



AGENDA

Extraordinary Council Meeting Friday, 14 February 2025

Date: Friday, 14 February 2025

Time: 12.30 pm

Location: Ngā Hau e Whā, William Fraser Building,
1 Dunorling Street, Alexandra

(A link to the live stream will be available on the Central Otago District Council's website.)

Peter Kelly
Chief Executive Officer

Notice is hereby given that an Extraordinary Meeting of Council will be held in Ngā Hau e Whā, William Fraser Building, 1 Dunorling Street, Alexandra and live streamed via Microsoft Teams on Friday, 14 February 2025 at 12.30 pm.

The link to the live stream will be available on the Central Otago District Council's website.

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Members Her Worship the Mayor T Alley (Chairperson), Cr N Gillespie, Cr S Browne, Cr L Claridge, Cr I Cooney, Cr S Duncan, Cr S Feinerman, Cr C Laws, Cr N McKinlay, Cr M McPherson, Cr T Paterson

In Attendance P Kelly (Chief Executive Officer), L Fleck (General Manager - People and Culture), J Muir (Three Waters Director), S Righarts (Group Manager - Business Support), D Rushbrook (Group Manager - Community Vision), D Scoones (Group Manager - Community Experience), L Webster (Acting Group Manager - Planning and Infrastructure), W McEnteer (Governance Manager)

1 KARAKIA

Her Worship the Mayor will begin the meeting with a karakia.

2 APOLOGIES

3 CONDOLENCES

4 DECLARATIONS OF INTEREST

25.2.1 DECLARATIONS OF INTEREST REGISTER

Doc ID: 2390841

Report Author:	Wayne McEnteer, Governance Manager
Reviewed and authorised by:	Saskia Righarts, Group Manager - Business Support

1. Purpose

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2. Attachments

Appendix 1 - Council Declarations of Interest [↓](#)

Name	Member's Declared Interests	Spouse/Partner's Declared Interests	Council Appointments
Tamah Alley	Manuherikia Irrigation Co-operative (shareholder) Cliff Care Ltd (family connection) Aviation Cherries Ltd (Director) Tenaya New Zealand Ltd (Director and Shareholder) Southern Lakes Trails (Trustee) LGNZ Zone 6 Chair	Manuherikia Irrigation Co-operative Society Ltd (shareholder) Emergency Management Otago Group Controller (employee) Aviation Cherries Ltd (Director)	Alexandra Community House Trust Central Otago Wilding Conifer Control Group Destination Advisory Board
Sarah Browne	Anderson Browne Construction and Development (Director and Shareholder) Infinite Energy Ltd (Shareholder) Central Otago Sports Turf Trust (Trustee) Central Football and Multisport Turf Trust (Trustee) Sutherland Architecture Studio Ltd (Employee)	Anderson Browne Construction and Development (Director and Shareholder) Infinite Energy Ltd (Employee)	Cromwell Youth Trust Tarras Community Plan Group
Lynley Claridge	Affinity Funerals (Funeral Director)		
Ian Cooney			
Stuart Duncan	Penvose Farms - Wedderburn Cottages and Farm at Wedderburn (shareholder) Penvose Investments - Dairy Farm at Patearoa (shareholder) Fire and Emergency New Zealand (member) JD Pat Ltd (Shareholder and Director)	Penvose Farms - Wedderburn Cottages and Farm at Wedderburn (Shareholder) Penvose Investments - Dairy Farm at Patearoa (shareholder)	Otago Regional Transport Committee Maniototo Ice Rink Committee Maniototo Curling International Inc
Sally Feinerman	Feinerman's Ltd, 109 Scotland Street (Owner / Director) Roxburgh Pool Committee (Chair) Sally Feinerman Trust (Trustee) Feinerman Family Trust (Trustee) MPI Teviot Valley Community Hubs group	Breen Construction (Employee / Builder)	Ida MacDonald Charitable Trust Teviot Prospects Teviot Valley Walkways Committee

Neil Gillespie	Southburn Consulting (Consultant) Clyde & Districts Emergency Rescue Trust (Secretary and Trustee) Cromwell Volunteer Fire Brigade (Chief Fire Officer) Cromwell Bowling Club (patron) Otago Local Advisory Committee - Fire Emergency New Zealand Returned Services Association (Member)		Tarras Hall Committee
Cheryl Laws	The Message (Director) Wishart Family Trust (Trustee) Wooing Tree (Assistant Manager - Cellar Door) Daffodil Day Cromwell Coordinator	Otago Regional Council (Councillor) The Message (Director)	Cromwell Resource Centre Trust Old Cromwell Incorporated
Nigel McKinlay	Transition To Work Trust (Board member) Gate 22 Vineyard Ltd (Director) Everyday Gourmet (Director) Central Otago Wine Association (member) Long Gully Irrigation Scheme (member) CODC (employee) (Granddaughter)		Cromwell Hall Reference Group Cromwell Town Centre Reference Group
Martin McPherson	Alexandra Blossom Festival	CODC (employee) CODC (employee) (Daughter)	Alexandra and Districts Youth Trust

<p>Tracy Paterson</p>	<p>Matakanui Station (Director and shareholder) Matakanui Development Co (Director and shareholder) A and T Paterson Family Trust (Trustee) A Paterson Family Trust (Trustee) Central Otago Health Inc (Elected Member) Bob Turnbull Trust (Trustee / Chair) New Zealand Wool Classers Association (Chair) Central Otago A&P Association (Member) Waiora Manuhierikia Governance Group (Member) Central Otago Riding for the Disabled (Volunteer)</p>	<p>Matakanui Station (Director and shareholder) Matakanui Development Co (Director and shareholder) A Paterson Family Trust (Trustee) A and T Paterson Family Trust (Trustee) Federated Farmers (On the executive team) Omakau Irrigation Co (Director) Matakanui Combined Rugby Football Club (Committee) Manuhierikia Catchment Group (Co-chair) Omakau Domain Board Omakau Hub Committee (Chair) Manuhierikia Valley Community Hub Trust (Trustee) Southern Cross Sheep Ltd (Director) Mt Stalker Ltd (Trustee) Mt Stalker Pastoral Ltd DKIL Ltd (Shareholder)</p>	<p>Omakau Recreation Reserve Committee Ophir Welfare Association Committee Central Otago Health Incorporated</p>
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5 REPORTS

25.2.2 UPDATED 2025-34 LONG-TERM PLAN DOCUMENTS FOR AUDIT NEW ZEALAND

Doc ID: 2390799

Report Author:	Saskia Righarts, Group Manager - Business Support
Reviewed and authorised by:	Peter Kelly, Chief Executive Officer

1. Purpose of Report

To consider the updated draft 2025-34 Long-term Plan documents for Audit New Zealand.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
- B. Notes that amendments have been made to the consultation document, financial model and statements, and development and financial contributions policy.
- C. Agrees that the audit continue with these updated documents.

2. Background

Since the Council meeting on 29 January 2025, several amendments have been made to some key documents for the draft 2025-34 Long-term Plan. Some of these amendments were more than minor and require being brought back to Council.

3. Discussion

Consultation Document

Following conversations with other councils undertaking long-term plans, the section on 'what's our plan for water' has been re-written. This is now based on the content from a council that has been through the audit process. The document has also had minor changes throughout to reflect the change in the draft rates increase and the necessary changes this required (particularly in the financial strategy section, eg. the rating examples have all been updated). See appendix 1 for the updated consultation document.

Financial model/draft rates increase

It has been uncovered that there needed to be some amendments made to the three waters operational budgets. At the same time the budgets were also adjusted to reflect the value of the recent contracts being tendered in three waters. These two things combined have

resulted in the average draft rates increase changing from 11.63% to 14.03%. See appendices 2 to 4 for the updated financial statements and strategy.

Development and financial contribution policy

This policy has undergone revision since it was presented to Council. As a result of the changes in the policy these needed to be flowed through to the financial model. See appendix 5 for the updated development and financial contributions policy. The key changes are described below.

- Between version 1 (Council meeting) and version 3 (latest revision) the opening debt balances for water supply, wastewater and roading were revised. This means that areas that were initially modelled with opening debt are now being modelled with an opening surplus, and vice versa. This change affects most of the charges but is most notable in Alexandra and Clyde (which are now modelled with large opening debt balances for water supply and wastewater) and roading (now modelled with an opening surplus).
- The opening surplus for the community infrastructure and reserve improvement activities originally modelled as \$0 has been amended. Also, the growth apportionments for community infrastructure were reviewed and many were removed as they did not have growth impact (eg. elderly persons housing and replacement of gardens). This has resulted in the removal of interest charges for these activities, and therefore the lowering of the development contribution charges.
- The growth apportionments for the roading activity have been lowered in the development contributions model to align to those in the draft budgets. This has resulted in a further lowering of the roading charge.
- The growth apportionments for the Omakau Water Supply Treatment Plant Upgrades and the Omakau Wastewater Treatment Plant Upgrades have also been increased to better align with the growth assumptions. This has resulted in a large increase in Omakau for both the Water Supply and Wastewater development contribution charges.

The summary changes are:

ACTIVITY			
Water	Version 1	Version 3	Change
Alexandra and Clyde	\$14,728	\$21,685	\$6,957
Cromwell	\$12,441	\$12,897	\$456
Naseby	\$9,117	\$9,563	\$446
Omakau	\$9,594	\$15,295	\$5,701
Patearoa	\$3,040	\$6,091	\$3,051
Ranfurlly	\$3,609	\$4,184	\$575
Roxburgh	\$3,309	\$4,656	\$1,347
Wastewater			
Alexandra and Clyde	\$17,688	\$22,306	\$4,618
Cromwell	\$9,090	\$7,311	-\$1,779
Naseby	\$2,478	\$2,478	\$0

Omakau	\$5,038	\$20,791	\$15,753
Ranfurly	\$242	\$242	\$0
Roxburgh	\$921	\$1,334	\$413
Stormwater			
District	-	-	
Transport			
District	\$1,473	\$784	-\$689
Community Infrastructure			
District	\$5,461	\$2,452	-\$3,009
Reserve Land			
District	20 m ²	\$10,000	\$0
Parks and Reserves			
District	\$511	\$297	-\$214

The table below shows the charges per additional lot created in each location. This is the price a developer would pay for each new lot they create.

Location	Version 1	Version 3	Change
Alexandra and Clyde	\$49,861	\$57,524	\$7,663
Cromwell	\$38,976	\$33,741	-\$5,235
Naseby	\$29,040	\$25,574	-\$3,466
Omakau	\$32,077	\$49,619	\$17,542
Patearoa	\$20,485	\$19,624	-\$861
Ranfurly	\$21,296	\$17,959	-\$3,337
Roxburgh	\$21,675	\$19,523	-\$2,152

4. Financial Considerations

These are covered in the attached financial statements.

5. Options

Option 1 – (Recommended)

Note the changes that have occurred and approve the audit continue with these updated documents.

Advantages:

- Will enable the audit to continue and the current timetable to be adhered to.

Disadvantages:

- There may be some community dissatisfaction with the proposed draft rates rise after allowing for growth increasing from 11.63% to 14.03%.
- Some developers may be dissatisfied with the proposed changes to the development and financial contributions policy.

Option 2

Do not note the changes that have occurred and do not approve the audit continue with these updated documents.

Advantages:

- None identified.

Disadvantages:

- Will likely impact on the overall timetable and impact on the ability to complete the 2025-34 Long-term Plan by 30 June 2025.

6. Compliance

Local Government Act 2002 Purpose Provisions	This decision enables democratic local decision making and action by, and on behalf of communities by ensuring the most accurate information is audited prior to community consultation.
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	The consultation document and supporting material for the 2025-34 Long-term Plan is required under the Local Government Act 2002.
Considerations as to sustainability, the environment and climate change impacts	There are no direct considerations as to sustainability, the environment and climate change impacts.
Risks Analysis	There is no risk in approving the audit continue with these updated documents. Any further delay in the audit will likely impact on the plan to have the 2025-34 Long-term Plan presented for final approval on 25 June 2025.
Significance, Consultation and Engagement (internal and external)	Once audited, these documents will be provided as part of the material for the 2025-34 Long-term Plan consultation. Public consultation is scheduled from 19 March to 16 April 2025.

7. Next Steps

Pending Council approval the audit will continue. At this stage the audit is still on track to be completed in March, with the Council meeting to approve community consultation scheduled for 17 March 2025.

8. Attachments

Appendix 1 - Updated Consultation Document [↓](#)

Appendix 2 - Financial Strategy 2025 [↓](#)

Appendix 3 - Prospective Financial Statements [↓](#)

Appendix 4 - Capital Expenditure [↓](#)

Appendix 5 - Development and Financial Contributions Policy [↓](#)

What's important Central Otago?

Have your
SAY

on the 2025-34
LONG TERM PLAN



Central Otago District Council: Supporting a safe, thriving
community and environment – now and into the future



Message from the Mayor and Chief Executive



Central Otago is the best district to live in and we are committed to ensuring the district has the core services needed to continue prospering in a sustainable way. To achieve this, we must make smart decisions on where we best put our efforts, knowing also that some costs cannot be put off for future generations to bear the brunt.

We are facing some big challenges in the years ahead. Central Otago is growing like never before, and while this brings opportunity, we need to ensure we have infrastructure in place to meet future demand. Investing in infrastructure accounts for 26% of the rates increase in Year One of this Long-term Plan. Development contributions are also increasing to reflect the true cost of providing additional services for our growing population.

Our district covers a large geographic area and we need to further invest in our roading network to ensure resilient connection routes. In this Long-term Plan we will be embarking upon a bridge replacement programme. However, this is not made easy with the pressure on central Government's roading funding pot.

We are facing continued pressure in the delivery of water services, and like the previous government, this Government is requiring higher standards of councils than ever before. With these requirements comes cost. For example, in Year One of this Plan wastewater investment is required, which will impact all residents with a wastewater connection – motels and hotels being most impacted.

We need to decide in this Long-term Plan how to continue providing water services to this district in a sustainable way, and we want your feedback on this. What will be the best operating model for delivering water services to Central Otago households into the future? Tell us your views.

In the meantime, we have worked hard to reduce rate surges for our households and have made the decision to reduce the depreciation we collect on water services assets for the next two years. This will help manage the level of rate increases in the short-term. However, even with that decision, the average increase for Year One of this plan is 14.03%, after allowing for 2.1% growth.

Last year we consulted on a 'district-wide funding' model. We know that it is not economical to keep funding activities at a ward level and we need to start rationalising some of our services across the district. The ratepayer spend is getting stretched and things are not likely to change in the near future. You'll see in this Long-term Plan we want your feedback on whether we divest some community halls and facilities.

We know there is more to our community than roads and pipes and we have a number of community and commercial groups who are seeking your support on funding their projects. While we think there are merits in all of them, we know costs are hitting some of you hard and we really want to hear from you about whether or not we have got the balance right and that it's a good use of your money.

We invite you to read our proposals contained in this document – your input is important to us in helping us make decisions on some important topics.

Consultation is open from **19 March to 16 April 2025**. We look forward to seeing you at one of our community events during this period and receiving your feedback.

Tamah Alley
Her Worship the Mayor

Peter Kelly
CODC Chief Executive

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What have we achieved?



Some of the big projects we have completed since the last Long-term Plan include:

Lake Dunstan Water Supply

project went live in 2023, combining and upgrading the town water supply for Clyde and Alexandra residents.

Clyde Heritage Precinct

project to make infrastructure improvements and upgrades to water, stormwater drainage, footpaths and streetscape. A big thanks to the community for working around the public access disturbances.

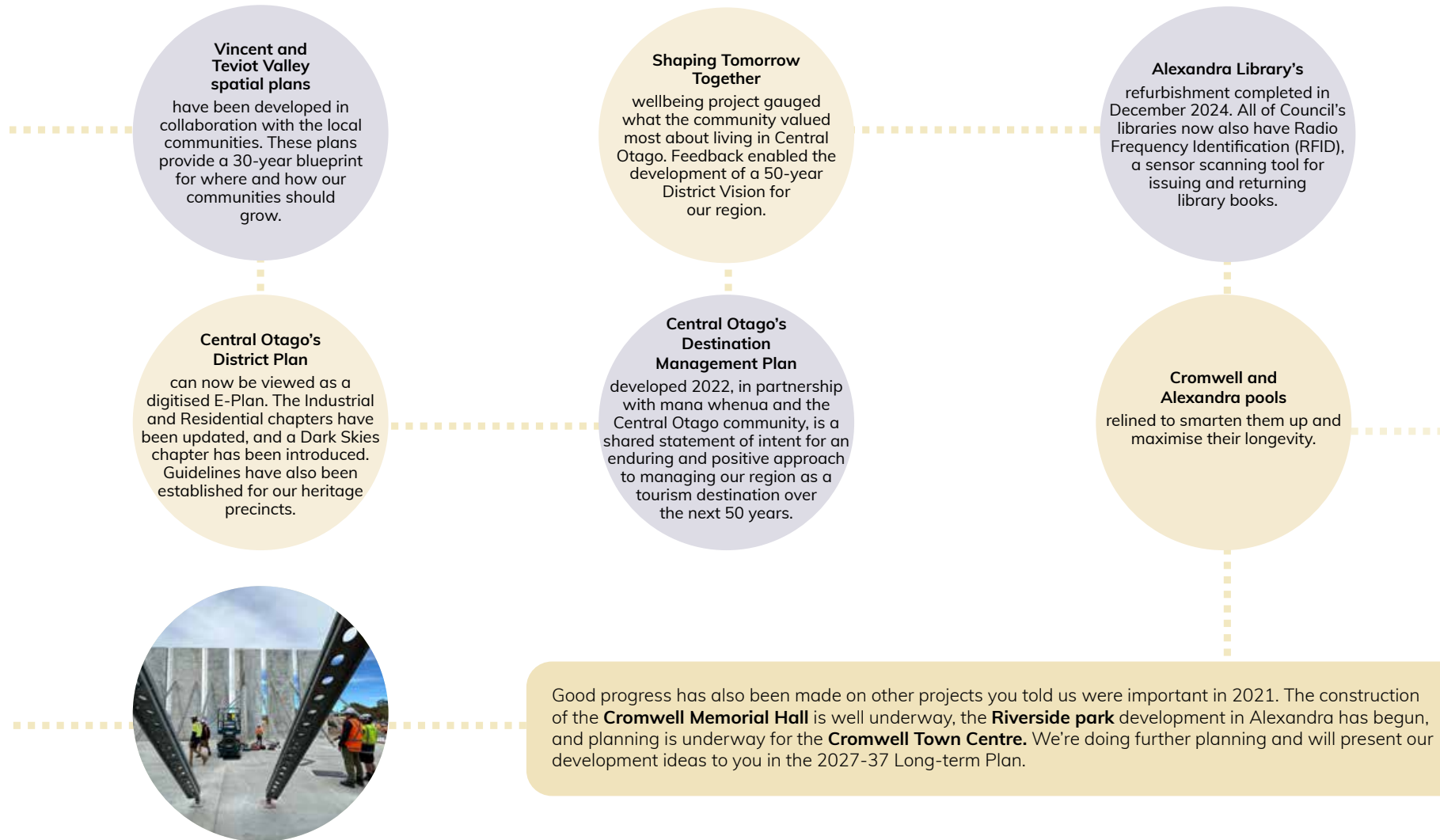
Cromwell town water supply

upgrades to provide increased capacity and meet water compliance standards, were completed in 2024.

Kerbside waste and recycling collection

upgraded in 2023 with the introduction of a four-bin system, including an organics service.





What's our plan? the next

9 years at a glance



Our Long-Term plan in

12 KEY points

Why nine years not ten?

Every three years, we must prepare and adopt a Long-term Plan (LTP). Our last LTP was adopted in 2021. Last year, the new Government gave councils the option to delay the Long-term Plan by one year and prepare instead an enhanced Annual Plan. We took this option given the uncertainty around the Government's proposed water services delivery. There is now more clarity on expectations from Government and we are developing a plan for how we will deliver water services, which we will want your feedback on.

1 Developed in uncertain times

We have developed this Long-term Plan during challenging financial times and global unrest. The current economic recession has created a cost-of-living crisis for some households, though some of the key economic indicators are now heading in the right direction.

2 Government changes

We are adapting to changes in regard to how the Government wants local authorities to provide services. Significant national policy and legislation re-writes will mean big changes in how we do things.

3 Change in how we propose to deliver water services

In line with Government policy, delivery of water services is set to change. We are looking at different models to deliver these services, and one of the options is creating a council-controlled organisation (CCO), either stand-alone or with other councils involved, to own and deliver these services. We will be seeking your feedback on each step of the process, starting with this LTP consultation. In the meantime, we are continuing our programme of work to replace and improve water service infrastructure across the district.

4 Changes to how we pay for water

The ratio of charging households for drinking water (i.e. between the uniform annual charge for infrastructure costs and the volumetric charge for per unit water usage) is under review and we welcome your feedback through this LTP consultation. Over the next two years Council is proposing to reduce its rates funding for asset replacement and borrow to meet the shortfall to help keep significant rates increases down for households.

7 Long-term focus

We are constantly looking at how to handle our district's growth, adapt to climate change and future-proof our communities. Spatial planning is helping us map where we can sustainably grow, and discussions continue around future-focussed services and facilities - the Cromwell town centre project being an example of this.

10 Increasing debt

Under this LTP, we will be taking on more debt. While debt needs to be managed carefully, its often considered fair to borrow for building things that last for a long time, as it spreads the cost across the generations of people who will benefit.

5 Infrastructure investment

Some of our assets are reaching end of life. Investment in infrastructure needs to be able to absorb current and future population growth. This LTP includes significant infrastructure projects, such as the construction of a new hall and event centre in Cromwell, water services upgrades and bridge replacements.

8 Environmental waste

Our new waste strategy articulates our commitment to improve recycling and reduce the amount of waste sent to landfills. A key project this LTP will be the construction of a new organic facility so we can more sustainably manage food and green waste.

11 Land strategy

This strategy is being developed to ensure smart management of Council's land and assets. It will state how properties – including reserves and endowment land – must be used for the purpose they were acquired, ensure their value is being preserved for future generations, and require any conversion of land to assets to be done through careful investment for current and future generations.

6 Roads and bridges

We didn't receive all that we asked for from New Zealand Transport Agency Waka Kotahi (NZTA) which means a shift in how we will maintain and improve our road network. This LTP sees us using rates to fund work that would normally be subsidised by NZTA, which has reduced our ability to deliver on some of our bridge replacement programme as well as maintenance of footpaths and cycleways.

9 Continued service delivery

From July 2025 we will be shifting to district-wide funding of all Council services and activities. This will mean that the costs of activities will be shared by us all. We are also reviewing the services that we provide to check if they are still 'best fit' for our communities and that we can still afford to deliver them. The community halls and facilities discussion in this LTP consultation document is part of this work.

12 The cost of delivery

Running our district doesn't come cheap. Like many households, we are facing big increases to the costs of providing services. These inflationary pressures can be seen in the 10.03% rates increases (on average) over the next two years.

We need your help



We've got some big decisions to make and we need your feedback on a number of topics – these are covered on pages 10 to 31 of this document:

- Charges for water use
- The future for investment for halls and facilities
- Our investment in public pools
- Support for community and commercial projects

We are also proposing changes to some key policies that may affect you (detailed on page 32), and we would like to hear your views.

As you read through this document think about:

- What is most important to you and your family?
- Have we got the balance right?
- Is there anything we are missing?

Tell us what you think.

Go to:

lets-talk.codc.govt.nz



to find out how to get involved.

What's a preferred option?

As part of developing the LTP, Council has considered different choices related to the key topics for consideration in the following pages. The option that Council currently favours is called a **'preferred'** option. This is the option that our LTP budgets have been modelled on.

WHEN

19 MARCH 2025
Consultation Opens

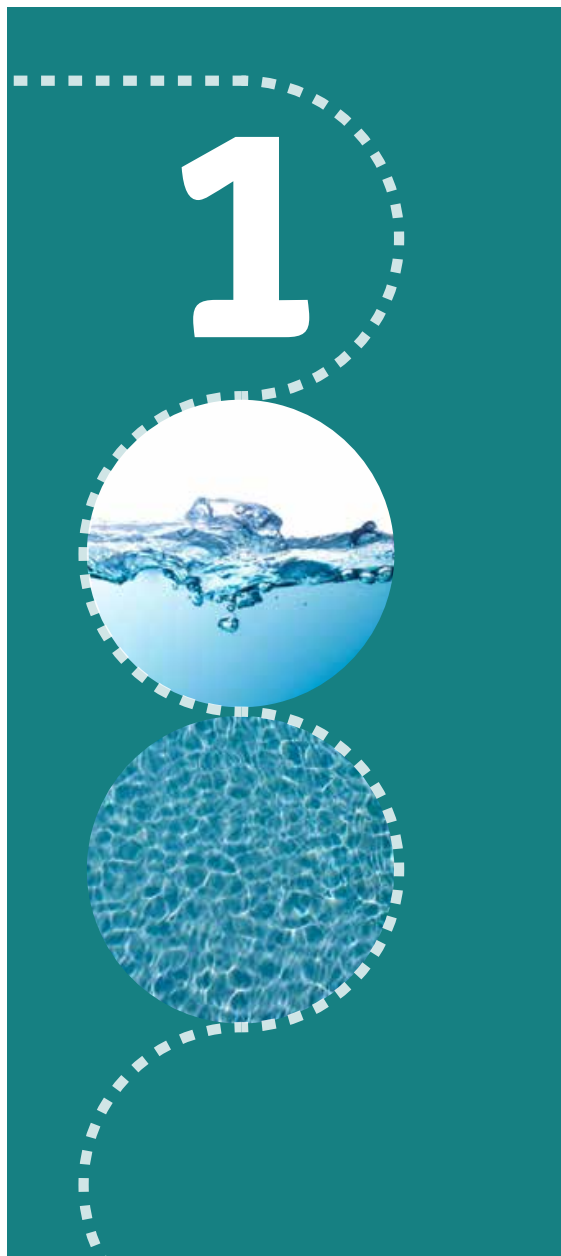
16 APRIL 2025
Consultation Closes

14 MAY - 16 2025
Hearing of Oral Submissions

20 MAY 2025
Deliberations

25 JUNE 2025
LTP is adopted





What's our plan for water

Delivery of water services (drinking water, wastewater and stormwater) is set to change. Stricter standards, renewal of resource consents, dealing with growth and increasing costs of replacing existing assets mean the costs of providing those services is going to increase significantly.

The Government water reforms are currently progressing through Parliament and will give Councils an alternative and potentially more cost-effective way to deliver these services.

Councils across the country must provide a Water Services Delivery Plan to Government by September 2025 that will outline how we want to deliver water services in the future and that ensures current levels of service are maintained, as well as ensuring growth is well managed. Government provided councils with five options for future delivery of these services. These range from keeping the existing delivery models within council (status quo) through to multi-council water service organisations (WSO).

Councils such as ours with a relatively small ratepayer base, does not generate sufficient income to access the level of funding needed to undertake the capital costs associated with water services and the wider council Capital programme.

It is clear to us that continuing with the status quo is not sustainable and moving water services to a separate council-owned organisation would increase our ability to finance these upgrades, as the loan thresholds are 500% of revenue. This would enable the new WSO to deliver more efficiently the new infrastructure and provide strong oversight, foster collaboration with other WSOs and Councils for better buying power, knowledge and resource sharing. A separate WSO would however incur additional set-up and overhead costs.

Of the models available, we believe the establishment of an independent water services organisation is the best model for Central Otago. This company might be a standalone entity for our district only, or there might be an option to form a larger company with other like-minded councils. Our preference is to join with other Councils, but this may not occur immediately as other Councils work through their own processes. Our fallback position will be to form our own WSO. The form of this company is still being worked through and we will consult separately with you about this.

However, as we need to prepare the budgets for the next nine years, it's important we talk to you now about whether we move water services out of Council into a separate organisation. In the budgets for the next nine years we have assumed that we will form a separate company that is either a regional entity with other Councils or a CODC only WSO from 1 July 2027, so we have removed those water services from then and this is reflected in our budgets from then on.

We are asking your feedback on two options – move water services to a separate company from 1 July 2027 or remain with the status quo (operating water services in-house as it is now).

YOUR OPTIONS ARE:

A Create a Water Services Company (WSC) to commence operations from 1 July 2027 (preferred).

An independent WSC would be set up. The ownership, maintenance, and delivery of our water supply, stormwater, and wastewater infrastructure and services would be transferred to the new company, as well as the cost and debt of these activities.

The benefit of this option includes access to greater funding levels, Board oversight of the delivery of our water services and the opportunity, should Council set up a stand-alone WSC, for other Councils/WSC's to join in the future to enhance collaboration, knowledge and resource sharing and promote efficiency.

More significantly, we expect the projected increases in price would slow compared to retaining the services in house because the WSC would be able to continue debt funding the waters capital programme.

The WSC would be owned by Council and would be similar to the familiar Council Controlled Organisation allowed for in the current Local Government Act (2002).

Council would:

- appoint the Directors to sit on the WSC Board
- prepare the WSC constitution
- issue a letter of expectation each year setting out how the Council expects the company to perform
- require publicly available annual and interim reports to be prepared
- hold regular shareholder meetings to monitor the performance of the WSC and track progress against delivery and improvements targets.

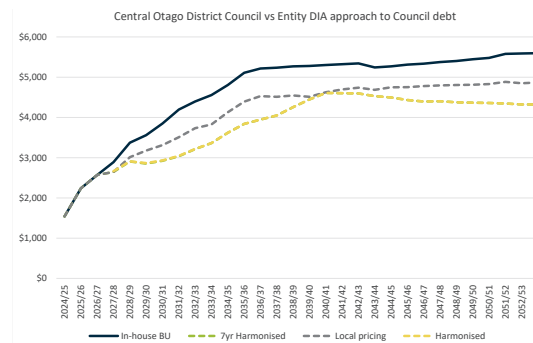
Levels of Service

No significant change to the levels of service.

Cost

The cost of water activities will likely continue to rise, but these costs will not be reflected in Council's finances. The costs will be transferred to the new WSC. While costs are anticipated to rise, it is likely that they won't rise as much or as rapidly as they would if Council were to keep water infrastructure and services in house over the period of the Long-term plan.

Price comparison across options

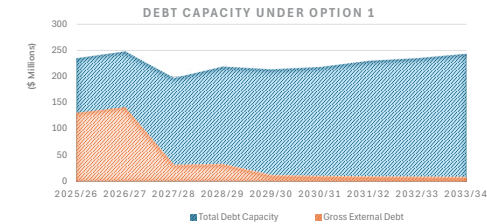


The chart above is the result of work commissioned by local councils to determine whether there is a benefit to residential water users of transferring the water services activities into either a regional WSC or a single WSC. The regional results are represented by two scenarios being immediate price harmonisation and a structured 7-year approach to harmonise charges by 2034. The CODC by itself WSC option is represented by the local pricing line. The work shows, although there is not much difference in the early stages, it is clear that over the longer-term, prices will be lower under all WSC models compared to Council retaining water services in house.

Impact on Debt.

If this option is chosen the debt relating to water services activities would also be transferred to the new WSC which will have the benefit of freeing up Council's

borrowing capacity to undertake other projects within Council.



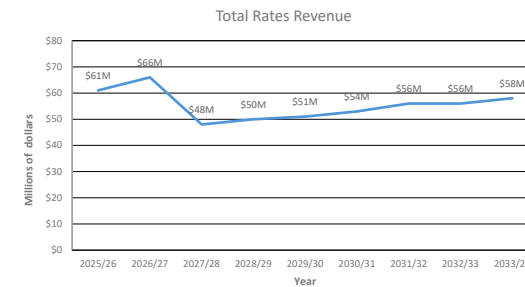
Rates impact

The water activities would no longer be part of your Council rates bill but will be charged to you by the new WSC.

Paying for water services would be similar to the way you pay for your electricity, on a separate invoice and it is likely to be based on a mix of your water consumption and fixed charges.

A WSC would have access to a larger debt capacity than Council, which would mean it would be able to borrow more to deliver our capital programme for water services outlined in our 30-year infrastructure strategy 2025-55.

This means that the WSC would be able to upgrade our planned infrastructure to meet new standards and it would also be able to fund this in a more affordable way for our communities.



OR:

B Status quo - water supply, stormwater, and wastewater infrastructure and services will continue to be owned, maintained, and delivered by Council. The cost of doing so will remain on Council's books.

Levels of Service

No change to levels of service

Costs

Forecast water services capital expenditure for the 9 years of the Long-term plan 2025-34 would be \$329M.

Forecast water services operational expenditure for the 9 years of the Long-term plan 2025-34 would be \$211M.

That totals \$540M over the period of the Long-term plan.

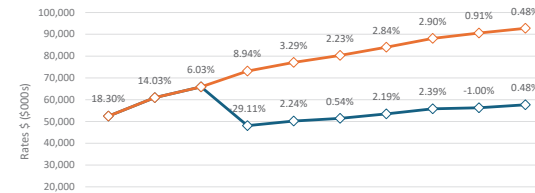
Debt Impact

Significant investment is required in water services infrastructure. This means that council would reach its current debt ceiling in 2027/28 and continue to rise at a rate greater than our capacity to borrow beyond that. This has forced Council to seek a credit rating to increase its borrowing capacity to 280% of total revenue (up from 175%). Peak debt is likely to be \$212M in the 2033/34 year.



Rates and Charges Impact

Our income from rates would need to rise to over \$93M if we kept water services in-house compared to \$59M if we choose to create a WSC to manage our water services activities.



Water services are inter-generational by nature and debt funding these activities ensures the costs of these services spread more equitably across current ratepayers and future generations are more affordable to current ratepayers.

Our debt levels are determined by our income levels and our primary source of income is rates. This will mean significant rates rises in the years of the Long-term plan 2025-34 to cover the cost of our water services programme.

If we select this option, it is expected rates would rise more quickly and to a higher level than if we were to transfer our assets to a WSC.

This option would become unaffordable for ratepayers and would see current generations paying for more than their fair share of water services as the costs would not be passed onto future generations through loan repayments across future years. (Insert Rates impact table).





2



Volumetric water charges

Central Otago properties connected to a Council-run water supply pay for this service through a fixed annual charge (which is part of your rates bill) and a usage or volumetric charge, which is currently billed separately every six months. We currently charge 60 cents per cubic metre of water used and an annual fixed charge of \$756.45 per connection.

The volumetric rate has not been adjusted for many years, whilst the fixed annual charge has continued to increase. In 2024 the fixed annual charge was \$756.45 for every property connected to the water network and, if the status quo remains, this will increase to \$829.60 per property in 2025.

We are a district that has high water use, and 8% of our connections are using 43% of the water. These are properties which use over 700m³ of water per annum. What this means in practice is those of you who are low or average water users are subsidising those who have high use, through high fixed charges.

By increasing the volumetric charge and lowering the fixed charge it is hoped to change the behaviour of high water users. This will reduce our electricity use, delay the need for replacing pipes that have life left in them and delay further upgrades to our treatment plants. This is also a fairer system where the costs are borne by the heaviest users.

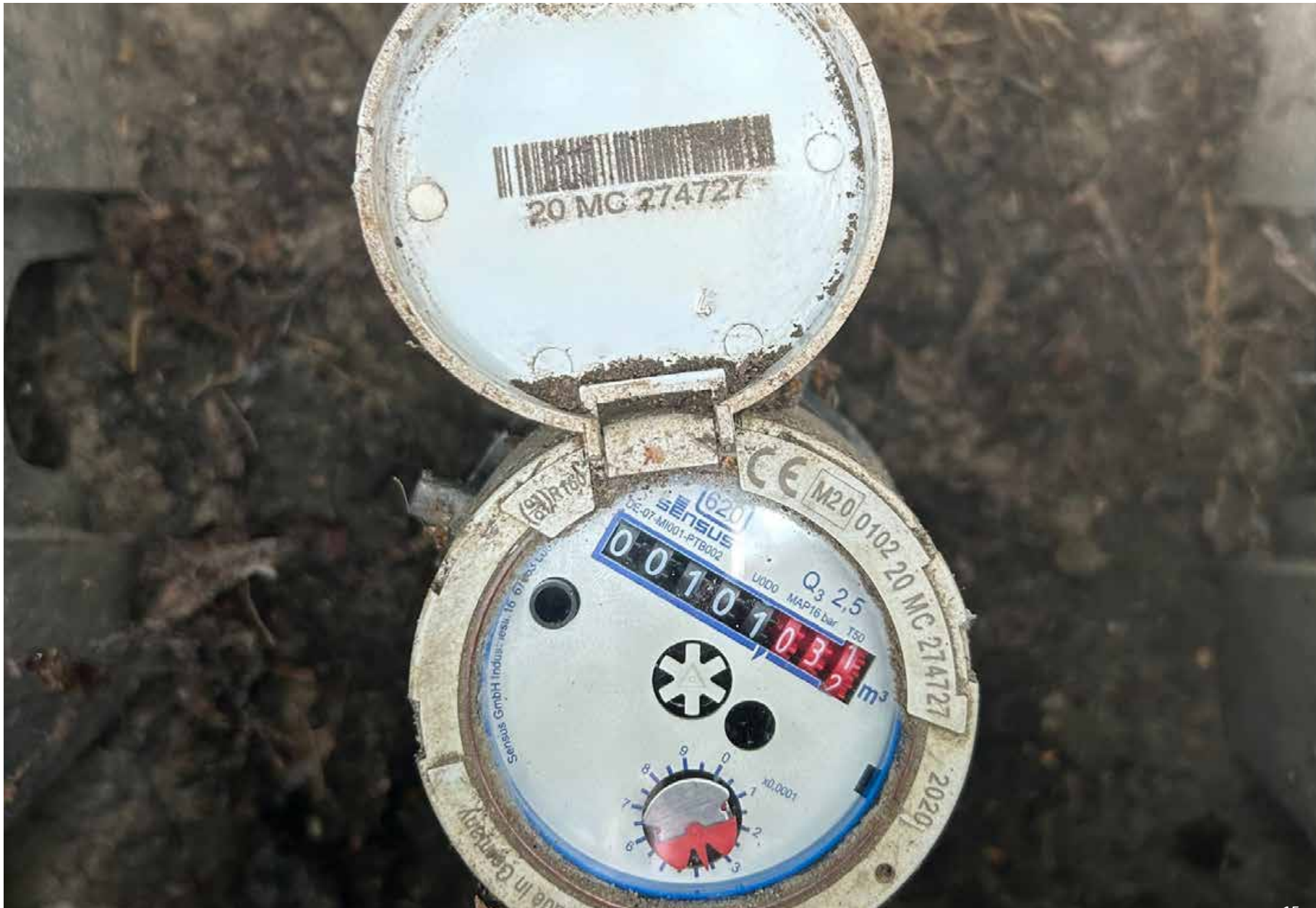
We are proposing to increase the volumetric water rate to \$2.40 per cubic metre. This will be offset with a decrease of \$243.02 in the fixed annual charge from \$756.45 per connection to \$513.43 - i.e. **your annual rates bill will be \$243.02 cheaper.**

YOUR OPTIONS ARE:

- A** Increase the volumetric charge to **\$2.40** per cubic metre with the fixed charge of **\$513.43** per connection (**preferred**).
- B** Increase the volumetric charge to **\$1.80** per cubic metre, with the fixed charge at **\$643.43** per connection
- C** Status quo – retain the charge at **60 cents** per cubic metre, with a fixed charge at **\$903.45** per connection.

i For further information about volumetric charging, and to see how this change might affect you, please click the link below:

www.codc.govt.nz



3



If you have a great idea about how these could be better utilised to generate revenue and off-set costs for the ratepayer – tell us about it!

16

Community Halls and Facilities

We have a number of community halls and facilities across our district, each of which has a rich history and has served as a focal point for communities over time. Community needs change though, and while these buildings may have once been used frequently for local dances and a range of gatherings, demand has dropped away in some cases. We are also more mobile now, and some of our facilities have very little distance (in today's terms) between them.

Council is facing significant costs in the next few years to earthquake-strengthen several of our facilities. This LTP has created an opportunity to discuss with you which of our facilities we need to continue maintaining and which ones could be divested.

Divestment could mean a range of things, such as transferring ownership to a community group, selling it to a private entity, returning the property to the Crown, or demolishing the building and retaining the site for potential redevelopment.

Divesting facilities will reduce the rates input into operations and capital expenditure (including earthquake strengthening costs), and it also opens up opportunities to possibly repurpose land and buildings. However, some of these facilities may still be valued hubs for communities. Each facility has its own unique needs and conversion possibilities. We will be working with interested parties and the wider community on what the best option is for each building. We would like to hear your thoughts too.

YOUR OPTIONS ARE:

- A** Divest the community halls listed, which creates an annual reduction of **\$284,000** or **0.54%** per ratepayer (preferred).
- B** Maintain the level of support that Council provides for all halls and facilities listed. This would increase rates by **\$284,000** or **0.54%** per ratepayer per annum.
- C** Maintain Council support for specific halls/facilities on the list [what facility, and why do you want Council to continue to support it?]

i On the next page is a list of the facilities we are investigating this LTP.

For further information about each of these halls and facilities click the link below:



www.codc.govt.nz



List of the facilities we are investigating this LTP.

VINCENT		MANIATOTO		TEVIOT		CROMWELL	
Ophir Hall EQP <small>Moderate bookings</small>	Clyde Hall <small>Regular bookings</small>	Ranfurly Hall EQP <small>Moderate bookings</small>	Fenton Library EQP <small>Tenanted</small>	Millers Flat Hall EQP <small>Regular bookings</small>	Roxburgh Squash Court Building <small>Nil use</small>	Tarras Hall EQP	Cromwell Museum
Poolburn Hall EQP <small>Moderate bookings</small>	Becks Hall <small>Moderate bookings</small>	Naseby Hall EQP <small>Moderate bookings</small>	Naseby General Store EQP <small>Tenanted</small>	Millers Flat Bowling Club <small>Nil use</small>	Service Centre Roxburgh Hall RSA	Cromwell Service Centre	Cromwell Hall & Event Centre
Clyde Police Lockup <small>Nil use</small>	Vallance Cottage <small>Moderate bookings</small>	Pateroa Hall EQP <small>Moderate bookings</small>	Centennial Milk Bar <small>Tenanted</small>	Roxburgh Entertainment Centre			
Clyde Railway Station Building EQP <small>Tenanted</small>	Rding for the Disabled <small>Nil use</small>	Waipiata Hall EQP <small>Moderate bookings</small>	Ranfurly Service Centre EQP <small>Council service</small>				
Former Clyde Museum Stables & Goods Shed <small>Nil use</small>	Former Clyde Briar & Herb factory, and cottage <small>Nil use/Tenanted</small>	Wedderburn Hall EQP <small>Low bookings</small>	Wallace Memorial Rooms <small>Regular bookings</small>				
Blyth Street Museum, Clyde <small>Tenanted</small>	Molyneux Stadium EQP	Ranfurly Railway Station <small>Council service</small>	Maniototo Park Stadium & Clubrooms EQP				
Alexandra Community Centre	Central Stories Museum & Art Gallery	Māniatoto Arts Centre					

KEY

-  Buildings up for discussion in this LTP
-  Buildings to be retained
- EQP** Earthquake strengthening required

Facility	Operating costs (2025-34)	Capital expenditure (2025-34)	Earthquake strengthening costs	Portion of income from rates (2025-34)	Revenue through bookings/ rent (2025-34)
Ranfurly Hall	500,974	193,385	757,820	508,539	8,167
Fenton Library	77,314	-	113,109	69,812	7,479
Wallace Memorial Building	158,344	63,157	-	79,391	88,659
Centennial Milk Bar	392,300	26,000	-	353,607	36,503
Ranfurly Service Centre**	662,155	394,261	683,256	674,000	309
Patearoa Hall	280,449	116,491	905,595	281,698	6,751
Waipiata Hall	302,380	107,843	644,174	325,548	-
Wedderburn Hall	186,115	34,858	427,627	79,391	-
Naseby Hall	397,558	35,342	1,011,396	401,882	8,764
Naseby General Store	131,740	8,458	235,147	81,813	25,900
Roxburgh Squash Courts	10,000	55,000	-	-	-
Millers Flat Hall	400,332	126,332	491,720	124,547	-
Millers Flat Bowling Club	120,000	-	-	-	-
Clyde Hall	584,250	101,565	-	537,315	49,801
Clyde Museum	349,000	32,450	-	261,200	-
Clyde Railway Station	125,000	60,879	92,619	90,100	93,615
Police Lock-up	28,000	28,400	-	21,500	-
Briar & Herb site (with toilet)	310,000	-	-	216,000	-
Briar & Herb site (with cottage)	164,400	38,650	-	118,650	155,370
Vallance Cottage	208,292	272,864	-	185,162	2,492
Riding for the Disabled	10,000	55,000	-	-	-
Ophir Hall	327,826	39,404	143,799	159,341	4,984
Becks Hall	455,782	198,165	-	174,741	14,940
Poolburn Hall	546,366	88,204	377,420	102,560	8,964
Total:	6,728,577	2,076,708	5,883,682	4,846,797	512,698

**If the proposal to divest the Ranfurly Service Centre proceeds, Council's Service Centre function could be provided alongside the visitor centre service, at the Ranfurly Railway Station Building.

4



Ida MacDonald Roxburgh Pool Punawai Ora

The Ida MacDonald Roxburgh Pool Punawai Ora committee has approached Council to see if we would take over the running and operation of the pool into the future, and we would like to hear your thoughts.

In 2021 we asked whether you supported providing a \$500,000 grant towards the \$3 million development of a new community-run pool in Roxburgh. You were and thanks to this, and generous donations from the community and other funders, the Ida MacDonald Roxburgh Pool Punawai Ora was completed in 2023.

The state-of-the-art facility – which offers three open-air heated pools with efficient solar panel and heat pump water heating systems – is open during the summer season (December through March) and is currently accessed via a fob-key system.

It has been hard work for the committee to continue running this community facility. They have struggled to hire qualified lifeguards and funds are not yet being put aside for future plant maintenance and replacement. The committee also acknowledges the ongoing risk they carry in operating a public pool.

If the pool was owned and operated by Council, it would run in a similar way to Council's pool in Ranfurly. It would be open twelve hours a day, seven days per week for the summer season (December through March), with the same staffing ratios and management systems. This would come at an annual district-wide cost to ratepayers of \$250,000 per annum, or \$16.85 per ratepayer.

There are some further impacts for Teviot Valley ratepayers. It was agreed through the 'district-wide' funding consultation in 2024 not to charge

the Teviot Valley a district rate for Council-operated pools. However, if Council takes over the Roxburgh Pool, Teviot Valley rates increase by both the annual cost of the Roxburgh Pool (\$16.85) plus their share of the other Council-operated pools in the District, which is \$312 per ratepayer.

On the other hand, the Teviot Valley Community Board has been providing an annual operating grant of up to \$50,000 towards the pool since its opening (\$52.95 per Teviot Valley ratepayer). This grant would cease if Council takes over ownership – the net effect on Teviot Valley rates being \$260 per annum.

If the Pool is not vested in Council, the Teviot Valley Community Board has been requested to increase this annual grant to \$80,000pa from 2025 – this equates to \$70.60 per Teviot Valley ratepayer.

YOUR OPTIONS ARE:

- A** To take over the ownership and management of the Ida MacDonald Roxburgh Pool Punawai Ora at an annual district-wide cost of **\$250,000**. This equates to an average cost of **\$260** per ratepayer in the Teviot Valley ward, and an average cost of **\$16.85** (0.48%) per ratepayer for the rest of the District (**preferred**).
- B** Do not support taking over the ownership and management of the Pool. This would mean the average rates increase would reduce by **\$260** per annum for Teviot Valley ward ratepayers, and by **\$16.85** (0.48%) for Cromwell, Vincent and Maniototo ward ratepayers.



5



Alexandra outdoor pool

The current Alexandra Pool opened to the public over 20 years ago. When the facility was built, the community chose to include an outdoor swimming pool due to the affection held for the decommissioned outdoor pool. However, over the years Council staff have noticed a steady decline in the outdoor pool's use, despite admissions increasing year on year at the Alexandra facility. Possible reasons for this include other outdoor swimming options in nearby rivers, the lake, and neighbouring community pools, and the relative water temperature and climate of the outdoor pool compared with indoor pool options. Added to this is the pool's ageing operating system (which is nearing end-of-life), is costly to run and is estimated to cost around \$500,000 to replace.

We thought it timely to ask your views on whether there is still a need for an outdoor pool at the Alexandra Pool.

The cost of running Alexandra's outdoor swimming pool is \$200,000 per annum, plus an additional \$10,000 a month if the water is heated. The pool is open for public use during the summer season (December through March).

The estimated cost of decommissioning the pool is \$50,000. This process would involve dismantling the pool infrastructure and repurposing its components, while the pool itself would be filled in. This would create potential opportunities for repurposing the outdoor area for future activities.

Closing the outdoor pool would reduce ongoing operating costs for the Alexandra Pool. It may also change the way you use the facility. We want to hear your views.

YOUR OPTIONS ARE:

- A** Close and decommission the outdoor pool at Alexandra. This equates to an average annual reduction of **\$200,000**, or **\$13.48 (0.38%)** per ratepayer per annum (**preferred**).
- B** Retain the outdoor pool at Alexandra Pool. This would increase rates by **\$200,000** per annum, or **\$13.48 (0.38%)** on rates.



6



Manuherekia Valleys Community Hub

In 2021 we consulted with you on the Manuherekia Valleys' proposal to develop a purpose-built multi-use community facility at the Omakau Recreation Reserve to cater for the town and surrounding communities. Omakau's community hall and rugby clubrooms are both aged and need major renovations or full replacement to bring them up to current-day standards. You supported this idea and \$1million was committed to this project.

The Manuherekia Valleys Charitable Trust and local community worked hard over the past several years to raise funds for this build. To date they have secured \$1,773,000 in grants and sponsorship and continue to seek out new sources. However, as time has passed, cost escalations have pushed up the build price significantly.

The revised total build cost is now up to \$5.2 million, including landscaping and fitout. The Trust has asked for further support from Council, with up to \$1.6 million still needed. While the Trust continues to fundraise and hopes the full amount is not needed, this commitment to funding will mean that building tenders can go out and contracts can be locked in, which will prevent further price creep over time.

We would like to know if you think Council should commit up to \$1.6 million towards this project and, if so, how should this be funded. One option is to use funds from the Vincent Reserves account, which would mean there would be no additional rates cost.

YOUR OPTIONS ARE:

- A** Provide additional funding of up to \$1.6 million towards the construction of the Manuherekia Valleys Community Hub, funded from Vincent General Reserves (**preferred**).
- B** Provide additional funding of up to \$1.6 million, loan funded over a period of 10 years at average annual cost of **\$13.50** (0.38%) per ratepayer for 10 years.
- C** Provide additional funding of up to \$1.6 million, rate funded in the 2025/26 financial year at average one-off cost of **\$107.87** (3.04%) per ratepayer.
- D** Do not support.



Artists Impression of Community Hub



7



Supercars Championships at Highlands Motorsport Park

We are interested in your views on Council supporting a proposal to bring the Supercars Championships to Highlands Motorsport Park for the 2026 or 2027 series. If successful, this would mark the first time the event is held in the South Island.

Supercars is the premier motorsport category in Australasia, and one of Australia's biggest sports. Globally, it is recognised as the leader in the touring car category. The event is expected to have a positive economic impact directly and indirectly through media, broadcast and social media coverage, with estimates of tens of thousands of visitors descending on Cromwell, the wider Central Otago and Queenstown-Lakes Districts. This event would put Central Otago on the map and showcase our region as a leading tourist destination.

In order to secure the event, Supercars organisers are seeking Council investment of up to \$250,000. If Council was to support bringing this event to Central Otago, funding could be sourced through the tourism reserves account. This would not have an impact on rates.

YOUR OPTIONS ARE:

- A** Agree to provide a **\$250,000** grant, funded through the tourism reserves (**preferred**).
- B** Agree to provide a **\$250,000** grant funded through a promotions rate. This will mean an average one-off rates increase of **\$16.85** (0.48%). However, as this is a targeted rate with differentials, the cost per ratepayer will vary.
- C** Do not support.



8



Artificial Turf at Maniototo Area School

The Maniototo Area School has asked Council to help support the replacement of a multi-use artificial turf at their school grounds. The current court surface has seen its best days and is raising safety concerns for users.

The school is wanting to extend the current turf footprint by 10m and include an asphalt court alongside. The cost of construction of this multi-use sports surface is estimated at \$900,000, and the organising committee is requesting \$200,000 from Council towards the project.

Being situated on school grounds means the sports surface will be used mostly by the school during class times but will be available for community use outside of school hours. The school will lead in maintaining the surface, with community support. The organising committee also intends to establish an investment fund for the maintenance and future replacement of the surface.

The organising committee is currently fundraising for the remaining cost and will begin construction once this funding is secured. All going to plan, the committee hopes to commence construction in the 2026/27 financial year (Year 2 of the LTP).

YOUR OPTIONS ARE:

- A** Provide a **\$200,000** grant, rate funded in the 2026/27 financial year at a one-off average cost of **\$13.60** per ratepayer (**preferred**).
- B** Provide a **\$200,000** grant loan funded over a period of 10 years at an average annual cost of **\$1.76** per ratepayer for 10 years.
- C** Do not support.



9



Artificial Turf at Dunstan High School

Molyneux Turf Incorporated (MTI) in conjunction with Dunstan High School has been working towards the development of a full-sized multipurpose artificial turf for Alexandra. The proposed site is on the high school grounds on the old tennis courts, adjacent to Molyneux Stadium. Being situated on school grounds means that the turf will be mostly used by the school during class times and will be available for community use outside of school hours.

The trust has commissioned a feasibility study for the construction and ongoing operation and maintenance of the facility [<link>](#). The study proposes that MTI will own the turf, facilitate the construction and maintenance of the surface, and manage community bookings. Operating revenue will be sourced through user charges, sponsorship and grants.

MTI are also progressing various funding opportunities, and subject to this funding, development is expected to start in November 2025. The total cost of construction of a full-sized multipurpose turf is \$1.5 million and MTI has requested \$300,000 from ratepayers to support this project. This grant from Council would go towards construction costs only and there is no commitment for ongoing operational costs.

YOUR OPTIONS ARE:

- A** Provide a **\$300,000** grant rate funded in the 2025/26 financial year at an average cost of **\$20.40** per ratepayer (**preferred**).
- B** Provide a **\$300,000** grant loan funded over a period of 10 years at average annual cost of **\$2.64** per ratepayer for 10 years.
- C** Do not support

Proposed Layout



6 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 26 February 2025.