



**Minutes of a Meeting of the
Marlborough District Council
held in the Council Chambers and via Zoom, 15 Seymour Street, Blenheim
on THURSDAY 16 SEPTEMBER 2021 commencing at 9.00 am**

Present in the Council Chambers

The Mayor J C Leggett (in the Chair), Cirs J L Andrews, J A Arbuckle, B A Faulis, M J Fitzpatrick, G A Hope, F D Maher, M A Peters, T P Sowman and N P Taylor.

Present via Zoom

Cirs C J Brooks, J D N Croad and D D Oddie.

In Attendance

Messrs M S Wheeler (Chief Executive) and M J Porter (Democratic Services Manager).

Karakia

The meeting opened with a karakia.

Apology

The Mayor/Cir Arbuckle:

That the apology for lateness from Cir B G Dawson be received and sustained.

[POSTSCRIPT: Cir Dawson advised by email, during the meeting, that he would not be able to attend the meeting at all]

Carried

Cncl-0921-73 Declaration of Interests -

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

A number of declarations were noted in the agenda:

- The various interests as declared under Minute Nos. Cncl-0821-23.

Cncl-0921-74 Confirmation of Minutes -

The Mayor/Cir Taylor:

That the Minutes of the Council Meeting held on 5 August 2021 (Minute Nos. Cncl-0821-23 to Cncl-0821-31) be taken as read and confirmed.

Carried

Cncl-0921-75 Confirmation of Minutes -

The Mayor/Cir Taylor:

That the Minutes of the Extraordinary Council Meeting held on 30 August 2021 (Minute Nos. Cncl-0821-62 to Cncl-0821-63) be taken as read and confirmed.

Carried

Committee Reports

Cncl-0921-76 **Assets & Services Committee** -

Members noted that Minute No. A&S-0821-38 (Kerbside Recycling Crate Liner Trial) was left to lie on the table as the vote was tied at the Committee meeting. Further information from Alec McNeil, as attached to the agenda, was provided to Council on this issue.

Members considered the issue in light of the additional information. Cllr Oddie moved, with Cllr Brooks seconding, the following motion.

Cllrs Oddie/Brooks:

1. That Council approve the trial of a recycling crate disposable liner across 125 properties in October/November 2021 for a cost estimate of \$17,000 (GST exclusive) which will be covered from existing budgets.
2. That the results of the trial are reported back to Council as part of the 2022-23 Annual Plan process.

Carried

Cllr Arbuckle moved an amendment to the recommendation under Minute No. A&S-0821-34 (Tree Removal Request - Harling Park). Cllr Peters seconded the amendment. Members discussed the amendment with differing views on the topic.

Following discussion the amendment was put to the meeting.

Cllrs Arbuckle/Peters:

1. That the application to remove the Eucalyptus tree located in Harling Park in front of 28A Solway Drive, Blenheim be declined.
2. That the Eucalyptus tree be monitored for general health and root, branch or limb failures during park maintenance.

Lost on a show of hands 4 to 9.

Cllrs Taylor/Fitzpatrick:

That the Committee report contained within Minute Nos. A&S-0821-32 to A&S-0821-41 be received and the recommendations, as amended above, adopted.

Carried

Cncl-0921-77 **Environment Committee** -

The Mayor/Cllr Hope:

That the Committee report contained within Minute Nos. Env-0821-42 to Env-0821-61 be received and the recommendations adopted.

Carried

Cncl-0921-78 **Planning, Finance & Community Committee** -

Cllrs Peters/Sowman:

That the Committee report contained within Minute Nos. PF&C-0921-64 to PF&C-0921-72 be received and the recommendations adopted.

Carried

Cncl-0921-79 **Three Waters Reform** D050-007-001-01, W400-011-01

Members noted that the purpose of the report was to update Council on: the Government's 30 June and 15 July 2021 Three Waters Reform announcements; the specific data and modelling Council has received to date; the

implications of the revised Three Waters Reform Proposal for Council; and the next steps, including uncertainties.

Mr Wheeler reported that over the past four years the Government has been considering the issues and opportunities facing the system for regulating and managing the Three Waters - drinking water, wastewater and stormwater. The background was provided in Attachment 1 in the agenda report, including information on Taumata Arowai, which became a new Crown Entity in March 2021 and will become the dedicated water services regulator later this year.

It was further reported that the Government has concluded that the case for change to the three waters service delivery system has been made (for further information refer to Attachment 2 in the agenda report) and during June and July 2021 it released information and made announcements on the direction and form of Three Waters Reform, including proposed new Water Service Entities and their indicative boundaries, their governance arrangements and public ownership; individual Council projections based on the information supplied under a request for information process and used by the Water Industry Commission for Scotland (WICS) to model different entity combinations and options to make those projections; a package of investment (\$2.5 billion) for councils to invest in the future for local government, urban development, and the wellbeing of communities with the aim of ensuring no council is worse off as a result of the reforms, and funding support for transition to the new entities; and an eight-week process for councils to understand the implications of the reform announcements, ask questions and propose solutions, and for Government to work with councils and mana whenua on key aspects of the reform (including governance, integrated planning and the community's voice).

Members noted that part of Marlborough District Council's area (north and west of the Ngāi Tahu takiwā boundary) has been placed in Entity C and the south eastern remainder is being considered for placement in Entity D (part of Ngāi Tahu's takiwā). We await the Government's final decision on this uncertain southern area.

The report provided Council with staff's analysis of the information provided and assessed the Government's proposal. In preparing it, officers used the Local Government New Zealand, Taituarā and Te Tari Taiwhenua Internal Affairs guidance to assist Council to understand the information that has been provided to date, and enable Council to prepare for future decisions, consultation and engagement with communities. The Council-specific information has been assessed by staff who have applied lower productivity, capital growth and efficiency assumptions to the WICS assessment model. Staff have then adjusted the resulting Three Waters delivery cost forecast for "opting in" to a new entity to make allowance for the recovery of stranded overheads.

The report covered in detail comment under the following options: Option A - Government proposal; Option B – Continued delivery of Three Water services by Council; Option C - Delivery of Three Water services by Council at a higher level of service and investment; Option D - Regional aggregation of Three Waters services in a Council Controlled Organisation (asset owning); and Option E – Delivery of Three Waters services by a Council Controlled Organisation (non-asset owning) under contract.

The report also covered in detail comment under the following headings: Background (Government's June and July 2021 announcements and information releases; Council specific information and analysis; Capital Expenditure; Balance Sheet and operating costs if "opt in"; Castalia advice on water reform to Whangarei District Council; Council's options if an "opt out" decision is made; Transition; Council decision making and consultation; and Information that the Council requires or potential solutions to outstanding issues that it would like to convey to Government and LGNZ); Recommended Actions (Advantages of these actions; and Disadvantages); What are the issues if Council made a decision now? (Advantages; and Disadvantages); and the Next steps.

Attachments to the agenda were: **Attachment 1** - 2020 Background (including Taumata Arowai information and Indicative Reform Programme); **Attachment 2** - The Government's conclusion that the case for change has been made; **Attachment 3** - DIA two-page summary; **Attachment 4** - Funding to invest in the future of local government and community wellbeing; **Attachment 5** - Staff financial analysis of WICS modelling; **Attachment 6** - Forecast Statement of Financial Position; **Attachment 7** - LGNZ Magazine – Risks and opportunities from amalgamation in our water sector; and **Attachment 8** – Transition.

A powerpoint presentation was also given (filed in CM No. 21206473).

Cirs Hope/Peters:

1. **That Council note the contents of this report and the Government's case for change in the delivery of Three Waters services.**
2. **That the Mayor writes to the Minister of Local Government proposing a pause in the Three Waters timeline to enable:**
 - a. **Consideration of the Future of Local Government Review in conjunction with the proposed Three Waters review recommendations.**

- b. More detailed work to quantify individual council's net benefit analysis from the Water Service entity proposals.
 - c. Greater clarity to be provided on the proposed Water Entities governance arrangements and in particular the influence that individual councils will have on capital programme prioritisation.
 - d. Government to undertake an extensive programme of public education in relation to the proposed reforms.
 - e. Resolution of the following issues:
 - The final boundaries
 - Protections from privatisation
 - Consultation with mana whenua and communities
 - How will the community's voice be heard and what influence will local authorities have (and what can the community realistically expect the Council to influence particularly if it is not on the Regional Representation Group)
 - Representation from and on behalf of mana whenua
 - Integration with other local government reform processes
 - Integration with spatial and local planning processes and growth
 - Prioritisation of investment
 - Workforce and capability – Council struggles now to have enough of the right people to deliver Three Waters and we need to retain our people through the transition
 - What will a Government bill cover and will the reform will be mandatory?
 - Does the Government bill confirm that new entities will take over all Council responsibilities required under the Water Services Bill?
 - Conditions associated with the Government's package of funding for local government
 - Detail about the economic regulator and the confidence Council can have that pricing across Entity C will over time be standardised to achieve the savings forecast
 - Transition arrangements, including our own workforce challenges (without transition challenges on top) and due diligence for asset transfers, etc
3. That the Mayor formally advises the Minister that Council's preferred entity, should it opt in to a new water service entity is Entity C based on the future more favourable cost projections compared to Entity D with the boundary between Entities C and D to be Council's existing southern unitary authority boundary.
4. That the Council notes:
- a. That its policies and the Local Government Act 2002 require a special consultative process on a Long Term Plan variation proposal before any decision can be made to opt in/opt out of the Three Waters reform, so providing a community voice in these reforms, and
 - b. That a response from the Minister to the requests made in Resolution 2 and the boundary decision proposed in Resolution 3 should be considered before the special consultative process proceeds, and
 - c. Council reserves its position in relation to the 'opt in/opt out' option.

Carried

Cncl-0921-80 Decision to Conduct Business with the Public Excluded

Cllrs Peters/Andrews:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Confirmation of Public Excluded Minutes
- Committee Reports (Public Excluded Sections)
- Land Exchange

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Minutes and Committee Reports	As set out in the Minutes	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
Land Exchange	To enable the Council, as holder of the information, to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) provided for under Section 7(2)(i)	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.

Carried

The meeting closed at 11.43 am.

Confirmed this 28th day of October 2021

J C LEGGETT
MAYOR

Record No. 21206545