CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Supplementary Council Agenda

Thursday, 29 October 2026

9.30 am

28-32 Ruataniwha Street, Waipawa

Live-streamed on YouTube, link via council website

Order of Business | Rārangi o ngā Kaupapa

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7 LATE OR SUPPLEMENTARY REPORTS | DECISION

Report Title: **7.1 Pourerere Water Supply**

Author (s): **Ben Swinburne (Director Land Transport and Water Services)**

Authoriser: **Ross McLeod, Chief Executive**

PURPOSE | TE PŪTAKE

1. To seek approval from the Council to consult with the community on options to address the non-compliant drinking water supply at the Pourerere Beach Campground. The preferred pathway is transfer to the campground operator under the small water service provisions of the Local Government (Water Services) Act 2025. If transfer cannot be achieved, Council would consider ceasing the supply.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Receives the report.**
2. **Endorses consultation with the community on the future of the Pourerere Beach Campground drinking water supply, with the preferred pathway being transfer of the supply to Pourerere Beach Camp Limited, subject to the statutory assessments, consultation and binding referendum required by the Local Government (Water Services) Act 2025, and, if transfer cannot be achieved, the alternative of Council ceasing the supply.**
3. **Notes that under either pathway Central Hawke's Bay District Council would cease to be the drinking water supplier to the Pourerere Beach Campground.**
4. **Approves the proposed consultation approach as an initial engagement step, noting that it does not replace the statutory disclosure and binding referendum required before a transfer can proceed.**
5. **Directs officers to complete and publish the required statutory assessments and the regulator's views.**
6. **Requests officers to report back to Council the community feedback from the consultation.**
7. **Notes that a final decision will be made by Council on whether to undertake the required binding referendum.**

EXECUTIVE SUMMARY | WHAKARĀPOPOTO MATUA

2. Central Hawke's Bay District Council is the registered drinking water supplier for the Pourerere Beach Campground. There are 29 sites, comprising 25 long-term sites and 4 casual sites.
3. The supply as historically operated does not currently comply with the Drinking Water Quality Assurance Rules made under the Water Services Act 2021. In that context, Council has commenced tankering water to Pourerere on an interim measure to ensure safe and compliant drinking water.
4. An initial technical options report identified four options available to Council to address this non-compliance:

- transferring the water supply responsibility to the campground operator,
- ceasing the supply,
- tankering water to the site on a long-term basis, or
- upgrading the infrastructure.

5. As noted above, Council has been tankering potable water to the campground since May 2026 as an interim water safety measure.

6. This report follows Council's June 2026 direction to progress work on a consultation approach, and to confirm the preferred option of either transferring or ceasing the supply through engagement with the campground directors.

7. Officers subsequently commissioned and completed a separate transfer feasibility assessment. This assessment considers how a transfer could operate in practice and informs the statutory, legal, regulatory and consultation work still required before a final decision.

8. This report seeks approval to consult with the community to test whether it is practicable and acceptable to transfer the drinking water supply from Council, understand the effects on the community, and provide information for Council to make a final decision.

BACKGROUND | KUPU WHAKAMAHUKI

9. Central Hawke's Bay District Council has been registered drinking water supplier to the Pourerere Beach Campground since at least 1998.

10. The campground is currently operating on a month-to-month lease, and has 29 sites, of these 25 are long-term and 4 are casual. During peak times, up to 75 people occupy the campground.

11. The water supply draws from a small spring on an adjacent farm property. The registered supply does not have protozoal treatment, disinfection or telemetry and most of the reticulation is shallow or above-ground alkathene pipework.

12. The taps at the campground are all labelled as non-potable, however this does not remove the risk the water may be consumed, nor has Council confirmed the full extent of informal or other connections associated with this supply.

13. Council began tankering potable water to the site in May 2026 as an interim response to mitigate the risk of regulatory non-compliance and public health issues associated with the supply. This followed discussion and advice from the drinking water regulator Taumata Arowai.

14. An initial technical options report presented to Council on 4 June 2026 assessed four options; upgrading the supply, long-term tankering, transferring the supply, or ceasing it.

15. Council directed officers to do further work on the option of Council no longer supplying water to the campground. The preferred pathway is to transfer responsibility for the supply to the campground operator. If the operator is unable or chooses not to take on that responsibility, Council would then consider ceasing the supply to the campground. The work required to upgrade the supply was considered cost-prohibitive given the small 'catchment' for the supply.

16. Following that direction, officers completed a separate transfer feasibility assessment and shared it with Pourerere Beach Camp Limited. The assessment considers the practical transfer arrangement, including treatment, assets, source access, connections, operating requirements

and likely costs. It does not replace the statutory assessments, legal advice, public disclosure, consultation or referendum required under the Local Government (Water Services) Act 2025.

DISCUSSION | MATAPAKINGA

17. The drinking water supply to the campground cannot remain as it has been operated historically. A permanent solution is needed to ensure people at the Pourerere Beach Campground are not exposed to an unsafe drinking water supply.

18. A permanent response needs to address drinking water compliance, responsibility for the supply, affordability and the practical consequences for the campground and any other affected users.

19. The initial technical options report identified four options. Following Council's direction, the later transfer feasibility assessment examined the preferred transfer pathway in more detail. Transferring or ceasing the supply remain the two options considered most practical and affordable over the long term.

20. The Council considered upgrading the supply. However, the capital and operational costs associated with a compliant upgrade were not considered affordable for the campground or its users.

21. A transfer may proceed under the Local Government (Water Services) Act 2025 only if the supply qualifies as a small water service and the receiving entity represents the community for which the service is operated. Officers' initial view is that, subject to legal advice, this supply, and Pourerere Beach Camp Limited meet both of these requirements.

22. Before transfer can occur, Council must prepare a draft management plan, assess future capital and operating costs, assess the receiving entity's ability to operate the service satisfactorily, consult Taumata Arowai or the Medical Officer of Health, and publicly disclose that material and the regulator's views.

23. Transfer would also require approval by more than 50% of votes cast in a binding referendum. Those entitled to vote are the residential and ratepayer electors associated with properties serviced by the water service, as determined under the Local Electoral Act 2001. Officers must confirm the serviced properties (including the status of informal collections), affected connections and electoral roll before the referendum.

24. If transfer is not lawful or feasible, the receiving entity does not agree, or the referendum does not achieve the required majority, cessation remains the alternative contemplated by Council's June resolution. Cessation has its own statutory requirements and would require clear transition arrangements because the Camping-Grounds Regulations 1985 require a potable water supply for campground operation.

25. Tankering was only put in place as interim risk control. It provides compliant potable water while Council completes the decision process, but it leaves Council with an ongoing cost and operational responsibility without resolving the underlying supply issue.

STRATEGIES AND POLICIES | NGĀ RAUTAKI ME NGĀ KAUPAPAHERE

26. This report aligns with Council's Asset Management Policy, adopted in August 2026. Under the principle of Safety, Risk and Service Continuity, the Policy states that safety is a key priority and must not be compromised in the planning, delivery, operation or maintenance of Council assets.

27. The supply as historically operated poses a public health risk that Council cannot manage effectively without significant investment. The recommended approach puts community safety first by ensuring Council does not continue to operate a supply that cannot reliably provide safe drinking water.

28. It is also consistent with the Policy's recognition that Council cannot afford to maintain current levels of service across all assets.

29. The proposed approach is also consistent with the direction established through Council's June 2026 consideration of the Pourerere water supply, and with the Reserve Management Plan approach of considering water, wastewater and coastal erosion issues when determining the future of the campground lease.

SIGNIFICANCE AND ENGAGEMENT | TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI

30. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of medium significance.

31. The proposal affects a registered drinking water supply, the future operating arrangements of the campground and potentially other informally connected users. It is also a matter of established community interest. Because the present decision is to consult rather than to implement transfer or cessation, the immediate effect of this decision is reduced. Significance will be reassessed before Council makes a final decision on transfer or cessation.

MĀORI ENGAGEMENT | TE KŌRERO TAHI ME TE MĀORI

32. Mana whenua engagement will form part of the consultation process before a final recommendation is made. Earlier work in Pourerere recognised the need to understand mana whenua aspirations for the area.

COMMUNICATION AND ENGAGEMENT | TE WHAKAPĀPĀTANGA

33. Subject to Committee approval, officers will undertake consultation with the community through the Social Pinpoint page. The consultation will provide information on all of the assessed options and highlight the preferred option of transferring responsibility to the campground operator, with the alternative of cessation.

34. The proposed community consultation is an early engagement step. For a transfer, Council must subsequently undertake a binding referendum. The referendum would include residential and ratepayer electors associated with properties serviced by this water service, once the serviced area and eligible electors have been confirmed.

35. Consultation material will clearly explain why the current arrangement cannot continue, and what each option would mean for the campground, connected users and ratepayers. It will also explain the statutory transfer process, including assessments, public disclosure and the binding referendum.

36. There will be collateral on Council's website, social platforms, and information provided to elected members to support them talking to the public.

OPTIONS | KŌWHIRINGA

37. The options for consideration are:

Option	Estimated cost	Funding and approximate impact	Campground	Upstream connections
1A. Transfer the supply (preferred)	About $25,000 one-off for Council (process costs).	One-off cost to the general rate; very small impact.	Could continue if the operator runs a compliant supply.	Dependant on new operator, high likelihood of disconnection.
1B. Cease the supply	About $25,000 one-off for Council (process costs).	One-off cost to the general rate; very small impact.	Could not operate in its current form without another compliant water source.	Would lose access to water.
2. Upgrade the supply	$420,000 capital $25,000 per year operating costs.	Through the campground lease: about $60,000 per year increase in rent, or Through the general rate: about $39 per year for a $600,000 property.	Could continue operating.	May not be supplied, depending on design.
3. Tanker water long term	$40,000 capital and $40,000 per year operating.	Through the campground lease: about $45,000 per year increase in rent, or Through the general rate: about $6 per year for a $600,000 property.	Could continue operating.	Likely to be disconnected.

OPTION 1A & B: Council stops supplying the campground's drinking water and transfers responsibility to the campground operator. If this is not able to happen, Council ceases supply altogether to the campground (Recommended).

38. Under Option 1, Council would no longer be the drinking water supplier for the Pourerere Beach Campground. This could happen through one of two pathways, depending on discussions with the campground operator:

    - transferring responsibility for the supply to the campground operator (Option 1A, the preferred pathway) or, if that cannot be achieved,
    - ceasing the supply entirely (Option 1B).

39. Under the Camping-Grounds Regulations 1985 a camping ground must have a potable water supply, so if the supply is ceased and no alternative compliant source is secured, the campground could not continue to operate in its current form.

Pros	Cons

• Most clearly reduces Council's ongoing regulatory and liability exposure. • Provides a clear long-term position. • Removes Council's responsibility for the public health risk associated with the supply, including the informal upstream connections. • Is the only option likely to be manageable within Council's current planning and budgetary assumptions for 2026/27.	• Under Option 1B, the campground could not continue operating in its current form unless the operator found an alternative compliant water source. • Under Option 1A, the campground operator would take on the cost of compliance, which may affect site fees and the campground's viability. • Properties with informal connections would lose access to water, which may not meet community expectations. • May cause concern in the community, given the campground's social value to Pourerere. • Requires a statutory process, consultation, binding referendum and further Council decisions before it can be put into effect.

OPTION 2: Council upgrades the infrastructure for the drinking water supply, ensuring it is compliant with water standards

40. Council would build and operate a treatment system able to meet drinking water standards. Based on the technical advice, this would likely include water softening, cartridge filtration and validated ultraviolet (UV) treatment, together with power and communications upgrades, monitoring equipment and land access for the works.

41. An upgrade would not be a one-off construction project. It would also bring an ongoing compliance obligation, including source and treated water monitoring, backflow prevention, emergency planning, trained operators, record keeping and a drinking water safety plan.

Pros	**Cons**
• Provides a compliant supply that would allow the campground to continue operating in its current form. • Gives Council the greatest control over the quality and operation of the supply.	• Has the highest cost, at an estimated $420,000 to build and $25,000 a year to operate. • Leaves Council responsible for a small, complex, seasonal supply. • Treatment would likely be installed at the campground tanks, so any informal connections upstream would remain untreated and a continued risk or would need to be disconnected. • There is no clear acceptable way to fund it. Funding through the lease would add about $60,000 a year to the campground's rent, and the campground directors have advised this is unaffordable. Funding through the general rate would mean

Pros	Cons
	district ratepayers subsidising a supply that serves a single leased site.

OPTION 3: Tankering potable water to the campgrounds (STATUS QUO)

42. Council would continue the current interim arrangement of tankering potable water to the site, on a permanent basis. To make this workable, Council would need to invest in extra storage, telemetry, alarms and stored-water monitoring, and would likely need to add chlorine on site.

Pros	Cons
• Protects public health and can meet drinking water requirements. • Avoids the large upfront cost of building a treatment plant.	• Has a high ongoing cost, estimated at $40,000 a year, plus about $40,000 for supporting infrastructure. • Is difficult to manage and forecast, because demand is very high in summer and very low in winter. • Still requires a full compliance framework, including monitoring, operator capability, record keeping and a drinking water safety plan. • Does not address the informal upstream connections, which would likely be disconnected. • There is no clear acceptable way to fund it. Funding through the lease would add about $45,000 a year to the campground's rent.

FINANCIAL AND ORGANISATIONAL CONSIDERATIONS | ARONGA PŪTEA

43. The options have differing costs.

44. Upgrading the infrastructure, including building a small treatment system would cost approximately $420,000 capital plus $25,000 annual operating cost.

45. If Council continued with the status quo of tankering potable water to the site, it would cost approximately $40,000 capital plus $40,000 annual operating cost.

46. The cost of transfer is not yet fully defined, but it is expected to have the lowest overall cost to Council (estimated at about $25,000 in one-off process costs), with no ongoing annual operating cost. This includes legal, regulatory, asset transfer and transition costs.

RISKS | TURARU

47. In line with Council's Risk Management Framework this matter has been assessed as having a high level of residual risk until a compliant long-term arrangement is implemented. Key risks are:

    - public health and regulatory non-compliance while Council remains the registered supplier;
    - failure to reach a workable transfer agreement;
    - unidentified connections or affected users;
    - insufficient source capacity, particularly over summer;
    - cost or liability being transferred without adequate clarity; and
    - the transfer of water services to the Hawke's Bay Water Services Council Controlled Organisation from 1 July 2027 occurring before this matter is resolved.

48. The current controls are tankering potable water in the interim, signage, regular engagement with the regulator and Pourerere Beach Camp Limited, and use of the completed transfer feasibility assessment to inform the next statutory and legal steps.

LEGAL CONSIDERATIONS | ARONGA TURE

49. There are legal implications associated with this report. The Water Services Act 2021 requires Council, as the registered drinking water supplier, to supply safe drinking water and to comply with the drinking water standards and the Drinking Water Quality Assurance Rules administered by Taumata Arowai.

50. The Camping-Grounds Regulations 1985, made under the Health Act 1956, require a camping ground to have a potable water supply, meaning water that is safe to drink and complies with the drinking water standards. The Regulations require water to be reticulated to taps within 25 metres of every camp site.

51. The Local Government (Water Services) Act 2025 provides a specific pathway to transfer or close a small water service. For transfer, the service must meet the Act's small-service threshold of 200 or fewer people and the recipient must be an entity representing the community for which the service is operated.

52. Before transfer, Council must prepare a draft management plan, assess the recipient's likely future capital and operating costs and ability to operate the service satisfactorily, consult Taumata Arowai or the Medical Officer of Health, and make the assessments and regulator's views publicly available. Transfer then requires more than 50% of votes cast in a binding referendum. Eligible voters are the residential and ratepayer electors associated with properties serviced by the water service. Officers will need to confirm the serviced properties and electoral roll.

53. Legal advice is still required to confirm that Pourerere Beach Camp Limited meets the statutory recipient test, the scope of the water service and eligible electors, the transfer instrument and asset arrangements, and the separate process that would apply to cessation.

54. This matter also needs to be considered in the context of the transfer of Council's water services to the Hawke's Bay Water Services Council Controlled Organisation from 1 July 2027. If Council remains the registered supplier at that date, officers will need to confirm with the water organisation whether this supply forms part of the services that transfer. Council would not want to have to remain capability to continue to operate water supplies of this nature.

RECOMMENDED OPTION | TŪTOHUNGA

55. This report recommends Option 1A, transfer to the campground operator, as the preferred pathway, with Option 1B, to cease the supply, as the alternative if transfer cannot lawfully or practically proceed or does not receive the required referendum support.

56. Option 1A is recommended as the preferred pathway because it would allow the campground to continue operating, while removing the cost to ratepayers and the operational burden on Council's water services team of keeping a small, geographically remote supply compliant.

57. Transfer should proceed to final approval only if the statutory eligibility tests, completed transfer feasibility assessment, draft management plan, cost and capability assessments, regulator consultation, public disclosure, legal arrangements and binding referendum requirements are all satisfied. If they are not, ceasing the supply remains an option for final Council consideration.

DELEGATIONS OR AUTHORITY | MANA TUKU

58. Council has the delegated authority to approve this matter proceeding to consultation. Council's June 2026 resolution requires a further Council decision before any transfer or cessation of the supply is implemented.

NEXT STEPS | NGĀ MAHI Ā MURI

59. Officers will undertake the following:

- Confirm regulatory and legal process, including requirements for a change of supplier or ceasing the supply.
- Undertake consultation with the community, highlighting Option 1A as the preferred option and Option 1B as the alternative. Explain the statutory steps required for transferring responsibility for the supply.
- Continue discussions with the campground operator.
- Confirm the properties serviced by the supply and the residential and ratepayer electors eligible to participate in the binding referendum.
- Finalise and publish the draft management plan, capital and operating cost assessment, recipient capability assessment, and the views of Taumata Arowai or the Medical Officer of Health.
- Report consultation feedback and seek approval to conduct a binding referendum under the Local Electoral Act 2001.
- Conduct a binding referendum under the Local Electoral Act 2001. Transfer requires more than 50% of votes cast to support the proposal.
- Subject to the binding referendum outcome, and other statutory tests, Council formally agree to transfer the supply and negotiate a transfer agreement.
- Continue potable water tankering and associated interim risk controls as required.

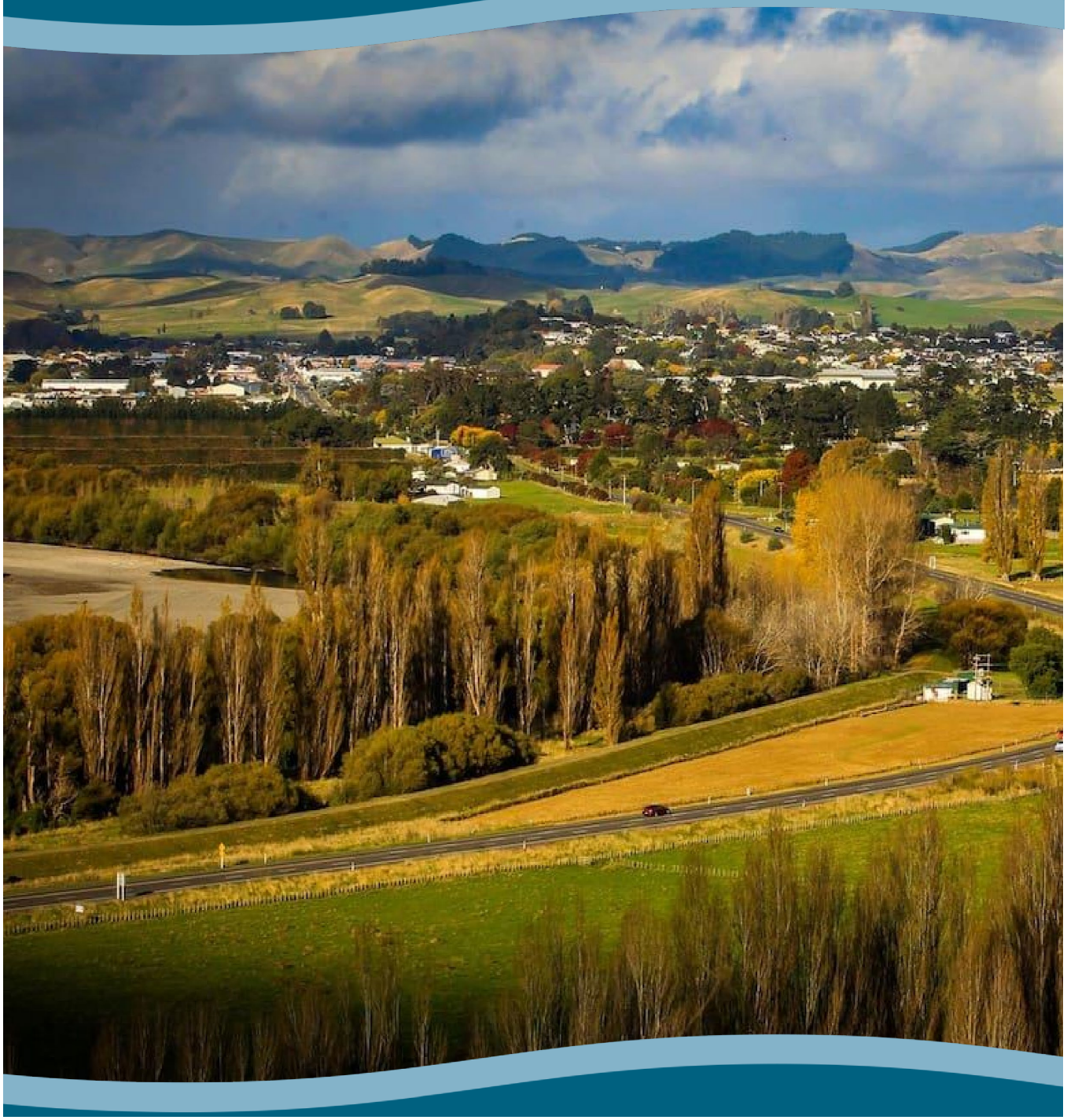
ATTACHMENTS | NGĀ TĀPIRIHANGA

1. Statement of Proposal - Pourerere Campground Drinking Water Supply [**7.1.1** - 11 pages]
2. Pourerere Water Supply - Editable Process Flowchart [**7.1.2** - 1 page]

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Statement of Proposal: Pourerere Campground Drinking Water Supply

Central Hawke's Bay District Council



Central Hawke's Bay District Council
Statement of Proposal: Pourerere Campground Drinking Water Supply

Prepared under Section 83 of the Local Government Act 2002

Adopted for consultation: [Date]
Consultation period: [Opening date] to [closing date]

1. Introduction

Central Hawke's Bay District Council (Council) is the registered drinking water supplier for the small water supply that serves the Pourerere Campground. The supply does not meet current drinking water requirements, and the drinking water regulator, Taumata Arowai, has confirmed that it cannot continue to operate as it is.

Council is proposing that it **stops being the supplier of this water supply**. Council's preferred way of doing this is to **transfer responsibility for the supply to the campground operator**, Pourerere Beach Camp Limited. If a transfer cannot be agreed, Council proposes to **cease the supply**.

This Statement of Proposal explains the problem, the options Council has considered, what each option would mean for the campground and the wider Pourerere community, and how you can give feedback. It has been prepared under sections 82 and 83 of the Local Government Act 2002.

The proposal at a glance

What is proposed?	Council stops being the drinking water supplier for the Pourerere Campground supply (Option 3).
Preferred pathway (Option 3A)	Transfer responsibility for the supply to Pourerere Beach Camp Limited, if the company agrees and can operate a compliant supply.
Alternative pathway (Option 3B)	If a transfer cannot be agreed, Council ceases the supply.
Why?	The supply is not compliant with the Water Services Act 2021. Bringing it up to standard, or tankering water long term, would be costly and complex for a small, seasonal supply in a coastal location.
What happens in the meantime?	Council continues to tanker treated water to the campground and manage the stored water while a decision is made.
Has a decision been made?	No. Council will consider all feedback before making a final decision. There are also a number of other statutory steps required before a transfer, ceasing the supply or upgrading the supply can proceed.
Consultation period	[Opening date] to [closing date]

What we would like your feedback on

- Whether you support Council no longer being the supplier of the Pourerere Campground water supply.

- Whether you support transferring the supply to the campground operator as the preferred pathway.
- Whether you support ceasing the supply if a transfer cannot be agreed.
- How the proposal would affect you, your whānau or your property, including whether you take water from this supply.

2. Background

2.1 The water supply

The supply draws water from a small spring on a neighbouring farm property. Water is carried to storage tanks above the campground, mostly through above-ground alkathene pipework, and then reticulated to:

- the main camp building (the Cook House), which contains toilets, showers, a kitchen and a laundry;
- taps at individual camp sites; and
- external public taps on the building and along the beachfront.

Although the supply is registered with Taumata Arowai, it has no protozoal treatment, disinfection or telemetry (remote monitoring). The spring also dwindles over summer, when demand is highest. Before the interim arrangements described in section 4, average use was about 1.8 cubic metres (1,800 litres) per day.

Council also believes there are likely to be informal connections to the pipeline upstream of the campground tanks. The full extent of these connections, and how the water is being used, is not known.

2.2 The campground

The campground is on reserve land administered by Council and has been leased to Pourerere Beach Camp Limited since 2013. The lease currently runs on a month-to-month basis.

- The campground has 29 sites: 25 long-term sites and 4 casual sites.
- Between 50 and 75 people stay at the campground at peak times, such as public holidays.
- The campground directors estimate that 50–60% of site holders are Central Hawke's Bay residents, and some families have held sites for generations.

The campground is a well-established part of the Pourerere beach community and is valued as a social and community hub. Council recognises that any change to the water supply could affect not only the campground business but also the wider community that uses it.

Under the Camping Grounds Regulations 1985, a camping ground must have a potable (drinkable) water supply, and water reticulated to taps within 25 metres of every camp site.

2.3 Other issues at Pourerere

The water supply is one of several challenges facing the campground:

- **Coastal erosion:** investigations into a seawall found it would be costly and its consenting uncertain. Community representatives have acknowledged that they cannot self-fund

protection, and that Council and Hawke's Bay Regional Council are not in a position to fund it. Council and the campground operator have agreed that seaward sites are not occupied during swell, surge or weather warnings.

- **Wastewater:** a new wastewater discharge consent has been granted by Hawke's Bay Regional Council.
- **Lease:** if the water and wastewater issues are resolved, a new lease could be granted in line with the reserve management plan, likely for a short term of up to 10 years.

2.4 How we got here

Date	Meeting	Outcome
25 March 2026	Council workshop	Update on erosion, water, wastewater, lease and stormwater at Pourerere. Three water supply options first presented.
23 April 2026	Planning and Investment Committee workshop	Risks, costs and options for the campground and its supply considered.
7 May 2026	Delivery and Performance Committee	Options refined. Councillors advised that tankering of treated water had begun at the direction of Taumata Arowai.
4 June 2026	Council meeting	Council directed officers to progress Option 3 (cease or transfer the supply), subject to statutory process, consultation and a further Council decision.
1 October 2026	Council workshop	Update on progress, interim arrangements and next steps.
[Date]	Council meeting	[Council adopted this Statement of Proposal for consultation.]

3. Why Council Is Proposing This Change

Under the Water Services Act 2021, a drinking water supplier must supply safe drinking water. Taumata Arowai has confirmed that, as the current supplier, Council holds this duty, and that the Pourerere Campground supply is non-compliant and cannot operate under its current conditions.

The campground taps are signed as non-potable. However, it is reasonable to assume that some people may still drink the water, so Council remains responsible, and liable, as the registered supplier.

Council commissioned independent technical advice and options from Beca. That advice confirmed the supply network is complex, with issues relating to source water risk, the condition and layout of the assets, treatment, and distribution. It also confirmed that the appropriate compliance pathway would be the Drinking Water Quality Assurance Rules, rather than an 'acceptable solution', which means significant changes would be needed.

This leaves Council with a wider question: whether it is reasonable and sustainable for Council to keep providing this service in the long term, given the cost, complexity and risk involved in supplying a small, seasonal supply in a coastal location whose long-term future is uncertain.

4. Interim Arrangements

To reduce the immediate public health risk, and following advice from Taumata Arowai, Council made the following changes in May 2026:

- The campground tanks were disconnected from the spring supply, cleaned and tested.
- The tanks are now filled with treated water tankered from Council's Waipukurau supply. This is the campground's only water source.
- Tankered water is tested on arrival to confirm chlorine levels, and the stored water is monitored and managed.
- 'Do not drink' and non-potable signage remains in place at all taps, including those at the ablution block, kitchen, laundry and beachfront.

Each tanker load costs about $800. Demand is expected to rise significantly over summer, and Council estimates around 40 loads will be needed, at a forecast cost of about $30,000. This has been allowed for in the 2026/27 Annual Plan.

Tankering is a short-term measure. It does not resolve who should be responsible for the supply in the long term, it does not address the informal upstream connections, and the condition of the network means chlorine in the stored water is used up quickly. These arrangements will continue until a final decision is made and put into effect.

5. Options Considered

Council has considered three broad options. Each has a different balance of compliance, cost, operational burden and community impact, and none is without disadvantages.

Summary of options

Option	Estimated cost	Funding and approximate impact	Campground	Upstream connections
1. Upgrade the supply	$420,000 capital $25,000 per year operating	Through the lease: about $60,000 per year increase in rent, or Through the general rate: about $39 per year for a $600,000 property	Could continue operating	May not be supplied, depending on design
2. Tanker water long term	$40,000 capital $40,000 per year operating	Through the lease: about $45,000 per year increase in rent, or Through the general rate: about $6 per year for a $600,000 property	Could continue operating	Likely to be disconnected

Option	Estimated cost	Funding and approximate impact	Campground	Upstream connections
3A. Transfer the supply (preferred)	About $25,000 one-off for Council (process costs)	One-off cost to the general rate; very small impact	Could continue if the operator runs a compliant supply	Likely to be disconnected
3B. Cease the supply	About $25,000 one-off for Council (process costs)	One-off cost to the general rate; very small impact	Could not operate in its current form without another compliant water source	Would lose access to water

Note: Rates and lease figures are approximate. They assume capital costs are loan-funded over 10 years, a shorter term than usual because of the coastal erosion risk. The cost estimates for Options 1 and 2 are preliminary and could increase (or decrease) once design and site investigations are completed.

5.1 Option 1 – Upgrade the supply

Council would build and operate a treatment system able to meet drinking water standards. Based on the technical advice, this would likely include water softening, cartridge filtration and validated ultraviolet (UV) treatment, together with power and communications upgrades, monitoring equipment and land access for the works.

An upgrade would not be a one-off construction project. It would also bring an ongoing compliance obligation, including source and treated water monitoring, backflow prevention, emergency planning, trained operators, record keeping and a drinking water safety plan.

Advantages

- Provides a compliant supply that would allow the campground to continue operating in its current form.
- Gives Council the greatest control over the quality and operation of the supply.

Disadvantages

- Has the highest cost, at an estimated $420,000 to build and $25,000 a year to operate.
- Leaves Council responsible for a small, complex, seasonal supply whose long-term viability is uncertain.
- Treatment would likely be installed at the campground tanks, so any informal connections upstream would remain untreated and a continuing risk, or would need to be disconnected.
- There is no clear acceptable way to fund it. Funding through the lease would add about $60,000 a year to the campground's rent, and the campground directors have advised this is unaffordable. Funding through the general rate would mean district ratepayers subsidising a supply that serves a single leased site.

5.2 Option 2 – Tanker water long term

Council would continue the current interim arrangement on a permanent basis, tankering treated water from Waipukurau or another compliant supply. To make this workable, Council would need to

invest in extra storage, telemetry, alarms and stored-water monitoring, and would likely need to add chlorine on site.

Advantages

- Protects public health and can meet drinking water requirements.
- Avoids the large upfront cost of building a treatment plant.

Disadvantages

- Has a high ongoing cost, estimated at $40,000 a year, plus about $40,000 for supporting infrastructure.
- Is difficult to manage and forecast, because demand is very high in summer and very low in winter.
- Still requires a full compliance framework, including monitoring, operator capability, record keeping and a drinking water safety plan.
- Does not address the informal upstream connections, which would likely be disconnected.
- There is no clear acceptable way to fund it. Funding through the lease would add about $45,000 a year to the campground's rent.

5.3 Option 3 – Council stops supplying the water (Preferred Option)

Under Option 3, Council would no longer be the drinking water supplier for the Pourerere Campground supply. This could happen in one of two ways. Which pathway applies depends on discussions with the campground operator.

Option 3A – Transfer the supply to the campground operator (preferred pathway)

Responsibility for the supply would be transferred to Pourerere Beach Camp Limited. The company would become responsible for providing safe drinking water to the campground, including meeting all compliance requirements and covering the associated costs and risks.

Council has shared information on the supply and the options with the campground directors, and discussions about a transfer are continuing. Council has also commissioned advice on how the supply could operate if responsibility were transferred, including whether it could operate as a 'downstream supply'. That advice will be provided to the directors to help them decide.

A number of matters would need to be worked through as part of a transfer, including:

- ownership of, and responsibility for, the existing assets (such as pipework and tanks);
- ongoing access to the spring on the neighbouring farm property;
- what happens to any informal connections upstream of the campground tanks; and
- any changes needed to the campground lease.

Transferring responsibility for the supply is a staged statutory process under the Local Government (Water Services) Act 2025.

First, Council must confirm, with legal advice, that the supply is a small water service (200 or fewer people) and that the company is an entity representing the community the service is operated for.

Council must also prepare a draft management plan and assess the company's likely future capital and operating costs and its ability to run the service. It must also consult Taumata Arowai or the Medical Officer of Health and publish the assessments and the regulator's views.

Officers will report consultation feedback to Council and seek approval to hold a binding referendum under the Local Electoral Act 2001. More than 50% of votes cast must support the transfer in order for it to proceed. If the referendum succeeds and all other statutory tests are met, Council would formally agree to the transfer and negotiate a transfer agreement.

Council will continue tankering water in the meantime. If the transfer can't lawfully or practically go ahead, or the referendum fails, ceasing the supply is the alternative for Council to consider.

Option 3B – Cease the supply

If a transfer cannot be agreed, Council would seek to cease the supply. Ceasing a water supply also requires a formal statutory process, which is summarised in section 8. It would include at least 30 days' notice under Taumata Arowai requirements.

Because camping grounds must have a potable water supply, the campground would not be able to continue operating in its current form unless the operator put an alternative compliant water source in place. Any informal connections to the pipeline would also lose access to water.

How Council will decide between Option 3A and Option 3B

Transfer is Council's preferred pathway, because it gives the campground the opportunity to continue operating. Option 3A will be pursued if the campground operator agrees to take on responsibility for the supply, can operate it in a way that meets the requirements of the Water Services Act, and a referendum on the option passes with greater than 50% of the votes in support.

If the operator does not wish to take on the supply, or a compliant arrangement cannot be reached, Council proposes Option 3B. Both pathways follow a similar statutory process, so this consultation covers both.

Advantages of Option 3

- Has the lowest whole-of-life cost for Council, at about $25,000 one-off to cover technical assessment, legal process and consultation.
- Most clearly reduces Council's ongoing regulatory and liability exposure.
- Provides a clear long-term position.
- Fully removes the public health risk associated with the informal upstream connections.
- Is the only option likely to be manageable within Council's current planning assumptions

Disadvantages of Option 3

- Under Option 3B, the campground could not continue operating in its current form unless the operator found an alternative compliant water source.
- Under Option 3A, the campground operator would take on the cost of compliance, which may affect site fees and the campground's viability.
- Properties with informal connections would lose access to water, which may not meet community expectations.
- May cause concern in the community, given the campground's social value to Pourerere.
- Requires a statutory process, consultation and further Council decisions before it can be put into effect.

6. Council's Preferred Option

Council's preferred option is **Option 3: that Council stops being the supplier of the Pourerere Campground water supply**, with transfer to the campground operator (Option 3A) as the preferred pathway and ceasing the supply (Option 3B) as the alternative if a transfer cannot be agreed.

Council considers this option the strongest on balance because it:

- most effectively reduces Council's regulatory and financial exposure;
- provides the clearest long-term position; and
- recognises that continued Council provision of this supply is difficult to justify given its cost, complexity and risk.

Council has not ruled out the other options and has not yet made a final decision. Council recognises the importance of the campground to the Pourerere community and wants to hear from the campground operator, site holders, mana whenua and the wider community before deciding.

7. Who Could Be Affected

- **Pourerere Beach Camp Limited,** as the campground operator and leaseholder.
- **Campground site holders and visitors,** including long-term site holders, many of whom are Central Hawke's Bay residents.
- **Properties with informal connections** to the pipeline upstream of the campground tanks.
- **The owner of the neighbouring farm property** where the spring is located.
- **Mana whenua.**
- **The wider Pourerere and Central Hawke's Bay community,** including people who use and value the campground.
- **District ratepayers,** who would fund some of the costs under Options 1 and 2 if those costs were met through the general rate.

8. Legal and Statutory Context

- **Water Services Act 2021:** while Council remains the supplier, it must continue to meet its duty to supply safe drinking water. Taumata Arowai requires a supplier that intends to cease a supply to give at least 30 days' notice.
- **Local Government Act 2002:** this proposal is being consulted on using the special consultative procedure (sections 82 and 83). The Act also sets out specific requirements before a local authority can close down, or transfer, a small water service. These are expected to include an assessment of the effects of the proposal and a referendum of the people who use the supply.
- **Significance and Engagement Policy:** under Council's Significance and Engagement Policy, this matter has been assessed as being of medium to high significance, because of the potential loss or reduction of an established community facility and the financial implications for ratepayers or campground users.
- **Camping Grounds Regulations 1985:** a camping ground must have a potable water supply reticulated to within 25 metres of every camp site.
- **Reserves Act 1977 and the campground lease:** if the campground were no longer viable as a result of a decision on the water supply, Council may need to consider separate processes relating to the reserve and the lease. These would be subject to their own decisions and engagement, and are not part of this proposal.

9. Engagement with Mana Whenua

Council recognises that mana whenua has an interest in decisions affecting Pourerere and the reserve. Engagement with mana whenua will form part of the decision-making process.

10. How You Can Have Your Say

Council is using the special consultative procedure under section 83 of the Local Government Act 2002. Submissions open on [date] and close at [time] on [date].

You can make a submission:

You can:

- Make a written submission; and
- Request to speak to your submission to council officers.

Details on how to submit will be available on Council's website and through public notices.

Questions to consider in your submission

- Do you support Council no longer being the supplier of the Pourerere Campground water supply? Why or why not?
- Do you support Council's preferred pathway of transferring the supply to the campground operator?
- If a transfer cannot be agreed, do you support Council ceasing the supply?

- Does your property take water from this supply? If so, how do you use it?
- Is there anything else you would like Council to consider?

Speaking to your submission

If you would like to speak to Council about your submission, please say so when you submit. Hearings are expected to be held on [date] at [venue].

Privacy

All submissions, including the submitter's name, will be made available to Council and may be published as part of the public record. Contact details and other personal information will be kept confidential. Please tell us in your submission if you have a particular reason for wanting your name withheld.

11. What Happens Next

After consultation closes, Council will consider all submissions before making a decision. The indicative timeline is:

Step	Indicative timing
Consultation opens	[Date]
Consultation closes	[Date]
Hearings	[Date]
Council considers submissions and makes a decision	[Date]
Any further statutory steps (for example, referendum and assessment of effects)	[Dates, subject to legal advice]
Notice given and the decision put into effect (if Option 3 is confirmed)	[Date, with at least 30 days' notice]

Council could decide to adopt the proposal, adopt it with changes, or decide on a different option. Tankering of treated water to the campground will continue, and the 'do not drink' signage will stay in place, until a final decision has been made and put into effect.

Pourerere Water Supply - Editable Process Flowchart

1. Identify the issue
The Pourerere Beach Campground water supply is non-compliant with drinking water standards.

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2. Assess the available options
Initial assessment considered transfer, cessation, long-term tankering, and infrastructure upgrade.

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3. Council direction and feasibility work
Council directs officers to investigate transfer as the preferred pathway, with cessation as the alternative. Officers complete the transfer feasibility assessment.

↓

4. Council approves consultation
Council approves early community consultation on the preferred transfer pathway and the alternative of ceasing supply.

↓

5. Consultation and statutory assessment
Engage with the community and campground operator. Confirm serviced properties and eligible electors. Complete the draft management plan, cost and capability assessments, legal review, and regulator consultation.

↓

6. Is transfer lawful, feasible and supported?
Consider consultation feedback, statutory eligibility, recipient agreement, legal arrangements, regulator views, and public disclosure requirements.

↓

YES - progress transfer pathway

7A. Binding referendum
Council seeks approval to conduct the binding referendum. Transfer requires more than 50% of votes cast to support the proposal.

↓

NO - consider cessation pathway

7B. Cessation process
If transfer cannot lawfully or practically proceed, Council considers ceasing the supply and establishes clear transition arrangements.

↓

8. Final Council decision and implementation
Transfer: formally approve and negotiate the transfer agreement if the referendum and all statutory tests are satisfied
Cessation: approve cessation and transition arrangements if transfer does not proceed.

Interim control throughout: continue potable water tankering and associated risk controls until a compliant long-term arrangement is implemented.