














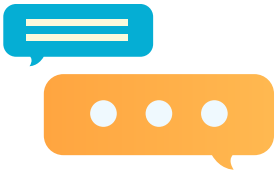
Waitoa Water

BACKGROUND INFORMATION DOCUMENT



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Introduction

Waitoa Village is facing a significant change in how drinking water is supplied. For many years, Fonterra has provided water to homes in the area, but due to new water regulations and Fonterra's decision to step back, the community must now decide on a new, sustainable water supply solution.

The panel's task is to make recommendations to Council on how water will be supplied to Waitoa in the future.

This process is about weighing up the opportunities and challenges of each water supply option and making recommendations for Council decision-making. There are two main options:

- Self-supply - where individual households or groups manage their own water systems
- Council supply - where Waitoa connects to the Council's existing water network

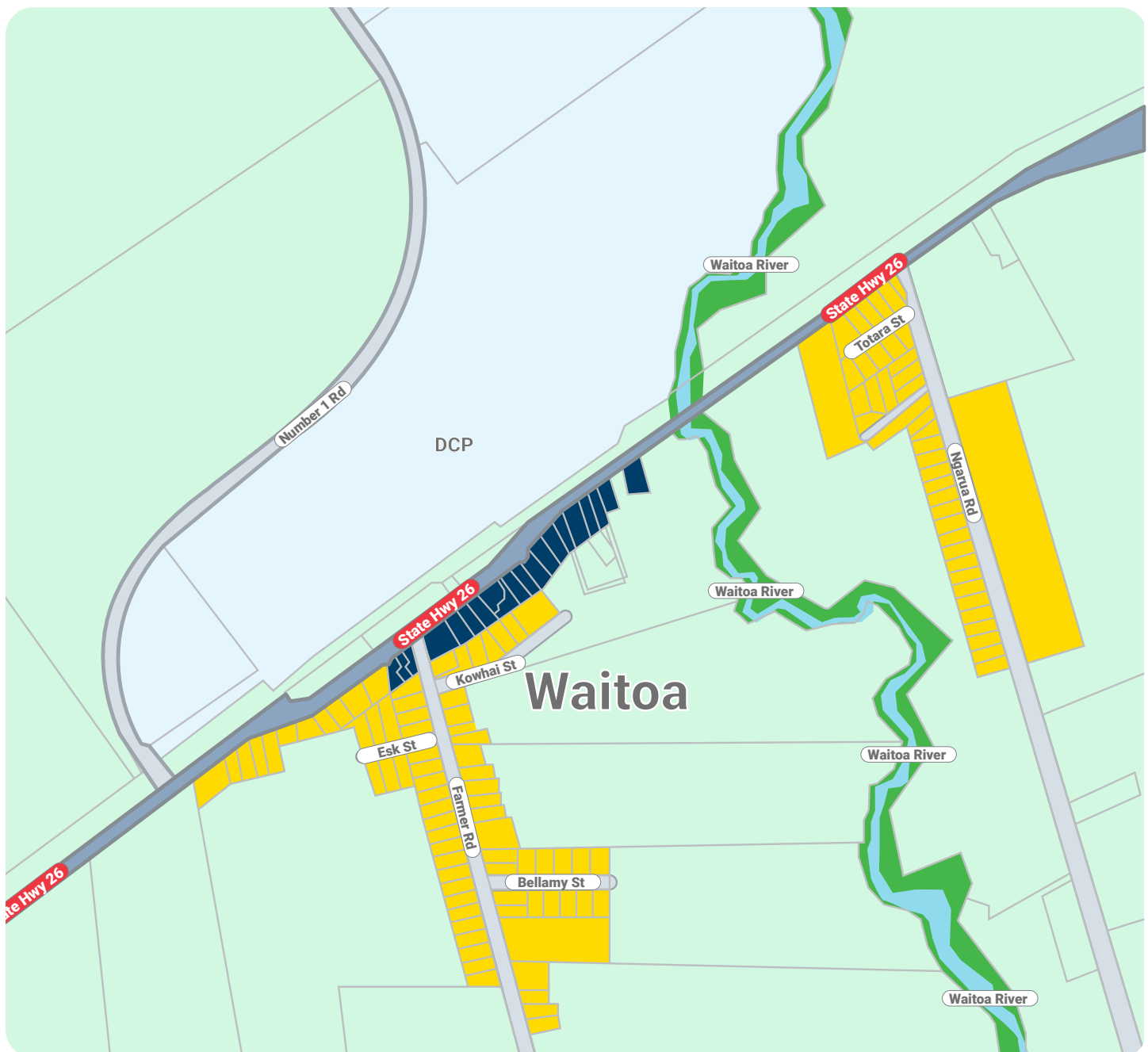
Who is affected?

All properties currently supplied by Fonterra in Waitoa Village (approx. 130 residential and a small number of business properties) will be affected by this decision.

Properties that currently have self-supply (e.g. tanks) would be also affected if the community chooses to connect to Council supply.

Some nearby rural properties have been involved in the conversation and are welcome to participate. The District Plan does not currently allow for council water supply to rural properties except in special circumstances.

This map shows the properties that are considered affected by this decision.



Affected properties:



Residential Precinct



Business Precinct

Scope

In making your recommendations to Council it is important to understand what the panel can and can't influence. To ensure everyone is on the same page – Council has clearly defined this for the panel:

Negotiables Things that panel members CAN influence	Non-negotiables Things panel members CAN'T influence
<p>Which water option is the best fit for Waitoa</p> <p>Provide recommendations on the future water supply to Council for final decision making.</p> <p>What matters most when choosing a water option</p> <p>Identify what's important and should guide the decision – such as water reliability, safety, costs, responsibilities, and property and lifestyle impacts.</p> <p>What help the community might need</p> <p>Shape advice on what kind of support Waitoa residents need to make the transition to a new water supply.</p>	<p>Fonterra is stepping away from supplying water</p> <p>Fonterra Cooperative Group has confirmed it will no longer supply water to Waitoa.</p> <p>All water supply options must meet legal safety standards</p> <p>National safety and quality standards are set by law and can't be changed through this process.</p> <p>Not all ideas will be possible or allowed</p> <p>Some options may not be technically, legally, or financially viable. Council will explain clearly what is and isn't possible as the conversation unfolds.</p>

What about wastewater?

The main driver for this discussion is Fonterra stepping away from water supply. While water and wastewater are related (one creates a need for the other), the systems are completely separate.

There is currently no mandate from Council to look at wastewater. Refer to page 28 for more information.

What the community has told us

We engaged Key Research (an independent research company) to survey residents about what matters most when it comes to water supply. They surveyed both residents of Waitoa (33 people), and residents of the wider Matamata-Piako District (102 people).

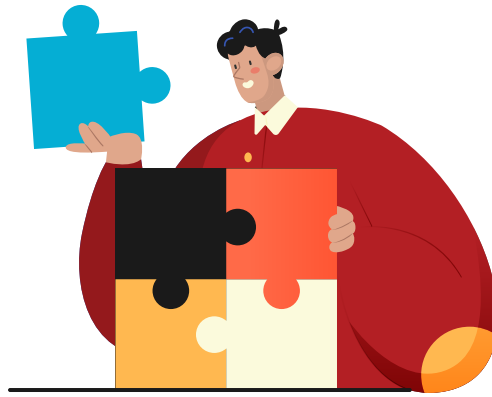
Why both?

- We specifically surveyed Waitoa residents because this decision matters most to them. Because it matters, they are likely to be more aware of the issues and challenges than other people.
- While panel members will have their own views on what should happen with the water, when making recommendations on behalf of the whole community, it's helpful to have a wider range of views to consider.
- We also gathered information from the wider community, because it is good context for the panel. If the panel recommends connecting to a Council supply, it impacts water rates for everyone in the district – so their opinions matter too.

Here's a summary of what the survey respondents told us

- **Safe, reliable water is a universal priority:** 99% of respondents believe it's important for all communities—regardless of size or location—to have access to a safe and reliable water supply.
- **There is generally support for district-wide funding:** 79% of respondents agree it's fair for the wider district to help smaller communities access safe drinking water, even if it involves shared costs.
- **Safety is the top priority:** Over half of respondents (56%) rank safety as the most important quality in a water supply, followed by ease of access, resilience, affordability, and environmental sustainability.
- **Quality and sustainability matter:** Over half of respondents (51%) said water quality — having clean/ safe water — was the most important factor when asked openly. When given a list of options to choose from, people rated long-term sustainability and water quality equally as their top priorities (both 31%).
- **Guiding values for decision-making:** We asked the community what the key values should be in guiding decisions about water. Here is how they answered (note that they could give multiple considerations/values here):
 - o Safety & quality (42%)
 - o Affordability (31%)
 - o Accessibility (30%)
 - o Sustainability (11%)
 - o Resilience (10%)
- **The Waitoa community currently lean towards Council supply:** Nearly 7 in 10 Waitoa respondents (69%) expressed a preference for a Council-managed supply over self-supply (25%).

The full Key Research Waitoa Water Supply Values Survey is in Appendix 1 of this document.



Self Supply

One of the two main options is for 'self-supply' - where individual households or groups manage their own water systems

What does it involve?

Self supply would mean each property owner needs to find a way to collect, store, treat, and maintain their own water supply.

The most common way to do this is rainwater tanks, but bores may also be a viable option.

Council engaged Iain Rabbitts, a Water Engineer with over 30 years experience in the field, to provide a report for the Waitoa Water Community Panel on requirements and considerations for rainwater tanks. The full report is in Appendix 2.

"As a "Domestic Self Supply", there are no regulations, rules or laws that tell you what you have to do (to treat your water). What is presented here is good practice for a household supply."

— Iain Rabbitts, Technical Report

Costs

It will cost approximately \$25,000–\$35,000 per property to install a rainwater system (including a tank, pump, filtration, and installation). These numbers are based on retail prices and do not include any bulk discounts, mates rates or any other discounts that may be applied.

The costs are broken down in more detail in Appendix 2.

Home owners would also need to budget up to \$1,000 per year for maintenance (such as filters, UV lamp, servicing, and roof cleaning).

"The costs for a rainwater system will vary depending on the level of treatment and storage and the ease of installation but a rough order cost of between \$25,000 and \$35,000 is probably required."

— Iain Rabbitts, Technical Report

Water Reliability

Rainwater supply depends on roof area and rainfall.

In general, it is recommended that homes have 25,000–50,000 litres of storage to get through dry periods.

If you run out of stored water (e.g. during a particularly dry Summer), it is possible to have your tank filled through a private water carrier. There are several water carriers operating in the Waikato. This is the homeowners responsibility and cost.

Example properties

Three sample households were assessed to understand what's involved in installing rain water tanks.

- A small household (1–2 people) would need around 25,000 litres of storage.
- A medium household (3–4 people) would need about 50,000 litres, and a larger household (5–6 people) around 75,000 litres.

Tanks should be placed close to the house so roof water can flow directly in, as underground pipework is more expensive and prone to blockages. However, large tanks (around 2.8 m high) can take up space, block windows, or reduce garden area.

Roof shape and layout also limit how much rainwater can be collected, and tanks must be kept well away from septic systems to avoid contamination.

There are also Council requirements to consider when installing rainwater tanks, including building consents and setback rules — these are explained in more detail below.

You can read more about the sample property assessments in Appendix 3.

Safe Water

There is no legal requirement for treatment on domestic self-supply, but best practice is to use multi-stage filtration and UV disinfection. You will need a plumber to install/connect your tank, and they will advise you on the best options for your site and pipework.

"Rainwater is clean... until it hits your roof. The trouble is that your roof collects everything from diesel and petrol exhaust particulates to bird, rat and possum droppings, to leaf and plant debris. And the rain washes all of this into your tanks."

— Iain Rabbitts, Technical Report

The following guidance is from Council's Planning team and outlines the property owner's responsibilities when it comes to installing new rainwater tanks.

To install a rainwater tank for drinking water, you'll need to apply to Council for a minor works building consent. As part of that process, Council needs to check that your property can safely soak away the overflow water from the tank.

The size of the soakage pit (where excess water drains) depends on how quickly water soaks into the ground at your property. You will need to get this tested and have a suitable design prepared — usually by a qualified professional — before submitting your application.

Council then assesses the proposed design to make sure it meets Building Code, Resource Management, and engineering requirements. Any consented work will be recorded on your property's Land Information Memorandum (LIM), which can be helpful if you decide to sell in the future.

The District Plan also requires that any structure, including a tank, is set back at least 2 metres from your property boundary. This increases if your property adjoins a State Highway:

- 20 metres where the speed limit is over 70 kph
- 10 metres where the speed limit is 70 kph or less

The current fee for a Minor Plumbing or Drainage building consent is \$640. Additional costs may apply for inspections, engineering checks, or other processing requirements depending on your site and project details.

Maintenance

The property owner is responsible for all maintenance. Recommended maintenance includes: roof cleaning, gutters, tanks, replacing filters and UV lamps, checking pumps.

"Rainwater systems require maintenance to be sure that the water collected is as clean as possible and the treatment system is keeping the water safe to drink. In summary there is about 25 hours of maintenance required every year and the basic cost for parts if you do everything yourself is about \$1,000 per year."

— Iain Rabbitts, Technical Report

Emergency

There is no legal requirement for emergency storage, but it's recommended to have extra tank capacity for fire-fighting or shortages.

Timeframes

The timeframe for installing tanks will be faster than connecting to Council supply. Installation can be arranged as soon as contractors are available and consents are granted.

If the community chooses self-supply, it would mean agreeing to a deadline with Fonterra, that all homes will arrange their self-supply systems by. This deadline would need to give all homeowners a reasonable amount of time to arrange the consent and installation of tanks.

It is anticipated that Council would have no further involvement – other than processing consents for tanks.

Fonterra would turn off their water supply to the community on the deadline day (i.e. there would be no extensions).

Wastewater

Wastewater systems are completely separate to water systems.

Septic tanks remain the responsibility of the property owner.

Landlord's and tenant's responsibilities

Tenancy Services provide clear guidance on the responsibilities of each party when it comes to tank water. The following information is directly from tenancy.govt.nz

If the water supply is from a tank, the landlord should provide a full tank at the start of a tenancy. The tenancy agreement should record that the tenant will arrange and pay for any refills.

Water tanks need to:

- be an appropriate size. An average-sized house should have a tank of about 5,000 gallons (22,500 litres)
- be properly connected to a roof of reasonable size so rainwater can top up the tank
- have no leaks or contamination.

General maintenance of the pump is the landlord's responsibility. If tenants damage the pump (e.g. by letting the pump run when the tank is empty) they may be responsible for the cost of repairs. The landlord should provide written instructions on how the tank water system works.

Case Study: MacKay Subdivision, Waihou

Rainwater tanks and private supplies are not the only self supply options. One alternative is installing a bore that provides water to multiple properties. This is what a group did in Waihou in 1983 – with the bore supporting around 70 residents and 25 properties.

"Since 1983, the community has managed its own small networked water supply, originally handed over as a basic built system. Over time, the system has evolved to meet changing regulations and community needs."

– Tim Donaldson, Chair, MacKay Subdivision Incorporated Society

The group is an Incorporated Society and relies on volunteers to perform key roles: sample collector, maintenance person, and chairperson. At the annual AGM the volunteer roles are elected and the annual water rate is set to cover the operating costs.

"Annual rates are set at the AGM. Operating costs are approximately \$4,000–5,000 per annum, covering power, laboratory testing, insurance, council rates and resource consent monitoring fees. Significant upgrades have sometimes required bank loans, as routine savings were not always sufficient."

– Tim Donaldson, Chair, MacKay Subdivision Incorporated Society

The full case study is in Appendix 4.



Council Supply

Overview

Council supply means Waitoa connects to the district's water network, with Council responsible for supply, treatment, compliance, and maintenance.

Waitoa would be connected to the Te Aroha water supply but no decision has been made on exactly where that connection would occur (i.e. where the main pipe would run, and where it would connect with the main supply). Further investigative work and design work will happen if Waitoa opts for Council supply.

Further information on the options considered are included in Appendix 5.

Costs

There are multiple costs to connect to the Council supply. If the community chooses the Council supply option, homeowners will need to pay all of the following:

One off capital contribution (one off cost to install the water main pipe):

The estimated cost to install water main pipes to Waitoa and throughout the settlement is \$8.2 million. Council has determined that the Waitoa community would need to contribute 15% of that cost by paying either:

- A lump sum of \$10,881¹ per property
- Instalments of \$2,813¹ per year for 5 years*

The remaining 85% would be funded by Council. Capital projects like this are typically funded through loans, and the costs to service that loan (payments and interest) are added to rates. Water is charged as a targeted rate to all ratepayers with a water supply.

* This is a higher total payment to Council overall because it is a loan - so it includes interest at the same rate Council would be paying (i.e. Council is not making money on this, but is oncharging the additional cost that loans incur). The five year repayment period is based on the five year repayment scheme offered to Tahuna and Waharoa in 2009-2011 when they connected to the Council wastewater system over 10 years ago. It is used here for modelling purposes and could be changed (e.g. if the Community Panel wanted to recommend shorter or longer repayment periods)

¹ Calculation assumes 130 Waitoa properties connecting to the network, and for payment by instalment, a 5% interest rate has been used for modelling purposes.

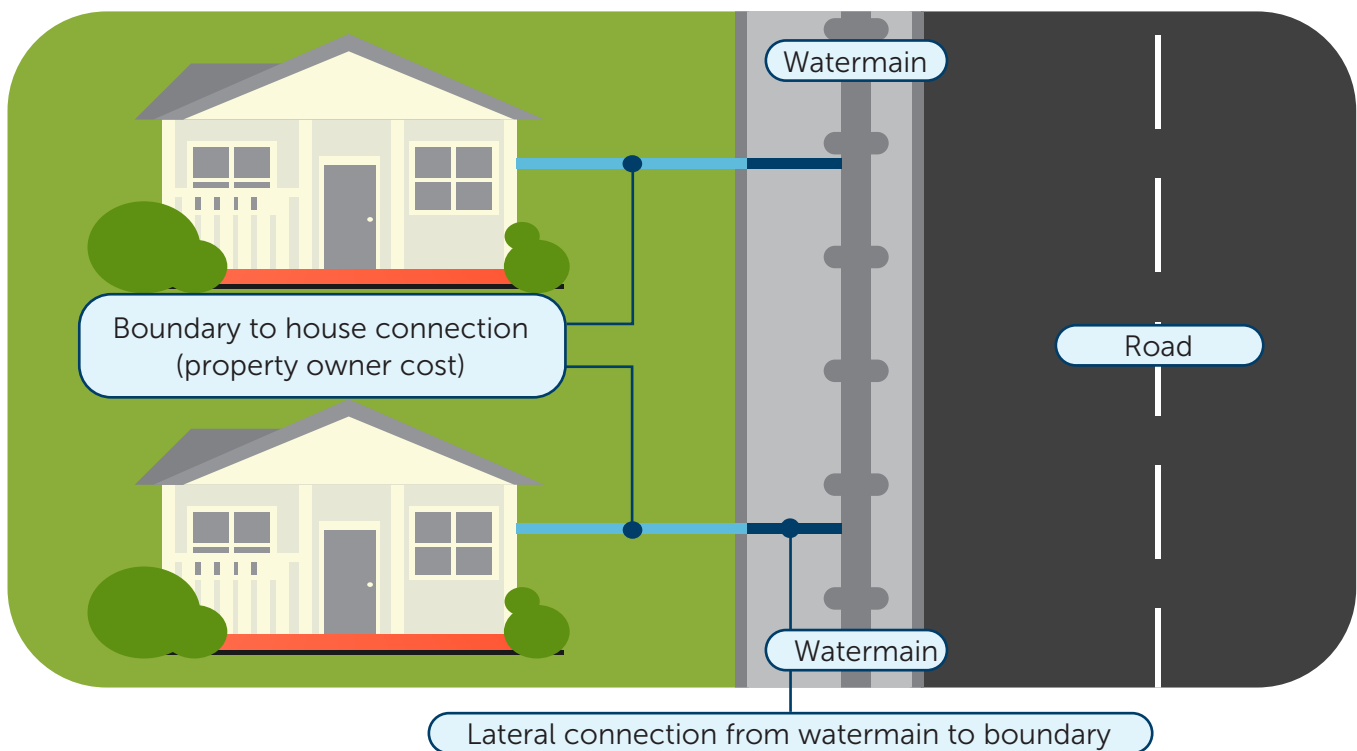
One-off cost to connect your property:

The capital costs cover installing the water main pipes to Waitoa. Each property owner must then pay for the connection from the property boundary to their house.

This is estimated at an average of \$2,570 per property, plus internal plumbing of approximately \$2,000. The figures will vary depending on the property.

Here's how the boundary-to-house estimate is broken down:

Plumber and labourer (8 hours at \$165/hour)	\$1,320
Excavator	\$ 700
Materials: pipe and fittings	\$ 400
Misc. e.g. bag of concrete, topsoil etc	\$150
Total (estimate)	\$2,570



Ongoing costs:

Once connected to the water supply, ratepayers pay a 'targeted rate' for water as part of their rates each year. Water is currently charged as a 'uniform' rate – which means that everyone who receives this service pays the same amount.

This is currently \$769.28 for 2025/26.

This fee is recalculated annually based on the costs to provide the service and water-related projects. It's worth noting that tough regulatory requirements are requiring infrastructure upgrades that mean water rates are projected to increase year on year for several years to come. This will happen regardless of who supplies water – Council or Waikato Waters Ltd.

Water rates

Rate Type	Description	Annual Plan Rates (inc GST)			Indicative rates from information collated in the development of the Water Services Delivery Plan [1] (inc GST)		
		2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Uniform Targeted Rate	Charged per connected unit	\$769.28	\$812.32	\$885.70			
Availability Charge	Charged to properties within 100m but not connected	\$384.64	\$406.16	\$442.85			
Metered Water Supply (currently charged to industrial and high-users only)	Charged per m ³ above 63m ³ /quarter or 21m ³ /month	\$3.01	\$3.08	\$3.15			

You can read more about the current funding approach and forecast increases in Appendix 6.

Waitoa Hall

In community conversations to date there have been questions about whether the proceeds from the sale of the Waitoa Hall could be used to offset the costs of a new water supply. How the sale proceeds may be used in future has not been agreed by Council.

Water Reliability

Council supply is generally reliable, but outages can occur due to maintenance, drought, or contamination. Here's why these can happen and what it means for the community:

- **Source water quality can affect supply:** If the treatment plant cannot safely treat the water, only the water already in the storage reservoirs is available. During this time, the community may be asked to conserve water until treatment can resume.
- **Boil water notices:** If there is a risk of running out of safe water, or if contamination is detected in the network (for example, E. coli from a mains break or backflow event), a boil water notice may be issued to protect public health.
- **Infrastructure and supply interruptions:** Water mains can break, and contamination can happen within the pipe network, which can also lead to temporary service issues or boil water notices.
- **Limits on water sources:** we have strict Resource Consents that specify how much water we can take to treat from local rivers and streams.. And during dry weather, there is less available to take! That means we sometimes have to use water restrictions to manage demand. For example, in the 2024/25

summer, Te Aroha residents were placed on level three water restrictions, which limited outdoor use like sprinklers and unattended hoses.

- **Managing demand and usage:** Council manages water use through the District Wide Water Demand Management Plan, which includes water meter installation for known high water users (e.g. high water use businesses, or homes with swimming pools). This helps monitor usage and detect leaks. Water bills may reflect high usage if a leak occurs until it is repaired.

Water meters

Council anticipates water meters will need to be installed across the district. Water is a precious resource, and in recent years we have seen tighter controls on how much we can take and treat. Making people pay for their actual consumption is a proven way to reduce water consumption, usually reducing total demand by up to 20%. Reducing water consumption/demand for treated water also helps with leak detection/loss reduction and delay the need to do expensive upgrades to increase capacity.

In the last Long Term Plan, Council was looking to start implementing water meters from 2027/28. However, with water services now transferring to Waikato Waters Ltd in 2026, it will be up to that organisation to determine whether or not to proceed with water meters and the timing.

Safe Water

Council supply must meet legislated drinking water standards, overseen by Taumata Arowai – the Water Services Authority.

We have lots of processes in place to monitor the quality and safety of our drinking water.

The water treatment plants are constantly monitored by water technicians, who carry out tests to ensure the water is safe to drink (such as pH, turbidity and chlorine tests). At the larger plants we also we have an online monitoring system that checks processes and monitors the water quality – if anything isn't quite right, the system will alert water treatment staff via email and their mobile phones (no matter what time of the day or night).

On top of these measures, we also send samples of our water to independent laboratories, who test the quality of the water to make sure we're providing safe water to our communities.

“Council supply must meet legislated drinking water standards, overseen by Taumata Arowai. Council is subject to regular testing and can be fined for non-compliance.”

— Council Compliance Report

Council has staff whose role is specifically to monitor and report on compliance with these standards.

Key considerations for septic tank users connecting to Council water

If your property has a septic tank, there's a risk that contaminated water could flow back into the drinking water system. To prevent this, you'll need to have a backflow prevention device installed.

- Installation: Property owners are responsible for arranging and paying for installation. The one-off cost is around \$2,580 +gst.
- Annual checks: The device must be inspected every year by an Independent Qualified Person - such as a licensed plumber or plumbing contractor trained in backflow testing - at the property owner's expense. The typical fee for this inspection is around \$280.
- These requirements help keep the community's drinking water safe.

Maintenance

Council is responsible for all maintenance, treatment, compliance monitoring and reporting, and emergency response. This is paid for through rates.

Residents report any issues with the water network (such as leaks, discolouration, or sudden drops in pressure) to Council and Council will send staff to investigate.

Any water issues on private property (between your house and the water toby) remain the responsibility of the property owner.

Emergency

Fire-fighting capability is provided by hydrants installed every 135 metres (as per technical standards).

The location of the hydrants has not been determined at this stage.

Timeframes

Further consultation with the wider community would be needed if Council supply was preferred, and that would take place as part of the 2026/27 draft Annual Plan process.

Consultation on the plan is likely to take place March/April next year, and after Council considers community feedback, the Annual Plan will be adopted in June 2026 (Council's financial year runs from 1 July to 30 June.)

Water services are currently under review right across the country – with Councils deciding whether to continue delivering water and wastewater alone, or join forces with other Councils. MPDC is joining with six other Councils to establish Waikato Waters Limited (a Council Controlled Organisation) to deliver water services. At this stage it is expected that our water services will transfer to be managed by Waikato Waters Ltd in October 2026.

Setting up a new organisation, and aligning and prioritising the waters projects across six or seven districts is a massive undertaking. At the time of writing, it is difficult to predict what impact this will have for the Waitoa community.

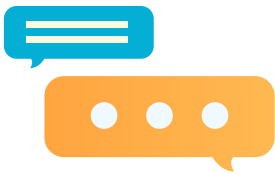
If the Waitoa community chooses to connect to a Council water supply, it is likely that the timing to complete the connections will be determined by Waikato Waters Ltd, and we will use our position as a Shareholder to drive this project.

Wastewater

Community conversations to date have highlighted the concern that connecting to Council water may increase water use, potentially overloading older septic tanks.

Council is required to undertake a 'Sanitary Survey' by mid 2026, which looks at how well water, wastewater and stormwater services are meeting the needs of communities – both now and into the future.

There are no immediate plans for a wastewater system, but future upgrades may be considered. This would happen in consultation with Waikato Waters Limited.



Impact on Property Values

"I think with a 'Council' supply it would be more consistent and a cost evenly divided between the whole community.

Waitoa seems to have attracted a few first home buyers in recent years and I think IF the home owners had to add installing a water supply or adding to the water supply to their property as an 'extra' cost it would make it less of an option for them.

Current buyers are usually on a firm budget and the banks take into consideration the 'risk' factor when approving loans or pre approval. So any future potential cost of supply replacement or repair would be considered. However, with a managed water supply in place it alleviates those issues. And possibly more desirable for purchase.

- Allison Ward, Licensed Sales Consultant, Harcourts Te Aroha (and Te Aroha Business Association Chair)


How the options compare

Aspect	Self Supply	Council Supply
Capital Cost	\$25,000–\$35,000 per property	\$10,881 per property, plus \$2,570 connection
Ongoing Cost	Up to \$1,000/year	\$769.28/year (2025/26), plus metered charges
Water Reliability	Depends on rainfall, storage, maintenance	Generally high, but subject to restrictions
Safe Water	Owner responsibility, best practice only Building consent for new tanks/ plumbing	Council must meet strict standards (regulated by Taumata Arowai, Commerce Commission)
Maintenance	Owner responsible	Council responsible
Emergency	Owner can add extra tank	Hydrants every 135m
Timeframe	Immediate (contractor availability)	1–2 years (consultation, design, build)
Wastewater	Owner responsible for septic	Council survey by 2026, no immediate upgrade
Landlord's and tenant's responsibilities	Tenant: refills and responsible use	Report leaks and other issues to Council (or Landlord if on private property)
Property Value	May deter buyers/lenders	More attractive to buyers/lenders



Waitoa Water Supply Values Survey
September 2025





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2025 Waitoa Water Supply Values Survey

Executive Summary

Importance of Access to a Safe and Reliable Water Supply

- Almost all respondents (99%) believe it is important to have access to a safe and reliable water supply for all communities, regardless of size or location.
- This sentiment is consistent across all sub-groups.

Agreement on District-Wide Support for Safe Drinking Water

- Nearly eight in ten respondents (79%) agree that it is fair for the wider district to support smaller communities in accessing safe drinking water, even if this involves shared costs.

Most Important Qualities of a Good Drinking Water Supply

- Safety is the most important quality of a good drinking water supply for most respondents (56%).

Main Consideration in Water Supply System

- Unprompted, over half (51%) of respondents cite the *Quality of the water, clean water, or safe water* as their main consideration when thinking about the water supply system, investment, and maintenance.
- However, when prompted, *Long-term sustainability* (31%) and *Quality* (31%) were identified as the main considerations.

Background, Objectives and Methods

Background

Residents of the Waitoa area of the Matamata-Piako District face a major change to the way in which their water supply is delivered. A deliberative engagement approach is being implemented, a part of which, is seeking to understand what residents (both of the affected area and across the wider district) value in the process of water supply.

Method

- A mixed-method of data collection was used:
 - Method 1: Postal to online. This method utilised the ongoing Residents' Survey being conducted by Key Research to gather a district wide sample. A sample of residents was randomly selected from the Electoral Roll and postal invitations were sent to participate via an online survey. Residents of Waitoa were excluded from this method, as they were targeted in method 2.
 - Method 2: Face to face. Council employees went to each household within the Waitoa area to distribute the survey, ensuring every affected household had the opportunity to participate in the survey.
- The total number of responses collected was n=133 with 31 response from Waitoa area and further 102 from the wider district.
- Post data collection, the sample was weighted to align with known population distributions for the Matamata-Piako area, as per the Census 2023 results, based on age, gender and ethnicity.

- The sample has an expected 95% confidence interval (margin of error) of $\pm 8.50\%$. The margins of error associated with subgroups may be larger than this as the results become less precise as the sample size shrinks. Thus, outcomes derived from particularly small sample sizes should be read with caution.

Research Objectives

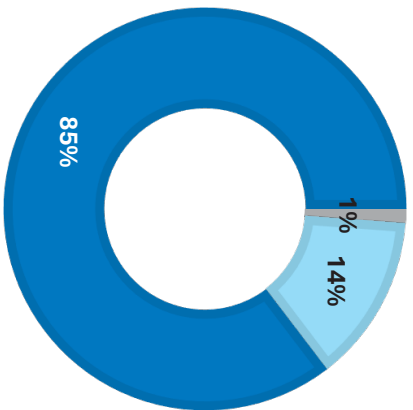
- Understand residents' perceptions of the importance of the quality of water supply and equitable access to a safe and reliable water supply.
- Ascertain resident concerns (including equity concerns), if any, about how water is supplied across the district.
- Provide insights into what values or principles should guide water supply across the district.

Notes

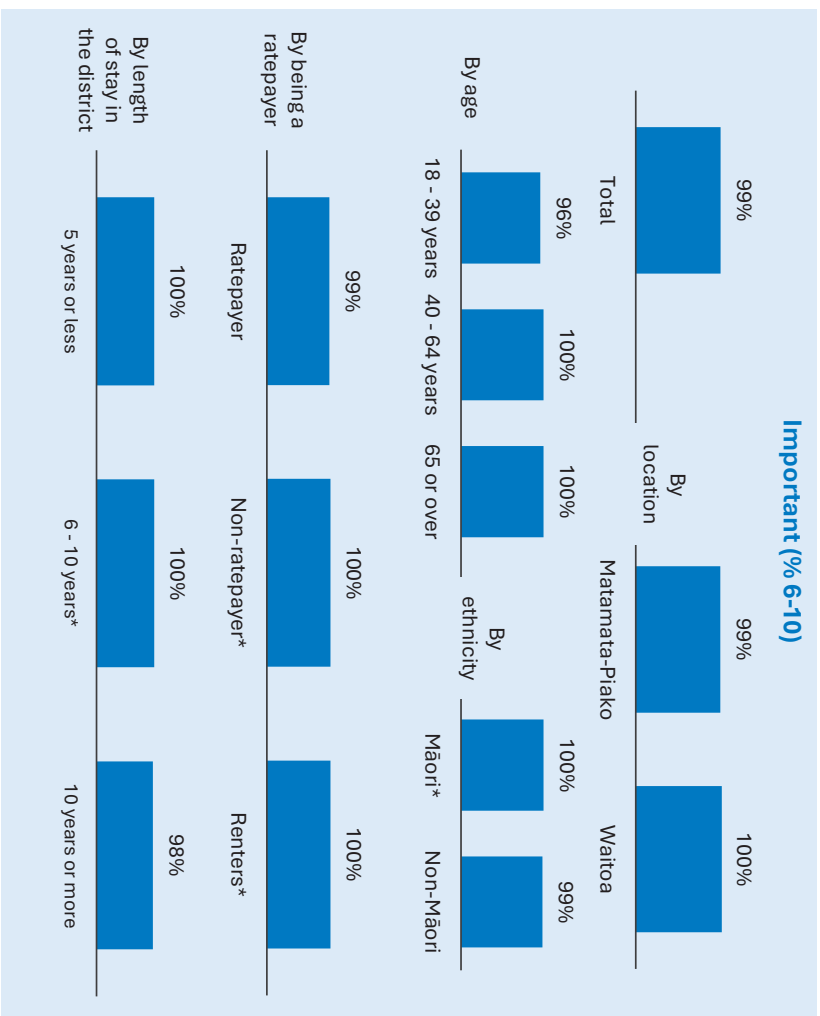
- Due to rounding, percentages may add to just over or under (+/- 1%) totals
- All question statements have been added in the footnotes, along with the sample size (n=) for each.
- Where 'Matamata-Piako' is referred to throughout the report, this sub-group refers to respondents in the district not within the Waitoa area.



Importance of Access to a Safe and Reliable Water Supply

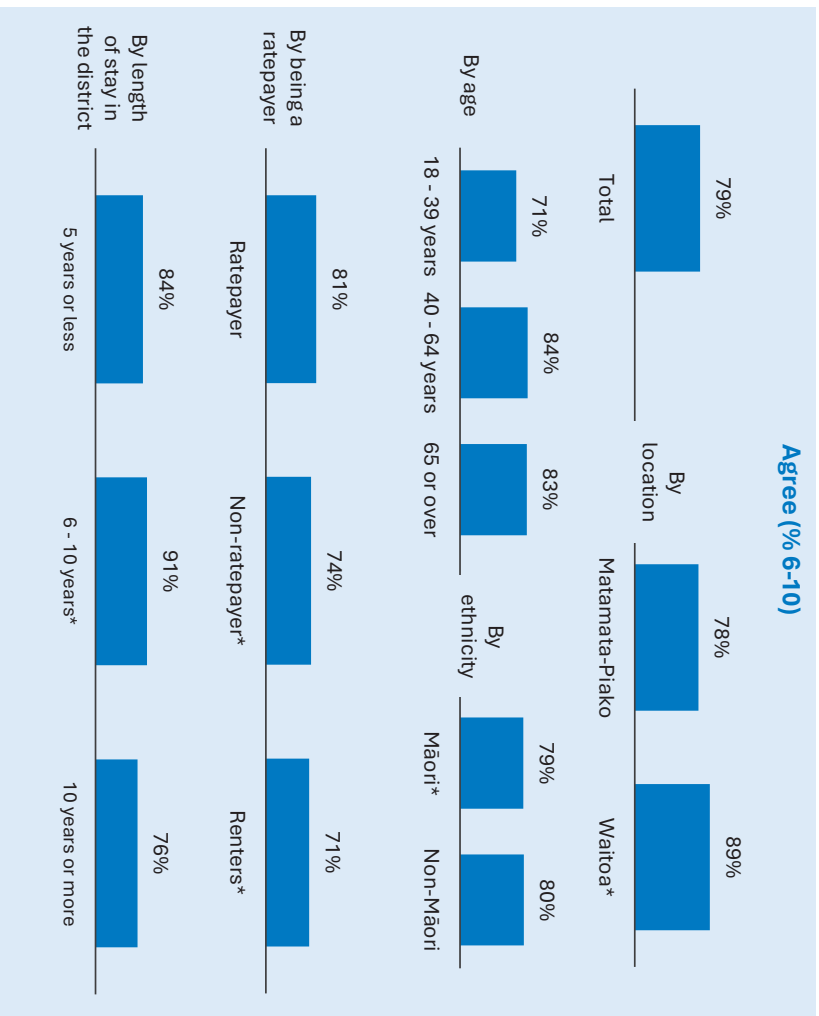
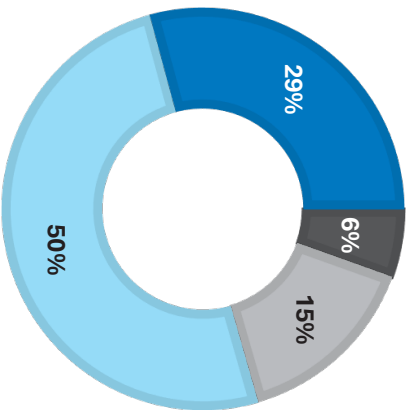


■ Not important at all (1-2) ■ Not very important (3-5)
 ■ Somewhat important (6-8) ■ Very important (9-10)



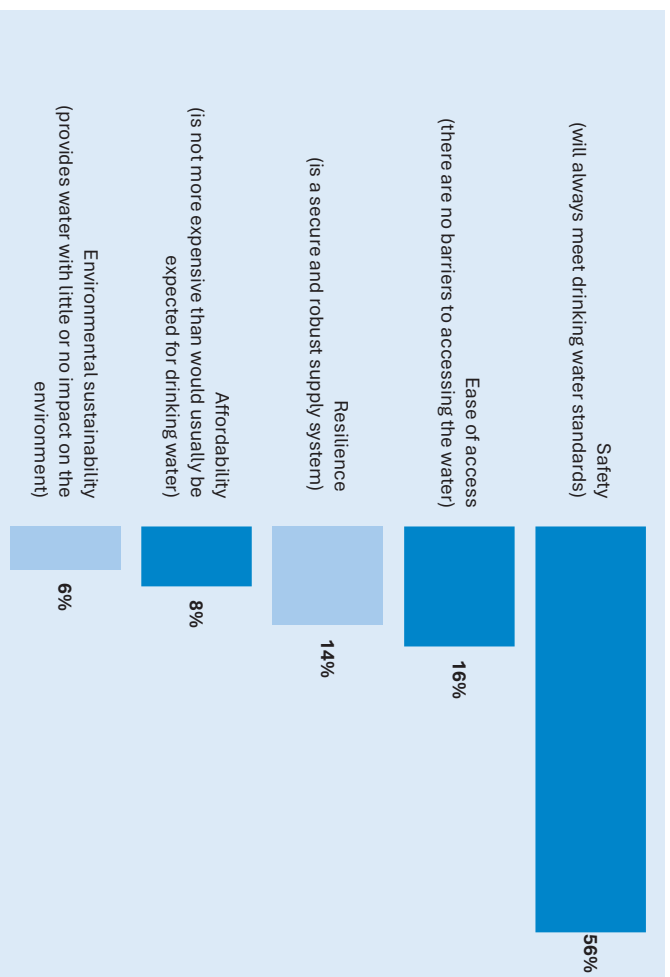
NOTES:
 1. Sample size: Total n=132; Matamata-Piako n=101; Waihoa n=31; 18-39 years n=38; 40-64 years n=58; 65 or over n=36; Māori n=24; Non-Māori n=108; Ratepayer n=109; Non-ratepayer n=6; Renters n=17; 5 years or less n=33; 6 - 10 years n=17; 10 years or more n=80.
 2. WWS2. On a scale of 1-10 where 1 is 'Not important at all' and 10 is 'Very important', how important is it to you that all communities in the district, regardless of size or location, have access to a safe and reliable water supply?
 3. *Caution small sample size (n<30) results are indicative only.

Agreement on District-Wide Support for Safe Drinking Water



- NOTES:
1. Sample size: Total n=126; Matamata-Piako n=97; Waitoa n=29; 18-39 years n=35; 40-64 years n=55; 65 or over n=36; Māori n=22; Non-Māori n=104; Ratepayer n=104; Non-ratepayer n=6; Renters n=16; 5 years or less n=30; 6 - 10 years n=17; 10 years or more n=79.
 2. WWS: How much do you agree or disagree with the following statement: "It's fair for the wider district to support smaller communities in accessing safe drinking water, even if it involves some shared costs."
 3. *Caution small sample size (n<30) results are indicative only.

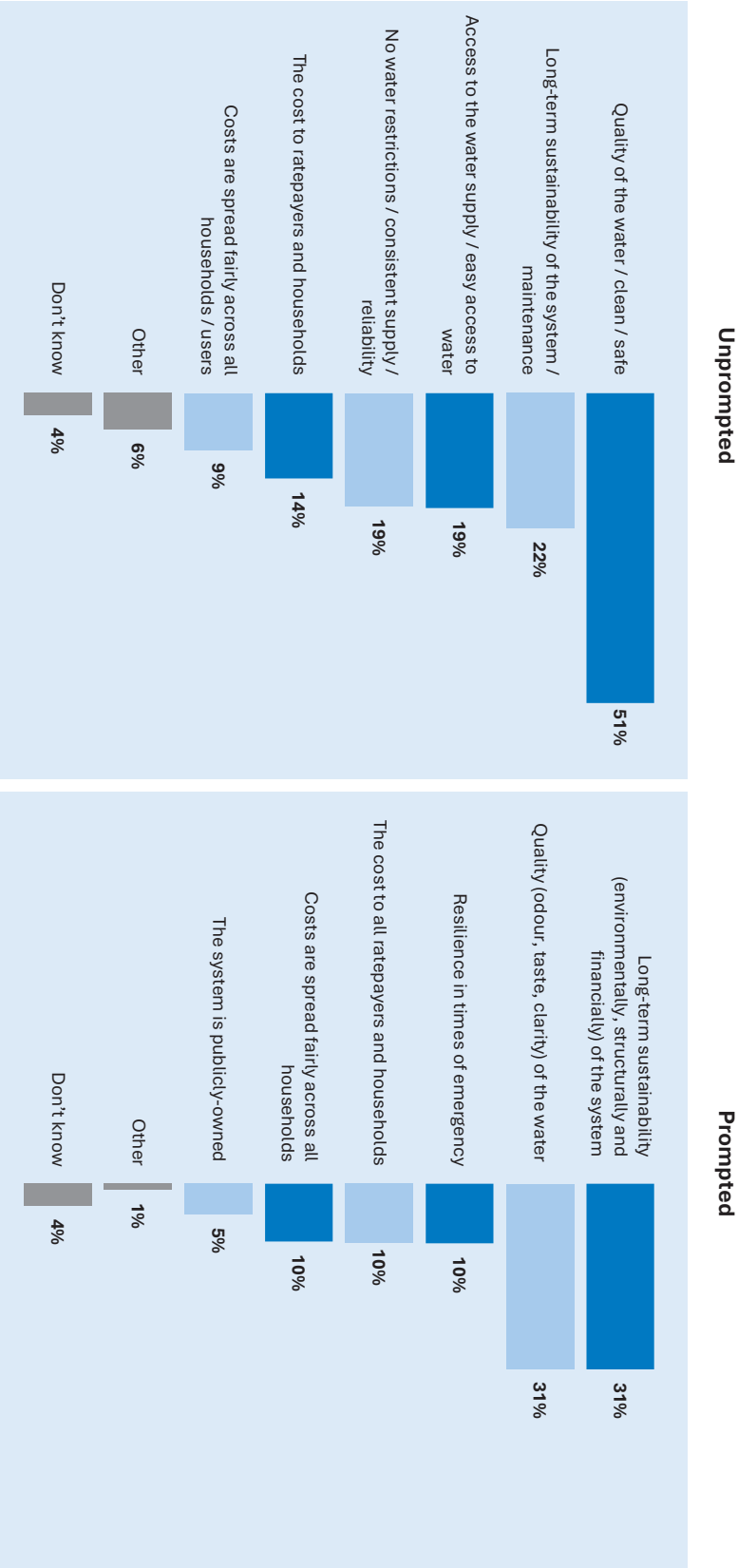
Most Important Qualities of Drinking Water Supply



NOTES:

1. WWS1. Please rank the following (from the most important to the least important) qualities of a good drinking water supply? n=133

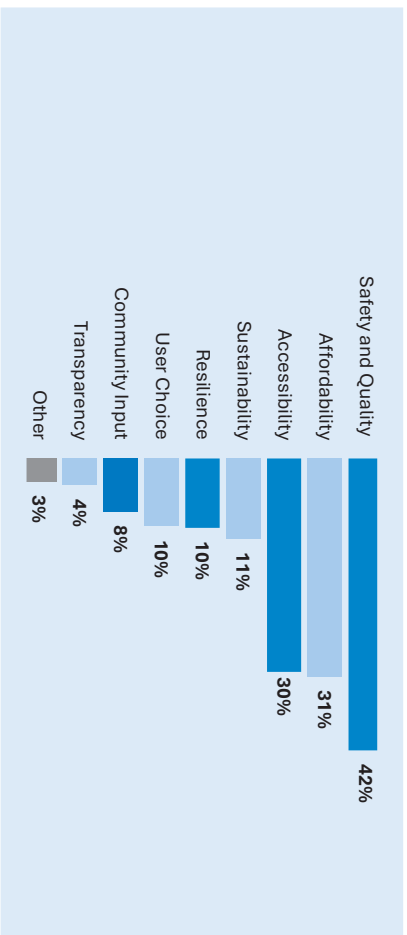
Main Consideration in Water Supply System



NOTES:
 1. WWS3. When thinking about how water is supplied (that is, the water supply system, the investment required, the management and maintenance of it) what should be the main consideration? n=124
 2. WWS4. When thinking about how water is supplied (that is, the water supply system, the investment required, the management and maintenance of it) which of the following should be the main consideration? n=133

Residents' Guiding Values for Water Supply Decisions

- Respondents highlighted **Safety and quality** (42%), **Affordability** (31%), and **Accessibility** (30%) as the key values that should guide decisions about the district's water supply.



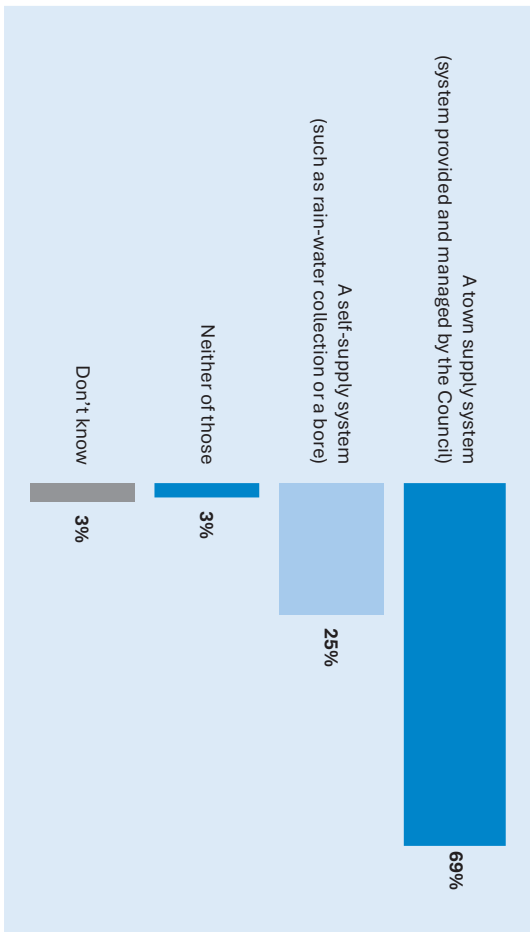
	Matamata-Piako	Waioa*	18 - 39 years	40 - 64 years	65 or over	Māori*	Non-Māori	Ratepayer	Non-Ratepayer	Renters	5 years or less	6-10 years	10 years or more
Safety and Quality	41%	44%	40%	39%	46%	40%	42%	39%	45%	55%	40%	51%	40%
Affordability	28%	47%	42%	27%	25%	21%	33%	31%	73%	20%	35%	35%	29%
Accessibility	30%	35%	34%	35%	22%	28%	31%	32%	-	30%	50%	21%	25%
Sustainability	13%	4%	6%	13%	14%	16%	11%	12%	14%	9%	8%	17%	11%
Resilience	8%	21%	13%	13%	3%	8%	10%	9%	-	19%	8%	24%	8%
User Choice	9%	13%	14%	7%	9%	-	11%	9%	-	18%	7%	20%	9%
Community Input	8%	4%	12%	5%	7%	8%	8%	7%	-	15%	9%	9%	7%
Transparency	2%	12%	2%	6%	3%	13%	2%	3%	27%	-	-	-	6%
Other	4%	-	2%	1%	7%	6%	3%	4%	-	-	2%	5%	3%

NOTES:

1. Sample size: Total n=112; Matamata-Piako n=83; Waioa n=29; 18-39 years n=30; 40-64 years n=48; 65 or over n=34; Māori n=22; Non-Māori n=90; Ratepayer n=94; Non-ratepayer n=4; Renters n=14; 5 years or less n=26; 6-10 years n=15; 10 years or more n=71.
2. WWS6: What values or principles should guide decisions about water supply in our district?
3. *Canton small sample size (n<30) results are indicative only.

Preferred Method of Water Supply

- Nearly seven in ten respondents (69%) would prefer a **Town water supply** for their property in the future compared to a **Self-supply system** (25%).



NOTES:

- Sample size: Total n=31;
- WWS7: Given your current understanding, which of the following would be your preferred method of water supply for your property into the future;
- *Caution small sample size (n<30) results are indicative only.

Sample Profile



Appendix 1 - Key Research Waitoa Water Supply Values Survey

Sample Profile (n=133)

Gender



	Male	Female
Weighted	48%	52%
Unweighted	55%	45%

Ethnicity* (weighted)

Ethnicity	Weighted	Unweighted
Māori	15%	18%
Non-Māori	85%	82%

Location (weighted)

Location	Weighted	Unweighted
Matamata-Piako	86%	77%
Waitoa	14%	23%

Age (weighted)

Age Group	Weighted	Unweighted
18-39	33%	33%
40-64	38%	38%
65 or over	28%	28%

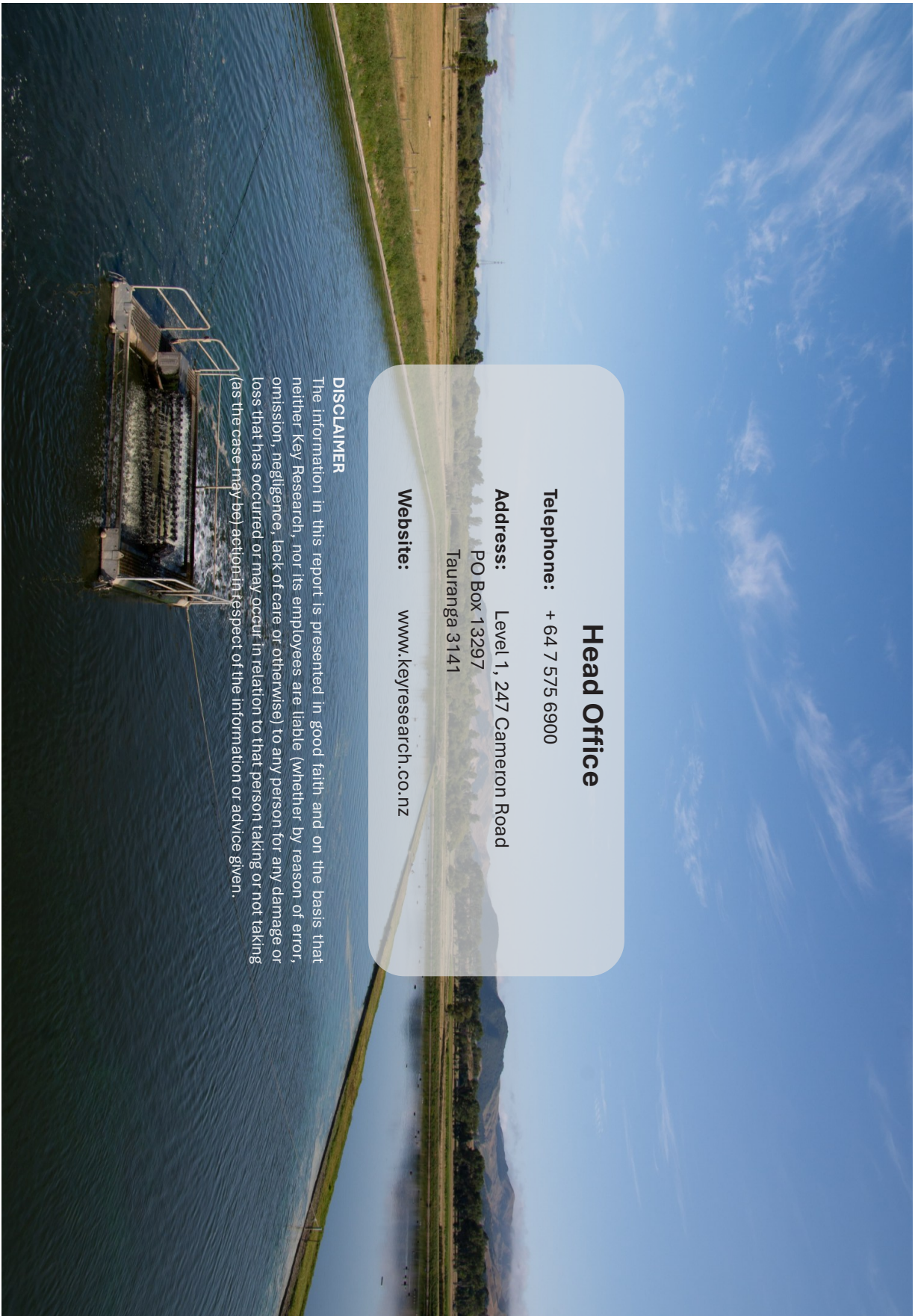
Paying rates (weighted)

Paying Rate	Weighted	Unweighted
Ratepayer	79%	83%
Non-ratepayer	6%	5%
Renting	15%	13%

How long lived the area (weighted)

Duration	Weighted	Unweighted
5 years or less	25%	26%
6-10 years	13%	14%
10 years or more	62%	60%

Note: *Multiple response



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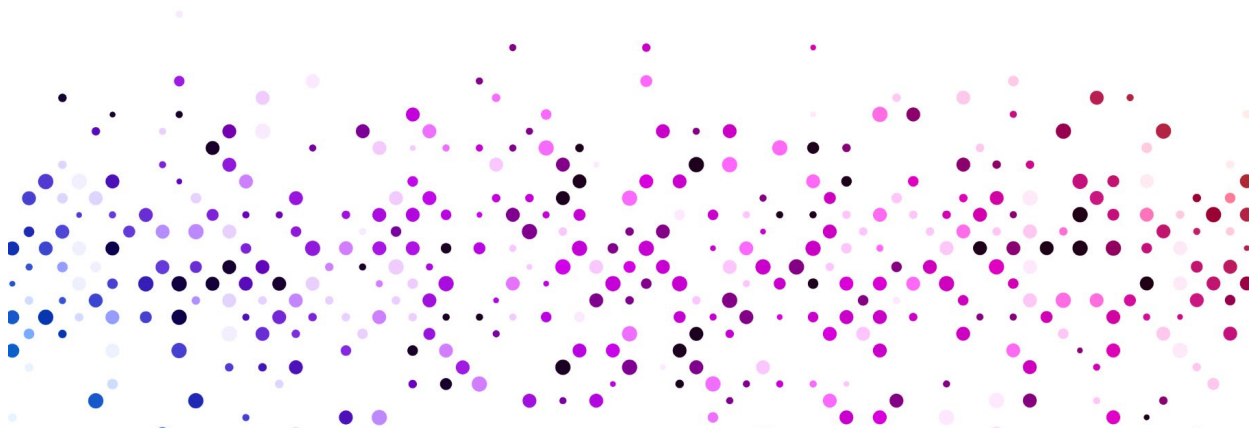


10/09/2024

Waitoa Self Supplied Buildings Information

Prepared for Matamata-Piako District Council

By Iain Rabbitts



Executive Summary

One option for the supply of potable water to Waitoa is for each household to have its own rainwater system. This relies on collecting rain from the roof of the house, storing it in tanks and then pumping it through a treatment system to the house. This report looks at what is required for a rainwater tank system, and how to keep your family safe from contaminated water.

While you don't have to do anything to the water that falls on your roof, there are some practices and treatments that are advised to keep the water clean.

The amount of storage that is required depends on the water usage, the size of your roof and the rainfall in your area. However, 50,000 litres of storage is suggested for an average family. The costs for a rainwater system will vary depending on the level of treatment and storage and the ease of installation but a rough order cost of between \$25,000 and \$35,000 is probably required.

The maintenance on a rainwater system includes annual cleaning of the tanks, biannual cleaning of the roof and quarterly cleaning of the guttering. In addition, the water treatment plant needs cartridge replacement every 3-6 months, and annual replacement of the UV lamp and servicing of the pump. Running costs are about \$1000 per annum for consumables and servicing. The cost of roof, gutter and tank cleaning needs to be added to this if a contractor is used.

Appendix 2 - Waitoa Self Supplied Buildings Information report - Iain Rabbitts

Matamata-Piako District Council

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1 INTRODUCTION

The town of Waitoa currently receives its municipal drinking water supply from the Fonterra Dairy Factory. Fonterra do not wish to continue to be a municipal water supplier. The residents of Waitoa have a couple of options for water supply. This report examines the issues associated with each property collecting rainwater for supplying the needs of the property.

“You can have cheap (drinking) water, you can have safe (drinking) water, but you cannot have cheap, safe drinking water.” Dr Steve Hrudey, [drinking water expert from University of Alberta, Canada](#)

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2 WHAT IS A RAINWATER SYSTEM?

A rainwater system collects rainwater (normally from the roof of a property) and stores the water in a tank or tanks. The water is then treated and pumped into the property for all normal uses:

- Drinking water
- Food preparation
- Ice making
- Washing, showering and baths
- Toilet flushing
- Laundry
- Car washing
- Garden watering/irrigation
- House washing

2.1 A Rainwater Collection and Storage System

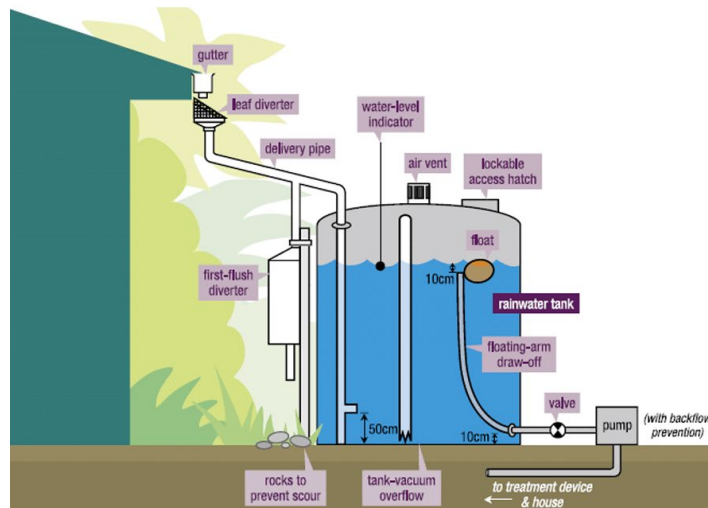


Figure 1 - Rainwater Collection and Storage System

Table 1 – Equipment Descriptions		
Equipment	Function	Reasons
Roof	Collect rainwater	The amount of roof area does impact how much water can be collected in any given rain event.
Gutters	Divert rainwater to collection point	The capacity of the gutters can affect the amount of rainwater collected during heavy rain.

Gutter screens	To prevent leaf and other debris from collecting in the guttering	This is to prevent leaves and other matter collected in the gutters being washed into your drinking water
Leaf diverter	To remove any debris that gets through the gutter screens	This is normally a finer screen than the gutter screens and prevents smaller particles entering the drinking water supply.
Delivery pipe	This pipe collects the rainwater from the gutters and transports the rainwater to the tank.	It can be challenging to collect all the roof guttering into one central tank. This difficulty in collecting all the rainwater downpipes into a single location can significantly add to the cost of the installation.
First flush diverter	Removes the first rain collected from the roof and sends it to the stormwater system/	When it has not rained for a while, roofs can get dirty, dusty, and collect animal droppings. The first flush of rainfall washes all this into the delivery pipe. The first flush diverter catches all this stuff and sends it to stormwater, preventing this from entering your tank.
Stilled inlet	Prevents any sediment in the tank being stirred up when the tank is filling.	While we try to prevent stuff getting into the tank, over time sediment will build up (it's a fact of life with rainwater tanks). To stop water from stirring this up every time it rains, the inlet is turned up in the tank or just elevated to reduce this risk.
Overflow	When the tank is full, the excess rainwater overflows to stormwater.	When the tank is full this overflow means that the water overflows to the stormwater. It is important that adequate screens are put on the overflow to prevent vermin and insects from entering the tank.
Vent	This allows air in and out as the tank is filled and emptied.	The vent is important to stop the tank collapsing when it is emptied and from bulging when it is filled. This also needs a screen to prevent vermin and insects from being able to get into the tank.
Lockable access hatch	The access hatch allows you to clean the tank and add chemicals should you need to.	A lockable hatch is advised to stop unwanted access to the tank for people up to mischief.
Floating arm draw off	This takes water from the surface of the tank.	Water at the surface of the tank is much more likely to be cleaner than the bottom of the tank and therefore means the filters are likely to last longer and the UV will be more effective
Backflow preventer and pump	The pump provides water pressure in the household.	The pump will typically have a small pressure bladder that keeps the pressure in the house even when the pump has stopped. It won't supply water but it allows

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	The backflow preventer stops water going from the house to the tank and reduces the risk of contaminating the tank.	the transition from the pump being stopped to running smoothly (and from running to stopped also). The backflow device is especially important if you are going to have an outside tap that is not treated.
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2.2 Water Treatment System

As a “Domestic Self Supply”, there are no regulations, rules or laws that tell you what you have to do. What is presented here is good practice for a household supply.

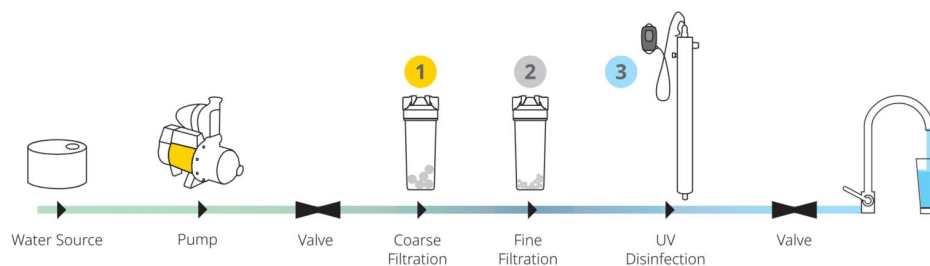


Figure 2 - Roof Water Treatment System (© Davey)

Table 2 – Water Treatment Plant		
Equipment	Function	Reasons
Pump	To provide water pressure in the house	Without any pressure, there will be no water flow. In a normal municipal system, pressure is provided by a high-level reservoir or pumps.
Valve	Isolation	This allows us to maintain the various bits of equipment without draining the whole system.
Course Filtration	This is typically 20 micron and removes all particles down to 0.02mm in size.	This helps protect the fine filter, making the fine filter last longer.
Fine Filtration	Typically, 5 micron – removes all particles down to 0.005mm.	The fine filter removes some bugs like giardia and some cryptosporidium and makes the water suitable for treatment with UV disinfection. This will also remove diesel and petrol exhaust particles and other very small particles.
UV disinfection	This the primary disinfection method for killing bacteria, viruses,	Bacteria, viruses, giardia and cryptosporidium are the highest risk to safe drinking water. Making sure these cannot harm our families is the highest priority.

	giardia and cryptosporidium.	
Carbon filtration (optional – not shown)	Removes taste and odour from the water	This is a nice to have but it can make the water taste and smell better.

2.3 That's all very well but what does it cost?

The cost of a system depends on the installation, which can be very variable depending on the specific site. However, the items cost is listed here:

Table 3 – Water Treatment Plant		
Equipment	Cost	Comments
Gutter screens	\$200	Based about 30 metres of guttering
Leaf guard	\$200	Marley Curve and Leaf Diverter
First flush diverter	\$920	Promax First Flush Diverter
25,000 Litre storage tank	\$4,063	Promax Enduro
Pump	\$8,011	Davey Aquashield Max 2.0
Valve		
Course Filtration		
Fine Filtration		
UV disinfection		
Carbon filtration (optional – not shown)	\$807	Price not included in subtotals below as optional.
Component Sub-total (1 tank)	\$13,394	Does not include installation, pipework or tank foundations.
Component Sub-total (2 tanks)	\$17,457	Does not include installation, pipework or tank foundations.
Component Sub-total (3 tanks)	\$21,520	Does not include installation, pipework or tank foundations.
Installation	\$10-15,000	Includes pipework, installation and tank foundations
Estimated total cost	\$25,000 – \$35,000	Depending on the installation.

These numbers are retail list prices and do not include any bulk discounts, mates rates or any other discounts that may be applied.

3 WHAT RULES APPLY?

For a household supply that supplies just your house/property, this is called a domestic self-supply. Under the Water Services Act 2021, there are no rules about what you have to do or not do. If you rent out the house or use it as a holiday let or an Air B&B, that is all OK. However, if you are a café, pub or hotel, then that is not a domestic self-supply and would fall under the requirements of the Act. So, basically you can do anything you like. However, under the Building Act, there is a requirement for potable water - which is defined as water that is safe to drink and complies with the drinking water standards. If a house does not have a safe drinking water supply, future building consents may be difficult to obtain.

3.1 Those are the rules, but if I want safe drinking water, what do I need to consider?

3.1.1 Water Use and Consumption.

In a household only about 5% of the water is used for food preparation and drinking. The major users are the laundry, toilet flushing and our outdoor usage, making up typically about 60-65% of the average household water usage. Other larger users include bathing (baths and showers) and the dishwasher. Interestingly, a leaking tap or pipe can be a significant user even if it is only dripping.

Low water use devices particularly around showers, washing machines and toilets can significantly reduce water consumption.

How much water people use depends on a number of factors including how often they wash the car and water the garden, how many people are living in a house and so on. However, if you average it out, people use about 250 litres per person per day. For a family of 4, that is 1000 litres per day. For a couple, only 500 litres per person per day.

3.1.2 How much storage do I need?

Obviously, how much water you use has a big impact on how much you need to store. However, the weather patterns have changed over the last few years and while we get the same amount of rainfall, we tend to get longer periods without any rain followed by periods of high rainfall. What this means is that you need to store enough water to get you through the dry periods.

What this looks like in reality is that 25,000 litres of storage is the absolute minimum and 50,000 litres is probably what you will need to get through the dry periods. Again, it depends on the number of people in the house and their water awareness. For a single person, 25,000 litres is probably sufficient but if you have a family of 3 or 4, 50,000 litres is probably required. For larger families, you might need more water stored.

3.1.3 Why do I need to treat my water – the rain is clean?

Rainwater is clean... until it hits your roof. The trouble is that your roof collects everything from diesel and petrol exhaust particulates to bird, rat and possum droppings, to leaf and plant debris. And the rain washes all of this into your tanks. Hence the need for all the treatment steps listed in section 2.

To take out the larger leaves and sticks we use the gutter screens and leaf diverters. That initial flush that is collected and disposed of washes a large proportion of the petrol and diesel exhaust particles and animal and bird droppings, dust and smaller particles into the drain.

The tank will settle any particles that get through the initial screening, and first flush divert. So, to prevent the settled material from getting into our filter system, we take the water from the top of the tank.

The cartridge filters are in two stages, normally 20 micron and 5 micron (1 micron is a thousandth of a millimetre). These will filter out all but the smallest particles. All that is left is the really small stuff. Unfortunately, this can include protozoa (cryptosporidium, giardia), bacteria such as *E. coli* and campylobacter and viruses. To kill these bugs or make them non-harmful we use the ultraviolet disinfection process (UV disinfection). This uses intense UV light to kill or sterilise the bacteria, viruses and protozoa.

These bugs can cause severe gastrointestinal sickness and possibly death. The Havelock North incident in 2016 left 4 people dead and many others with long term effects from the campylobacter contamination. The cryptosporidium infection in Queenstown in 2023 made over 400 people sick. In Walkerton, Canada, in 2000, 7 people died from an *E. coli* contamination of the water supply. These are the reasons why we should treat the rainwater falling on our roof.

4 IS CHLORINATED WATER BETTER?

Chlorine disinfection of water has been practiced for over 100 years and when done by trained and experienced people, monitored correctly and has the right safeguards, is safe. The addition of chlorine to drinking water has saved more lives than seatbelts and penicillin put together. Chlorination of drinking water has led to the largest increase in human lifespan ever.

4.1 What does chlorine do?

Chlorine is very good at killing most of the bugs we get in rivers, streams, lakes and dams, bores and springs. It can kill all bacteria and viruses and even giardia but not cryptosporidium. This keeps the water safer for our families to drink. Chlorine also lasts in water so that it can be used to keep the water in our pipes or our reservoirs free from bacteria and viruses. Where you have a long pipeline or a big tank, chlorine will help keep the water safe.

4.2 The system you proposed for the roof doesn't have chlorine – should it?

The simple answer is no. The reasons for this are:

- The chemicals used to chlorinate water can be dangerous and should only be handled by people who are trained to handle them.
- Addition of chlorine requires careful control which requires additional equipment.
- Addition of chlorine adds cost to the set-up cost and the daily cost of the water.
- The system suggested above does not store any treated water – the water is treated as you use it. There is not much chance of the water being exposed to nasty bugs after it has been treated.

4.3 Does chlorine have a taste?

Chlorine does have a taste but, in the small amounts added, it is something you get used to and don't notice. The water you are currently getting from Fonterra is chlorinated.

4.4 When should we use chlorine?

Chlorine needs to be used when we are supplying hundreds of people through a pipe network and/or storing water we have already treated. In a household it is not necessary to use chlorine all the time. However, there are tank cleaning products that are sold to help keep the tank clean. These can be added as directed by their instructions but should be used sparingly. They also do not replace the tank maintenance listed below.

4.5 Are there any dangers to adding chlorine to drinking water?

The main danger of adding chlorine is to those who are handling the chemicals, which can be quite hazardous. In terms of the drinking water, overdosing can lead to a detrimental effect in the long term, but the taste of the water would be unpleasant and unpalatable before any health effects were noticed.

Chlorine is very reactive, and it can react with stuff that is washed off the roof or climbs into a tank and form chemicals that can have effects if consumed for a long period (2 litres of water daily for 70 years!). In municipal water supplies, these chemicals are monitored and controlled so that they don't exceed any health limits.

5 MAINTENANCE

Rainwater systems require maintenance to be sure that the water collected is as clean as possible and the treatment system is keeping the water safe to drink.

Table 4 – Maintenance Requirements

Equipment	Frequency	Reasons	Time required (cost)
Roof cleaning	1-2 times per year	A roof can collect all manner of dirt, grim, droppings, mold and moss. This needs to be cleaned regularly to minimize the amount of nasty stuff that can get into your tank.	4-8 hours per year (contractor cost is probably \$500-1000 per clean)
Trees	As required	Pruning of trees and large bushes to limit animal access and prevent roosting birds defecating on the roof is advised.	1-2 hours per year
Gutter cleaning	3-4 times per year	Gutters collect dirt, mold and leaf matter even with gutter guards. This needs regular cleaning to minimize the amount of dirt getting into the tank.	4-8 hours per year
Tank cleaning	1 time per year	Each tank needs to be cleaned once per year to remove any sediment from the tank.	4 hours per year (probably undertaken by a contractor). (\$500 per tank)
Tank inspections	Weekly to monthly	Looking into the tank to see if there is anything that shouldn't be there should be done on a regular basis but not less than monthly. This includes rats, birds, possums, etc.	10 minutes per week.
Booster Pump System and backflow preventer.	Annual Service by a contractor.	These systems are robust and normally require little maintenance.	Undertaken by a contractor (\$250 per year)
Cartridge filters	At least every 6 months but maybe more frequently	When the cartridge filters block, they need to be replaced but should be replaced every 6 months anyway.	Total 1-2 hours per year (\$400 per year)
UV disinfection Unit	Lamp replacement every 12-14 months.	Like any fluorescent tube, UV lights need to be replaced. Normally this occurs every 12-14 months.	30 minutes per year (\$350 per year)

Appendix 2 - Waitoa Self Supplied Buildings Information report -

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Carbon filter (if used)	About every 12 months depending on water usage.	The way carbon works, it gets used up. Typically, a carbon cartridge lasts about 12 months.	15 minutes per year (\$800)
Total			Approximately 25 hours per year (Cost excluding contractors and carbon filter \$1,000)

In summary there is about 25 hours of maintenance required every year and the basic cost for parts. If you do everything yourself is about \$1,000 per year.

6 DISCLAIMER & DOCUMENT QUALITY CONTROL

6.1 Disclaimer

This document is produced by Iain Rabbits for the benefit and use by Matamata-Piako District Council according to the conditions of the engagement. No liability is accepted by Iain Rabbits with respect to its use by any third party.

6.2 Document Details

Document Details	
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Report Number	MPDC06-R01
Report Status	Draft
Issue Date	10/09/2024

6.3 Document Control

Document Control		
Author	Iain Rabbits	

Appendix 3 - Examples of Roofwater Tank Installation - Iain Rabbitts

Rainwater Tank Feasibility

1 3 TOTARA STREET

3 Totara Street is a household with 3-4 people and would require about 50,000 litres of storage to ensure a consistent water supply. To minimise costs, it is best to have all of the tanks in one place as shown on the plan drawing below (Figure 1).



Figure 1- 3 Totara Street suggested tank location

This location has been chosen to enable the maximum number of down pipes to be easily directed into the tanks. It also prevents the pipes from running down underground. There are two major issues with running the pipes underground:

1. Any silt build-up is likely to collect in the underground pipe work as this is the low point. Eventually this will lead to blocking of the pipework.
2. It will be more expensive to install long runs of pipes underground.

This means that the tanks need to be placed relatively close to the building. Figure 2 shows the potential location of the rainwater tanks. From this image, several windows into the household would be blocked by the tanks. The height of these tanks is 2.8 metres, which is nearly the height of the main roof. As such, only the roof water from the main building would be collected. In addition, there are down pipes on the other side of the building. Without significantly altering the spouting only about half the roof area would be available for collection.

The other side of the building is not viable as the collection area available is very small and would not collect from most of the roof area.

The treatment and pumps are not shown as they occupy a small area and could be fitted in where convenient.



Figure 2 – 3 Totara Street location of rainwater tanks

This position gives the best result for roof water collection, but it's within 2 metres of the boundary, so it wouldn't meet District Plan rules without an exemption.

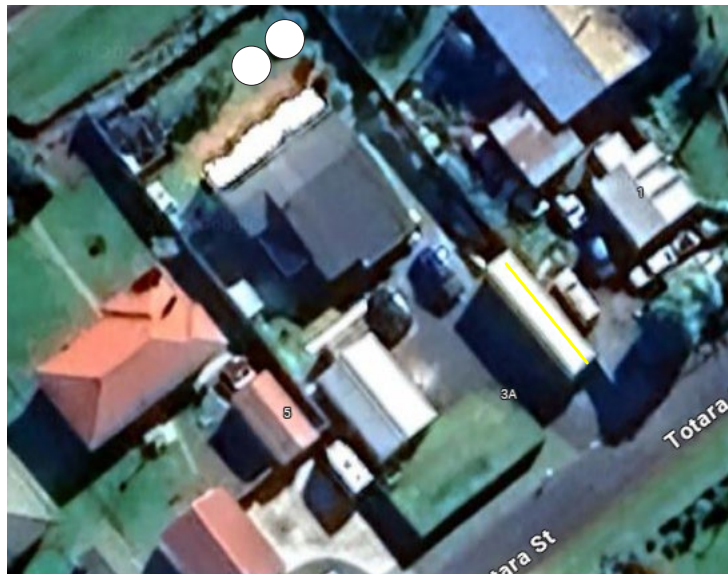


Figure 3 – 3 Totara Street layout with 2 metre space to boundary

Appendix 3 - Examples of Roofwater Tank Installation - Iain Rabbitts



TECHNICAL MEMORANDUM

Iain Rabbitts
[Company]

Figure 3 shows possible tank locations with a 2-metre spacing to the boundary. As shown in the figure, the tanks are in the garden and away from the house. This may cause difficulties getting the water into the tanks, either using a high-level pipe (possibly subject to damage in high winds or from interactions with children) or an underground pipe with the problems identified above.

2 40 FARMER ROAD

40 Farmer Road is a household with 5-6 people and would require about 75,000 litres of storage to ensure a consistent water supply. To minimise costs, it is best to have all of the tanks in one place as shown on the plan drawing below (Figure 4).

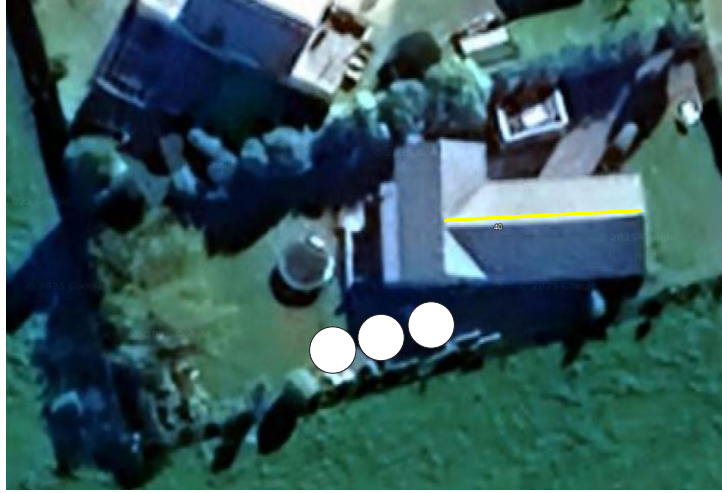


Figure 4 - 40 Farmer Road possible tank location

This location has been chosen to enable the maximum number of down pipes to be easily directed into the tanks. It also prevents the pipes from running down underground. There are two major issues with running the pipes underground:

1. Any silt build-up is likely to collect in the underground pipe work as this is the low point. Eventually this will lead to blocking of the pipework.
2. It will be more expensive to install long runs of pipes underground.

This means that the tanks need to be placed relatively close to the building. Figure 5 shows the potential location of the rainwater tanks. From this image, several windows into the household would be blocked by the tanks. The existing tank in the photograph is approximately 5,000 litres. Each of the three new tanks would be 25,000 litres or approximately 5 times bigger. The height of the new tanks is 2.8 metres, which is nearly the height of the main roof. In addition, there are down pipes on the other side of the building. Only about half the roof area would be available for collection.

The tanks would extend into the garden significantly and may impact on the septic tank location (indicated on the drawing by the plastic vent sticking up out of the grass). It is good practice to keep drinking water systems well away from wastewater systems to prevent cross contamination.

The treatment and pumps are not shown as they occupy a small area and could be fitted in where convenient.

Appendix 3 - Examples of Roofwater Tank Installation - Iain Rabbitts

TECHNICAL MEMORANDUM

Iain Rabbitts
[Company]



Figure 5 - 40 Farmer Road Tank Location

This position gives the best result for roof water collection, but it's within 2 metres of the boundary, so it wouldn't meet District Plan rules without an exemption.



Figure 6 - 40 Farmer Road location of tanks with 2 metre boundary separation



TECHNICAL MEMORANDUM

Iain Rabbitts
[Company]

Figure 3 shows possible tank locations with a 2-metre spacing to the boundary. As shown in the figure, the tanks are in the garden and away from the house. This may cause difficulties getting the water into the tanks, either using a high-level pipe (possibly subject to damage in high winds or from interactions with children) or an underground pipe with the problems identified above.

Appendix 3 - Examples of Roofwater Tank Installation - Iain Rabbitts

TECHNICAL MEMORANDUM

Iain Rabbitts
[Company]

3 47 FARMER ROAD

47 Farmer Road is a household with 1-2 people and would require about 25,000 litres of storage to ensure a consistent water supply. To minimise costs, it is best to have the tank in close to the building (Figure 7).



Figure 7 - 47 Farmer Road possible tank location

This location has been chosen to enable the maximum number of down pipes to be easily directed into the tanks. It also prevents the pipes from running down underground. There are two major issues with running the pipes underground:

1. Any silt build-up is likely to collect in the underground pipe work as this is the low point. Eventually this will lead to blocking of the pipework.
2. It will be more expensive to install long runs of pipes underground.

This means that the tanks need to be placed relatively close to the building. Figure 8 shows the potential location of the rainwater tank. From this image, several windows into the household would be blocked by the tanks. The existing concrete tank in the photograph is approximately 25,000 litres. The height of the new tank is 2.8 metres, which is nearly the height of the main roof. In addition, there are down pipes on the other side of the building. Only about half the roof area would be available for collection. Getting sufficient area for collection at this property may be challenging as the roof of the main building slopes in a different direction.

The treatment and pumps are not shown as they occupy a small area and could be fitted in where convenient.



Figure 8 - 47 Farmer Road Tank Location

Appendix 4 - Case Study: MacKay Subdivision bore, Waihou

The MacKay Subdivision Water Supply: A Case Study

Background

The MacKay Subdivision, located in the Waihou settlement, is home to around 70 residents across 25 properties. Since 1983, the community has managed its own small networked water supply, originally handed over as a basic built system. Over time, the system has evolved to meet changing regulations and community needs.

Governance and Structure

The water supply is managed by the MacKay Subdivision Incorporated Society (MSIS). Membership was once automatic for all property owners, but recent changes to incorporated society rules mean property owners must now be invited to join—making membership optional.

This shift has created unresolved questions about whether the Incorporated Society can legally enforce rates or restrict supply to non-members, particularly given provisions in the Health Act. The Incorporated Society has removed some non-paying properties as members, and these properties have subsequently installed their own bores. These legal questions remain under consideration by MSIS.

Key insight for establishing a small networked water supply: *Carefully consider the appropriate legal entity structure and what membership should mean for both current and future members, particularly regarding rates enforcement and supply obligations.*

Funding

Annual rates are set at the AGM. Operating costs are approximately \$4,000–\$5,000 per annum, covering power, laboratory testing, insurance, council rates, and resource consent monitoring fees. Significant upgrades have sometimes required bank loans, as routine savings were not always sufficient. Insurance represents a significant cost of approximately \$1,400–\$1,500 per annum and covers mechanical failure.

Operations and Water Quality

Water is drawn from the bore, filtered, treated with UV light, and stored in a 25-litre tank before being gravity-fed to homes. The UV treatment system was upgraded recently to meet new drinking water regulations. Some properties have additional storage tanks for buffering, but most rely on the main system.

The network's gravity-fed design means water can be vulnerable to stagnation and contamination at low points and end points, particularly because the water is not chlorinated. The system has no designated flushing points except at individual properties, which contributes to this vulnerability.

Hydrogen peroxide is currently used for disinfection and remains active for one to two days, whereas chlorine offers longer-lasting protection. The society had previously considered an automated dosing system to improve consistency, but that would require ongoing maintenance, calibration, and monitoring.

Maintenance and Roles

All key operational roles—sample collector, chairperson, and maintenance—are filled by volunteers. The maintenance person carries out weekly inspections, including pressure gauge readings and chemical dosing, with more frequent checks in summer. Maintenance includes monitoring pump condition; rebuilds are needed periodically when seals fail and pressure cannot be maintained. The maintenance person relies on neighbours near the pump to report unusual noises.

Current leadership transition: The chairperson is stepping down after eight years at the upcoming AGM, highlighting the succession planning challenges that volunteer-dependent systems face.

If volunteers cannot be found to fill these roles, MSIS will need to enter into discussions with Council about the future of their water supply. This would likely require switching to chlorination as the primary disinfection method, which differs from the current hydrogen peroxide approach.

Compliance and Reporting

Quarterly water testing is performed, with samples taken from the raw water source, treated water tank, and at individual properties. Testing is undertaken at a certified laboratory.

Occasional positive E. coli results require repeated testing (\$40 per test) until consistent clear readings are achieved, creating variable and sometimes unpredictable operating costs. The laboratory reports all positive results directly to Taumata Arowai (New Zealand's drinking water regulator) and the local health office.

The society maintains compliance by submitting annual reports and drinking water safety plans to Taumata Arowai, and by meeting monitoring requirements. Registration with Taumata Arowai is a one-time process, with annual renewals required thereafter.

Taumata Arowai prioritises council supplies and focuses enforcement actions there. For smaller supplies, the regulator provides guidance and direction but may have limited capacity to offer site-specific solutions. The society reports that Taumata Arowai is generally supportive and provides helpful direction.

Resource consent: Waikato Regional Council resource consent is due for renewal in 2027 (with a 12-year duration). While the low water take may mean consent is no longer needed, the Regional Council has recently introduced requirements for water take reporting, necessitating meter verification every two years.

Infrastructure and Resilience

The system includes limited retention capacity for emergencies and a few gravity-fed fire hydrants. The reticulation pipework is PVC plastic with an expected lifespan of 50–100 years. Easements are in place for all properties, allowing the pipework to run across private land. Water access points (water toby's) are located within individual private property boundaries, and it is the responsibility of individual property owners to report maintenance issues such as water pooling or leaks.

The system has experienced one incident where the tank became empty, necessitating a boil water notice and demonstrating the system's vulnerability during emergency demand.

A broker is used annually to review and ensure the insurance policy provides appropriate mechanical failure coverage.

Appendix 4 - Case Study: MacKay Subdivision bore, Waihou

Maintenance and Monitoring Practices

The maintenance person plots the ratio of water throughput to pump hours weekly. This practice helps predict when filters need replacement or when water supply is running low—useful knowledge for system management.

Water restrictions are loosely followed based on Council guidance and are typically needed only during summer months. The system has adequate capacity for normal use under standard conditions.

Lessons Learned

- Choose the appropriate legal and governance structure for your supply, with clear consideration of what membership and obligations mean.
- Community-run systems depend on volunteers; succession planning and recruitment are essential and ongoing challenges.
- Stay up to date with changing regulations and reporting requirements, as these can introduce new compliance costs.
- Understand the technical risks of non-chlorinated systems and the importance of regular testing and maintenance.
- Plan for upgrades and unexpected costs; routine operational savings may not be sufficient.
- Understand the regulatory landscape: different configurations (networked vs. individual supplies) are subject to different compliance requirements.

Context: Small Networked vs. Individual Supplies in Waihou

Most properties in Waihou operate individual bores (typically comprising a PVC pipe in the ground with alkathene pipe running to the pump). The MacKay Subdivision maintains a networked supply that serves multiple properties. This case study illustrates the different governance structures, operational requirements, and regulatory compliance demands of community-managed networked water systems compared to individual supply arrangements. The MacKay Subdivision's experience offers practical insights for communities considering shared water infrastructure.

In Closing

The MacKay Subdivision has operated a successful community-managed water supply for over 40 years. Its experience demonstrates both the viability of shared infrastructure and the practical challenges of managing such systems—including governance structures, volunteer dependence, regulatory compliance, and long-term maintenance. This case study provides factual context for understanding how small networked supplies operate and the considerations relevant to communities evaluating different water supply options.

Kaunihera | Council

Kaupapataka Wātea | Open Agenda



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

Ko te rā | Date: Wednesday 25 September 2024
Wā | Time: 9:00
Wāhi | Venue: Council Chambers
35 Kenrick Street
TE AROHA

Ngā Mema | Membership

Manuhuia | Mayor

Adrienne Wilcock, JP (Chair)

Koromatua Tautoko | Deputy Mayor

James Thomas

Kaunihera ā-Rohe | District Councillors

Caleb Ansell

Sarah-Jane Bourne

Sharon Dean

Bruce Dewhurst

Dayne Horne

Peter Jager

James Sainsbury

Russell Smith

Kevin Tappin

Gary Thompson

Sue Whiting

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

Appendix 5 - Waitoa Water Supply - September 2024 Council report

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1 Whakatūwheratanga o te hui | Meeting Opening

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

That an apology from Councillor Thompson for leave of absence, be received.

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

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

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

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

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

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

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

4 Whākī pānga | Declaration of Interest

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

5 Whakaaetanga mēneti | Confirmation of Minutes

- 28 August 2024 - ordinary meeting of Matamata-Piako District Council
- 28 August 2024 - Public Excluded report of an ordinary meeting of Matamata-Piako District Council

6 Papā ā-iwi whānui | Public Forum

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

7 Pūrongo me whakatau | Decision Reports

7.7 Waitoa Water Supply - Options for the Community

CM No.: 2941441

Te Kaupapa | Purpose

The report provides information on the Waitoa Village water supply, including options for a long term solution

Rāpopotonga Matua | Executive Summary

Waitoa Village water supply has been a matter of discussion between the Village community, Fonterra and Council since 2017.

Fonterra has determined that it will not be the village's long-term water supplier.

Council has a responsibility to help address the risks to this water supply and has investigated options for a Council supply.

We have reached the stage where we wish to progress formal processes.

The first step is engaging with the Waitoa Village to ascertain affected property owner views on a council-provided supply versus a private one.

If the decision from that process is that a Council supply is preferred, we will need to:

- Consult affected parties on a district-wide level
- Incorporate the options in an LTP amendment or LTP process.

The decisions that are being sought from this report are:

- The proposed level of contribution Council will require from property owners for a Council supply
- Whether Council is prepared to use the proceeds of the sale of the Waitoa Hall for the project.
- Confirmation of the engagement process.

Council will need to consider its responsibilities under the Local Government Act and Health Act when reflecting on the results of the engagement process.

Decisions from this issue may flow on to other communities.

Tūtohunga | Recommendation

That:

1. **The proposed contributions from Waitoa residents for a Council water supply be % of the project cost for the purposes of the initial engagement process**
2. **That Council endorse the proposed engagement process.**

Horopaki | Background

Waitoa Village has a water supply provided by Fonterra.

In 2016 Fonterra approached Council to discuss the supply transfer to Council.

Fonterra produces high-quality water at its Waitoa Dairy Factory. The reticulation supplying properties in the Village is not at an acceptable standard for a public supply and poses a risk to public health.

Council staff have attended meetings with Fonterra and village residents since 2017.

Council received a formal request to take over the supply in 2018.

This had to be done through a long-term plan (LTP) process and involve community consultation. The changes proposed under the Three Waters policy created some doubt on how a transfer could occur.

Taumata Arowai (Regulator) was established and legislation that followed escalated Fonterra's desire to cease being a water provider.

The village supply is registered with the Regulator and is subject to the corresponding compliance requirements.

WSP undertook a high-level engineering investigation in 2023 to assess options for a Council supply to the Village. This information is summarised in the report.

Council considered including a project in the 2024/2034 long term plan. The estimate had been provisionally increased to \$9 million to take account of economic and market forces prevalent at the time.

Council acknowledged that it could not include a project in the plan without knowing the views of residents of the Waitoa village. Council was also dealing with significant financial challenges in the draft plan.

Council decided to commence formal processes once the long term plan had been adopted.

Council has kept Fonterra advised of the process that it is following.

Staff have had discussions with the Regulator regarding the Waitoa water supply. This includes the options being considered for the Village.

Council has obligations under Section 127 of the Local Government Act 2002 if a water supply in the district is facing a significant problem. Council is not obliged to provide a reticulated water solution. It is obliged to work collaboratively with parties involved to find a solution.

The approach Council has taken to work with Fonterra, the Waitoa village community and the Regulator is consistent with Section 127.

All figures quoted in this report exclude GST except where stated otherwise.

Ngā Take/Kōrerorero | Issues/Discussion

The Decision making process

Council must undertake various processes before it can establish a water supply for the Waitoa Village:

1. It must consult with the affected property owners of the proposed supply area (Waitoa Village)
2. If Council concludes that it should proceed to establish a supply, it must consult with affected parties of the district. Affected parties are all properties currently connected to Council water supplies. The rationale for this is that Council charges rates for water supply on a district-wide basis to connected properties. Under this approach the costs and liabilities for water supply are shared across all connected properties. We would include Waitoa Village if a Council supply is established.
3. Council would need to undertake an LTP amendment. It could also include the matter in the next LTP.

Appendix 5 - Waitoa Water Supply - September 2024 Council report

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Council could undertake the district wide consultation and an LTP amendment concurrently.

The outcome of either Steps 2 and 3 could reverse a decision made from Step 1 to establish a Council supply for the Village.

Waitoa Village supply area

We do not have certainty of the properties connected to the current supply.

We must define the supply area to determine the properties affected ie who we will engage with.

This is also important to assess the cost impacts and inform the water supply design.

All properties within the water supply area would be compelled to contribute to a Council water supply.

We have referenced the Waitoa Village Planning map and defined the Residential and Business zones as the supply area.

The rating records indicate there are 130 separately rateable properties.

We expect some property owners in the proposed area will not want to connect to a Council supply. We also expect some properties currently supplied will not be included in the proposed area.

The reticulation in the Village does not conform to the standard required for a public water supply. If a Council supply is to proceed the reticulation will be completely replaced.

The options for supply

WSP was engaged to prepare a high level options report for the provision of a Council water supply. This report was funded by Fonterra. All options provide for the replacement of the village reticulation.

The table below summarises the options and the estimated costs (in 2023).

Option	Description	Estimate (\$ million)
1	A supply from the Waitoa River, treatment plant and reservoir	7.1
2	A supply from a bore, treatment plant and reservoir	7.2
3	A connection to the Te Aroha supply via State Highway 26	7.4
4	A connection to the Te Aroha supply via Waiheka and Ngarua Roads	8.0
5	A connection to the Te Aroha Supply via Waiheka and Seddon Roads	6.1

Table 1

The estimates do not include land acquisition.

Council considered including the project in the the draft LTP with a revised estimate of \$9 million. This provided additional contingency given the market and economic conditions of the time. This

also allowed for inflation from 2023 as the project would not be expected to occur for several years.

Staff reached a number of conclusions from this option report:

- Connection to the Te Aroha Water supply is a better option taking into consideration the whole of life costs. This is because there will be no additional treatment costs.
- The Waitoa Village property owners are unlikely to be able to afford to fund any of the options without some external contribution(s)
- Council should consider costs and potential longer-term benefits when selecting the best option for a supply. For example a connection via State Highway 26 could provide a future option for the Waihou community. This might also allow for costs to be shared over more properties. The Waihou Community has not raised any water supply issues with Council in recent times.

For this report, we used the lowest cost option to assess property owners' contribution in the Waitoa Community. The rationale being that Council would only select a more expensive option if there is a wider community benefit. Staff have also critically reviewed estimates whilst still allowing a reasonable contingency.

An alternative to a council-provided supply is for each property to have a private supply. The configuration would involve an ultra-violet (UV) unit filter and pH correction. Replacing the UV lamp and other components would cost approximately \$200 annually.

When Council was first approached in 2016 the proposed concept was for Council to be supplied water by Fonterra. Council would install a reservoir and new reticulation to the Village. Council would accept all responsibility for the supply.

This option became unacceptable for Fonterra. The Regulator would still consider Fonterra is a water supplier. This would also mean the Company would retain the obligations and risks for the supply.

Council's Chief Executive Officer (CEO) recently contacted the Regulator to explore this option further. The CEO proposal would result in the following configuration:

- Fonterra supplies water to a Council reservoir
- Council would treat the water through a UV plant and supply the village.

Hopefully, this will be sufficient for the Regulator to determine that Fonterra is no longer a water supplier.

We have yet to receive a formal response.

The following table summarises the three options that are considered relevant to this discussion.

Option	Description	Estimate (\$ million)
A	A connection to the Te Aroha Supply via Waihekau and Seddon Roads	5.8
B	Fonterra supply to Council treatment plant	4.4
C	Individual property connections	1.6

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Table 2

Financial contributions

We have assumed that Waitoa Village residents cannot afford to pay the total cost of a Council supply.

Council has allocated \$200,000 from the Better Off funding to help work through the engagement process for this project.

At one of the Waitoa Community meetings, Fonterra advised it had allocated some funding to assist in the change process. We are awaiting confirmation that funding is still available.

There is likely to be an expectation that the Waitoa Hall sale funding would be available to help offset costs. Council has no legal obligation to allocate this funding for that purpose. An argument for using the funds is that the Waitoa Community funded the hall. Some properties that were in the hall rating area are not on the Village water supply. The hall proceeds balance is currently \$372,000.

Information for Waitoa Village property owners to make an informed decision

Council can recover capital contributions from property owners by establishing a capital funding plan. Property owners would have the choice to pay the capital contribution in one lump sum or over a period. Interest costs can be applied if ratepayers choose to repay over a period.

Council chose a period of 5 years when it connected properties in Tahuna and Waharoa to Council wastewater.

This time-frame has been used to model contributions for Waitoa.

All properties would also be charged the annual water targeted rate (2024 \$688 including GST)

The following tables show the results of funding options at different levels of contribution.

Funding per property	100%	75%	50%	25%
Option A \$5.8million – Lump sum payment	\$44,615	\$33,462	\$22,308	\$11,154
Annual costs over 5 years (with interest)	\$10,306	\$7,729	\$5,153	\$2,576

Table 3

Funding per property	100%	75%	50%	25%
Option B \$4.4 million – Lump sum payment	\$33,846	\$25,385	\$16,923	\$8,462
Annual costs over 5 years (with interest)	\$7,818	\$5,863	\$3,909	\$1,954

Table 4

Option C is estimated to cost \$1.6 million and spread over 130 properties equates to \$12,000 per property. It is possible that some property owners may find cheaper solutions and/or not look to install treatment equipment.

Council could assist with the management of the individual property installations. There would not be an option to spread the costs over five years. The property owners would own the infrastructure.

As a basis for comparison, spreading the cost over five years would equate to an annual payment of \$2,800. This level of annual payment is in the range of 25%-50% contributions for Options A and B

Cross-subsidisation through rates

Council and the residents of the Waitoa Village want a good quality, reliable and affordable water supply for the Village.

Council must also take into account the perspectives of all the district communities.

One of those concerns is how much users should pay for a good or service. When users do not fully fund a good or service the balance is recovered from rates.

Council's Revenue and Financing Policy determines the apportionment of recoveries across available funding sources. The following Policy approaches are considered relevant to this issue:

- Rates are a form of tax and the quantum an individual pays does not necessarily reflect the level of benefit received.
- The funding tools to recover water can be targeted rates, water-by-meter charges and general rates (0-6%).
- The general rate component acknowledges the wider community benefits the activity generates
- At present the service is funded from targeted water rates and water-by-meter charges. The general rate does not currently fund water supplies.
- Water rates are uniform across the district. For example, water users in Te Poi are charged the same targeted water rate as users in Morrinsville.
- This "averaging" results in cross-subsidisation.

There are many examples in Council activities where the users of services do not pay the full cost of the service. These reasons can be summarised into three categories:

- Charging users directly for a service, e.g., on roads, footpaths, parks and reserves is impossible.
- The benefits arising from the service are considered to extend beyond individuals to the wider community, e.g., community leadership, communications, and emergency management.
- Recovering the total costs of activities from users will harm the service, e.g. Pools, Libraries, Refuse Transfer stations.

These policy approaches result in cross-subsidisation of various goods or services.

We estimate over 4,000 properties in the district are not serviced by a Council water supply. The property owners meet all the costs for their water.

In the case of the Waitoa Village the cost-sharing would be spread across all ratepayers paying for Council water supplies.

Appendix 5 - Waitoa Water Supply - September 2024 Council report

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The following table indicates the impact for district water supply ratepayers from different levels of recovery from Waitoa Village ratepayers

Option A \$5.8 million	100%	75%	50%	25%
Increase in targeted rate – (2024/25 \$688 including GST)	0	\$8.32	\$12.90	\$17.48
Increase in water by meter rate (cents per cubic metre - 2024/25 rate is \$2.97 including GST)	0	\$0.02	\$0.05	\$0.07

Table 5

This contribution would be reduced each year as the loan is repaid.

The last two instances of Council installing utilities infrastructure for district towns were Tahuna and Waharoa. Government subsidy was available to replace septic tank systems with town wastewater systems. The funding proposals were considered by Council in 2009-2011.

The costs of the two schemes were as follows:

- Tahuna \$1.757 million (in 2024 dollars would be \$2.5-\$2.9 million)
- Waharoa \$3.6 million (in 2024 dollars would be \$4.7-\$5.5 million)

Note that the conversion to 2024 dollars depends on the inflation adjustor used and is provided to compare to the Waitoa scheme.

Council required property owners for both schemes to pay \$3,329 (including GST) over five years or \$665.96 per year. In 2024 dollars this would equate to \$4,700 - \$5,600 or \$940 - \$1,120 per year.

An important difference in the Waitoa scheme is that no Government subsidy is available.

Potential Future changes for consideration

Wastewater – concerns have been expressed that installing a water supply in the Village will trigger the need for a wastewater scheme. Council is periodically required to undertake sanitary assessments including Waitoa Village. The impact of a Council water supply on septic tanks in the Village would be assessed through that process.

Waikato Waters Done Well – it is assumed that a regional or sub-regional entity would continue to implement any changes that Council authorises.

Council considerations

The main purpose of this report is to allow Council to decide on the parameters for the establishment of a Council water supply.

There are a number of matters that Council should have regard to when assessing the responses to the Waitoa Village engagement process.

The purpose of Local Government

The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future

Local Government Act 2002, Section 127

Council's approach to date in this matter is considered to be consistent with the requirements of Section 127. That Section also contains the following specific considerations:

When making decisions about future charges and funding arrangements, the territorial authority must—

- (i) take reasonable steps to ascertain and consider the financial circumstances facing the affected consumers; and*
- (ii) consider the range of funding sources provided for in its revenue and financing policy, including the potential use of general rates; and*
- (iii) on request, demonstrate that it has considered those factors.*

The engagement process with the Waitoa Village community could help Council to understand the financial circumstances.

Health Act 1956, Section 23

The following is a summary of the obligations under the Act that Council has in relation to water supply

- Public Health Protection - to improve, promote, and protect public health within the district.
- Regular Inspections – to conduct regular inspections to identify nuisances or health hazards.
- Abatement of Nuisances – to take appropriate steps to eliminate nuisances or health risks if identified.

Precedent – past and future

Whilst decisions of past Councils do not bind Council, the community could expect consistency from Council. A decision to establish a Council water supply in Waitoa might create a similar expectation in Waihou or other parts of the district.

Assumptions

The following are high level assumptions:

- Fonterra will continue to supply water to the Waitoa Village until Council has worked through the necessary processes.
- Te Aroha has sufficient supply for the Village.
- The Village reticulation needs to be replaced to meet Council standards.

Appendix 5 - Waitoa Water Supply - September 2024 Council report

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At this time Staff will not undertake further engineering work on the project until the consultative processes are completed

Mōrearea | Risk

Costs – high level estimates have been provided. Actual costs will differ. Contingencies have been allowed in the estimates to mitigate this risk.

Legal – it is considered that the processes and matters included in this report meet the necessary legal requirements.

Community Participation – Council wants to hear from all affected parties. There is no compulsion on members of the Waitoa Village to engage on this matter. The engagement process is designed to mitigate that risk.

Actions by other parties – Council can only control what it does. We will continue to work collaboratively with Fonterra and the Regulator. We trust this will mitigate the risk of any unexpected actions by those parties.

Ngā Whiringa | Options

<Insert text>

Option One – That the proposed contributions from Waitoa residents for a Council water supply be % of the project cost for the purposes of the initial engagement process	
That the	
Description of option	
Council will determine the level of contribution it considers appropriate having regard to its legal obligations.	
Advantages	Disadvantages
A decision on the application of the Waitoa Hall sale proceeds can be separate to the water supply issue.	Waitoa Village residents may have an expectation that the Hall sale proceeds are available for the scheme.
	Misses an opportunity to reduce the individual ratepayer contribution.
Option Two – That the proposed contributions from Waitoa residents for a Council water supply be % of the project cost for the purposes of the initial engagement process and that the proceeds of the Waitoa Hall sale be made available to offset the Waitoa Village contributions.	
Description of option	
Council will determine the level of contribution it considers appropriate having regard to its legal obligations and make the hall sale proceeds available for the project.	
Advantages	Disadvantages
This could further reduce the cost of the	The Waitoa Hall sale proceeds would not be

individual ratepayer contribution.	available for any other purpose.
It may meet the expectations of some Waitoa Hall ratepayers.	This may create a point of contention for Waitoa Hall ratepayers who are not affected by the water supply issue.

Recommended option

Option One is recommended. It is suggested that the Waitoa Hall proceeds should only be considered a source of funding if properties are required to meet 100% of the cost of the water supply solution.

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

The relevant sections of the Revenue and Finance Policy are discussed under the Issues section.

Any change in that policy to accommodate this matter would require an LTP amendment.

There is no policy statement that states that Council must charge a capital contribution. The practice would be consistent with the approach taken for new development ie through development contributions.

The practice would also be consistent with the approach taken with the Waharoa and Tahuna Wastewater projects.

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

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

The decisions in this report are not significant as they will be subject to:

- Further consultation with affected parties beyond and including the Waitoa Village
- Either an LTP amendment process or will be a matter for the next LTP.

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

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	The process outlined in the report satisfies the consultation requirements ie the views of affected people will be taken into account.
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above. This issue is assessed as having a medium

Appendix 5 - Waitoa Water Supply - September 2024 Council report

Kaunihera | Council
25 September 2024



	level of significance. The information in the report is considered to be sufficient for Council to make an informed decision.
Section 82 – this sets out principles of consultation.	Addressed in the Engagement Plan

Policy Considerations





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

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

An engagement plan is attached to this report.

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

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

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

The community outcomes relevant to this report are as follows:

- A place to thrive

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

Council has allocated funding to cover the engagement process.

Ngā Tāpiritanga | Attachments

[A.1.](#) Waitoa Water Engagement Plan



Ngā waitohu | Signatories

Author(s)	Manaia Te Wiata Group Manager Business Support	
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Approved by	Manaia Te Wiata Group Manager Business Support	
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Appendix 6 - Waitoa Water Supply – Council supply cost summary

Council Supply - Cost Summary

Policy Considerations for Water Activity

Council and the residents of the Waitoa Village want a good quality, reliable and affordable water supply for the Village. Council must also take into account the perspectives of all the district communities. One of those concerns is how much users should pay for a good or service. When users do not fully fund a good or service the balance is recovered from rates.

Council's Revenue and Financing Policy determines the apportionment of recoveries across available funding sources. The following Policy approaches are considered relevant to this issue:

- Rates are a form of tax and the quantum an individual pays does not necessarily reflect the level of benefit received.
- The funding tools to recover water can be targeted rates, water-by-meter charges and general rates (0-6%).
- The general rate component acknowledges the wider community benefits the activity generates.
- At present the service is funded from targeted water rates and water-by-meter charges. The general rate does not currently fund water supplies.
- Water rates are uniform across the district. For example, water users in Te Poi are charged the same targeted water rate as users in Morrinsville.
- This "averaging" results in cross-subsidisation.

There are many examples in Council activities where the users of services do not pay the full cost of the service. These reasons can be summarised into three categories:

- Charging users directly for a service e.g. on roads, footpaths, parks and reserves is impossible.
- The benefits arising from the service are considered to extend beyond individuals to the wider community e.g. community leadership, communications, and emergency management.
- Recovering the total costs of activities from users will harm the service e.g. Pools, Libraries, Refuse Transfer stations.

These policy approaches result in cross-subsidisation of various goods or services. We estimate over 4,000 properties in the district are not serviced by a Council water supply. The property owners meet all the costs for their water. In the case of the Waitoa Village the cost-sharing would be spread across all ratepayers paying for Council water supplies.

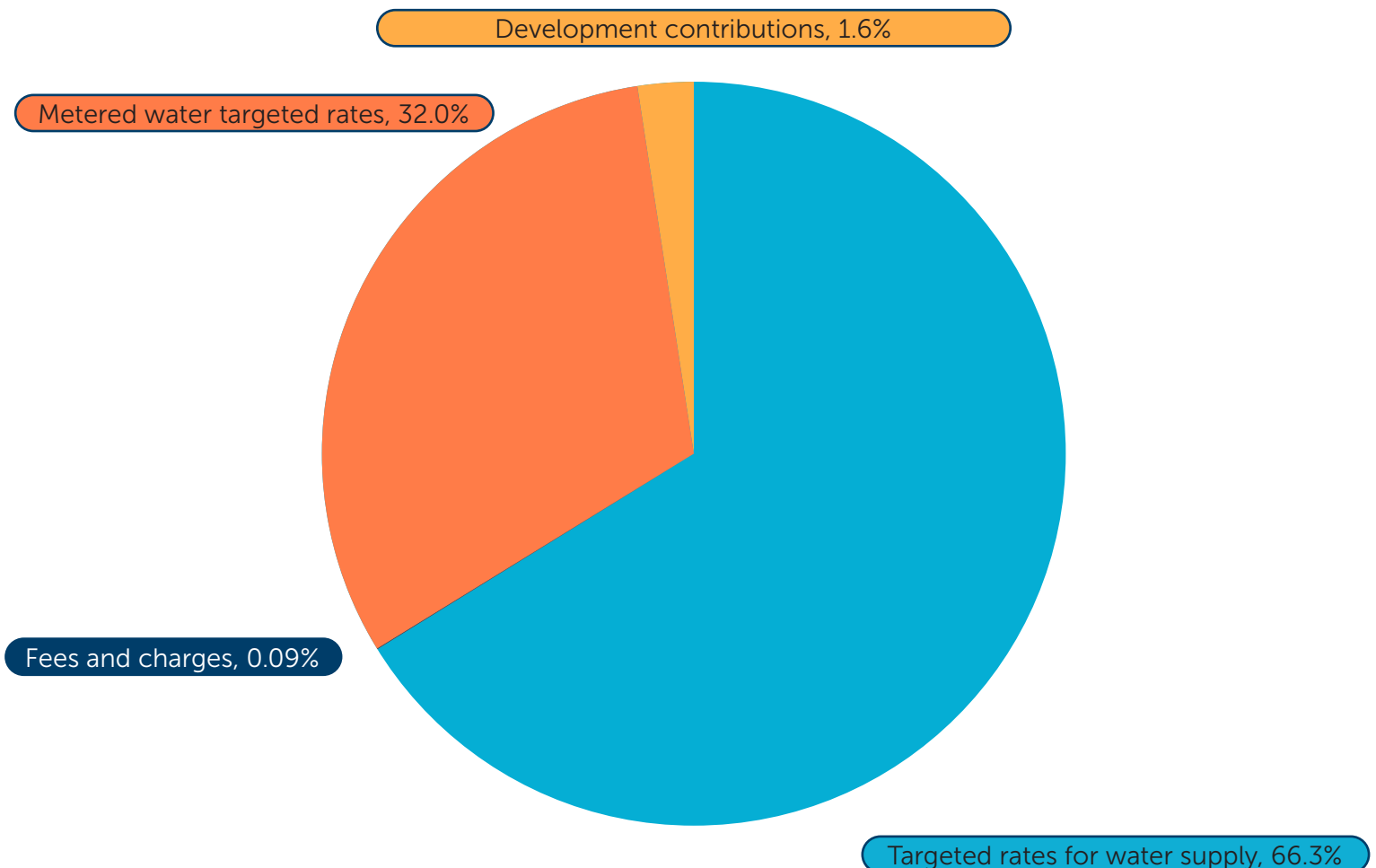
Funding Model & Principles

Council funds its water supply primarily through targeted rates and metered charges. The available funding sources outlined in the Revenue & Financing Policy are as follows:

Funding Source	Contribution (%)
Targeted Rates	94–100
General Rates	0–6
Metered Rates	Applied to actual consumption
Capital Funding (e.g. Development contributions, borrowing, grants, lump-sum contributions)	Project-specific

Breakdown of current funding sources

Sources of revenue for the water activity
2025/26 Annual Plan



Appendix 6 - Waitoa Water Supply – Council supply cost summary

Types of Water Rates

Rate Type	Description	Annual Plan Rates (inc GST)			Indicative rates from information collated in the development of the Water Services Delivery Plan [1] (inc GST)		
		2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Uniform Targeted Rate	Charged per connected unit	\$769.28	\$812.32	\$885.70			
Availability Charge	Charged to properties within 100m but not connected	\$384.64	\$406.16	\$442.85			
Metered Water Supply (currently charged to industrial and high-users only)	Charged per m ³ above 63m ³ /quarter or 21m ³ /month	\$3.01	\$3.08	\$3.15			

Lump-sum contributions

In accordance with Part 4A (Lump-sum contributions) of the Local Government (Rating) Act 2002, (LGRA), Council can recover capital contributions from property owners by establishing a capital funding plan as part of the Annual Plan process (see example plan below quoting most recent information/costs related to this project).

Property owners would have the choice to pay the capital contribution in one lump sum or as a targeted rate over a period of time. Interest costs can be applied if ratepayers choose to repay over a period. Council chose a period of 5 years when it connected properties in Tahuna and Waharoa to Council wastewater. Council determined in their meeting of 25 September 2024 that the proposed contributions from Waitoa residents for a Council water supply be 15% of the project cost for the purposes of the initial engagement process. All identified Waitoa properties would pay the contribution and also be charged the annual water targeted rate.

¹ The current Water Services Delivery Plan does not yet allow for the future supply of water to Waitoa

Example - Draft Funding Plan

Waitoa Residential Water Reticulation Scheme Capital Project

Draft Funding Plan

In accordance with Part 4A (lump sum contributions) of the Local Government (Rating) Act 2002, (LGRA) Council intends to invite identified property owners in the Waitoa community to partially fund the replacement of the water reticulation scheme for the community by way of lump sum contributions.

Scheme Purpose

The Waitoa Residential Water Reticulation Scheme covers approximately 130 identified properties located in the Waitoa community. All properties currently supplied by Fonterra in Waitoa Village will be affected by this decision. Properties that currently have self-supply (e.g. tanks) would also be affected if the community chooses to connect to Council supply.

Some nearby rural properties have also been involved in the conversation, although the District Plan does not currently allow for council water supply to rural properties except in special circumstances.

The current reticulation system (pipes in the ground) does not meet the quality standards of the new water regulations promulgated by Taumata Arowai.

Fonterra have asked Matamata-Piako District Council (MPDC) to replace the water reticulation system and take ownership of the water supply to the Waitoa Village. The replacement will provide a reticulation system that will comply with the new water supply standards including firefighting pressures and drinking water standards.

A connecting lateral will be provided to all eligible rating units identified within the reticulation system boundary. The cost of the internal reticulation within each property from the lateral will be at the property owner's expense. On completion of the project the property will be rated the annual District Targeted Water Rate for water supply (which in 2025/26 is \$769.28)

The proposal is to provide water from the Te Aroha Water Supply. This proposal provides savings in the water treatment process and any potential future water plant maintenance. The costs of operating and maintaining one Water Treatment Plant is significantly lower than operating two plants. This option also provides Council an opportunity to provide potable water to residential properties in the Waihou Village at a future date. At this stage, no decision has been made on exactly where that connection would occur (i.e. where the main pipe would run, and where it would connect with the main supply).

Funding Breakdown and Payment Options

The current estimated cost for the project is \$8,200,000 (excluding GST). Council believes that the financial burden of the Waitoa Village ratepayers paying the full amount of the project is unsustainable. Council determined in their meeting of 25 September 2024 that the proposed contributions from Waitoa residents for a Council water supply be 15% of the project cost for the purposes of the initial engagement process.

Council will need to consult with the District Ratepayers seeking agreement to the following proposal.

Appendix 6 - Waitoa Water Supply – Council supply cost summary

Pursuant to Part 4A; Section 117F (LGRA), the Council propose to invite

1. The eligible ratepayers will pay a capital contribution of approximately \$10,881 (including GST) for each eligible rating unit (including vacant rating units).
 - a. This amount can be paid by Lump Sum on receipt of invoice on or before due date - or
 - b. Paid by way of a Targeted Rate (plus interest) over a proposed five year period from the completion of the project. (Approximately \$2,813 per annum including GST.)
2. The balance of the cost of the project will be funded by an external loan raised by Council; the cost of this loan (current cost of borrowing 5%) will be included in the District Targeted Water Rate to all properties receiving Council water supply. Based on current conditions that would increase the District-wide Targeted Water Rate by approximately \$36 per annum.

Ratepayers who opt for the Lump Sum payment described in 1a) above will not be charged the five year targeted rate described in 1b) above.

All of the eligible Waitoa ratepayers will pay the District-wide Targeted Water Rate on completion of the project. The current District-wide Targeted Water Rate for 2025/26 is \$769.28 per Separately Used or Inhabited portion of a Rating Unit (SUIP). The rate is recalculated annually.

The capital costs discussed in 1 and 2 above cover installing the water main pipes to Waitoa. In addition, each property owner will then pay for the connection from the property boundary to their house. This is estimated at an average of \$2,570 per property, plus the cost of any internal plumbing required.

Property Sales, Subdivision and Development

If property owners sell their property, then

- a. If they have chosen to make their Capital Payment via lump sum, they must clear any outstanding's on the invoice on or before settlement date of sale.
- b. If they have chosen to make the capital contribution via the five year targeted rate, any future ratepayers will continue to pay the Targeted Rate until the completion of the five years.

Properties subdivided after the date of this capital project funding plan will not pay their contribution as described in this Plan. Instead, they will fund their contribution through the relevant Development Contributions applicable to the property at the time of the subdivision and will pay the District-wide Targeted Water Rate (currently \$769.28).

Waitoa Water

