staff as system tools are not operational.</p>
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8. Analysis of Options

- 8.1 Option A, provides a robust and well governed approach to maintaining the strong progress made by CDW and ensures that it is able to progress with implementing the Digital Programme in advance of Day 1, while also providing opportunity for the Board and Chief Executive to approve resourcing to start some operational activities in advance of 1 July 2027.
- 8.2 Option B can still provide the ability for the establishment work programme to progress in line with the updated work programme, that includes completing the digital work programme during 2026/27 and funding the Board, CE and some key staff to start in advance of 1 July 2027. The shareholder Councils would however be required to bring forward their debt funding by up to \$10.6m to enable this to occur.
- 8.3 Option C would require a significant change to the current planning for the digital work programme. The planned digital programme, approved by the CDW board, would need to stop completely and options for Council to provide the services would need to be investigated.

9. Financial Implications

- 9.1 The financial impacts of the recommendations have been highlighted within this report. Financial and key risks are covered below.

10. Impact on Strategic Risks

10.1 The Deed of Support establishes a formal commitment by shareholder councils to support approved establishment funding requirements for CDW. In practical terms, the Deed operates similarly to a guarantee, providing assurance to CDW and its suppliers, contractors, and funding partners that shareholder councils will support agreed establishment costs if required. While the Deed does not create an immediate funding obligation, it represents a legally binding commitment that may require councils to provide financial support in accordance with its terms.

11. Legal Considerations

11.1 The Deed of Support is intended to provide confidence that CDW has access to sufficient funding to undertake critical establishment activities and enter into contractual commitments necessary for its formation. By approving the Deed, Council acknowledges its obligations under the agreement and agrees to participate in the agreed funding arrangements should support be called upon.

11.2 As the Deed operates in a manner similar to a guarantee, Council is accepting a contingent liability. The actual liability will depend on whether funding support is required and the extent of any future call under the Deed.

12. Risk Assessment

12.1 The principal risks associated with approving the Deed are:

12.1.1 Financial Risk

The Deed creates a contingent financial obligation for Council. Should CDW require support under the Deed, Council may be required to contribute funding in accordance with the agreed shareholder arrangements. There is also a risk that establishment costs exceed current estimates. This means that if CDW can't meet its obligations then councils would be required to contribute.

12.1.1 Guarantee Exposure Risk

As the Deed effectively functions as a form of shareholder guarantee, Council assumes a level of financial risk associated with decisions and commitments made by CDW during its establishment phase. If the ownership structure of CDW changes in the future, the risk exposure for each council would change in proportion to the relative number of connections.

12.1.1 Credit Risk

Councils may be required to meet the obligations under the Deed of Support if the entity is unable to repay establishment funding or if establishment costs exceed available funding sources, however the amount is small relative to the future size of the entity, the funding is being used to create the capability required for commencement and councils retain oversight through governance arrangements.

12.1.1 Implementation Risk

Changes in scope, regulatory requirements, market conditions, staffing costs, or programme timing may increase establishment costs or extend the duration of funding support requirements.

12.1.1 **Governance and Accountability Risk**

Councils are providing financial backing while operational responsibility sits with the CDW establishment programme. Effective governance, reporting, and shareholder oversight are required to ensure appropriate use of funds.

13. **Risk Mitigation**

13.1 These risks are mitigated through:

13.1.1 Clearly defined limits and conditions within the Deed of Support.

13.1.2 Shareholder oversight of establishment activities and expenditure as occurs through the regular updates to the Shareholder's Committee.

13.1.3 Regular financial, risk, and programme reporting.

13.1.4 Independent legal review of the Deed.

13.1.5 Ongoing monitoring of funding requirements and programme delivery.

13.1.6 Overall, while the Deed creates a contingent liability similar in nature to a guarantee, the risk is considered acceptable given the strategic importance of establishing CDW and the governance controls available to shareholder councils.

14. **Strategic Alignment**

14.1 Council has resolved to form a joint WS-CCO with Horowhenua District Council and Palmerston North City Council, which will be able to borrow funds without affecting Councils balance sheet. A WS-CCO is a more affordable delivery model for delivering 3 Waters services to the community. The jointly submitted WSDP, which details the strategic direction for the establishment of the WS-CCO, has been approved by the DIA.

15. **Mana Whenua Implications**

15.1 No specific engagement with Māna Whenua has been undertaken in relation to this report.

16. **Climate Change Impacts and Consideration**

16.1 The recommendations and subsequent decisions relating have no direct climate change implications.

17. **Statutory Implications**

17.1 The approval of the Deed of Support, including the value, would not be considered significant as the Council guarantees have already been approved by Council as part of the Shareholder's agreement. The establishment budget, which is part of the Water Services Delivery Plan was approved by each of the shareholding Councils and the Department of Internal Affairs

17.2 The key item that is changing is the timing of the programme and the requirement to bring the funding forward. The establishment funding required, once the Deed of

Support is approved, will no longer be part of the Council Debt. Instead, it will be recorded within the Balance Sheet of Central Districts Water.

17.3 The approach to the guarantees has already been approved as part of the Shareholders' Agreement with CDW and the Shareholding Councils on the 29th of April.

18. Policy Impact

18.1 Council will need to ensure that any impacts on the individual Treasury Policies are considered. CDW is currently developing a Treasury Policy, that will be approved by its Audit, Risk and Finance Committee in August.

19. Next Steps

19.1 Council officers will include the decisions in the drafting of the transfer agreement.

19.2 Council officers will consider impacts on the Treasury Policy pending the decision made.

20. Conclusion

20.1 Overall, the analysis demonstrates that independent funding supported by the Deed of Support provides the best balance of benefits, risks and financial outcomes.

20.2 While it introduces contingent liability, these risks are appropriately mitigated through governance controls and oversight, and are outweighed by improved readiness, reduced borrowing pressure on councils and enhanced delivery certainty.

20.3 The recommended approach positions CDW for long-term success by enabling early investment in critical infrastructure and systems while preserving council borrowing capacity.

21. Decision Making Process

21.1 This decision requires Council approval

Attachments:

1. **Deed of Support** [↓](#)

Recommendation 1

That the report “ Deed of Support for Central Districts Water ” be received.

Recommendation 2

That Council agrees to enter into the Deed of Support (current draft for discussion attached as **Appendix 1**) for CDW for the purpose of enabling CDW to obtain independent funding during the establishment period from 1 July 2026.

Recommendation 3

That Council delegates authority to agree and approve the final version of the Deed of Support to the Mayor and an elected member.

Recommendation 4

That Council approves the execution of the Deed of Support on behalf of the Council by the Mayor and an elected member.

Recommendation 5

That Council agrees to enter into the LGFA documentation including the accession deeds to the LGFA Multi-Issuer Deed and Notes Subscription Agreement for CDW (Accession Deeds), security stock certificates in relation to the LGFA Guarantee and such other documentation as required for Council to support CDW joining LGFA and acceding to the Multi-Issuer Deed and Notes Subscription Agreement (Ancillary Documents).

Recommendation 6

That Council delegates authority to agree and approve the final versions of the Accession Deeds and Ancillary Documents to the Mayor and an elected member.

Recommendation 7

That Council approves the execution of the Accession Deeds and Ancillary Documents, on behalf of the Council by:

in the case of deeds, the Mayor and an elected member; and

in the case of any other document, the Mayor and, an elected member or the Chief Executive.

Recommendation 8

That Council agrees to enter into the documentation as required for Council to support CDW's entry into any establishment funding arrangements with CDW's transactional bank (Bank Documents).

Recommendation 9

That Council delegates authority to agree and approve the final versions of the Bank Documents to the Mayor and an elected member.

Recommendation 10

That Council approves the execution of the Bank Documents, on behalf of the Council by:

a. In the case of deeds, the Mayor and an elected member; and

b. In the case of any other documents, the Mayor and, an elected member or the Chief Executive.

Recommendation 11

That Council provide all shareholder approvals required to approve all actions taken by CDW in connection with the establishment funding and entry by CDW into the required documents and transactions in relation to the establishment funding.

Recommendation 12

That Council note that the CDW debt funding of up to \$20m will be in the form of a short-term line of credit from LGFA, which has recently approved CDW becoming an approved borrower from LGFA, and the newly approved transactional bank for CDW.

Recommendation 13

That Council note that the independent debt lines will be used to fund the establishment budget of \$10.547m approved in the Water Services Delivery Plan (WSDP), which includes \$6.3m for the digital programme and any other additional costs that were not anticipated as part of the preparation of the WSDP, which will require CDW Chief Executive and Board approval and will be monitored by the Shareholding Councils through the Shareholders' Committee.

Recommendation 14

That Council note that in addition to the establishment programme budget, the independent CDW debt line will be used to fund CDW operational costs incurred prior to 1 July 2027, which will require CDW Chief Executive and Board approval and will be monitored by the shareholding Councils through the Shareholders' Committee.

Recommendation 15

That Council note that a portion of the line of credit funding will also be used to ensure that CDW has sufficient cash or available funding facilities to meet its financial obligations as they fall due during the establishment phase and early years of operation.

SG draft – 11 June 2026

**DEED OF SUPPORT (LGFA ESTABLISHMENT FUNDING)
CENTRAL DISTRICTS WATER LIMITED**

DEED DATED 2026

PARTIES

- 1. **RANGITĪKEI DISTRICT COUNCIL;**
HOROWHENUA DISTRICT COUNCIL; and
PALMERSTON NORTH CITY COUNCIL (each a **Shareholding Council**, together the **Shareholding Councils**)
- 2. **CENTRAL DISTRICTS WATER LIMITED (CDW)**

BACKGROUND

- A. CDW has been established as a “water organisation” in accordance with section 44 of the Local Government (Water Services) Act 2025 (**LG (WS) Act**).
- B. The Financiers may provide CDW with establishment debt financing prior to the Shareholding Councils transferring responsibility for providing water services and CDW subsequently becoming a "water services provider" (as defined in the LG (WS) Act) (**Pre-Establishment Phase**).
- C. As CDW will not have been transferred any assets, and will not be raising any revenue, during the Pre-Establishment Phase, it will need financial support in order to ensure that it can meet its obligations under the Establishment Financing (as defined below).
- D. Accordingly, CDW has requested, and the Shareholding Councils have agreed (in lieu of the Shareholding Councils borrowing and on-lending to CDW establishment debt financing during the Pre-Establishment Phase), that the Shareholding Councils will each provide financial support to CDW to assist CDW with meeting its obligations in relation to the Establishment Financing on the terms and conditions of this Deed.

THIS DEED RECORDS THAT:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions: In this Deed, unless the context indicates otherwise:

- (a) **Approved Financial Arrangement** means:
 - (i) any agreement or arrangement under which CDW may raise financial indebtedness from an Approved Financier;



- (ii) any agreement or arrangement entered into by CDW with an Approved Financier for the purpose of interest rate risk management;
- (b) **Approved Financier** means LGFA, Selected Transaction Bank and any other provider of financial accommodation that is approved in writing by the Shareholding Councils;
- (c) **Selected Transactional Bank** means the bank approved by CDW’s Board on 10 June 2026;
- (d) **Business Days** has the meaning given to the term ‘working days’ in the Property Law Act 2007;
- (e) **Establishment Financing** means any obligations of CDW under an Approved Financing Arrangement that:
 - (i) is incurred prior to the earlier of:
 - (A) the date upon which CDW is established as a “water service provider” under the LG (WS) Act; and
 - (B) 1 July 2027;
 - (ii) has been incurred in accordance with the approved establishment budget, approved by the CDW Board.
- (f) **Global Guarantee** means the guarantee granted by each of the Shareholding Councils respect of CDW’s obligations dated on or about the date of this Deed;
- (g) **Guarantee Payment** means a payment by a Shareholding Council under the LGFA Guarantee or the Global Guarantee;
- (h) **LGFA** means the New Zealand Local Government Funding Agency Limited;
- (i) **LGFA Guarantee** means the guarantee and indemnity granted by each of the Shareholding Councils in favour of LGFA in respect of CDW’s obligations to LGFA dated on or about the date of this Deed;
- (j) **Share** means, in the case of:
 - (i) Rangitikei District Council, 9%;
 - (ii) Horowhenua District Council, 25%; and
 - (iii) Palmerston North City Council, 66%;
- (k) **Support Event** means where CDW is required to make a payment to a Financier in respect of Establishment Financing but is not, or will not be, in a financial position to make the payment on the date required;



(l) **Support Notice** means a notice, signed by two directors of CDW, delivered by CDW to each Shareholding Council, notifying the Shareholding Councils of an actual or anticipated Support Event and providing the details specified in clause 3.1; and

(m) **Termination Date** has the meaning given to that term in clause 2.

1.2 **Interpretation:** In this Deed, unless the context indicates otherwise:

(a) **Defined Expressions:** expressions defined in the main body of this Deed have the defined meaning throughout this Deed, including the background;

(b) **Headings:** clause and other headings are for ease of reference only and will not affect this Deed's interpretation;

(c) **Parties:** references to any **party** include that party's executors, administrators, successors and permitted assigns;

(d) **Persons:** references to a **person** include an individual, company, corporation, partnership, firm, joint venture, association, trust, unincorporated body of persons, governmental or other regulatory body, authority or entity, in each case whether or not having a separate legal identity;

(e) **Plural and Singular:** references to the singular include the plural and vice versa;

(f) **Clauses/Schedules/Attachments:** references to clauses, schedules and attachments are to clauses in, and the schedules and attachments to, this Deed. Each such schedule and attachment forms part of this Deed;

(g) **Statutory Provisions:** references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it;

(h) **Inclusive Expressions:** the term **includes** or **including** (or any similar expression) is deemed to be followed by the words **without limitation**; and

(i) **Documents:** references to any document (however described) are references to that document as modified, novated, supplemented, varied or replaced from time to time and in any form, whether on paper or in an electronic form.

2. **TERM**

This Deed will come into effect on the date of this Deed and will continue in full force and effect until the date that is 30 days after the first to occur of:

2.1 the date that CDW becomes a "water service provider" in accordance with the LG (WS) Act; and



2.2 1 July 2027 (**Termination Date**).

3. FINANCIAL SUPPORT

3.1 **Support Notice:** If, in the opinion of CDW, a Support Event has occurred, will occur, or is reasonably likely to occur, it may provide the Shareholding Councils with a Support Notice. A Support Notice must:

- (a) be delivered as soon as practicable after CDW considers a Support Event has occurred or may occur;
- (b) notifying the Shareholding Councils of the amount required to remedy the Support Event (**Support Amount**);
- (c) annex all supporting information and evidence that CDW considered in concluding a Support Event has or may occur; and
- (d) requesting payment of that Support Amount.

3.2 **Support Amount:** Upon receiving a Support Notice, subject to clause 5, the Shareholding Councils will each pay their Share of the requested Support Amount to CDW as soon as possible and in any event within 5 Business Days.

3.3 **Form of Support:** The form of any financial support provided to CDW by the Shareholding Councils under this Deed will, unless CDW and each of the Shareholding Councils agree otherwise (in writing), be a non-recourse grant payment.

3.4 **Alternative Support:** CDW and the Shareholding Councils each agree that they will, in good faith, enter into discussions upon request to identify other forms of financial support that may be provided by the Shareholding Councils to CDW to meet any Support Amount (in lieu of the form of support required under clause 3.3), provided that neither the Shareholding Councils nor CDW shall be under no obligation to accept any other proposed form.

3.5 **Cancellation Notice:** If, following the sending of a Support Notice (but before receipt of the relevant Support Amount), CDW determines the requested Support Amount is no longer required, CDW may send a notice (**Cancellation Notice**) cancelling the applicable Support Notice. Upon the issuance of a Cancellation Notice, the Shareholding Councils will be under no further obligation to provide their Share of the requested Support Amount to CDW in accordance with clause 3.2.

4. SHAREHOLDING COUNCILS' LIABILITY

Notwithstanding anything else in this Deed, each Shareholding Council's liability under this Deed is several.



5. LIMITATION OF LIABILITY

Despite anything to the contrary in this Deed, the maximum aggregate amount recoverable (in respect of all Support Events) from the Shareholding Councils under this Deed, at any time, is an amount that is equal to:

- 5.1 \$20,000,000; *less*
- 5.2 the amount of any payments already made under this Deed in respect of any Support Event prior to that time; *less*
- 5.3 the amount of any Guarantee Payments made prior to that time.

6. GUARANTEE CLAIMS

In the event that:

- 6.1 prior to the Termination Date, any demand is made on any Shareholding Council under the LGFA Guarantee and/or the Global Guarantee; and
- 6.2 following the receipt of that demand, a Shareholding Council makes a Guarantee Payment; and
- 6.3 as a result, that Shareholding Council is legally entitled to recover all (or part) of the Guarantee Payment from CDW (**Recovery Right**),

that Shareholding Council agrees that it waives all rights to the Recovery Right and will not seek to enforce any such Recovery Right against CDW.

7. NOTICES

7.1 Communications in writing: Any communication or document to be made or delivered under or in connection with this Deed:

- (a) must be in writing;
- (b) in the case of CDW, must be signed by two directors of CDW; and
- (c) unless otherwise stated, may be made or delivered by letter or by email transmission in accordance with the notice details identified for each party with its signature block below (or any substitute address or email address or department or officer as one party may notify to the other party in writing).

7.2 Delivery: Any communication or document to be made or delivered by one Party to another under or in connection with this Deed will be taken to be effective or delivered:

- (a) if by way of letter or any physical communication, when it has been left at the relevant address or five business days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address; or



(b) if by way of email, only when actually received (or made available).

8. MISCELLANEOUS

- 8.1 Counterparts:** This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.
- 8.2 Electronic Execution:** Each party consents to this Deed (or any counterpart of it) being executed in electronic form, being electronically signed (and, where witnessing of a signature is required, such signature being electronically witnessed), and being delivered in electronic form by means of an electronic communication, all in accordance with sections 222 to 227 of the Contract and Commercial Law Act 2017, and that the parties agree to be legally bound by this Deed being signed in this way.
- 8.3 Governing law and Jurisdiction:** This Deed is governed by New Zealand law. The courts of New Zealand have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence or validity of this Deed).

EXECUTED AND DELIVERED AS A DEED

[Council signing blocks to be inserted]

[CDW signing block to be inserted]

7 Public Excluded

Resolution to Exclude the Public

The meeting went into public excluded session [enter time](#)

Recommendation

That the public be excluded from the following parts of the proceedings of this meeting.

1.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the *Local Government Official Information and Meetings Act 1987* for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 -	To enable commercially sensitive information to be discussed without impacting any negotiations and privacy s7(2)(h) - Commercial Activities s7(2)(i) - Negotiations	S48(1)(a)(i)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding or the whole or the relevant part of the proceedings of the meeting in public as specified above.

8 Open Meeting