

10.2 Central Districts Water Update – October 2026**Author:** Carol Gordon, Chief Executive**1. Reason for Report**

- 1.1 The purpose of this report is to provide an update on the establishment of Central Districts Water and key work underway ahead of the organisation becoming responsible for drinking water, wastewater and stormwater services in Rangitikei from 1 July 2027.

2. Background

- 2.1 Central Districts Water is the new council-controlled organisation jointly owned by Horowhenua District Council, Palmerston North City Council and Rangitikei District Council.
- 2.2 From 1 July 2027, Central Districts Water will be responsible for delivering drinking water, wastewater and stormwater services across the three council areas. Until then, each Council remains responsible for delivering water services to its communities.
- 2.3 Work is continuing across the three Councils and Central Districts Water to prepare the organisation, its people, systems and assets for the transition.

3. Transfer of Assets

- 3.1 A current priority for the three Councils has been progressing draft transfer schedules. These schedules document the land, resource consents, infrastructure and other water-related assets that will transfer to Central Districts Water.
- 3.2 This is an important part of preparing for the transition, ensuring there is a clear and agreed record of the assets and responsibilities Central Districts Water will take over from each Council.
- 3.3 On Tuesday 29 September 2026, staff from Central Districts Water and Rangitikei District Council hosted Central Districts Water Board members on visits to key water sites across Rangitikei, including Taihape, Mangaweka, Marton and Bulls.
- 3.4 The visits gave Board members an opportunity to see the water infrastructure in Rangitikei first-hand, speak directly with the staff who operate and maintain it, and better understand the different challenges and complexities across our sites.
- 3.5 The visits were successful and provided useful local context as the Board continues preparing Central Districts Water for operation.

4. Significance and Engagement Policy

- 4.1 The Central Districts Water Joint Shareholders' Committee meets/met on Friday 9 October 2026 and will provide any final feedback on Central Districts Water's draft Significance and Engagement Policy.
- 4.2 The Significance and Engagement Policy sets out how Central Districts Water will decide when an issue, proposal or decision is significant, and how and when it will engage with the community. The Policy is important because it will provide clarity about when communities can expect to have a say on decisions that could have a significant impact on water services, infrastructure or the people who use and pay for those

services. It will also help ensure engagement is considered from the beginning of significant decision-making processes.

- 4.3 The Policy is required under the Local Government (Water Services) Act 2025. The Act also requires water organisations to engage with their shareholders, consumers and communities when preparing the Policy.
- 4.4 Following consideration by the Joint Shareholders' Committee, the draft Policy will be released for public engagement either in late October or early November. This will provide Rangitikei residents and other Central Districts Water communities with an opportunity to provide feedback. When the feedback period is live, the Committee will be informed. Central Districts Water can also meet with the Committee during November if desired.

5. Preparing for Change

- 5.1 Over the upcoming summer period, a Central Districts Water awareness campaign will begin to help residents and water customers understand the upcoming change.
- 5.2 The education will focus on explaining:
 - 5.2.1 who Central Districts Water is and why it has been established;
 - 5.2.2 what services will transfer to Central Districts Water;
 - 5.2.3 what the change means for Rangitikei residents and property owners; and
 - 5.2.4 how people will pay for water services once Central Districts Water begins operating.
 - 5.2.5 That in March 2027 there will be a consultation on pricing and projects.
- 5.3 Until 1 July 2027, customers will continue to pay for water services through Council rates. From 1 July 2027, Central Districts Water will charge Rangitikei customers directly for drinking water, wastewater and stormwater services, and these charges will no longer appear on Council rates bills.
- 5.4 Communications will increase as the transition approaches so residents know what is changing, when it is changing and where they can go for information or support.
- 5.5 This will include coming to Committee meetings for the consultation in March, and again closer to 1 July 2027.

6. Discussion and Options Considered

- 6.1 This is a report for information. No options requiring a decision by the Committee are presented.

7. Financial Implications

- 7.1 There are no direct financial implications arising from receiving this report for information.
- 7.2 The establishment of Central Districts Water will result in a significant change to how water services are funded and charged in Rangitikei. Until 1 July 2027, water services will continue to be funded through Council. From 1 July 2027, water charges will be billed directly by Central Districts Water rather than forming part of Rangitikei District Council rates.

- 7.3 The detail of Central Districts Water's charging approach will be developed through its Water Services Strategy ahead of commencement of operations. Central Districts Water will consult on its draft Water Services Strategy in early 2027.

8. Impact on Strategic Risks

- 8.1 The transition of water services to Central Districts Water involves a number of risks including continuity of service, accurate transfer of assets and information, compliance and ensuring customers understand the changes that will occur.
- 8.2 The Central Districts Water establishment programme currently underway is intended to manage these risks ahead of 1 July 2027.
- 8.3 No additional strategic risks arise from receiving this report for information.

9. Strategic Alignment

- 9.1 The establishment of Central Districts Water gives effect to Council's decisions on the future delivery of water services and the approved Water Services Delivery Plan.
- 9.2 The transition also aligns with Council's focus on working collaboratively and maintaining strong relationships with regional partners, communities, and mana whenua.

10. Mana Whenua Implications

- 10.1 Ngā Tapuwae o Hau has been established as the mana whenua rūpū supporting iwi and hapū across the three council areas through the establishment and transition to Central Districts Water.
- 10.2 Ngā Tapuwae o Hau is represented within the Central Districts Water governance structure, providing a mechanism for mana whenua perspectives to inform the establishment of Central Districts Water.
- 10.3 The Local Government (Water Services) Act 2025 also requires Central Districts Water's Significance and Engagement Policy to consider arrangements for engaging with relevant communities, including iwi and hapū.

11. Climate Change Impacts and Consideration

- 11.1 There are no direct climate change impacts arising from receiving this report.
- 11.2 Climate change and resilience are relevant to the long-term planning, investment and management of water services infrastructure. These matters will continue to be considered by Central Districts Water through the development of its Water Services Strategy, infrastructure planning and future investment decisions.

12. Statutory Implications

- 12.1 The Local Government (Water Services) Act 2025 establishes a number of requirements for water services such Central Districts Water.
- 12.2 The establishment and transfer work being undertaken by the three shareholder councils and Central Districts Water supports compliance with these statutory requirements.

13. Conclusion

- 13.1 Work to establish Central Districts Water and prepare for the transfer of water services on 1 July 2027 is continuing across the three shareholder councils and Central Districts Water.
- 13.2 Current priorities include confirming the assets and responsibilities that will transfer, developing Central Districts Water's Significance and Engagement Policy, preparing its Water Services Strategy and increasing community awareness of what the transition will mean for customers.
- 13.3 More information about Central Districts Water and the transition is available at www.centraldistrictswater.co.nz.

14. Decision Making Process

- 14.1 This is a report for information, no decision is required.

Recommendation

That the report Central Districts Water Update – October 2026 be received.