



# ORDINARY MEETING OF COUNCIL

## Open Minutes Attachments

---

Meeting Date: Thursday 7 May 2026

---

Time: 9.30am – 11.37am

---

Venue: Chapman Room  
Level 1, Chapman Pavilion  
McLean Park  
Latham Street  
Napier

---

### TABLE OF CONTENTS

<b>Item 3</b>	<b>Urban Waterways Transfer of Operations</b>
Attachment 1	Urban Waterways Transfer presentation .....2

# Napier Urban Waterways Transfer

## *7<sup>th</sup> May 2026*



# Decision

- **Approve** the transfer of management of the Hawkes Bay Regional Council assets within the Napier urban waterway stormwater network to Napier City Council.
- **Endorse** the action plan for the transfer of ownership of the Napier Urban Waterways assets, from Hawkes Bay Regional Council into the Napier City Council asset register, as part of the establishment of a Regional Water Organisation.
- **Note** the significance of the report and the need for a joint community engagement process with Napier City and Hawkes Bay Regional Council with respect to the proposed ownership transfer

# Current Issues

Funding challenges

Misaligned levels of service

Multiple points of accountability

Competing priorities

Emergency response coordination

Inefficient processes for minor capital works

Operation as separate networks

# Benefits

## Of NCC/WSCCO taking ownership

Clarity and Purpose

Control and Accountability

Strategic Future Control

Economies of Scale

# Pathway



# Decision

- **Approve** the transfer of management of the Hawkes Bay Regional Council assets within the Napier urban waterway stormwater network to Napier City Council.
- **Endorse** the action plan for the transfer of ownership of the Napier Urban Waterways assets, from Hawkes Bay Regional Council into the Napier City Council asset register, as part of the establishment of a Regional Water Organisation.
- **Note** the significance of the report and the need for a joint community engagement process with Napier City and Hawkes Bay Regional Council with respect to the proposed ownership transfer



# Supporting Slides

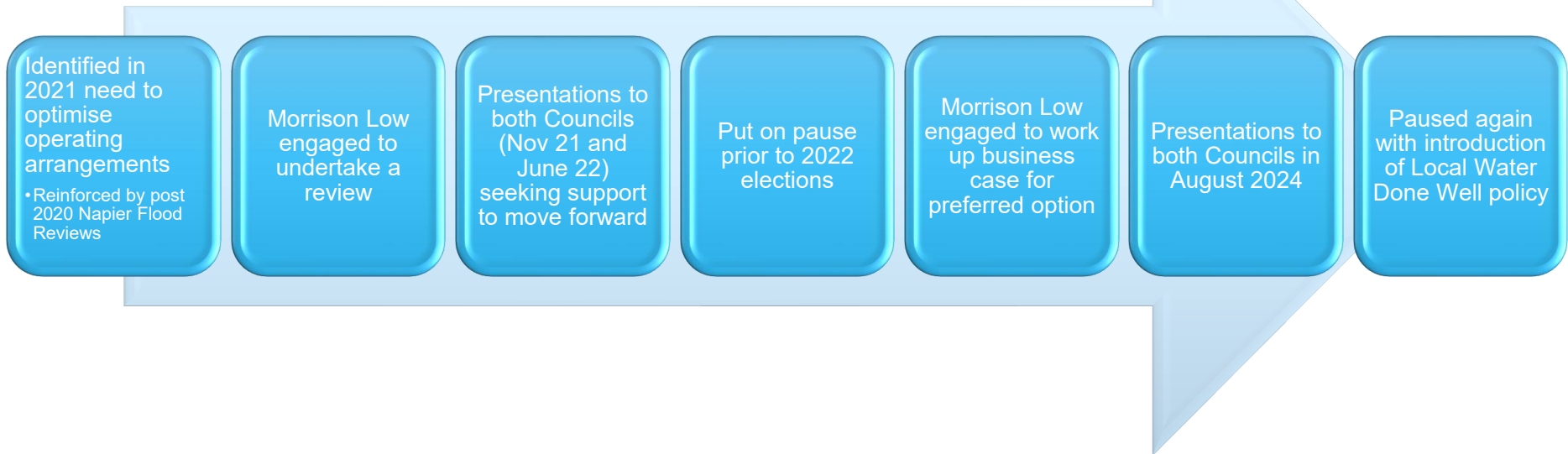


# Background

- HBRC and NCC own a widespread open drainage network that covers most of the Napier Urban environment
- HBRC and NCC meet regularly to co-ordinate stormwater activities at a Strategic and Operational level, and more recently to develop a single delivery plan.
- The network includes pump stations, detention dams, flood gates, and culverts, as well as open drains
- Maintenance and operation of the drains is carried out by both HBRC and NCC
- The drains were originally designed to provide land drainage to rural environments
- They now form a critical part of NCC's stormwater network
- The current arrangement was determined in the last reform of local government in 1989



# Business Case Journey





# Risks

## Of not taking action

Eroding Confidence in Local Government

Heightened flood risk

Continued Confusion

# Interim Arrangement – Next 12 Months

## During Management Period

HBRC continue to hold consents and compliance risk

HBRC continue to hold Insurance on assets

HBRC responsible for unplanned renewals in response to failure

HBRC to transfer operation budget to NCC. HBRC's holds financial responsibility for any reactive maintenance outside of budget

HBRC responsible for any major capital through to commissioning and hand over

# Risks

## Risks of NCC taking ownership

Political Risk

Increased Cost to community (Stranded Overheads)

Resourcing

# Financial Implications- preferred option

\$1.25m	Operational Expenditure funded mainly by targeted rate (\$1.05m)
\$900k +	Targeted Rates to Transfer
\$40/property	Average increase in NCC stormwater rate (if incorporated within that rate)
\$10m	Reduction of HBRC targeted rate (average rate) Book Value of assets transferred
\$250k	Stranded overhead for HBRC – no anticipated increase in overheads or resourcing requirements for NCC



# Information transferred to date

HBRC's AM Plan

Maintenance Contract and schedule

Financial information, including rates take and proposed transfer

Asset Register

GIS layers with accompanying data

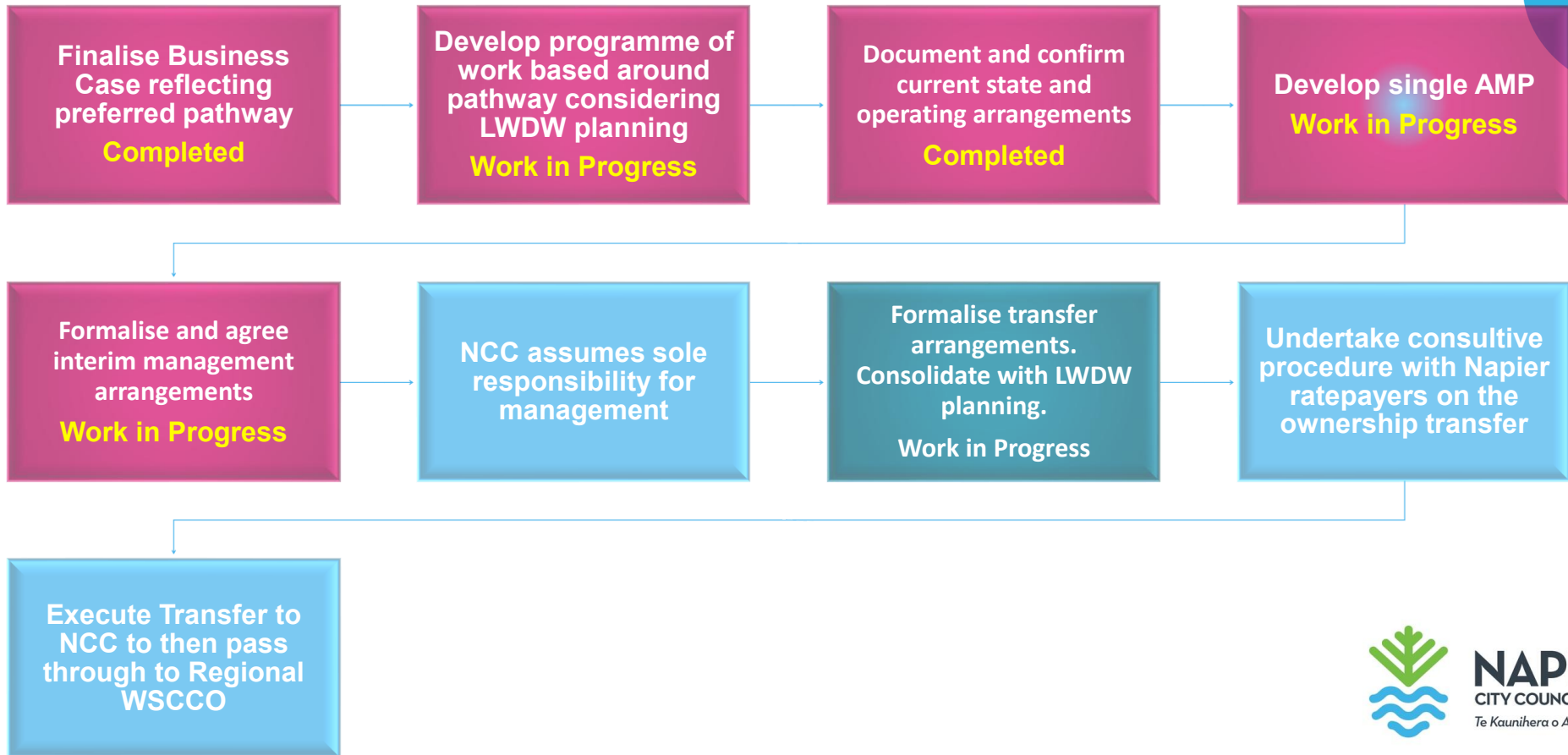
Confirmation of appropriate Resource Consents

Asset Inspection Records

Planned Renewal programme, including Combined Capital Investment Programme



# Programme for transfer



# Future Decisions

7 May 2026 – NCC - Decision to operate and manage urban waterways  
- Endorse intent to receive ownership of assets

27 May 2026 – HBRC - Approve decision for HBRC to out source operation and Management to NCC  
- Endorse intent to transfer ownership of assets

Sep/Oct 2026 - NCC & HBRC agree to consultation under section 83 of the LGA on ownership transfer

Oct-Nov 2026 – NCC and HBRC hold separate Hearings and resolve to transfer/receive (or not) ownership of urban waterways

Oct/Nov 2026 – NCC - Decision to pass through to the Regional WSCCO on 1 July 2027

# Ownership and financials

Pump Station	Ownership			Capital Costs		O&M Costs		NCC O&M Responsibility
	NCC (3Waters)	HBRC	Private	NCC (3Waters)	HBRC	NCC (3Waters)	HBRC	
County Drain New*	✓?	✓?			✓		✓	
County Drain Old*	✓?	✓?		✓	✓	✓	✓	✓ electrical
Dalton Street	✓			✓		✓		✓
Georges Drive (Kennedy Road)	✓			✓		✓		✓
Plantation		✓			✓		✓	✓ electrical
Purimu	✓			✓		✓	✓	✓
Railway (Balmoral)	✓			✓		✓		✓
Sale Street	✓			✓		✓		✓
Onehunga	✓			✓		✓		✓
Cross Country Drain	✓			✓		✓		✓
Brookfield		✓					✓	
Kenny		✓					✓	
Mission		✓					✓	
Landcorp			✓					
Airport			✓					
Laggon Farm (NCC Business Unit)			✓					
Burness Road Underpass			✓					✓
Waverley		✓					✓	